



WYNDHAM HOTELS & RESORTS REPORTS STRONG FOURTH QUARTER AND FULL-YEAR 2022 RESULTS

**Company Exceeds Top End of Full-Year Outlook
Grows Development Pipeline by 12%
Increases Quarterly Dividend by 9% and Provides Full-Year 2023 Outlook**

PARSIPPANY, N.J., February 15, 2023 - Wyndham Hotels & Resorts (NYSE: WH) today announced results for the three months and year ended December 31, 2022. Highlights include:

- **Global RevPAR grew 15% compared to fourth quarter 2021 in constant currency, a 300 basis point improvement sequentially, representing 116% of 2019 levels; full-year global RevPAR grew 20% year-over-year in constant currency.**
- **U.S. RevPAR grew 5% compared to fourth quarter 2021, a 300 basis point improvement sequentially, representing 115% of 2019 levels; full-year U.S. RevPAR grew 12%.**
- **System-wide rooms grew 4% year-over-year, including 1% in the U.S. and 9% internationally.**
- **Development pipeline grew 12% year-over-year, including 170 new construction projects added for the Company's ECHO Suites Extended Stay by Wyndham brand since launch in March.**
- **Hotel Franchising segment revenues grew 12% compared to fourth quarter 2021 and 16% for the full-year.**
- **Diluted earnings per share of \$0.63 and net income of \$56 million for the quarter; full-year diluted earnings per share of \$3.91 and net income of \$355 million.**
- **Adjusted diluted earnings per share of \$0.72 and adjusted net income of \$64 million for the quarter; full-year adjusted diluted earnings per share of \$3.96 and adjusted net income of \$360 million.**
- **Adjusted EBITDA of \$126 million for the quarter and \$650 million for the full-year, which exceeded our full-year outlook of \$636 million to \$644 million.**
- **Net cash provided by operating activities of \$399 million and free cash flow of \$360 million for the full-year.**
- **Returned \$561 million to shareholders for the full-year through \$445 million of share repurchases and quarterly cash dividends of \$0.32 per share.**
- **Board of Directors recently authorized a 9% increase in the quarterly cash dividend to \$0.35 per share beginning with the dividend expected to be declared in first quarter 2023.**

"We are incredibly proud of our team's ability to close out 2022 with RevPAR and adjusted EBITDA results that exceeded our outlook. Our development pipeline increased sequentially for the 10th consecutive quarter reflecting robust developer interest in our brands for both conversion and new construction opportunities despite the broader macro-economic climate," said Geoffrey A. Ballotti, president and chief executive officer. "Given the continued occupancy recovery across the globe and infrastructure business growth in 2023, we are enthusiastic about the opportunities that lie ahead and our ability to deliver outstanding value to our shareholders, guests, franchisees and team members."

Fourth Quarter 2022 Operating Results

Fee-related and other revenues was \$310 million compared to \$314 million in fourth quarter 2021, which included \$38 million from the Company's select-service management business and owned hotels - both of which were exited in the first half of 2022. On a comparable basis, fee-related and other revenues increased 12% year-over-year primarily reflecting global RevPAR growth and higher license fees.

The Company generated net income of \$56 million, or \$0.63 per diluted share, compared to \$48 million, or \$0.52 per diluted share, in fourth quarter 2021. The increase in net income was primarily due to higher adjusted EBITDA in the Company's hotel franchising segment, partially offset by the impact from the exit of the Company's select-service management business and owned hotels. Adjusted EBITDA was \$126 million compared to \$131 million in fourth quarter 2021, which included a \$12 million contribution from the Company's select-service management business and owned hotels - both of which were exited in the first half of 2022. On a comparable basis, adjusted EBITDA increased 6% year-over-year reflecting higher fee-related and other revenues, partially offset by an unfavorable timing impact from the marketing fund and the inflationary impact on expenses, both of which were anticipated.

Full reconciliations of GAAP results to the Company's non-GAAP adjusted measures for all reported periods appear in the tables to this press release.

System Size

| | Rooms | | |
|---------------|----------------------|----------------------|---------------------|
| | December 31, 2022 | December 30, 2021 | YOY Change (bps) |
| United States | 493,800 | 490,600 | 70 |
| International | 348,700 | 319,500 | 910 |
| Global | <u>842,500</u> | <u>810,100</u> | 400 |

The Company's global system grew 4%, reflecting 1% growth in the U.S. and 9% growth internationally. As expected, these increases included strong growth in both the higher RevPAR midscale and above segments in the U.S. and the direct franchising business in China, which grew 4% and 10%, respectively, as well as 80 basis points of growth globally and 200 basis points internationally from the acquisition of the Vienna House brand in September 2022. The Company also achieved its goal of a retention rate above 95% for the full-year 2022.

RevPAR

| | Fourth Quarter 2022 | YOY Constant Currency % Change | Constant Currency % Change vs. 2019 |
|---------------|------------------------|---|--|
| United States | \$ 45.96 | 5% | 15% |
| International | 31.44 | 46 | 23 |
| Global | 39.86 | 15 | 16 |

Fourth quarter global RevPAR grew by 15% in constant currency compared to 2021 reflecting 5% growth in the U.S. and 46% internationally. Global RevPAR was 116% of 2019 levels in constant currency, with the U.S. at 115% and international at 123%. The increases compared to both 2021 and 2019 were driven primarily by stronger pricing power.

Fourth Quarter 2022 Business Segment Discussion

| | Revenue | | | Adjusted EBITDA | | |
|---------------------|---------------------------|---------------------------|-------------|---------------------------|---------------------------|-------------|
| | Fourth Quarter 2022 | Fourth Quarter 2021 | % Change | Fourth Quarter 2022 | Fourth Quarter 2021 | % Change |
| Hotel Franchising | \$ 303 | \$ 270 | 12% | \$ 138 | \$ 128 | 8% |
| Hotel Management | 31 | 122 | (75) | 4 | 19 | (79) |
| Corporate and Other | — | — | — | (16) | (16) | — |
| Total Company | <u>\$ 334</u> | <u>\$ 392</u> | (15) | <u>\$ 126</u> | <u>\$ 131</u> | (4) |

Hotel Franchising revenues increased 12% year-over-year to \$303 million primarily due to the global RevPAR increase and higher license fees. Hotel Franchising adjusted EBITDA of \$138 million increased 8% reflecting the growth in revenues, partially offset by the expected unfavorable timing impact from the marketing fund, excluding which Hotel Franchising adjusted EBITDA would have increased 13%.

Hotel Management revenues decreased 75% year-over-year to \$31 million, including a \$54 million decrease in cost-reimbursement revenues, which have no impact on adjusted EBITDA. Absent cost-reimbursements, Hotel Management revenues decreased \$37 million, or 84%, and adjusted EBITDA decreased \$15 million, or 79%, reflecting the exit of the Company's select-service management business and owned hotels.

