

# WYNDHAM

HOTELS & RESORTS

# Investor Presentation

October 25, 2022

Grandover Resort & Spa, a Wyndham Grand Hotel  
Greensboro, North Carolina, USA



# Introduction to Wyndham Hotels & Resorts

Largest  
hotel franchisor  
by hotels  
worldwide

Leading brands  
in the resilient  
select-service  
segment

Asset-light  
business model  
generating significant  
free cash flow

Primarily  
leisure-focused  
“drive to” portfolio  
of hotels

~9,100  
Hotels

~836,000  
Current Rooms

~212,000  
Rooms in the  
Pipeline

95+  
Countries

97M+  
Loyalty Members

23  
Brands

70%  
Leisure Guest Mix

~90%  
Drive to Destinations

1

# Q3 2022 Performance Recap

CLEAR INTENT & PRIORITIES TO  
DRIVE SHAREHOLDER VALUE

# Third Quarter 2022 Performance Recap

**+11%**

Global RevPAR vs. 2019;  
**+12%** vs. 2021 <sup>(a)</sup>

**+10%**

U.S. RevPAR vs. 2019;  
**+2%** vs. 2021

**+4%**

Net room  
growth YOY <sup>(b)</sup>

**+42%**

New deals  
signed YOY <sup>(c)</sup>

**+10%**

Global pipeline  
growth YOY

**\$191M**

Adjusted EBITDA <sup>(d)</sup>

**\$321M**

YTD free cash flow <sup>(e)</sup>;  
**61%** conversion rate

Data as of September 30, 2022. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.

(a) In constant currency.

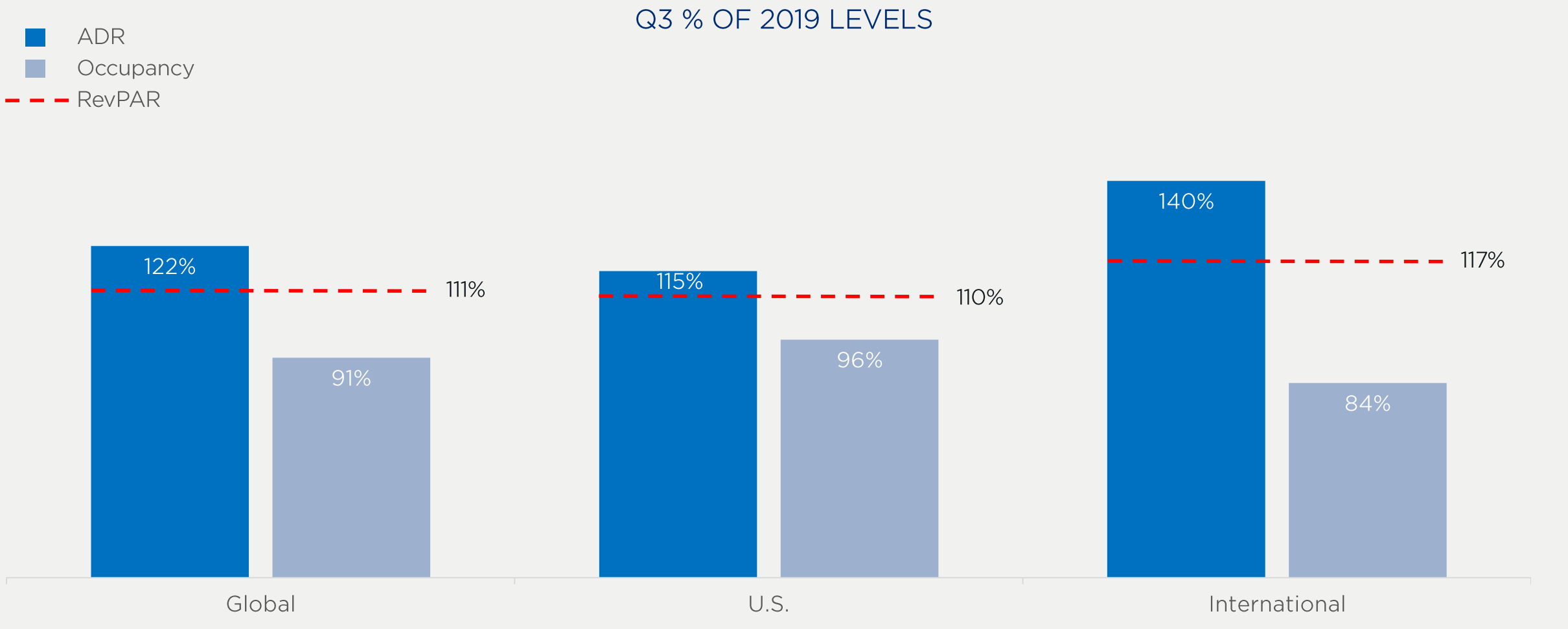
(b) Includes 80 basis points of growth from the acquisition of the Vienna House brand in September 2022.

(c) Includes 48 new construction projects for our new economy extended-stay brand.

(d) Net income for third quarter 2022 was \$101 million.

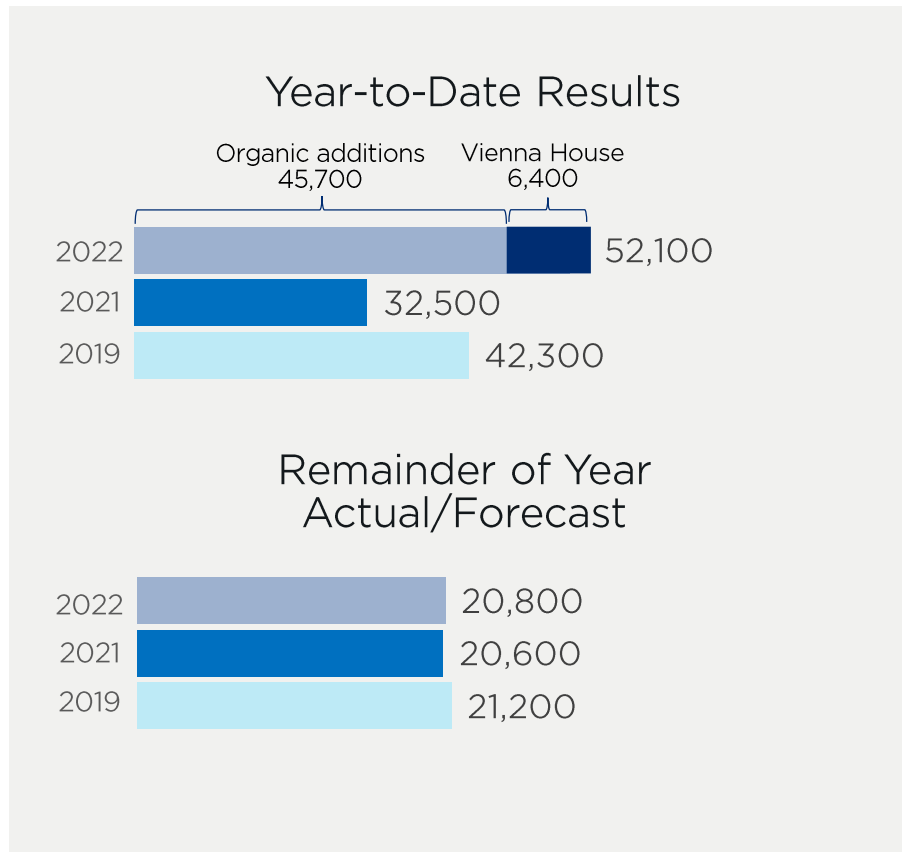
(e) Net cash from operating, investing and financing activities was \$349 million, \$190 million and (\$420 million), respectively.

