



WYNDHAM

HOTELS & RESORTS

# Investor Presentation

April 26, 2023

Microtel Inn & Suites by Wyndham  
Rehoboth Beach, Delaware, USA  
*Opened January 2023*

MICROTEL  
BY WYNDHAM

# 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

24  
Brands

~226,000  
Rooms in the Pipeline

~70%  
Leisure Guest Mix

~845,000  
Current Rooms

95+  
Countries

~101M  
Loyalty Members

~90%  
Drive to Destinations

1

# Q1 2023 Performance Recap

Days Inn by Wyndham Demopolis  
Demopolis, Alabama, USA

# First Quarter 2023 Performance Recap

**+12%**

Global RevPAR vs. 2022;  
**+11%** vs. 2019 <sup>(a)</sup>

**+4%**

U.S. RevPAR vs. 2022;  
**+8%** vs. 2019

**+4%**

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

**+7%**

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

**+11%**

Global pipeline  
growth YOY

**\$147M**

Adjusted EBITDA;  
Comparable growth of  
**+10%** vs. 2022 <sup>(d)</sup>

**\$84M**

Free cash flow <sup>(e)</sup>;  
**57%** conversion rate

Data as of March 31, 2023. 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) Excludes contracts awarded for ECHO Suites Extended Stay by Wyndham.

(d) Net income for first quarter 2023 and 2022 was \$67 million and \$106 million, respectively. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix. Comparable basis represents year-over-year growth excluding the results of the select-service management business and owned hotels in 2022 and marketing fund variability.

(e) Net cash from operating, investing and financing activities was \$93 million, (\$9 million) and (\$95 million), respectively.

# First Quarter 2023 Adjusted EBITDA Grows 10% on a Comparable Basis <sup>(a)</sup>

## ADJUSTED EBITDA <sup>(b)</sup>

(in millions)