Full-Year 2022 Operating Results

Fee-related and other revenues was \$1,354 million compared to \$1,245 million in full-year 2021. The Company's select-service management business and owned hotels - both of which were exited in the first half of 2022 - contributed \$50 million and \$125 million during 2022 and 2021, respectively. On a comparable basis, fee-related and other revenues increased 16% year-over-year primarily reflecting global RevPAR growth and higher license fees.

The Company generated net income of \$355 million, or \$3.91 per diluted share, compared to \$244 million, or \$2.60 per diluted share, in full-year 2021. The increase in net income was primarily due to higher adjusted EBITDA in the Company's hotel franchising segment and lower net interest expense, partially offset by the impact from the exit of the Company's select-service management business and owned hotels. Adjusted EBITDA was \$650 million compared to \$590 million in full-year 2021. The Company's select-service management business and owned hotels - both of which were exited in the first half of 2022 - contributed \$18 million and \$37 million during 2022 and 2021, respectively. On a comparable basis, adjusted EBITDA increased 14% year-over-year reflecting higher fee-related and other revenues, partially offset by the inflationary impact on expenses.

During full-year 2020, the Company's marketing fund expenses exceeded revenues by \$49 million in order to support its owners during COVID. During the full-year 2022, the Company's marketing fund revenues exceeded expenses by \$20 million; while in full-year 2021, the Company's marketing fund revenues exceeded expenses by \$18 million. As such, the Company has now recovered \$38 million of the \$49 million of support provided during 2020.

Development

The Company awarded 882 new contracts this year, a 35% increase compared to the 655 contracts awarded during 2021.

On December 31, 2022, the Company's global development pipeline consisted of over 1,700 hotels and approximately 219,000 rooms, of which approximately 73% is in the midscale and above segments (56% in the U.S.). The pipeline grew 12% year-over-year, including 34% growth in the U.S. Approximately 60% of the Company's development pipeline is international and over 80% is new construction, of which approximately 36% has broken ground. The pipeline includes 170 new contracts awarded for the Company's ECHO Suites Extended Stay by Wyndham brand since its launch in March 2022. In line with development expectations, the first three ECHO Suites hotels broke ground in 2022 and are anticipated to open in the second half of 2023.

Cash and Liquidity

The Company generated \$399 million of net cash provided by operating activities and free cash flow of \$360 million in the full-year 2022. The Company ended the quarter with a cash balance of \$161 million and approximately \$900 million in total liquidity. The Company's net debt leverage ratio was 2.9 times at December 31, 2022, just below the Company's 3 to 4 times stated target range.

Share Repurchases and Dividends

During the fourth quarter of 2022, the Company repurchased approximately 1.9 million shares of its common stock for \$133 million. For the full-year 2022, the Company repurchased approximately 6.2 million shares of its common stock for \$445 million. Since the Company's spin-off in June 2018, it has repurchased 15% of its outstanding common stock.

The Company paid common stock dividends of \$28 million, or \$0.32 per share, in the fourth quarter of 2022 for a total of \$116 million, or \$1.28 per share, for the full-year 2022.

For the full-year 2022, the Company returned \$561 million to shareholders through share repurchases and quarterly cash dividends.

The Company's Board of Directors authorized a 9% increase in the quarterly cash dividend to \$0.35 per share, beginning with the dividend expected to be declared in first quarter 2023.

Full-Year 2023 Outlook

The Company provided the following outlook for full-year 2023:

| | 2023 Outlook |
|--|-------------------------|
| Year-over-year rooms growth | 2 - 4% |
| Year-over-year global RevPAR growth ^(a) | 4 - 6% |
| Fee-related and other revenues | \$1.38 - \$1.41 billion |
| Adjusted EBITDA | \$650 - \$660 million |
| Adjusted net income | \$337 - \$349 million |
| Adjusted diluted EPS | \$3.84 - \$3.98 |
| Free cash flow conversion rate ^(b) | 50 - 55% |

^(a) Outlook represents global RevPAR growth of 6% to 8% compared to 2019.

^(b) Represents the percentage of adjusted EBITDA that is expected to produce free cash flow.

Year-over-year growth rates are not comparable due to the exit of the Company's select-service management business, the sale of its two owned hotels during 2022 and the variability in its marketing funds due to the support that the Company provided to its owners during 2020.

More detailed projections are available in Table 8 of this press release. The Company is providing certain financial metrics only on a non-GAAP basis because, without unreasonable efforts, it is unable to predict with reasonable certainty the occurrence or amount of all of the adjustments or other 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.

Conference Call Information

Wyndham Hotels will hold a conference call with investors to discuss the Company's results and outlook on Thursday, February 16, 2023 at 8:00 a.m. ET. Listeners can access the webcast live through the Company's website at <https://investor.wyndhamhotels.com>. The conference call may also be accessed by dialing 800 245-3047 and providing the passcode "Wyndham". Listeners are urged to call at least five minutes prior to the scheduled start time. An archive of this webcast will be available on the website beginning at noon ET on February 16, 2023. A telephone replay will be available for approximately ten days beginning at noon ET on February 16, 2023 at 800 839-9815.

Presentation of Financial Information

Financial information discussed in this press release includes non-GAAP measures, which include or exclude certain items. These non-GAAP measures differ from reported GAAP results and are intended to illustrate what management believes are relevant period-over-period comparisons and are helpful to investors as an additional tool for further understanding and assessing the Company's ongoing operating performance. The Company uses these measures internally to assess its operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of

selected compensation decisions. Exclusion of items in the Company's non-GAAP presentation should not be considered an inference that these items are unusual, infrequent or non-recurring. Full reconciliations of GAAP results to the comparable non-GAAP measures for the reported periods appear in the financial tables section of this press release.

About Wyndham Hotels & Resorts

Wyndham Hotels & Resorts (NYSE: WH) is the world's largest hotel franchising company by the number of properties, with approximately 9,100 hotels across over 95 countries on six continents. Through its network of approximately 843,000 rooms appealing to the everyday traveler, Wyndham commands a leading presence in the economy and midscale segments of the lodging industry. The Company operates a portfolio of 24 hotel brands, including Super 8®, Days Inn®, Ramada®, Microtel®, La Quinta®, Baymont®, Wingate®, AmericInn®, Hawthorn Suites®, Trademark Collection® and Wyndham®. The Company's award-winning Wyndham Rewards loyalty program offers approximately 99 million enrolled members the opportunity to redeem points at thousands of hotels, vacation club resorts and vacation rentals globally. For more information, visit www.wyndhamhotels.com. The Company may use its website as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. Disclosures of this nature will be included on the Company's website in the Investors section, which can currently be accessed at www.investor.wyndhamhotels.com. Accordingly, investors should monitor this section of the Company's website in addition to following the Company's press releases, filings submitted with the Securities and Exchange Commission and any public conference calls or webcasts.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the federal securities laws, including statements related to the Company's current views and expectations with respect to its future performance and operations, including revenues, earnings, cash flow and other financial and operating measures, share repurchases and dividends and restructuring charges. Forward-looking statements include those that convey management's expectations as to the future based on plans, estimates and projections at the time the Company makes the statements and may be identified by words such as "will," "expect," "believe," "plan," "anticipate," "intend," "goal," "future," "outlook," "guidance," "target," "objective," "estimate," "projection" and similar words or expressions, including the negative version of such words and expressions. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release.