# RevPAR Recovery Fueled by ADR Growth with Substantial Occupancy Opportunity

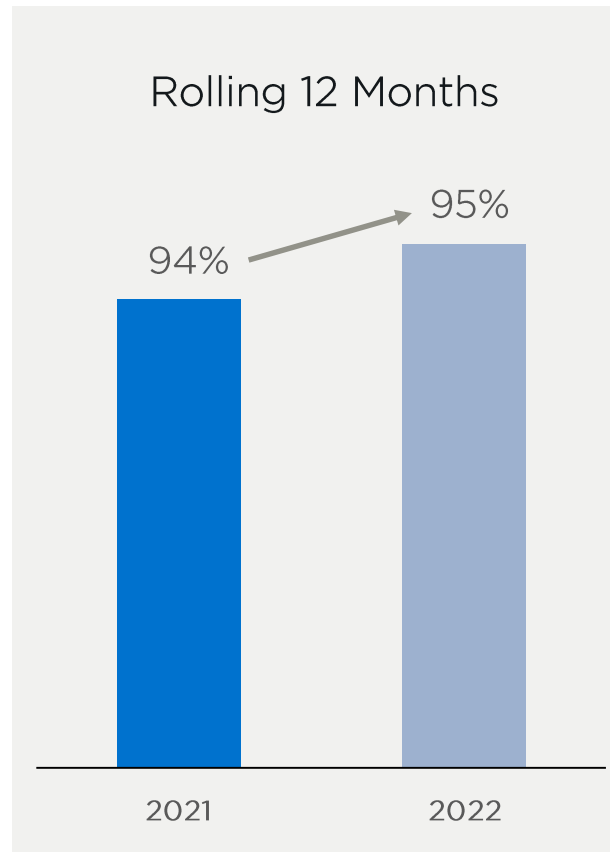


# Net Room Growth Tracking Ahead of Initial Expectations

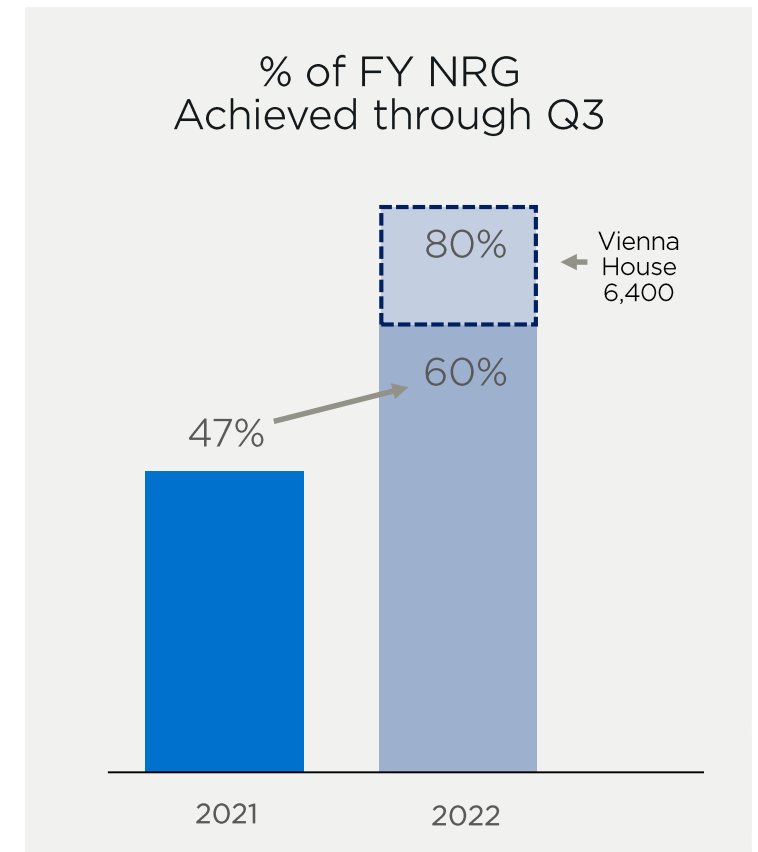
## ROOM ADDITIONS PACING WELL AHEAD OF 2019 LEVELS



## RETENTION TRENDING IN LINE WITH EXPECTATIONS



## NET ROOM GROWTH PACING AHEAD OF 2019



# Pipeline Climbs to a Record 212K Rooms

## TOTAL PIPELINE @ 9/30/22



9<sup>th</sup> consecutive quarter of sequential growth

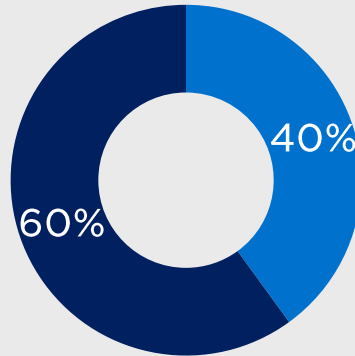


+1,010 bps vs. Q3'21 (YOY)  
+210 bps vs. Q2'22 (sequential)

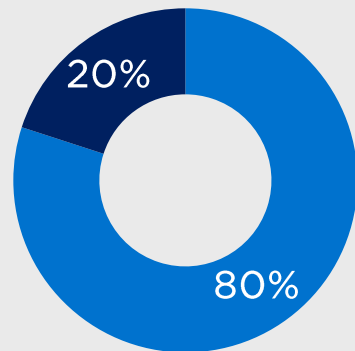
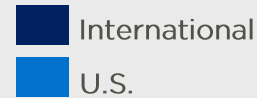


Covers nearly 60 countries, including 11 without pre-existing WH presence

## GLOBAL COMPOSITION

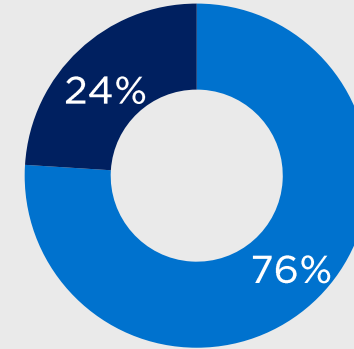


25% of current portfolio



36% in the ground

## SEGMENT MIX



+210bps  
YOY midscale+ growth



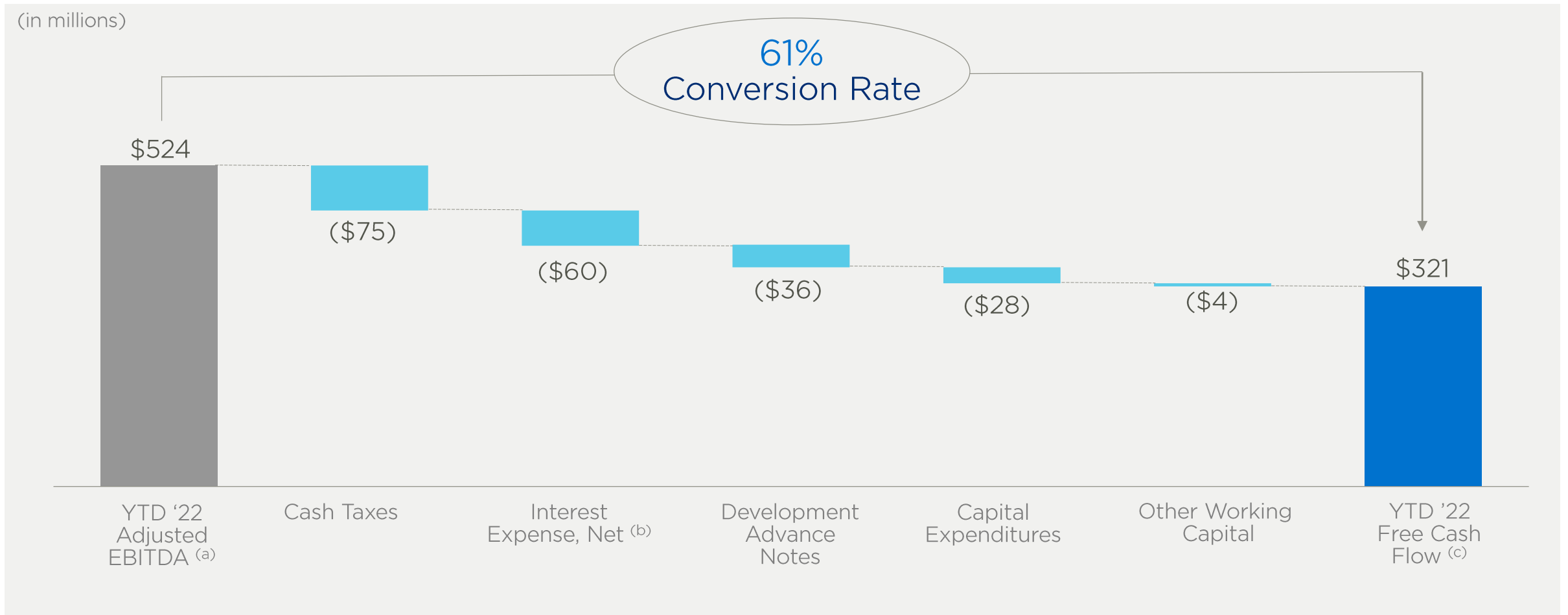
## PROJECT ECHO

Pipeline

120  
Contracts

~15,000  
Rooms

# Asset-Light, Franchised Model Generates Strong Free Cash Flow



Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.

(a) Net income was \$299 million.

(b) Excludes \$2 million of non-cash early extinguishment costs related to the Company's extension of its revolving credit facility and the prepayment of \$400 million of its term loan B.

(c) Net cash from operating, investing and financing activities was \$349 million, \$190 million and (\$420 million), respectively.





Microtel Inn & Suites by Wyndham  
Kanata, Ontario, Canada



Wyndham Grand Doha West Bay Beach  
Doha, Qatar



Grand Palladium Costa Mujeres,  
a Registry Collection Hotel  
Cancun, Mexico



La Quinta Inn & Suites by Wyndham  
Parker, CO, USA



Wyndham Grand Vedana  
Ninh Binh, Vietnam



Sandpiper Bay All Inclusive,  
Trademark Collection by Wyndham  
Port Saint Lucie, FL, USA



Vienna House Thüringer Hof  
Eisenach, Germany

Notable Q3-22  
Additions

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**WYNDHAM**  
HOTELS & RESORTS



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# 2022 Focus

CLEAR INTENT & PRIORITIES TO  
DRIVE SHAREHOLDER VALUE

La Quinta Inn & Suites by Wyndham Cleveland Airport West  
North Olmsted, Ohio, USA

# 2022 Key Priorities

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## DRIVE NET ROOM GROWTH

Grow direct franchise system 2-4%,  
including retention rate  
above 95%

Continued investment in profitable  
and brand-enhancing prototypes  
and system refresh programs

Expand portfolio reach across  
adjacent segments and geographies

## INCREASE OWNERS' PROFITABILITY

Optimize our franchisees' top-line  
and market share through  
continued digital innovation  
and best practices

Reduce on-property labor and  
operating costs for our franchisees  
through state-of-the-art technology  
solutions and services