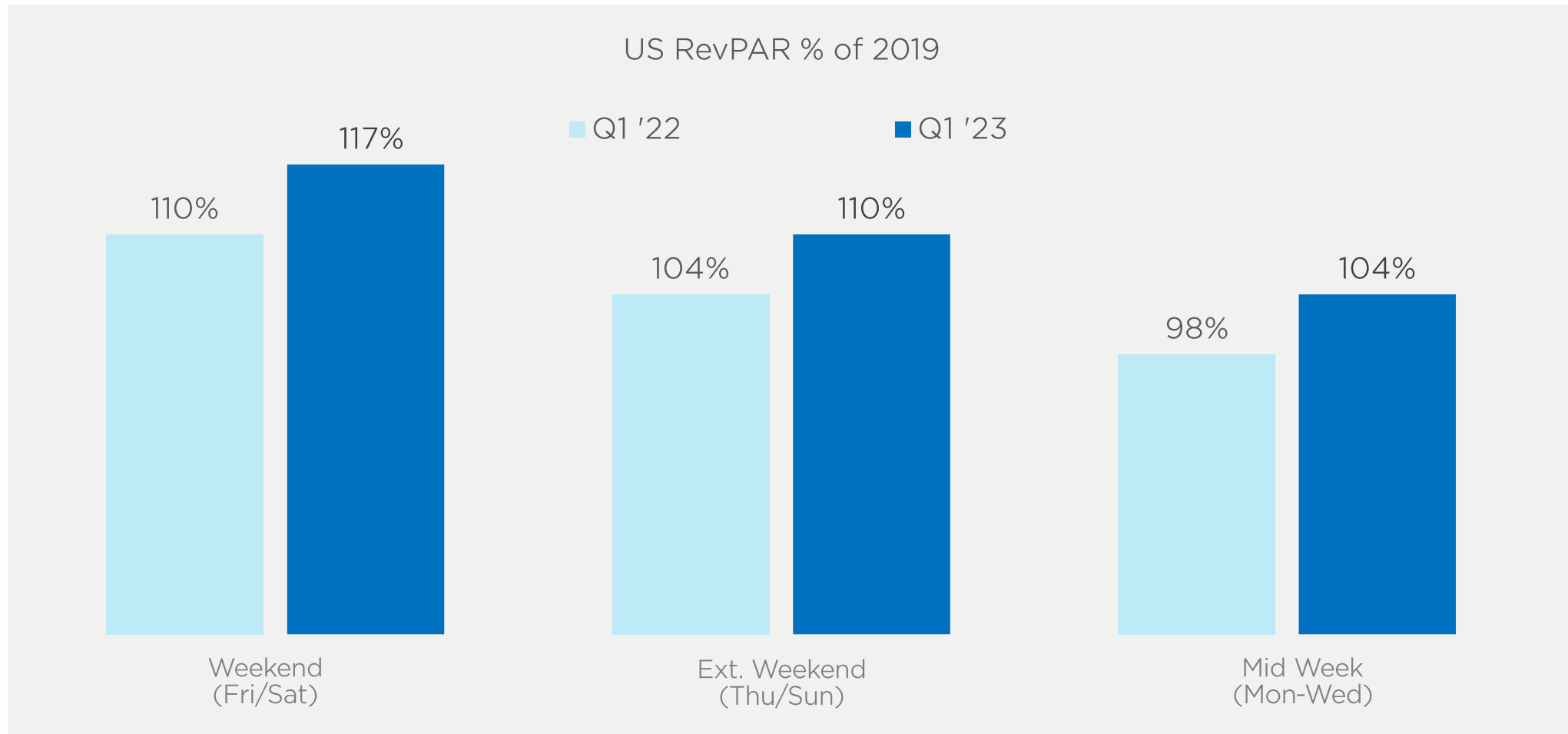
+10%  
Comparable Basis  
Growth



(a) Comparable basis represents year-over-year growth excluding the results of the select-service management business and owned hotels in 2022, as well as the variability in the marketing funds.

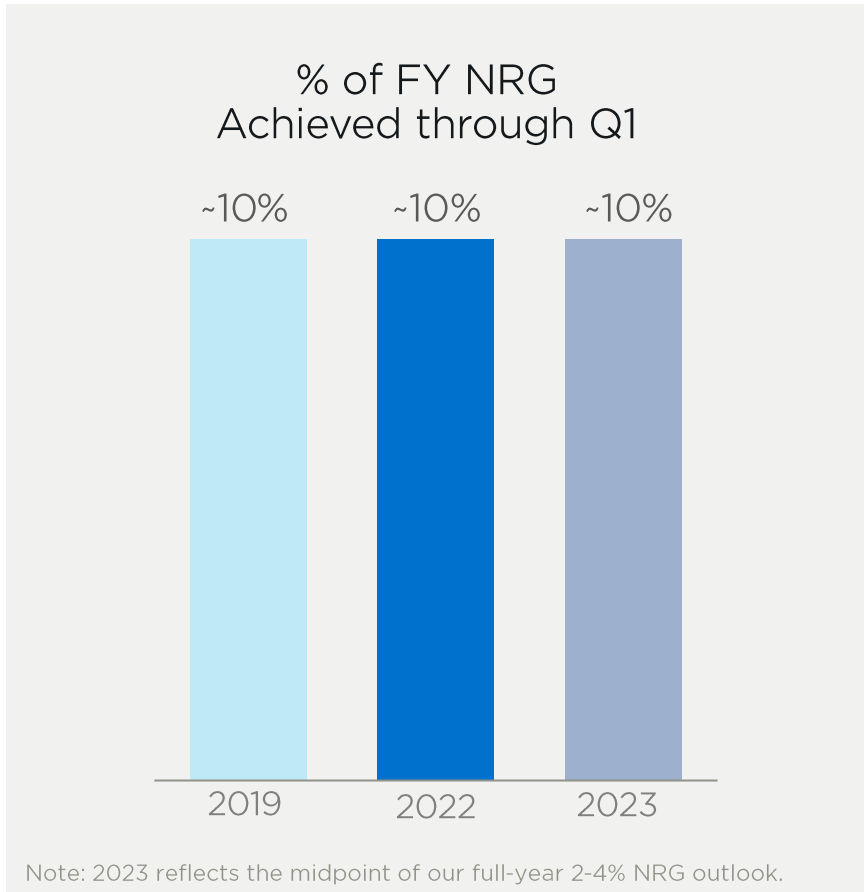
(b) Net income for first quarter 2023 and 2022 was \$67 million and \$106 million, respectively. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.