Factors that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, general economic conditions, including inflation, higher interest rates and potential recessionary pressures; the worsening of the effects from the coronavirus pandemic ("COVID-19"); COVID-19's scope, duration, resurgence and impact on the Company's business operations, financial results, cash flows and liquidity, as well as the impact on the Company's franchisees, guests and team members, the hospitality industry and overall demand for and restrictions on travel the Company's continued performance during the recovery from COVID-19 and any resurgence or mutations of the virus concerns with or threats of other pandemics, contagious diseases or health epidemics, including the effects of COVID-19; the

performance of the financial and credit markets; the economic environment for the hospitality industry; operating risks associated with the hotel franchising businesses; the Company's relationships with franchisees; the impact of war, terrorist activity, political instability or political strife, including the ongoing conflict between Russia and Ukraine; the Company's ability to satisfy obligations and agreements under its outstanding indebtedness, including the payment of principal and interest and compliance with the covenants thereunder; risks related to the Company's ability to obtain financing and the terms of such financing, including access to liquidity and capital; and the Company's ability to make or pay, plans for and the timing and amount of any future share repurchases and/or dividends, as well as the risks described in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and any subsequent reports filed with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, subsequent events or otherwise.

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Table 1
WYNDHAM HOTELS & RESORTS
INCOME STATEMENT
(In millions, except per share data)
(Unaudited)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|---------------------------------|--------------|-------------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net revenues | | | | |
| Royalties and franchise fees | \$ 118 | \$ 117 | \$ 512 | \$ 461 |
| Marketing, reservation and loyalty | 128 | 115 | 544 | 468 |
| Management and other fees | 3 | 35 | 57 | 117 |
| License and other fees | 26 | 19 | 100 | 79 |
| Other | 35 | 28 | 141 | 120 |
| Fee-related and other revenues | 310 | 314 | 1,354 | 1,245 |
| Cost reimbursements | 24 | 78 | 144 | 320 |
| Net revenues | <u>334</u> | <u>392</u> | <u>1,498</u> | <u>1,565</u> |
| Expenses | | | | |
| Marketing, reservation and loyalty | 140 | 123 | 524 | 450 |
| Operating | 22 | 39 | 106 | 132 |
| General and administrative | 35 | 32 | 123 | 113 |
| Cost reimbursements | 24 | 78 | 144 | 320 |
| Depreciation and amortization | 19 | 25 | 77 | 95 |
| Gain on asset sale, net | — | — | (35) | — |
| Separation-related | 1 | — | 1 | 3 |
| Impairments, net | — | 6 | — | 6 |
| Total expenses | <u>241</u> | <u>303</u> | <u>940</u> | <u>1,119</u> |
| Operating income | 93 | 89 | 558 | 446 |
| Interest expense, net | 21 | 22 | 80 | 93 |
| Early extinguishment of debt | — | — | 2 | 18 |
| Income before income taxes | 72 | 67 | 476 | 335 |
| Provision for income taxes | 16 | 19 | 121 | 91 |
| Net income | <u>\$ 56</u> | <u>\$ 48</u> | <u>\$ 355</u> | <u>\$ 244</u> |
| Earnings per share | | | | |
| Basic | \$ 0.64 | \$ 0.52 | \$ 3.93 | \$ 2.61 |
| Diluted | 0.63 | 0.52 | 3.91 | 2.60 |
| Weighted average shares outstanding | | | | |
| Basic | 87.8 | 93.0 | 90.3 | 93.4 |
| Diluted | 88.3 | 93.7 | 90.8 | 93.9 |

Table 2
WYNDHAM HOTELS & RESORTS
HISTORICAL REVENUE AND ADJUSTED EBITDA BY SEGMENT

The reportable segments presented below represent our operating segments for which separate financial information is available and is utilized on a regular basis by our chief operating decision maker to assess performance and allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon net revenues and adjusted EBITDA. We believe that adjusted EBITDA is a useful measure of performance for our segments which, when considered with GAAP measures, allows a more complete understanding of our operating performance. We use this measure internally to assess operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of selected compensation decisions. Our presentation of adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. 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.

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---------------------------------------|------------------|-------------------|------------------|-------------------|-----------|
| Hotel Franchising | | | | | |
| Net revenues | | | | | |
| 2022 | \$ 272 | \$ 335 | \$ 367 | \$ 303 | \$ 1,277 |
| 2021 | 209 | 283 | 337 | 270 | 1,099 |
| 2020 | 243 | 182 | 236 | 202 | 863 |
| 2019 | 269 | 331 | 379 | 300 | 1,279 |
| Adjusted EBITDA ^(a) | | | | | |
| 2022 | \$ 155 | \$ 185 | \$ 201 | \$ 138 | \$ 679 |
| 2021 | 105 | 166 | 193 | 128 | 592 |
| 2020 | 110 | 86 | 119 | 77 | 392 |
| 2019 | 115 | 164 | 197 | 153 | 629 |
| Hotel Management | | | | | |
| Net revenues | | | | | |
| 2022 | \$ 99 | \$ 51 | \$ 40 | \$ 31 | \$ 221 |
| 2021 | 94 | 123 | 126 | 122 | 466 |
| 2020 | 167 | 76 | 101 | 94 | 437 |
| 2019 | 197 | 201 | 180 | 190 | 768 |
| Adjusted EBITDA | | | | | |
| 2022 | \$ 20 | \$ 6 | \$ 7 | \$ 4 | \$ 37 |
| 2021 | 5 | 16 | 16 | 19 | 57 |
| 2020 | 17 | (4) | 2 | (1) | 13 |
| 2019 | 16 | 16 | 13 | 21 | 66 |
| Corporate and Other | | | | | |
| Net revenues | | | | | |
| 2022 | \$ — | \$ — | \$ — | \$ — | \$ — |
| 2021 | — | — | — | — | — |
| 2020 | — | — | — | — | — |
| 2019 | 2 | 1 | 1 | 2 | 6 |
| Adjusted EBITDA | | | | | |
| 2022 | \$ (16) | \$ (16) | \$ (17) | \$ (16) | \$ (66) |
| 2021 | (13) | (14) | (15) | (16) | (59) |
| 2020 | (18) | (16) | (18) | (18) | (69) |
| 2019 | (18) | (19) | (18) | (19) | (74) |