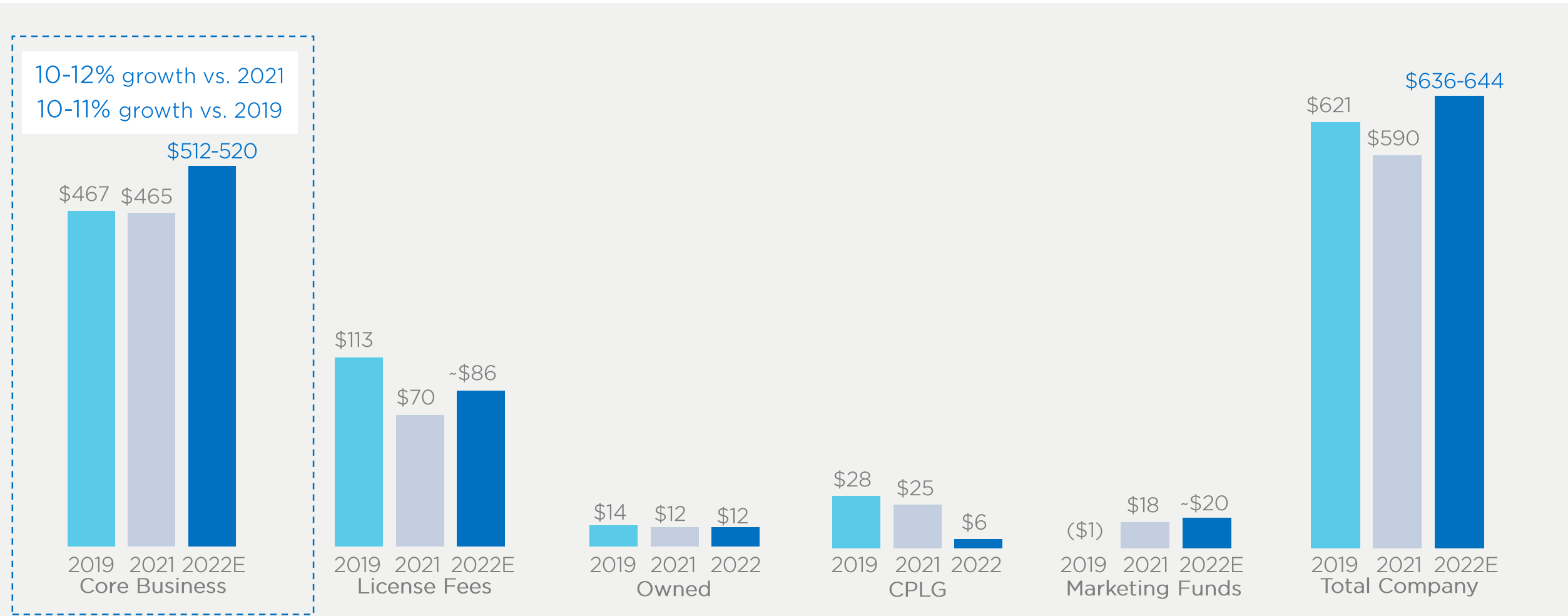
## SIMPLIFY OUR BUSINESS MODEL

Exit select-service management  
business and complete sale of two  
owned hotels

Refocus resources to our  
highly-profitable and asset-light  
franchise business

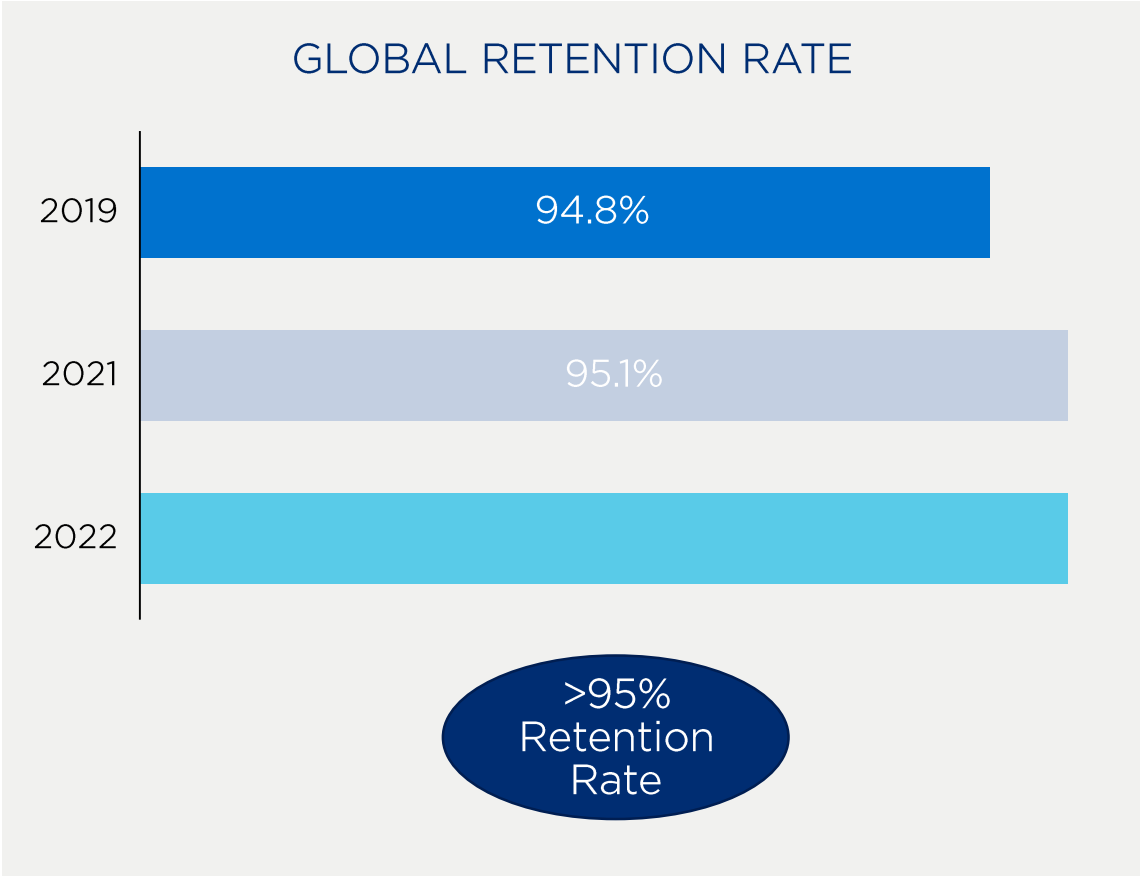
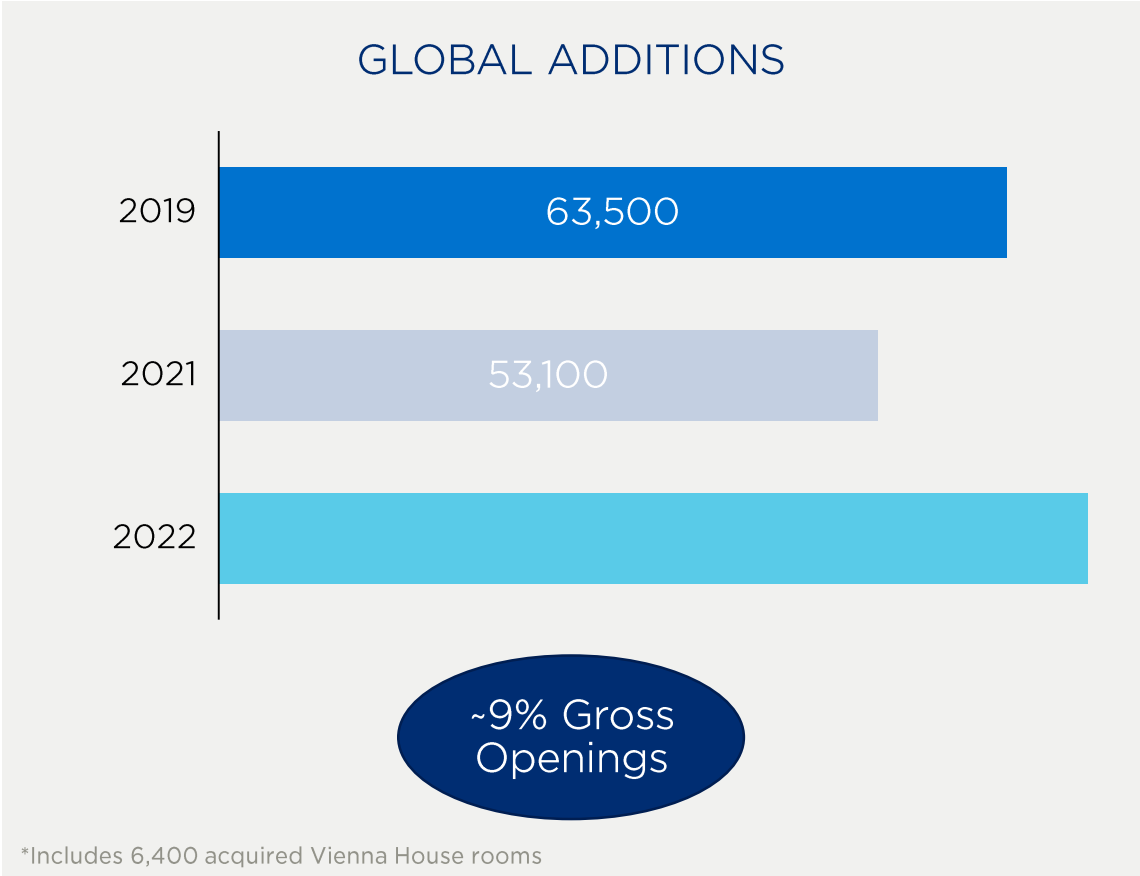
# Core Business Projected to Grow 10 to 12%

## ADJUSTED EBITDA CONTRIBUTION (a)



# System Projected to Increase 4%

Continued momentum in openings and improvements in retention rate expected to drive net room growth above pre-pandemic growth rate



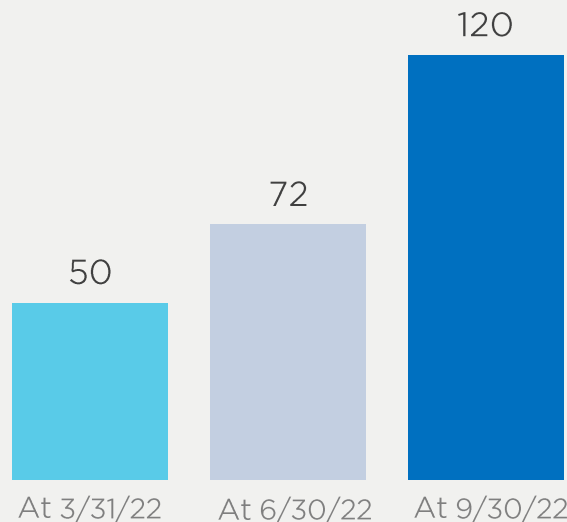
# Robust Demand for WH All New Construction Extended-Stay Brand

Ahead of development goals - initial goal was 100 by year-end, already at 120 through Q3

Continue to target at least 300 domestic hotels over next 10 years with plans for additional international expansion

Expect to announce brand name November 1<sup>st</sup>

YTD Contracts Awarded



# Simplified Business Structure Allows for Greater Focus on Highly Profitable Direct Franchising Business

## EXIT SELECT-SERVICE MANAGEMENT BUSINESS

- Completed the exit of CPLG management business and received proceeds of \$84 million from CPLG
- No change to existing franchise agreement term or current fee structure
- Transaction marks our exit from lower margin, resource intensive business and allows for enhanced focus on highly profitable and cash generative franchising business