# Continued Momentum in U.S. RevPAR Growth

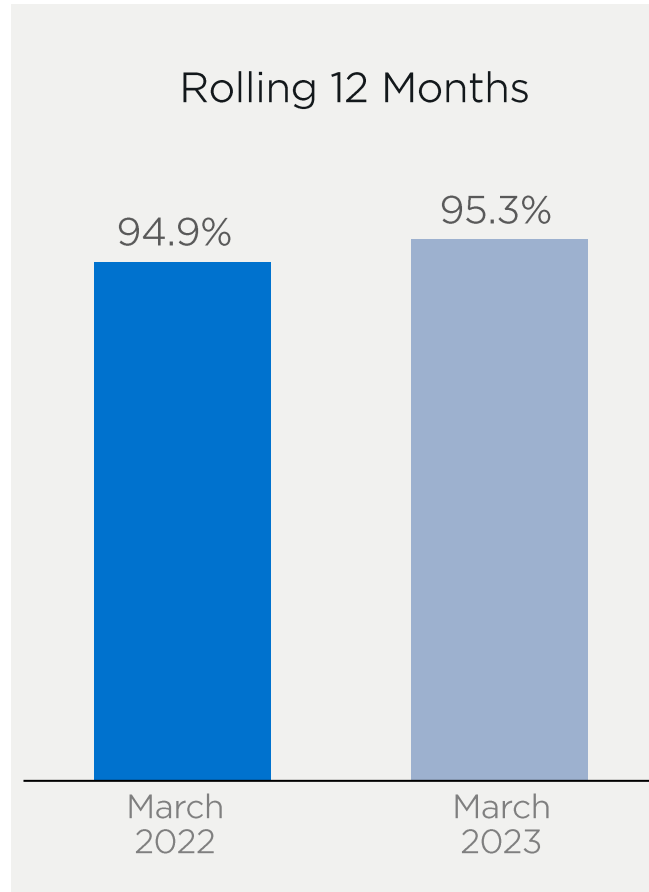


# Net Room Growth Tracking in Line with Expectations

## NET ROOM GROWTH PACING IN LINE WITH HISTORICAL PERFORMANCE



## RETENTION CONTINUES TO IMPROVE



## DOMESTIC MIDSCALE+ SYSTEM YOY GROWTH

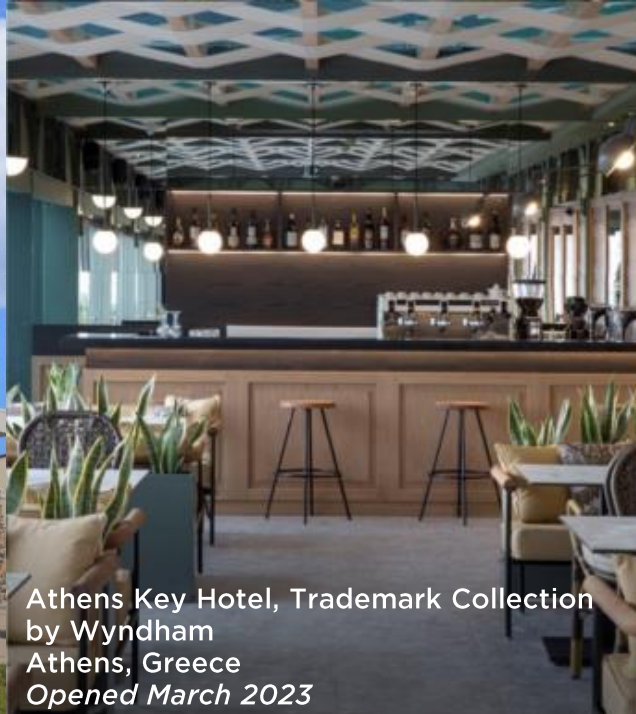
+4%

## INTERNATIONAL DIRECT SYSTEM YOY GROWTH

+14%



La Quinta Inn & Suites by Wyndham  
Jackson, MO, USA  
Opened March 2023



Athens Key Hotel, Trademark Collection  
by Wyndham  
Athens, Greece  
Opened March 2023