Table 2 (continued)
WYNDHAM HOTELS & RESORTS
HISTORICAL REVENUE AND ADJUSTED EBITDA BY SEGMENT

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---------------------------------------|------------------|-------------------|------------------|-------------------|-----------|
| Total Company | | | | | |
| Net revenues | | | | | |
| 2022 | \$ 371 | \$ 386 | \$ 407 | \$ 334 | \$ 1,498 |
| 2021 | 303 | 406 | 463 | 392 | 1,565 |
| 2020 | 410 | 258 | 337 | 296 | 1,300 |
| 2019 | 468 | 533 | 560 | 492 | 2,053 |
| Net income/(loss) | | | | | |
| 2022 | \$ 106 | \$ 92 | \$ 101 | \$ 56 | \$ 355 |
| 2021 | 24 | 68 | 103 | 48 | 244 |
| 2020 | 22 | (174) | 27 | (7) | (132) |
| 2019 | 21 | 26 | 45 | 64 | 157 |
| Adjusted EBITDA ^(a) | | | | | |
| 2022 | \$ 159 | \$ 175 | \$ 191 | \$ 126 | \$ 650 |
| 2021 | 97 | 168 | 194 | 131 | 590 |
| 2020 | 109 | 66 | 103 | 58 | 336 |
| 2019 | 113 | 161 | 192 | 155 | 621 |

NOTE: Amounts include the results of the Company's Wyndham Grand Bonnet Creek Resort and Wyndham Grand Rio Mar Resort, which were sold in March 2022 and May 2022, respectively, and its select-service management business, which was exited in March 2022, through their sale/exit dates. Amounts may not add across due to rounding. See Table 7 for reconciliations of Total Company non-GAAP measures and Table 9 for definitions.

^(a) Adjusted EBITDA for 2019 and 2020 has been recast to exclude the amortization of development advance notes to be consistent with the presentation adopted in 2021.

Table 3
WYNDHAM HOTELS & RESORTS
CONDENSED CASH FLOWS
(In millions)
(Unaudited)

| | Year Ended December 31, | |
|---|--------------------------------|---------------|
| | 2022 | 2021 |
| Operating activities | | |
| Net income | \$ 355 | \$ 244 |
| Depreciation and amortization | 77 | 95 |
| Gain on asset sale, net | (35) | — |
| Loss on early extinguishment of debt | 2 | 18 |
| Impairments | — | 6 |
| Trade receivables | 16 | 25 |
| Accounts payable, accrued expenses and other current liabilities | 14 | 39 |
| Deferred revenues | 22 | 16 |
| Payments of development advance notes, net | (48) | (30) |
| Other, net | (4) | 13 |
| Net cash provided by operating activities | 399 | 426 |
| Investing activities | | |
| Property and equipment additions | (39) | (37) |
| Proceeds from asset sales, net ^(a) | 263 | — |
| Acquisition of hotel brand | (44) | — |
| Other, net | (1) | 3 |
| Net cash provided by/(used in) investing activities | 179 | (34) |
| Financing activities | | |
| Proceeds from long-term debt | 400 | 45 |
| Payments of long-term debt | (404) | (574) |
| Dividends to shareholders | (116) | (82) |
| Repurchases of common stock | (448) | (107) |
| Other, net | (16) | 5 |
| Net cash used in financing activities | (584) | (713) |
| Effect of changes in exchange rates on cash, cash equivalents and restricted cash | (4) | (1) |
| Net decrease in cash, cash equivalents and restricted cash | (10) | (322) |
| Cash, cash equivalents and restricted cash, beginning of period | 171 | 493 |
| Cash, cash equivalents and restricted cash, end of period | \$ 161 | \$ 171 |

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.

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|--|--------------|--------------------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net cash provided by operating activities ^(b) | \$ 50 | \$ 99 | \$ 399 | \$ 426 |
| Less: Property and equipment additions | (11) | (14) | (39) | (37) |
| Free cash flow | \$ 39 | \$ 85 | \$ 360 | \$ 389 |

^(a) Includes proceeds of \$179 million, net of transaction costs, received from the Company's sales of the Wyndham Grand Bonnet Creek Resort and the Wyndham Grand Rio Mar Resort and \$84 million of proceeds from CorePoint Lodging related to the Company's exit of its select-service management business.

^(b) Fourth quarter year-over-year decline primarily relates to the timing of working capital, the absence of one-time benefits realized in 2021 associated with COVID-19 fee deferrals and higher payments of development advance notes.

Table 4
WYNDHAM HOTELS & RESORTS
BALANCE SHEET SUMMARY AND DEBT
(In millions)
(Unaudited)

| | As of December 31, 2022 | As of December 31, 2021 |
|---|----------------------------|----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 161 | \$ 171 |
| Trade receivables, net | 234 | 246 |
| Assets held for sale | — | 154 |
| Property and equipment, net | 99 | 106 |
| Goodwill and intangible assets, net | 3,131 | 3,200 |
| Other current and non-current assets | 498 | 392 |
| Total assets | \$ 4,123 | \$ 4,269 |
| Liabilities and stockholders' equity | | |
| Total debt | \$ 2,077 | \$ 2,084 |
| Other current liabilities | 386 | 376 |
| Deferred income tax liabilities | 345 | 366 |
| Other non-current liabilities | 353 | 354 |
| Total liabilities | 3,161 | 3,180 |
| Total stockholders' equity | 962 | 1,089 |
| Total liabilities and stockholders' equity | \$ 4,123 | \$ 4,269 |

Our outstanding debt was as follows:

| | As of December 31, 2022 | As of December 31, 2021 |
|--|----------------------------|----------------------------|
| \$750 million revolving credit facility (due April 2027) | \$ — | \$ — |
| \$400 million term loan A (due April 2027) | 399 | — |
| \$1.6 billion term loan B (due May 2025) | 1,139 | 1,541 |
| 4.375% senior unsecured notes (due August 2028) | 494 | 493 |
| Finance leases | 45 | 50 |
| Total debt | 2,077 | 2,084 |
| Cash and cash equivalents | 161 | 171 |
| Net debt | \$ 1,916 | \$ 1,913 |

Our outstanding debt as of December 31, 2022 matures as follows:

| | Amount |
|-----------------------|-----------------|
| Within 1 year | \$ 20 |
| Between 1 and 2 years | 26 |
| Between 2 and 3 years | 1,173 |
| Between 3 and 4 years | 37 |
| Between 4 and 5 years | 313 |
| Thereafter | 508 |
| Total | \$ 2,077 |