## SALE OF OWNED ASSETS

- Completed sale of Wyndham Grand Bonnet Creek in March 2022 for gross proceeds of ~\$121 million
  - Sales price represents a 15.4x multiple, inclusive of planned capital expenditures
  - Recognized ~\$35 million gain on sale
  - Executed 20-year franchise agreement at full-fees
- Completed sale of Wyndham Grand Rio Mar (Puerto Rico) in May 2022 for gross proceeds of ~\$62 million
  - Sales price represents a 18.6x multiple, inclusive of planned capital expenditures
  - Sold at adjusted net book value
  - Executed 20-year franchise agreement at full-fees

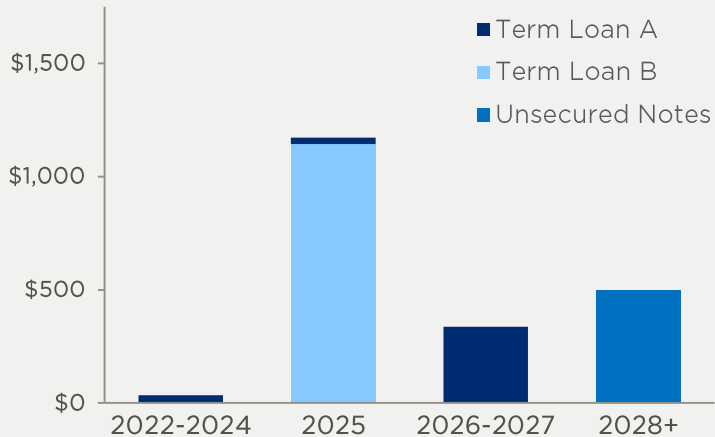
### Use of Proceeds

- Project ECHO (all new construction extended-stay brand)
- Support brand-enhancing prototypes & system refreshes
- Disciplined and strategic M&A (i.e., Vienna House)
- Residual available for share repurchase

# Maximizing Capital Allocation For All Stakeholders

## MAINTAIN STRONG BALANCE SHEET

>\$1 billion of liquidity  
 \$750 million revolver extended to April 2027  
 Total leverage at 2.7x <sup>(a)</sup>  
 Significant room under all debt covenants  
 No near-term debt maturities  
 Only ~20% of debt is variable-rate



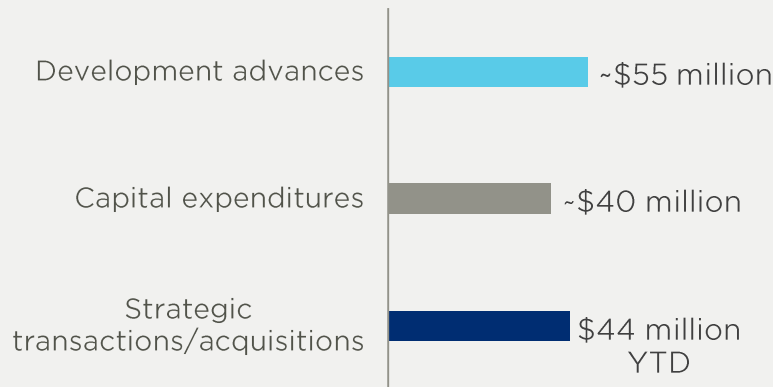
## INVEST IN BUSINESS

Increased deployment of capital to accelerate system growth, including extended-stay brand launch

Continued investment in profitable and brand-enhancing prototypes and system refresh programs

Continued digital innovation to drive franchisees' top and bottom lines

Disciplined approach to strong ROI strategic transactions/acquisitions



## RETURN EXCESS CAPITAL TO SHAREHOLDERS

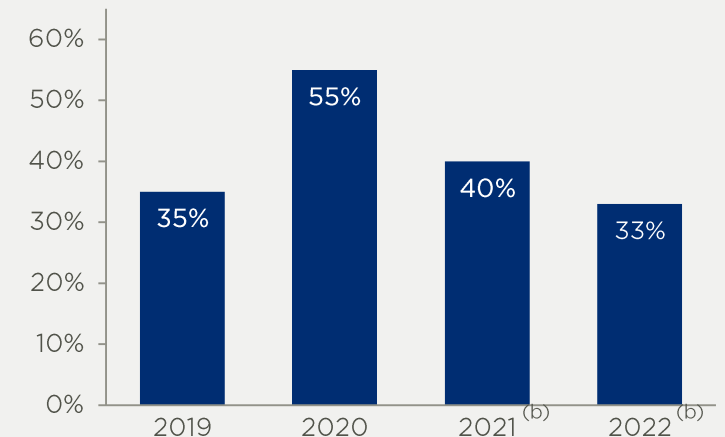
Target mid-30s dividend payout ratio

Deploy excess cash to bolster shareholder return

Board increased share repurchase authorization by \$400 million in October

\$690 million of capital returned to shareholders since January 1, 2020 (12% of market cap)

### Dividend Payout Ratio



(a) Expected to be at the low end of our 3-4x target range by December 31, 2022.

(b) Based on 2021 actual/2022 estimated adjusted net income and annualized \$0.32 per share quarterly dividend, consistent with current quarterly cash dividend policy.



# Disciplined Approach to M&A

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Strong strategic fit



Significant growth potential in existing and adjacent markets



Asset-light and a preference for franchise



Accretive to earnings and net room growth in the near-term



Manageable impact on net leverage



# Continued Significant Investment & Focus on ESG



## A CULTURE OF DIVERSITY, EQUITY & INCLUSION

Perfect score of 100 on Human Rights Campaign 2022 Corporate Equality Index for 4th consecutive year

~55% of global corporate workforce is female

Launched Women Own the Room program to support advancement of women-owned hotels and BOLD to help promote black-owned hotels

Partnered with UNCF to develop a “diverse” talent acquisition pipeline into HBCUs

Pledged CEO Action for Diversity, Equity & Inclusion

Executive-level sponsorship of all Diversity, Equity & Inclusion Associate Business Groups

## LEADERSHIP IN SUSTAINABILITY

New Global Brand Standard for all hotels globally to participate in Wyndham Green Certification Program

Proprietary Wyndham Green Toolbox tracks, measures and reports owners’ progress related to energy, emissions, water and waste diversion efforts

Google certification of the Wyndham Green program, displaying the Google “Eco Certification Badge” on all Wyndham Green-Certified hotels

Added search functionality for our guests to identify Wyndham Green certified hotels on our brand.com websites and mobile app

Maintaining LEED® Gold certification at corporate headquarters; recertified Energy Star

## PROTECTING HUMAN RIGHTS

Human trafficking training mandated across all hotels

Employee safety devices deployed to owned and managed hotels

Signatory to ECPAT Code to combat trafficking since 2011

Supplier Code of Conduct prohibits forced and child labor

Enhanced training to support hotel workers through AHLA’s “5-Star Promise”

Continuing to strengthen partnerships with ECPAT, Polaris, Sustainable Hospitality Alliance and BEST

## SUPPORTING OUR COMMUNITIES

Continued to partner with local inner-city high schools and colleges to provide mentoring programs and workshops to students

Wyndham Rewards and its members donated over 161 million points to charitable organizations, including over 25 million points to Save the Children’s Ukraine Crisis Relief Fund

Continuing to strengthen Wyndham’s Count on Us health and safety efforts

Continued support of our team members and franchisees through the introduction of Shatterproof and their Just Five video series to drive awareness and end the stigma of addiction

# WH Investment Thesis

Highly resilient, asset-light, fee-based franchise business model generating high margins and prodigious free cash flow

# Resilient Business Model & Core Strengths

1

LOW RISK  
BUSINESS MODEL

2

PRIMARILY  
LEISURE-FOCUSED

3

PREDOMINATELY  
“DRIVE TO”  
LOCATIONS

4

SELECT-SERVICE  
LEADER

5

POWERFUL  
GROWTH ENGINE



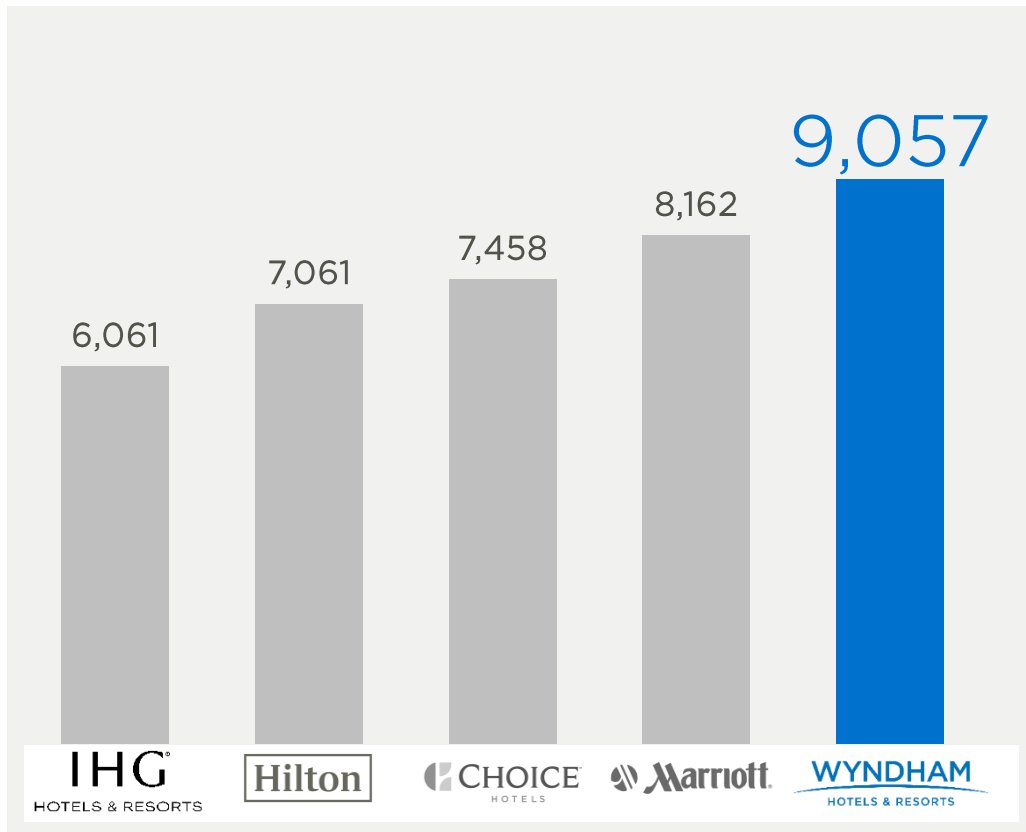
Days Inn by Wyndham  
Bullhead City, Arizona, USA