Ramada by Wyndham  
Formiga, Brazil  
Opened March 2023



La Quinta & Hawthorn Suites by Wyndham  
Sulphur, LA, USA  
Opened February 2023



Dolce by Wyndham  
Lombardo, Italy  
Opened January 2023



TRYP by Wyndham  
Adelaide, Australia  
Opened March 2023



Days Inn by Wyndham  
Hunan, China  
Opened March 2023

Expanding Globally  
in Key Markets

**WYNDHAM**  
HOTELS & RESORTS



# Pipeline Grows Sequentially for 11<sup>th</sup> Consecutive Quarter

## TOTAL PIPELINE @ 3/31/23



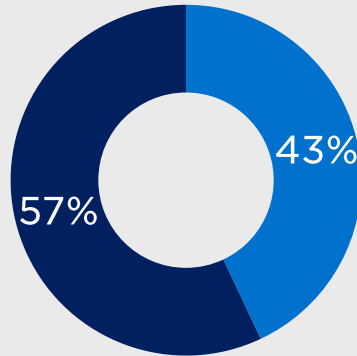
*11<sup>th</sup> consecutive quarter of sequential growth*

↑  
YOY Growth  
Global +11% U.S. +28%

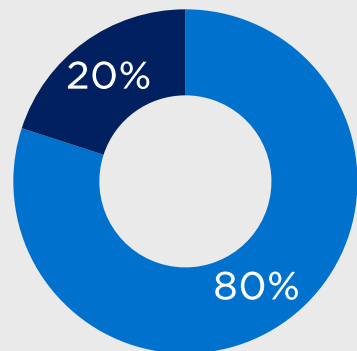
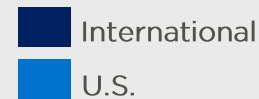
↑  
Sequential Growth  
Global +3% U.S. +5%