Table 5
WYNDHAM HOTELS & RESORTS
REVENUE DRIVERS

| | Year Ended December 31, | | | | |
|---|-------------------------|-----------------------|----------------------|------------------|------------------------------------|
| | 2022 | 2021 | Change | % Change | |
| Beginning Room Count (January 1) | | | | | |
| United States | 490,600 | 487,300 | 3,300 | 1% | |
| International | 319,500 | 308,600 | 10,900 | 4 | |
| Global | <u>810,100</u> | <u>795,900</u> | <u>14,200</u> | <u>2</u> | |
| Additions | | | | | |
| United States | 26,700 | 25,900 | 800 | 3 | |
| International ^(a) | 43,700 | 27,200 | 16,500 | 61 | |
| Global | <u>70,400</u> | <u>53,100</u> | <u>17,300</u> | <u>33</u> | |
| Deletions | | | | | |
| United States | (23,500) | (22,600) | (900) | (4) | |
| International | (14,500) | (16,300) | 1,800 | 11 | |
| Global | <u>(38,000)</u> | <u>(38,900)</u> | <u>900</u> | <u>2</u> | |
| Ending Room Count (December 31) | | | | | |
| United States | 493,800 | 490,600 | 3,200 | 1 | |
| International | 348,700 | 319,500 | 29,200 | 9 | |
| Global | <u>842,500</u> | <u>810,100</u> | <u>32,400</u> | <u>4%</u> | |
| As of December 31, | | | | | |
| | 2022 | 2021 | Change | % Change | FY 2022 Royalty Contribution |
| System Size | | | | | |
| United States | | | | | |
| Economy | 235,800 | 243,100 | (7,300) | (3%) | |
| Midscale and Upper Midscale | 239,000 | 228,900 | 10,100 | 4 | |
| Upscale and Above | 19,000 | 18,600 | 400 | 2 | |
| Total United States | <u>493,800</u> | <u>490,600</u> | <u>3,200</u> | <u>1%</u> | <u>85%</u> |
| International | | | | | |
| Greater China | 161,100 | 153,800 | 7,300 | 5% | 2 |
| Rest of Asia Pacific | 30,400 | 29,000 | 1,400 | 5 | 1 |
| Europe, the Middle East and Africa ^(a) | 79,200 | 66,100 | 13,100 | 20 | 5 |
| Canada | 39,500 | 39,200 | 300 | 1 | 5 |
| Latin America | 38,500 | 31,400 | 7,100 | 23 | 2 |
| Total International | <u>348,700</u> | <u>319,500</u> | <u>29,200</u> | <u>9%</u> | <u>15</u> |
| Global | <u>842,500</u> | <u>810,100</u> | <u>32,400</u> | <u>4%</u> | <u>100%</u> |

^(a) Includes 6,400 Vienna House rooms acquired in the third quarter of 2022.

Table 5 (continued)
WYNDHAM HOTELS & RESORTS
REVENUE DRIVERS

| | Three Months Ended December 31, 2022 | Constant Currency % Change ^(a) | Three-Year Basis % Change ^(b) |
|--|---|--|---|
| Regional RevPAR Growth | | | |
| United States | | | |
| Economy | \$ 38.36 | 2% | 21% |
| Midscale and Upper Midscale | 51.27 | 6 | 12 |
| Upscale and Above | 85.40 | 7 | (10) |
| Total United States | \$ 45.96 | 5% | 15% |
| International | | | |
| Greater China | \$ 11.71 | (15%) | (35%) |
| Rest of Asia Pacific | 32.51 | 60 | (9) |
| Europe, the Middle East and Africa | 52.31 | 68 | 44 |
| Canada | 43.36 | 31 | 20 |
| Latin America | 59.23 | 130 | 116 |
| Total International | \$ 31.44 | 46% | 23% |
| Global | \$ 39.86 | 15% | 16% |
| Three Months Ended December 31, | | | |
| | 2022 | 2021 | % Change |
| Average Royalty Rate | | | |
| United States | 4.6% | 4.6% | — |
| International | 2.0% | 2.1% | (10) bps |
| Global | 3.8% | 4.0% | (20) bps |
| | Year Ended December 31, 2022 | Constant Currency % Change ^(a) | Three-Year Basis % Change ^(b) |
| Regional RevPAR Growth | | | |
| United States | | | |
| Economy | \$ 42.82 | 8% | 15% |
| Midscale and Upper Midscale | 56.33 | 14 | 6 |
| Upscale and Above | 93.46 | 26 | (8) |
| Total United States | \$ 50.72 | 12% | 9% |
| International | | | |
| Greater China | \$ 13.30 | (14%) | (29%) |
| Rest of Asia Pacific | 28.74 | 48 | (19) |
| Europe, the Middle East and Africa | 46.02 | 104 | 21 |
| Canada | 50.11 | 52 | 9 |
| Latin America | 43.36 | 146 | 65 |
| Total International | \$ 29.05 | 49% | 5% |
| Global | \$ 41.88 | 20% | 7% |
| Year Ended December 31, | | | |
| | 2022 | 2021 | % Change |
| Average Royalty Rate | | | |
| United States | 4.6% | 4.6% | — |
| International | 2.1% | 2.1% | — |
| Global | 3.9% | 4.1% | (20) bps |

^(a) International excludes the impact of currency exchange movements.

^(b) Compares 2022 to 2019; international excludes the impact of currency exchange movements.