WYNDHAM  
HOTELS & RESORTS

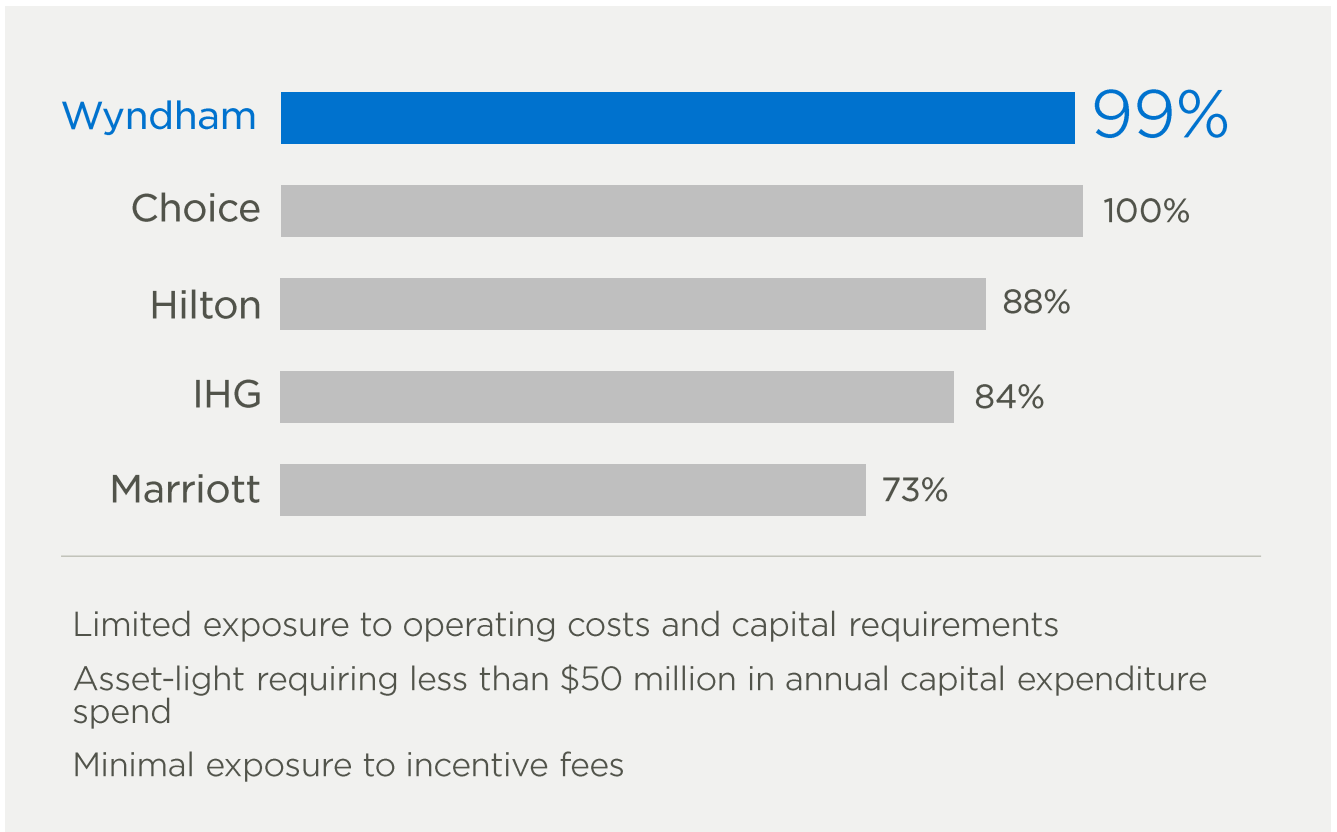
REASON 1

# World's Largest Hotel Franchisor with Minimal Exposure to Asset Risk

NUMBER OF HOTELS WORLDWIDE



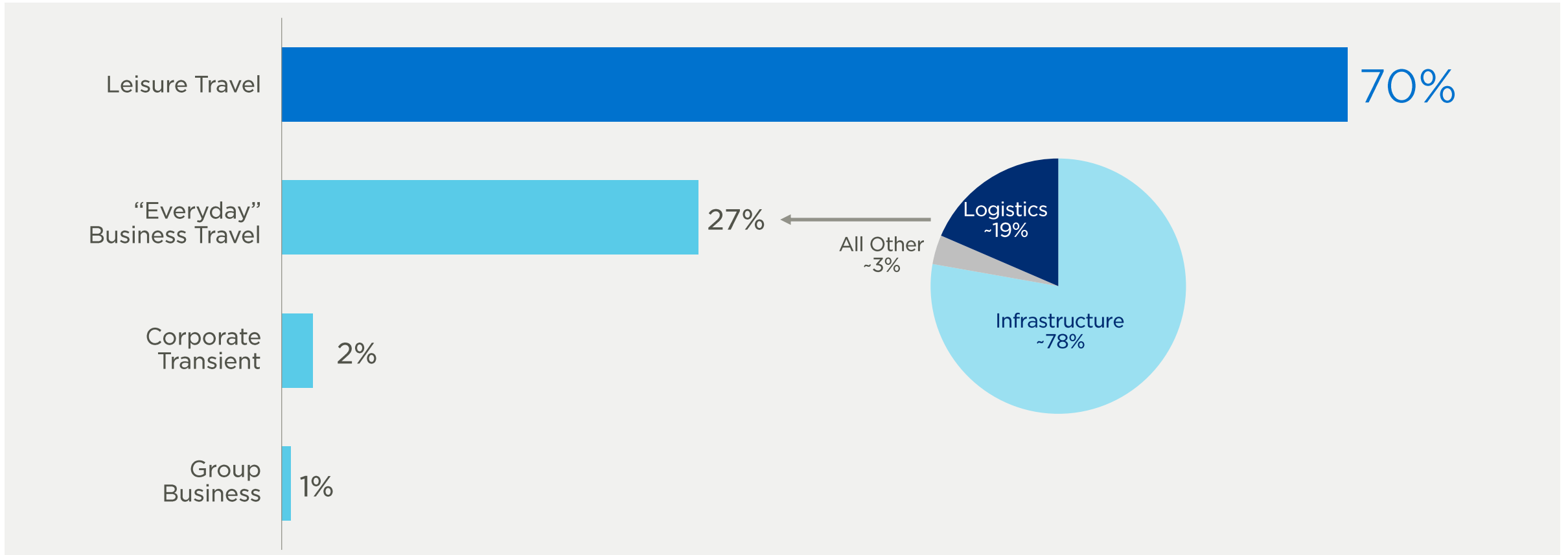
PERCENT OF FRANCHISED HOTELS



REASON 2

# Leisure Guests Power Our Business

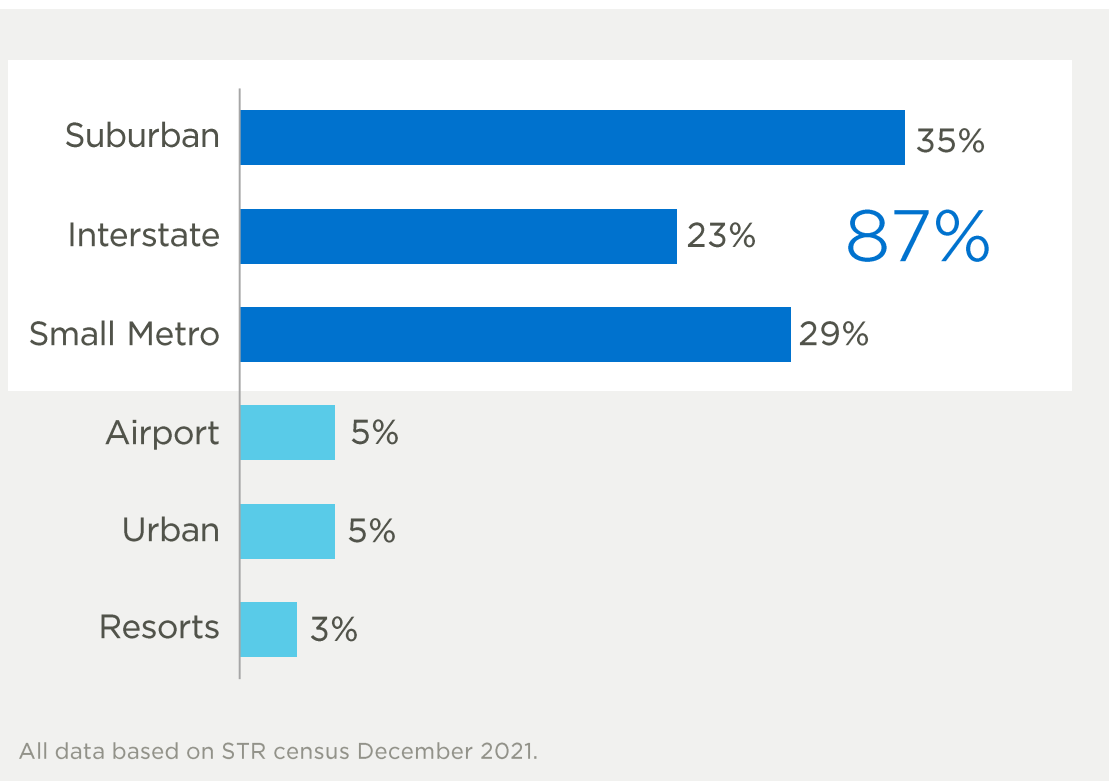
70% LEISURE FOCUS



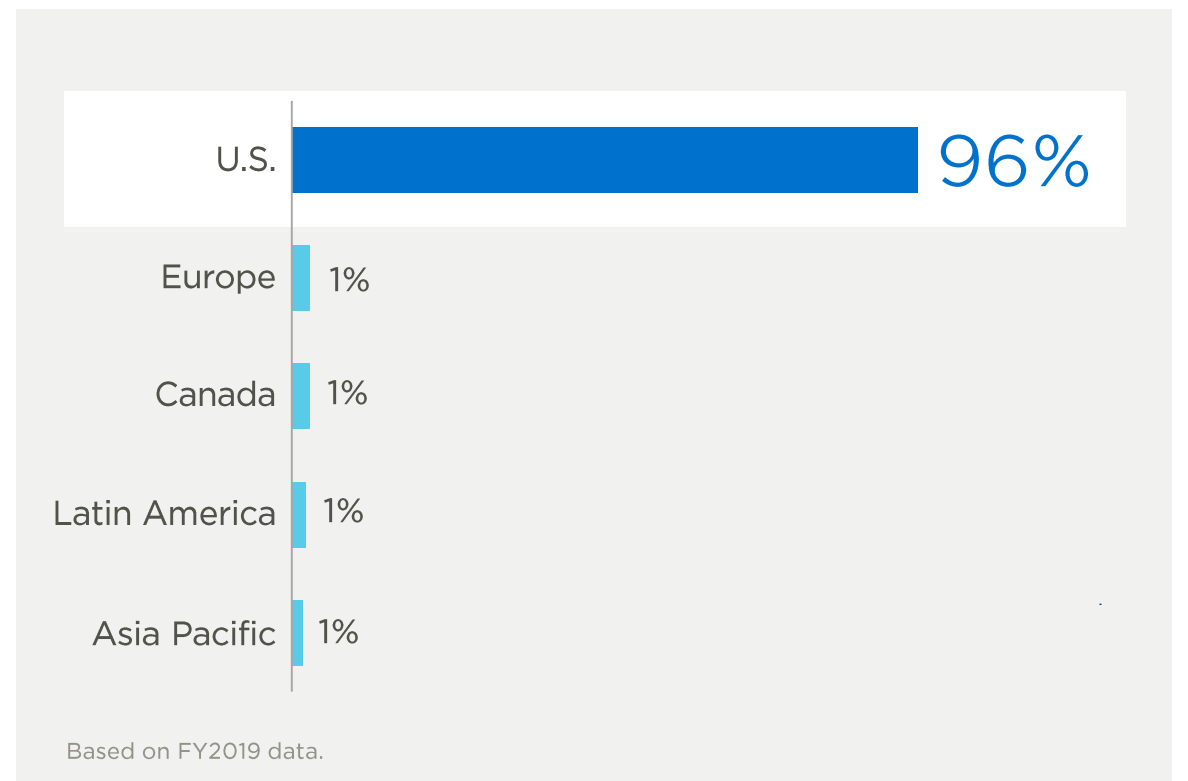
## REASON 3

# “Drive to” Destinations Not Reliant on Air Travel or International Travelers

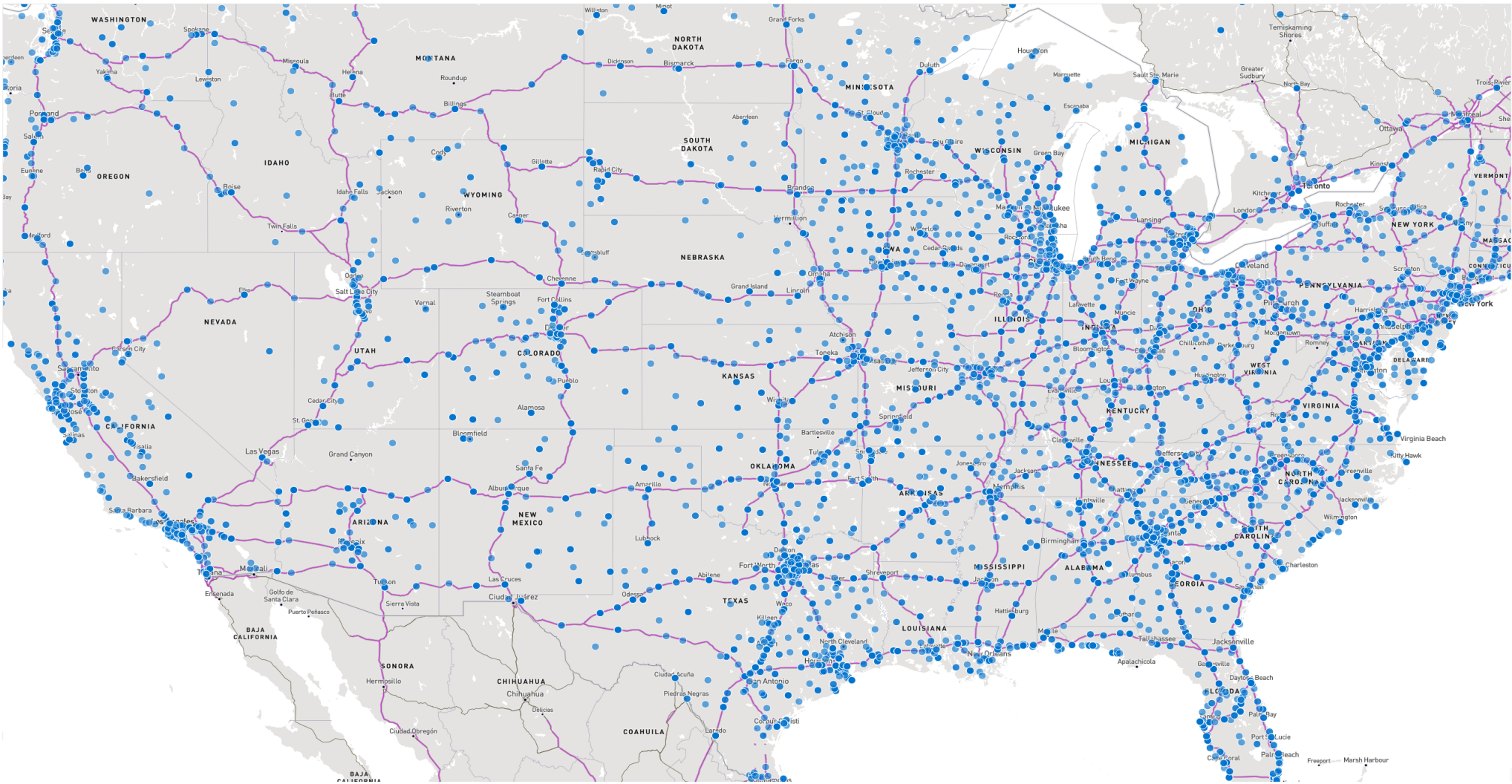