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

## GLOBAL COMPOSITION

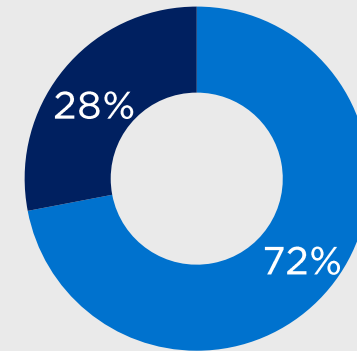


Pipeline as a % of current portfolio:  
27%



35% in the ground

## SEGMENT MIX



+170bps  
YOY midscale+ growth



## ECHOSUITES

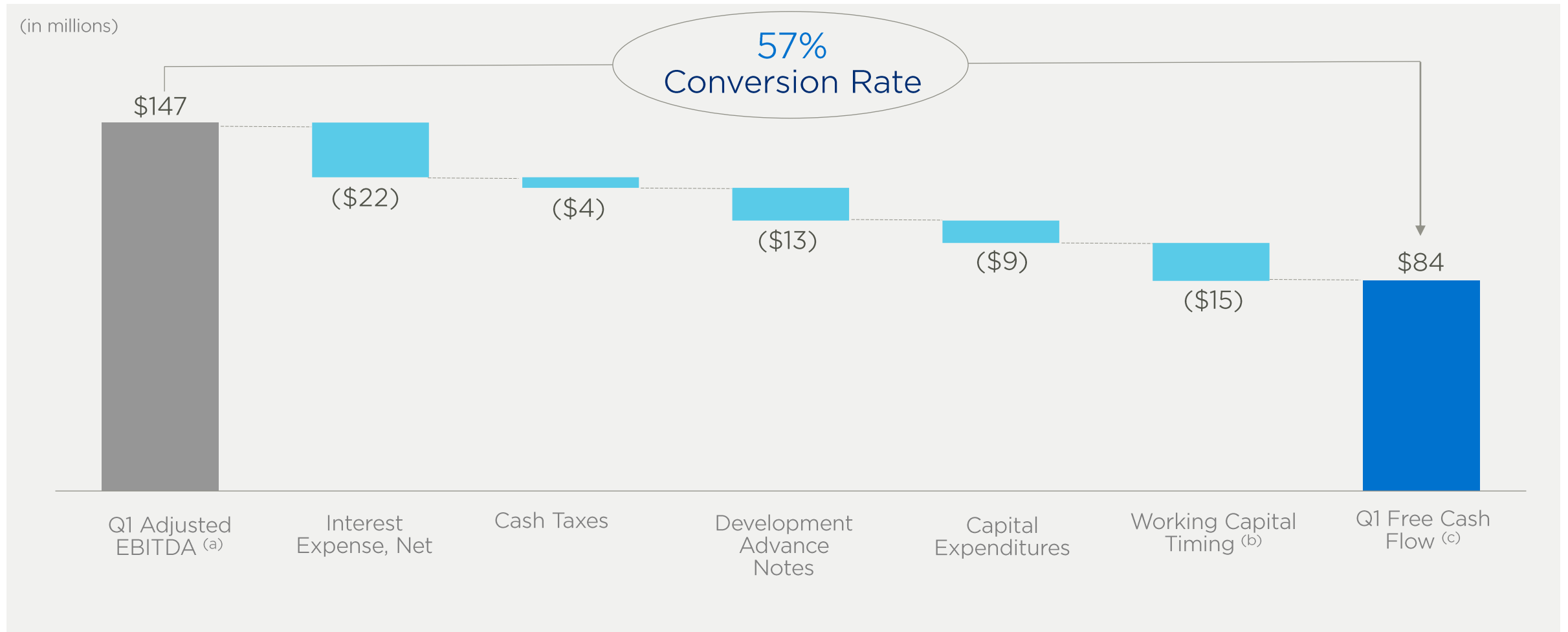
EXTENDED STAY BY WYNDHAM

205  
Contracts

25,000+  
Rooms

3  
Ground Breaks

# 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.

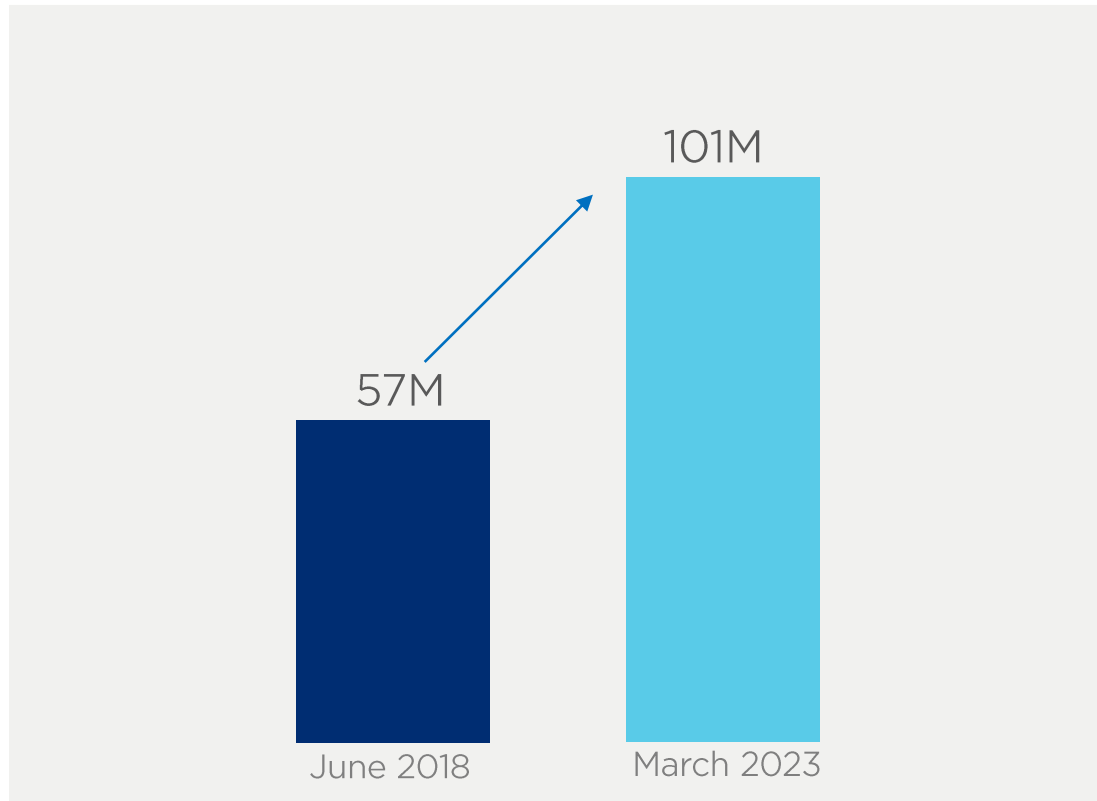
(a) Net income was \$67 million.