Table 6
WYNDHAM HOTELS & RESORTS
HISTORICAL REVPAR AND ROOMS

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---|------------------|-------------------|------------------|-------------------|--------------|
| Hotel Franchising | | | | | |
| Global RevPAR | | | | | |
| 2022 | \$ 33.08 | \$ 43.74 | \$ 48.61 | \$ 39.18 | \$ 41.23 |
| 2021 | \$ 24.02 | \$ 35.69 | \$ 44.67 | \$ 34.77 | \$ 34.85 |
| 2020 | \$ 25.90 | \$ 17.05 | \$ 28.83 | \$ 23.19 | \$ 23.74 |
| 2019 | \$ 33.76 | \$ 42.04 | \$ 45.23 | \$ 34.51 | \$ 38.91 |
| U.S. RevPAR | | | | | |
| 2022 | \$ 41.01 | \$ 54.70 | \$ 58.45 | \$ 45.49 | \$ 50.00 |
| 2021 | \$ 29.68 | \$ 46.99 | \$ 56.38 | \$ 42.45 | \$ 43.95 |
| 2020 | \$ 31.43 | \$ 23.19 | \$ 36.06 | \$ 27.28 | \$ 29.50 |
| 2019 | \$ 37.69 | \$ 48.65 | \$ 51.93 | \$ 37.96 | \$ 44.09 |
| International RevPAR | | | | | |
| 2022 | \$ 21.05 | \$ 26.80 | \$ 33.90 | \$ 30.16 | \$ 28.11 |
| 2021 | \$ 15.26 | \$ 18.21 | \$ 26.62 | \$ 23.13 | \$ 20.86 |
| 2020 | \$ 17.39 | \$ 7.66 | \$ 17.39 | \$ 16.71 | \$ 14.75 |
| 2019 | \$ 27.56 | \$ 31.59 | \$ 34.79 | \$ 29.15 | \$ 30.80 |
| Global Rooms ^(a) | | | | | |
| 2022 | 793,200 | 799,200 | 816,300 | 827,100 | 827,100 |
| 2021 | 748,700 | 752,500 | 758,600 | 769,400 | 769,400 |
| 2020 | 769,000 | 754,700 | 748,200 | 746,500 | 746,500 |
| 2019 | 745,300 | 751,300 | 758,400 | 770,200 | 770,200 |
| U.S. Rooms | | | | | |
| 2022 | 486,600 | 487,600 | 488,100 | 493,500 | 493,500 |
| 2021 | 452,500 | 454,200 | 458,000 | 465,100 | 465,100 |
| 2020 | 463,900 | 460,200 | 459,600 | 452,600 | 452,600 |
| 2019 | 454,900 | 457,600 | 460,100 | 464,600 | 464,600 |
| International Rooms ^(a) | | | | | |
| 2022 | 306,600 | 311,600 | 328,200 | 333,600 | 333,600 |
| 2021 | 296,200 | 298,300 | 300,600 | 304,300 | 304,300 |
| 2020 | 305,100 | 294,500 | 288,600 | 293,900 | 293,900 |
| 2019 | 290,400 | 293,700 | 298,300 | 305,600 | 305,600 |
| Hotel Management | | | | | |
| Global RevPAR | | | | | |
| 2022 | \$ 56.55 | \$ 65.13 | \$ 71.54 | \$ 68.04 | \$ 64.07 |
| 2021 | \$ 38.17 | \$ 56.08 | \$ 64.63 | \$ 57.57 | \$ 53.81 |
| 2020 | \$ 50.00 | \$ 20.67 | \$ 34.34 | \$ 32.91 | \$ 34.67 |
| 2019 | \$ 63.25 | \$ 66.67 | \$ 66.65 | \$ 59.19 | \$ 64.01 |
| U.S. RevPAR | | | | | |
| 2022 | \$ 69.92 | \$ 135.35 | \$ 126.34 | \$ 98.28 | \$ 92.66 |
| 2021 | \$ 42.89 | \$ 67.42 | \$ 78.27 | \$ 66.77 | \$ 63.20 |
| 2020 | \$ 54.35 | \$ 23.21 | \$ 39.12 | \$ 34.14 | \$ 37.97 |
| 2019 | \$ 65.58 | \$ 71.61 | \$ 70.75 | \$ 60.89 | \$ 67.32 |
| International RevPAR | | | | | |
| 2022 | \$ 40.26 | \$ 40.89 | \$ 53.57 | \$ 59.49 | \$ 48.61 |
| 2021 | \$ 27.12 | \$ 31.20 | \$ 37.53 | \$ 40.96 | \$ 34.31 |
| 2020 | \$ 38.07 | \$ 13.78 | \$ 23.16 | \$ 29.86 | \$ 26.21 |
| 2019 | \$ 55.12 | \$ 49.53 | \$ 52.49 | \$ 53.67 | \$ 52.69 |
| Global Rooms | | | | | |
| 2022 | 20,100 | 19,700 | 19,700 | 15,400 | 15,400 |
| 2021 | 48,500 | 45,500 | 44,000 | 40,700 | 40,700 |
| 2020 | 59,300 | 58,200 | 55,800 | 49,400 | 49,400 |
| 2019 | 66,800 | 65,200 | 63,400 | 60,800 | 60,800 |
| U.S. Rooms | | | | | |
| 2022 | 5,300 | 4,800 | 4,800 | 300 | 300 |
| 2021 | 33,500 | 30,600 | 28,800 | 25,500 | 25,500 |
| 2020 | 42,900 | 41,800 | 38,100 | 34,700 | 34,700 |
| 2019 | 51,700 | 50,700 | 49,100 | 45,600 | 45,600 |
| International Rooms | | | | | |
| 2022 | 14,800 | 14,900 | 14,900 | 15,100 | 15,100 |
| 2021 | 15,000 | 14,900 | 15,200 | 15,200 | 15,200 |
| 2020 | 16,400 | 16,400 | 17,700 | 14,700 | 14,700 |
| 2019 | 15,100 | 14,500 | 14,300 | 15,200 | 15,200 |

Table 6 (continued)
WYNDHAM HOTELS & RESORTS
HISTORICAL REVPAR AND ROOMS

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---|------------------|-------------------|------------------|-------------------|--------------|
| Total System | | | | | |
| Global RevPAR | | | | | |
| 2022 | \$ 34.06 | \$ 44.28 | \$ 49.17 | \$ 39.86 | \$ 41.88 |
| 2021 | \$ 24.90 | \$ 36.92 | \$ 45.80 | \$ 35.99 | \$ 35.95 |
| 2020 | \$ 27.68 | \$ 17.31 | \$ 29.23 | \$ 23.84 | \$ 24.51 |
| 2019 | \$ 36.21 | \$ 44.06 | \$ 46.94 | \$ 36.36 | \$ 40.92 |
| U.S. RevPAR | | | | | |
| 2022 | \$ 42.11 | \$ 55.57 | \$ 59.15 | \$ 45.96 | \$ 50.72 |
| 2021 | \$ 30.62 | \$ 48.37 | \$ 57.73 | \$ 43.84 | \$ 45.19 |
| 2020 | \$ 33.45 | \$ 23.19 | \$ 36.31 | \$ 27.80 | \$ 30.20 |
| 2019 | \$ 40.56 | \$ 50.98 | \$ 53.79 | \$ 40.09 | \$ 46.39 |
| International RevPAR | | | | | |
| 2022 | \$ 21.95 | \$ 27.46 | \$ 34.79 | \$ 31.44 | \$ 29.05 |
| 2021 | \$ 15.83 | \$ 18.84 | \$ 27.15 | \$ 23.99 | \$ 21.52 |
| 2020 | \$ 18.45 | \$ 7.96 | \$ 17.72 | \$ 17.37 | \$ 15.35 |
| 2019 | \$ 28.92 | \$ 32.47 | \$ 35.63 | \$ 30.29 | \$ 31.85 |
| Global Rooms ^(a) | | | | | |
| 2022 | 813,300 | 818,900 | 836,000 | 842,500 | 842,500 |
| 2021 | 797,200 | 798,000 | 802,600 | 810,100 | 810,100 |
| 2020 | 828,300 | 812,900 | 804,000 | 795,900 | 795,900 |
| 2019 | 812,100 | 816,600 | 821,800 | 831,000 | 831,000 |
| U.S. Rooms | | | | | |
| 2022 | 491,900 | 492,400 | 492,900 | 493,800 | 493,800 |
| 2021 | 486,000 | 484,800 | 486,800 | 490,600 | 490,600 |
| 2020 | 506,800 | 502,000 | 497,700 | 487,300 | 487,300 |
| 2019 | 506,600 | 508,300 | 509,200 | 510,200 | 510,200 |
| International Rooms ^(a) | | | | | |
| 2022 | 321,400 | 326,500 | 343,100 | 348,700 | 348,700 |
| 2021 | 311,200 | 313,200 | 315,800 | 319,500 | 319,500 |
| 2020 | 321,500 | 310,900 | 306,300 | 308,600 | 308,600 |
| 2019 | 305,500 | 308,300 | 312,600 | 320,800 | 320,800 |

NOTE: Amounts may not foot due to rounding. Results reflect the reclassification of rooms from the Hotel Management segment to the Hotel Franchising segment related to the CorePoint Lodging asset sales, including approximately 19,000 rooms in first quarter 2022.

^(a) Includes 6,400 Vienna House rooms acquired in the third quarter of 2022.

Table 7
WYNDHAM HOTELS & RESORTS
NON-GAAP RECONCILIATIONS
(In millions)

The tables below 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, adjusted net income and adjusted EPS financial measures provide useful information to investors about us and our financial condition and results of operations because these measures are used by our management team to evaluate our operating performance and make day-to-day operating decisions and 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. These measures also assist our investors in evaluating our ongoing operating performance for the current reporting period and, where provided, over different reporting periods, 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. These supplemental disclosures are in addition to GAAP reported measures. These non-GAAP reconciliation tables should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with GAAP.