### 87% U.S. HOTELS IN “DRIVE TO” LOCATIONS



### 96% OF U.S. GUESTS ORIGINATE DOMESTICALLY



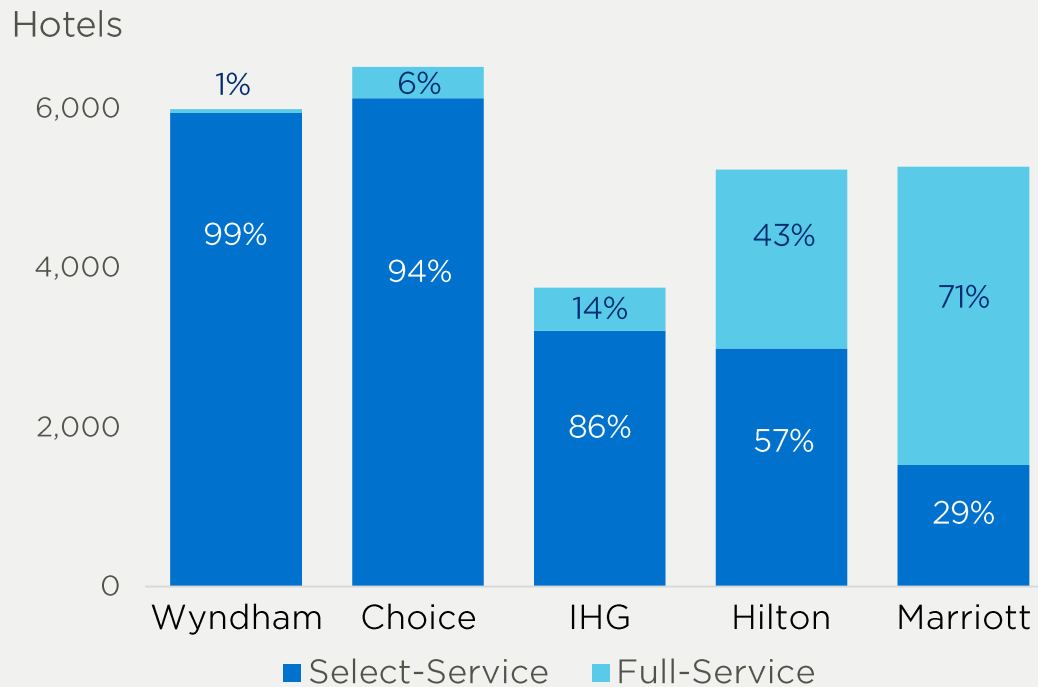
# U.S. System Well Positioned Along Highways and Byways and in Drive-to Destinations





# Leader in the Attractive Select-Service Space

PERCENT OF U.S. HOTELS IN SELECT SERVICE VS. FULL SERVICE



All data based on STR census December 2021; CHH pro forma for Radisson acquisition.