Reconciliation of Net Income/(Loss) to Adjusted EBITDA:

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---|------------------|-------------------|------------------|-------------------|---------------|
| 2022 | | | | | |
| Net income | \$ 106 | \$ 92 | \$ 101 | \$ 56 | \$ 355 |
| Provision for income taxes | 34 | 31 | 38 | 16 | 121 |
| Depreciation and amortization | 24 | 17 | 18 | 19 | 77 |
| Interest expense, net | 20 | 20 | 21 | 21 | 80 |
| Early extinguishment of debt ^(a) | — | 2 | — | — | 2 |
| Stock-based compensation expense | 8 | 9 | 8 | 8 | 33 |
| Development advance notes amortization ^(b) | 3 | 3 | 3 | 3 | 12 |
| Gain on asset sale, net ^(c) | (36) | 1 | — | — | (35) |
| Separation-related (income)/expenses ^(d) | — | (1) | 1 | 1 | 1 |
| Foreign currency impact of highly inflationary countries ^(e) | — | 1 | 1 | 2 | 4 |
| Adjusted EBITDA | <u>\$ 159</u> | <u>\$ 175</u> | <u>\$ 191</u> | <u>\$ 126</u> | <u>\$ 650</u> |
| 2021 | | | | | |
| Net income | \$ 24 | \$ 68 | \$ 103 | \$ 48 | \$ 244 |
| Provision for income taxes | 11 | 25 | 36 | 19 | 91 |
| Depreciation and amortization | 24 | 24 | 23 | 25 | 95 |
| Interest expense, net | 28 | 22 | 22 | 22 | 93 |
| Early extinguishment of debt ^(a) | — | 18 | — | — | 18 |
| Stock-based compensation expense | 5 | 8 | 7 | 8 | 28 |
| Development advance notes amortization ^(b) | 2 | 2 | 3 | 3 | 11 |
| Impairments, net ^(f) | — | — | — | 6 | 6 |
| Separation-related expenses ^(d) | 2 | 1 | — | — | 3 |
| Foreign currency impact of highly inflationary countries ^(e) | 1 | — | — | — | 1 |
| Adjusted EBITDA | <u>\$ 97</u> | <u>\$ 168</u> | <u>\$ 194</u> | <u>\$ 131</u> | <u>\$ 590</u> |
| 2020 | | | | | |
| Net income/(loss) | \$ 22 | \$ (174) | \$ 27 | \$ (7) | \$ (132) |
| Provision for/(benefit from) income taxes | 9 | (48) | 15 | (2) | (26) |
| Depreciation and amortization | 25 | 25 | 24 | 24 | 98 |
| Interest expense, net | 25 | 28 | 29 | 30 | 112 |
| Stock-based compensation expense | 4 | 5 | 5 | 5 | 19 |
| Development advance notes amortization ^(b) | 2 | 2 | 2 | 2 | 9 |
| Impairments, net ^(f) | — | 206 | — | — | 206 |
| Restructuring costs ^(g) | 13 | 16 | — | 5 | 34 |
| Transaction-related expenses, net ^(h) | 8 | 5 | — | — | 12 |
| Separation-related expenses ^(d) | 1 | — | — | 1 | 2 |
| Foreign currency impact of highly inflationary countries ^(e) | — | — | 1 | — | 2 |
| Adjusted EBITDA | <u>\$ 109</u> | <u>\$ 66</u> | <u>\$ 103</u> | <u>\$ 58</u> | <u>\$ 336</u> |

Table 7 (continued)
WYNDHAM HOTELS & RESORTS
NON-GAAP RECONCILIATIONS
(In millions)

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---|------------------|-------------------|------------------|-------------------|---------------|
| 2019 | | | | | |
| Net income | \$ 21 | \$ 26 | \$ 45 | \$ 64 | \$ 157 |
| Provision for income taxes | 5 | 10 | 21 | 14 | 50 |
| Depreciation and amortization | 29 | 27 | 26 | 28 | 109 |
| Interest expense, net | 24 | 26 | 25 | 25 | 100 |
| Stock-based compensation expense | 3 | 4 | 4 | 4 | 15 |
| Development advance notes amortization ^(b) | 2 | 2 | 2 | 2 | 8 |
| Impairment, net ⁽ⁱ⁾ | — | 45 | — | — | 45 |
| Contract termination costs ^(j) | — | 9 | 34 | (1) | 42 |
| Restructuring costs ^(k) | — | — | — | 8 | 8 |
| Transaction-related expenses, net ^(h) | 7 | 11 | 12 | 10 | 40 |
| Separation-related expenses ^(d) | 21 | 1 | — | — | 22 |
| Transaction-related item ^(l) | — | — | 20 | — | 20 |
| Foreign currency impact of highly inflationary countries ^(e) | 1 | — | 3 | 1 | 5 |
| Adjusted EBITDA | \$ 113 | \$ 161 | \$ 192 | \$ 155 | \$ 621 |

NOTE: Amounts may not add due to rounding.

- (a) Amount in 2022 relates to non-cash charges associated with the Company's extension of its revolving credit facility and the prepayment of \$400 million of its term loan B. Amount in 2021 relates to the redemption premium and non-cash expenses associated with the early redemption of the Company's 5.375% senior unsecured notes.
- (b) Represents the non-cash amortization of development advance notes, which is now excluded from adjusted EBITDA to reflect how the Company's chief operating decision maker reviews operating performance.
- (c) Represents net gain on sale of the Company's owned hotel, the Wyndham Grand Bonnet Creek Resort. There was no gain or loss on sale of the Company's Wyndham Grand Rio Mar Resort as the proceeds received approximated adjusted net book value.
- (d) Represents costs associated with the Company's spin-off from Wyndham Worldwide.
- (e) Relates to the foreign currency impact from hyper-inflation, primarily in Argentina, which is reflected in operating expenses on the income statement.
- (f) 2021 represents a non-cash charge to reduce the carrying values of the Company's owned hotels long-lived assets to their fair value in connection with the Company's Board approval of a plan to sell these assets in 2022. 2020 represents a non-cash charge to reduce the carrying values of certain intangible assets to their fair values principally attributable to higher discount rates primarily resulting from increased share price volatility, partially offset by \$3 million of cash proceeds from a previously impaired asset.
- (g) Represents charges associated with restructuring initiatives implemented in response to the effects on travel demand as a result of COVID-19.
- (h) Primarily relates to integration costs incurred in connection with the Company's acquisition of La Quinta.
- (i) Represents a non-cash charge associated with the termination of certain hotel-management arrangements.
- (j) Represents costs associated with the termination of certain hotel-management arrangements.
- (k) Represents a charge related to enhancing the Company's organizational efficiency and rationalizing our operations.
- (l) Represents the one-time fee credit related to the Company's agreement with CorePoint Lodging, which is reflected as a reduction to hotel management revenues on the income statement.