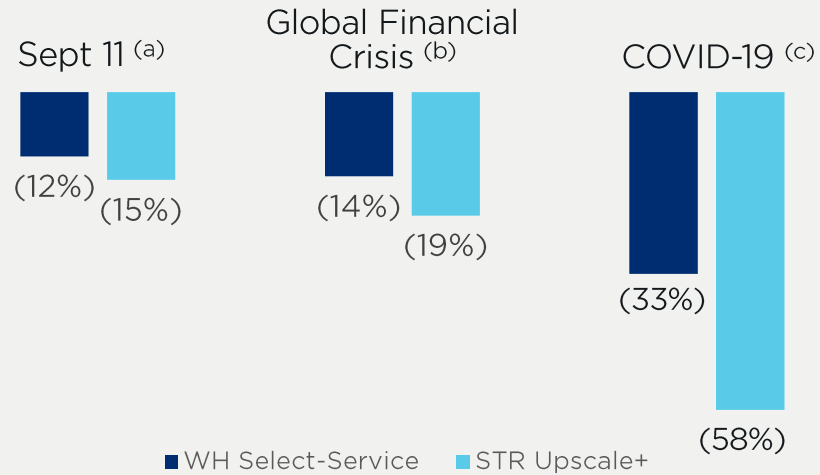
ADVANTAGEOUS FEATURES OF SELECT-SERVICE HOTELS

- Less labor-intensive and lower operating costs
- Higher operating margins
- Lower construction costs and manageable debt service
- Proven to be more resilient through economic cycles
- ~30% of bookings originate from steady everyday business traveler

# WH Select-Service Portfolio Less Volatile During Crisis

## WH Select-Service Brands More Resilient Through Economic Downturns

### RevPAR Growth

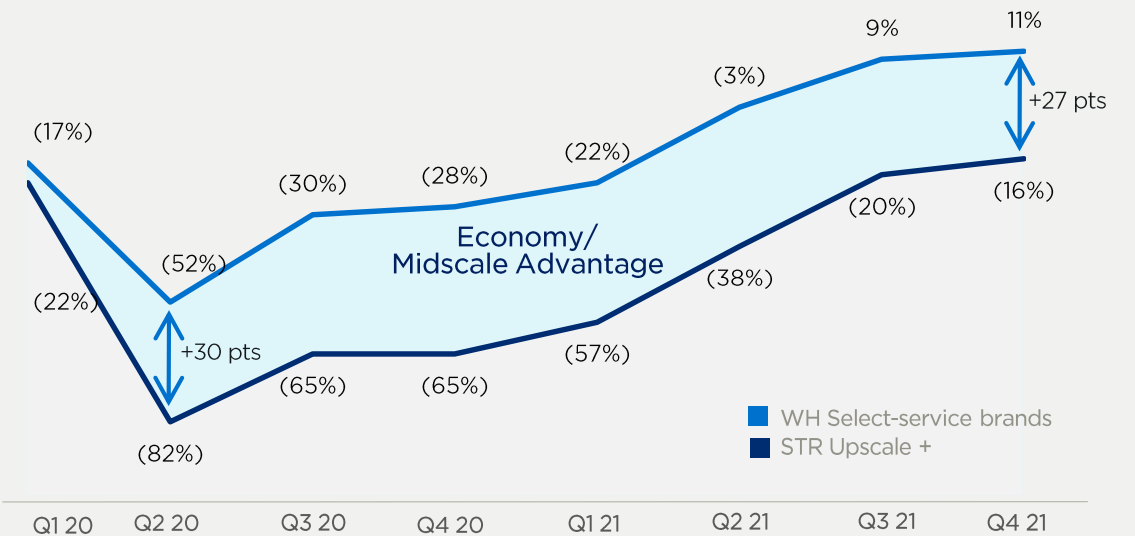


WH Select-Service Outperformance:



## Advantage Compared to Higher-End Chainscales During COVID-19 Recovery

### QUARTERLY U.S. REVPAR CHANGE VS. 2019

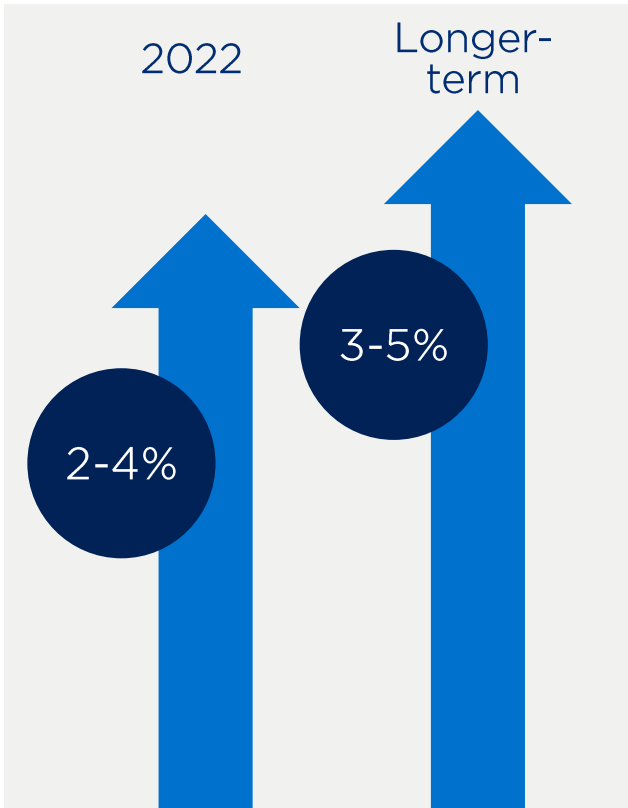


Note: WH Select-Service includes all WH economy, midscale and upper midscale brands; STR Upscale includes STR upscale, upper upscale and luxury segments.  
 (a) STR 2002 vs 2000  
 (b) STR 2009 vs 2008  
 (c) STR 2020 vs 2019

# Multiple Levers to Drive Net Room Growth



## ORGANIC NET ROOM GROWTH



Proven Conversion Value Prop	<ul style="list-style-type: none"> <li>• ROI-focused approach to property-improvement-plans and other conversion requirements</li> <li>• Strong value proposition and improving transaction markets drove conversion openings to over 43,000 rooms YTD 2022</li> </ul>
Investing in New Construction Growth	<ul style="list-style-type: none"> <li>• Wide-ranging investments to grow and support the new construction pipeline</li> <li>• Signings +36% YTD vs. 2021, paving way for robust openings momentum in future years</li> <li>• First Project ECHO ground-break in Sept. 2022; anticipate three to five additional ground-breaks by YE 2022</li> </ul>
Driving International Direct Signings	<ul style="list-style-type: none"> <li>• Direct franchises represented &gt;85% of international room openings YTD 2022, and we expect these to continue to grow, resulting in higher average royalties and greater control over product</li> </ul>
Expanding Brand Portfolio	<ul style="list-style-type: none"> <li>• Recently launched three new brands in complementary, fast-growing segments including extended-stay and all-inclusive</li> <li>• Acquired Vienna House band (&gt; 6,400 rooms) in September 2022 for \$44 million</li> <li>• Continually evaluating opportunities for portfolio-enhancing M&amp;A</li> </ul>
Improving Retention Rates	<ul style="list-style-type: none"> <li>• Employing targeted service models and predictive analytics to drive performance and increase owner engagement</li> <li>• Expanding brand investment programs to improve guest satisfaction and overall brand equity</li> </ul>

# Compelling Value Proposition for Franchisees . . .

Wyndham's industry-leading central reservation systems deliver \$7 out of every \$10 to U.S. franchisees

Trusted brands with segment-leading consumer awareness and market share

Industry's #1 hotel loyalty program with over 97 million enrolled members

Global marketing funds in excess of \$500 million

Continuous guest-facing digital innovation enhances guest experience

World's largest hotel franchisor leverages pricing power to deliver on-property savings for franchisees

On-property technology tools drive operating efficiencies and reduce hotel labor costs

Efficient prototypes designed to maximize owner ROI

Owner-first, customer-centric approach with ~350 field support associates dedicated to our franchisees' success

# ...That Continues to Deliver Strong Returns



Cost per room	~\$75,000
Loan-to-value	~70%
Franchisee Investment	\$1,575,000
RevPAR	\$53.00
Revenues	\$1,354,000
Operating expenses	\$745,000
Brand fees	\$115,000
Interest expense @ 6%	\$221,000
Hotel EBTDA	\$273,000

Cash-on-Cash Return of >17%

Data is not brand specific. RevPAR and revenue results are indicative for a 70-room new construction Wyndham-branded economy hotel in the United States on a full year current post-COVID basis. Cost per room also includes average land costs for economy hotels across the United States. Operating expenses are based on current post-COVID STR HOST select-service industry data, adjusted for wage inflation, and are not based on individual hotel performance. Return on invested capital assumes a loan interest rate of 6%, consistent with current market conditions.

# Strong and Experienced Leadership Team



**GEOFF BALLOTTI**  
**CHIEF EXECUTIVE OFFICER**  
*33 Years of Industry Experience*

- Served as President and Chief Executive Officer of Wyndham Hotel Group (2014 – 2018)
- Served as Chief Executive Officer of Wyndham Destination Network (2008 – 2014)
- Held leadership positions of increasing responsibility at Starwood Hotels and Resorts Worldwide including President of Starwood North America, Executive Vice President, Operations, Senior Vice President, Southern Europe and Managing Director, Ciga Spa, Italy (1989 – 2008)
- Served as Banking Officer in the Commercial Real Estate Group at the Bank of New England



**MICHELE ALLEN**  
**CHIEF FINANCIAL OFFICER**  
*23 Years of Industry Experience*

- Served as Executive Vice President and Treasurer of Wyndham Hotels & Resorts (2018 – 2019)
- Served as Senior Vice President of Finance for Wyndham Worldwide responsible for budgeting, capital allocation, financial analysis and strategy (2015 – 2018)
- Held varied financial leadership positions of increasing responsibility within Wyndham Hotel Group and Wyndham Worldwide's predecessor (1999 – 2015)
- Began her career as an independent auditor with Deloitte where she earned a CPA



**LISA CHECCHIO**  
**CHIEF MARKETING OFFICER**  
*18 Years of Industry Experience*



**PAUL CASH**  
**GENERAL COUNSEL**  
*17 Years of Industry Experience*



**JOON AUN OOI**  
**PRESIDENT, APAC**  
*20 Years of Industry Experience*



**SCOTT STRICKLAND**  
**CHIEF INFORMATION OFFICER**  
*30 Years of IT Experience*



**KRISHNA PALIWAL**  
**PRESIDENT, LA QUINTA**  
**HEAD OF DESIGN & CONSTRUCTION**  
*19 Years of Industry Experience*



**CHIP OHLSSON**  
**CHIEF DEVELOPMENT OFFICER**  
*29 Years of Industry Experience*



**MONICA MELANCON**  
**CHIEF HUMAN RESOURCE OFFICER**  
*24 Years of Human Resource Experience*



**GUSTAVO VIESCAS**  
**PRESIDENT, LATAM**  
*24 Years of Industry Experience*



**SHILPAN PATEL**  
**EXECUTIVE VICE PRESIDENT,**  
**NORTH AMERICA FRANCHISE OPERATIONS**  
*19 Years of Industry Experience*



**DIMITRIS MANIKIS**  
**PRESIDENT, EMEA**  
*32 Years of Industry Experience*

# The Wyndham Family of Brands

Wherever people go, Wyndham will be there to welcome them.

## ECONOMY



## MIDSCALE



## UPPER MIDSCALE



## UPSCALE



## UPPER UPSCALE



## LUXURY



4

# Appendix

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APPENDIX

# Quarterly Financial Impact of Select-Service Management Business and Owned Assets

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<b>Fee-related and other revenues</b>					
2022	\$ 38	\$ 12	\$ -	\$ -	\$ 50
2021	19	33	34	38	125
2020	34	7	15	15	71
2019	36	34	12	34	117
<b>Cost reimbursements <sup>(a)</sup></b>					
2022	\$ 29	\$ -	\$ -	\$ -	\$ 29
2021	50	58	58	49	215
2020	82	42	53	49	226
2019	97	101	104	92	394
<b>Net revenues</b>					
2022	\$ 67	\$ 12	\$ -	\$ -	\$ 79
2021	70	91	92	87	340
2020	116	49	68	64	297
2019	133	135	116	126	511
<b>Adjusted EBITDA contribution</b>					
2022	\$ 15	\$ 3	\$ -	\$ -	\$ 18
2021	3	11	10	12	37
2020	12	(4)	-	(5)	3
2019	11	11	9	12	42

APPENDIX

# Annual Financial Impact of Select-Service Management Business and Owned Assets

<i>(in millions)</i>	2019		2021		2022	
	Revenue	Adjusted EBITDA <sup>(a)</sup>	Revenue	Adjusted EBITDA <sup>(a)</sup>	Revenue	Adjusted EBITDA <sup>(f)</sup>
CPLG contribution <sup>(b)</sup>	\$ (41)	\$ (21)	\$ (24)	\$ (6)	\$ (3)	\$ (1)
Termination fees from CPLG <sup>(c)</sup>	(7)	(7)	(19)	(19)	(5)	(5)
Owned assets <sup>(d)</sup>	(89)	(14)	(82)	(12)	(42)	(12)
Plus: One-time fee credit <sup>(e)</sup>	20	-	-	-	-	-
Subtotal	(117)	(42)	(125)	(37)	(50)	(18)
Cost reimbursables related to CPLG	(394)	-	(215)	-	(29)	-
<b>Total financial impact</b>	<b>\$ (511)</b>	<b>\$ (42)</b>	<b>\$ (340)</b>	<b>\$ (37)</b>	<b>\$ (79)</b>	<b>\$ (18)</b>

(a) Net income for full-year 2019 and 2021 was \$157 million and \$244 million, respectively.

(b) Excludes cost reimbursables. Revenues are primarily recorded within Management and other fees on the Company's income statement.

(c) Recorded within Royalties and franchise fees on the Company's income statement.

(d) Recorded within Management and other fees.

(e) Represents a one-time fee credit in 2019, which is reflected as a reduction to Management and other fees on the income statement but excluded from Adjusted EBITDA.

(f) See Non-GAAP Financial Measure definition in Appendix.

# 2023 Planning – Revenue Sensitivities

Adjusted EBITDA Sensitivities <i>(in millions)</i>		
<i>1 point of RevPAR change vs. 2022</i>		
U.S. royalties and franchise fees	~\$3.3	<p>Margin of ~85% on gross \$4.7 million per point impact; assumes cost mitigation of ~15%</p>
International royalties and franchise fees	~\$0.6	
Marketing, reservation and loyalty funds	--	<p>Funds expected to break-even until RevPAR declines in excess of ~10% (likely ~\$2.4 million per point)</p>
<i>Non-RevPAR vs. 2022</i>		
1 point change in license fees	~\$1.0	<p>Not RevPAR-based but is sensitive to overall travel demand; subject to a \$70 million floor; maximum risk vs. 2022 is \$18 million</p>
1 point change in other revenue	~\$1.3	<p>Not RevPAR-based but is somewhat sensitive to overall travel demand; predominately represents fee-based revenues from ancillary services provided to franchisees, including procurement and technology, as well as revenue associated with our co-branded credit card program</p>

## APPENDIX

# Non-GAAP Reconciliations

The following tables reconcile certain non-GAAP financial measures. The presentation of these adjustments is intended to permit the comparison of particular adjustments as they appear in the income statement in order to assist investors' understanding of the overall impact of such adjustments. We believe that adjusted EBITDA provides useful information to investors about us and our financial condition and results of operations because adjusted EBITDA is among the measures used by our management team to evaluate our operating performance and make day-to-day operating decisions and because adjusted EBITDA is frequently used by securities analysts, investors and other interested parties as a common performance measure to compare results or estimate valuations across companies in our industry. Explanations for adjustments within the reconciliations can be found in our third quarter 2022 Earnings Release at [investor.wyndhamhotels.com](http://investor.wyndhamhotels.com).

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022	Three Months Ended September 30, 2021
Net income	\$ 101	\$ 299	\$ 103
Provision for income taxes	38	104	36
Depreciation and amortization	18	58	23
Interest expense, net	21	60	22
Early extinguishment of debt	-	2	-
Stock-based compensation expense	8	25	7
Development advance notes amortization	3	9	3
Gain on asset sales	-	(35)	-
Separation-related expenses	1	-	-
Foreign currency impact of highly inflationary countries	1	2	-
Adjusted EBITDA	<u>\$ 191</u>	<u>\$ 524</u>	<u>\$ 194</u>

## APPENDIX

# Non-GAAP Reconciliations

The following table reconciles certain non-GAAP financial measures. We define free cash flow to be net cash provided by operating activities less property and equipment additions, which we also refer to as capital expenditures. We believe free cash flow to be a useful operating performance 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, to the extent permitted. We believe free cash flow conversion to be a useful liquidity measure to us and investors to evaluate our ability to convert our earnings to cash. These non-GAAP measures are not necessarily a representation of how we will use excess cash. A limitation of using free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating Wyndham Hotels is that free cash flow does not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Cash Flow:		
Net cash provided by operating activities	\$ 107	\$ 349
Net cash provided by/(used in) investing activities	(54)	190
Net cash used in financing activities	(164)	(420)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(3)	(4)
Net increase in cash, cash equivalents and restricted cash	<u>\$ (114)</u>	<u>\$ 115</u>

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Net cash provided by operating activities	\$ 107	\$ 349
Less: Property and equipment additions	(10)	(28)
Free cash flow	<u>\$ 97</u>	<u>\$ 321</u>

## APPENDIX

# Definitions & Disclaimer

### Definitions:

**Adjusted EBITDA:** Represents net income excluding net interest expense, depreciation and amortization, early extinguishment of debt charges, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition-, or separation-related), foreign currency impacts of highly inflationary countries, gain/(loss) on asset sales, stock-based compensation expense, income taxes and development advance notes amortization. Adjusted EBITDA is a financial measure that is not recognized under U.S. GAAP and should not be considered as an alternative to net income or other measures of financial performance or liquidity derived in accordance with U.S. GAAP. In addition, our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted EBITDA also assists our investors in evaluating our ongoing operating performance by adjusting for certain items which may be recurring or non-recurring and which in our view do not necessarily reflect ongoing performance. We also internally use these measures to assess our operating performance, both absolutely and in comparison to other companies, and in evaluating or making selected compensation decisions. The supplemental disclosures included in this presentation are in addition to GAAP reported measures. The non-GAAP reconciliation tables included in this presentation should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with GAAP. During the first quarter of 2021, we modified the definition of adjusted EBITDA to exclude the amortization of development advance notes to reflect how our chief operating decision maker reviews operating performance beginning in 2021. We have applied the modified definition of adjusted EBITDA to all periods presented included in this presentation.

**Free Cash Flow:** We define free cash flow to be net cash provided by operating activities less property and equipment additions, which we also refer to as capital expenditures. We believe free cash flow to be a useful operating performance 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. A limitation of using free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating Wyndham Hotels is that free cash flow does not represent the total cash movement for the period as detailed in the condensed consolidated statement of cash flows.

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The information in this presentation should be read in conjunction with the consolidated financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" section in Wyndham Hotels & Resorts' Form 10-K, filed with the SEC on February 16, 2022 and subsequent reports filed with the SEC.

### Forward-Looking Statements

Certain statements in this presentation constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements. Such forward-looking statements include projections, which were not prepared in accordance with public guidelines of the American Institute of Certified Public Accountants regarding projections and forecasts, nor have they been audited or otherwise reviewed by the independent auditors of Wyndham Hotels & Resorts. The forward-looking statements, including the projections, are inherently uncertain and are subject to a wide variety of risks and uncertainties that could cause actual results to differ materially from those contained therein, including those specified in the section "Risk Factors" of Wyndham Hotels & Resorts' Form 10-K filed with the SEC and subsequent reports filed with the SEC.

### Non-GAAP Financial Measures

Financial information contained in this presentation includes certain financial measures that are calculated and presented on the basis of methodologies other than in accordance with U.S. generally accepted accounting principles (GAAP), such as adjusted EBITDA and free cash flow, which include or exclude certain items from the most directly comparable GAAP financial measure. Any non-GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by GAAP, have no standardized meaning prescribed by GAAP and may not be comparable to the calculation of similar measures of other companies. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in this Appendix. In some instances, we have provided certain financial metrics only on a non-GAAP basis because, without unreasonable efforts, we are unable to predict with reasonable certainty the occurrence or amount of potential adjustments that may arise in the future during the forward-looking period, which can be dependent on future events that may not be reliably predicted. Based on past reported results, where one or more of these items have been applicable, such excluded items could be material, individually or in the aggregate, to the reported results.