Table 7 (continued)
WYNDHAM HOTELS & RESORTS
NON-GAAP RECONCILIATIONS
(In millions, except per share data)

Reconciliation of Net Income and Diluted EPS to Adjusted Net Income and Adjusted Diluted EPS:

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|----------------|----------------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Diluted earnings per share | \$ 0.63 | \$ 0.52 | \$ 3.91 | \$ 2.60 |
| Net income | \$ 56 | \$ 48 | \$ 355 | \$ 244 |
| Adjustments: | | | | |
| Gain on asset sale, net ^(a) | — | — | (35) | — |
| Acquisition-related amortization expense ^(b) | 6 | 11 | 31 | 38 |
| Foreign currency impact of highly inflationary countries | 2 | — | 4 | 1 |
| Early extinguishment of debt ^(c) | — | — | 2 | 18 |
| Separation-related expenses | 1 | — | 1 | 3 |
| Impairments, net | — | 6 | — | 6 |
| Total adjustments before tax | 9 | 17 | 3 | 66 |
| Income tax provision/(benefit) ^(d) | 1 | 1 | (2) | 13 |
| Total adjustments after tax | 8 | 16 | 5 | 53 |
| Adjusted net income | <u>\$ 64</u> | <u>\$ 64</u> | <u>\$ 360</u> | <u>\$ 297</u> |
| Adjustments - EPS impact | 0.09 | 0.17 | 0.05 | 0.56 |
| Adjusted diluted EPS | <u>\$ 0.72</u> | <u>\$ 0.69</u> | <u>\$ 3.96</u> | <u>\$ 3.16</u> |
| Diluted weighted average shares outstanding | 88.3 | 93.7 | 90.8 | 93.9 |

- ^(a) Represents net gain on sale of the Company's owned hotel, the Wyndham Grand Bonnet Creek Resort. There was no gain or loss on sale of the Company's Wyndham Grand Rio Mar Resort as the proceeds received approximated adjusted net book value.
- ^(b) Reflected in depreciation and amortization on the income statement.
- ^(c) Amount in 2022 relates to non-cash charges associated with the Company's extension of its revolving credit facility and the prepayment of \$400 million of its term loan B. Amount in 2021 relates to the redemption premium and non-cash expenses associated with the early redemption of the Company's 5.375% senior unsecured notes.
- ^(d) Reflects the estimated tax effects of the adjustments. Fourth quarter 2021 amount was reduced by \$3 million primarily due to the lack of a tax benefit on the Company's non-cash impairment charge.

Table 8
WYNDHAM HOTELS & RESORTS
2023 OUTLOOK
As of February 15, 2023
(In millions, except per share data)

| | 2023 Outlook |
|---|---------------------|
| Fee-related and other revenues | \$ 1,375 - 1,405 |
| Adjusted EBITDA ^(a) | 650 - 660 |
| Depreciation and amortization expense ^(b) | 48 - 50 |
| Development advance notes amortization expense | 13 - 15 |
| Stock-based compensation expense | 37 - 39 |
| Interest expense, net | 93 - 97 |
| Adjusted income before income taxes | 450 - 464 |
| Income tax expense ^(c) | 113 - 115 |
| Adjusted net income | <u>\$ 337 - 349</u> |
| Adjusted diluted EPS | \$ 3.84 - 3.98 |
| Diluted shares ^(d) | 87.7 |
| Marketing, reservation and loyalty funds ^(e) | Approx. \$10 |
| Capital expenditures | Approx. \$35 |
| Development advance notes | Approx. \$60 |
| Free cash flow conversion rate ^(f) | 50% - 55% |
| <u>Year-over-Year Growth</u> | |
| Global RevPAR ^(g) | 4% - 6% |
| Number of rooms | 2% - 4% |

(a) Year-over-year growth rates are not comparable due to the exit of the Company's select-service management business, the sale of its two owned hotels during 2022 and the variability in its marketing funds due to the recovery of the COVID support that the Company provided to its owners during 2020.

(b) Excludes amortization of acquisition-related intangible assets of ~\$27 million.

(c) Outlook assumes an effective tax rate of approximately 25%.

(d) Excludes the impact of any share repurchases after December 31, 2022.

(e) Represents the recovery of \$49 million COVID support that the Company provided to its owners during 2020. The Company recovered \$38 million of the \$49 million support during 2021 and 2022 combined.

(f) Represents the percentage of adjusted EBITDA that is expected to produce free cash flow. Free cash flow plus capital expenditures equals net cash from operating activities.

(g) Outlook represents global RevPAR growth of 6% - 8% compared to 2019.

In determining adjusted EBITDA, interest expense, net, adjusted income before income taxes, adjusted net income, adjusted diluted EPS and free cash flow conversion rate, we exclude certain items which are otherwise included in determining the comparable GAAP financial measures. We are providing these measures on a non-GAAP basis only because, without unreasonable efforts, we are unable to predict with reasonable certainty the occurrence or amount of all the adjustments or other 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.

Table 9
WYNDHAM HOTELS & RESORTS
DEFINITIONS

Adjusted Net Income and Adjusted Diluted EPS: Represents net income/(loss) and diluted earnings/(loss) per share excluding acquisition-related amortization, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition-, or separation-related), (gain)/loss on asset sales and foreign currency impacts of highly inflationary countries. The Company calculates the income tax effect of the adjustments using an estimated effective tax rate applicable to each adjustment.

Adjusted EBITDA: Represents net income/(loss) 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), (gain)/loss on asset sales, foreign currency impacts of highly inflationary countries, 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/(loss) or other measures of financial performance or liquidity derived in accordance with U.S. GAAP. In addition, the Company's definition of adjusted EBITDA may not be comparable to similarly titled measures of other companies.

During the first quarter of 2021, the Company modified the definition of adjusted EBITDA to exclude the amortization of development advance notes to reflect how the Company's chief operating decision maker reviews operating performance beginning in 2021. The Company has applied the modified definition of adjusted EBITDA to all periods presented.

Average Daily Rate (ADR): Represents the average rate charged for renting a lodging room for one day.

Average Occupancy Rate: Represents the percentage of available rooms occupied during the period.

Constant Currency: Represents a comparison eliminating the effects of foreign exchange rate fluctuations between periods (foreign currency translation) and the impact caused by any foreign exchange related activities (i.e., hedges, balance sheet remeasurements and/or adjustments).

Free Cash Flow: See Table 3 for definition.

Net Debt Leverage Ratio: Calculated by dividing total debt less cash and cash equivalents by trailing twelve months adjusted EBITDA.

Number of Rooms: Represents the number of rooms at the end of the period which are (i) either under franchise and/or management agreements or Company-owned and (ii) properties under affiliation agreements for which we receive a fee for reservation and/or other services provided.

RevPAR: Represents revenue per available room and is calculated by multiplying average occupancy rate by ADR.

Royalty Rate: Represents the average royalty rate earned on our franchised properties and is calculated by dividing total royalties, excluding the impact of amortization of development advance notes, by total room revenues.