(b) Timing includes prepayments for our global franchisee conference.

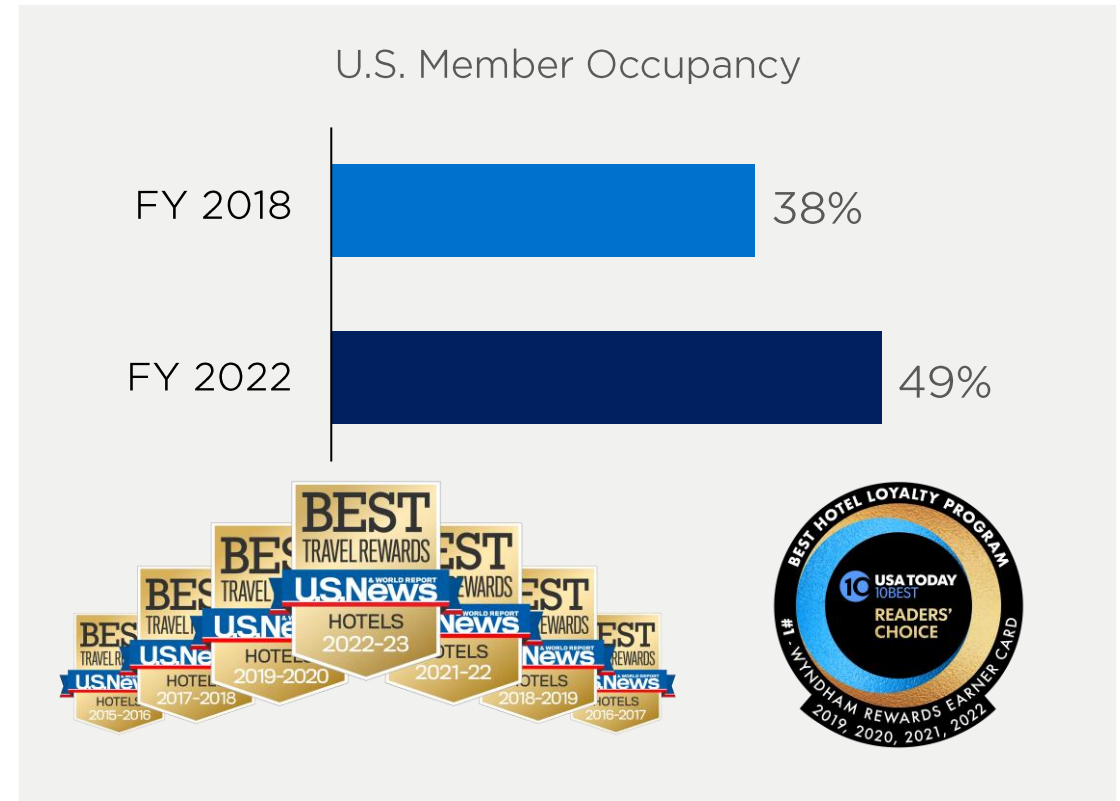
(c) Net cash from operating, investing and financing activities was \$93 million, (\$9 million) and (\$95 million), respectively.

# Award-Winning Wyndham Rewards Loyalty Program Continues to Drive Value to Owners

## NUMBER OF ENROLLED MEMBERS NEARLY DOUBLES SINCE SPIN



## GROWTH IN DIRECT CONTRIBUTION FOR OUR OWNERS SINCE SPIN



2

# 2023 Focus

CLEAR INTENT & PRIORITIES TO  
DRIVE SHAREHOLDER VALUE

TRYP by Wyndham  
Wellington, New Zealand  
Opened January 2023

# 2023 Key Priorities

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## DRIVE NET ROOM GROWTH

Grow direct franchise system 2-4%, including continued improvement of retention rate

Continued investment in new brands, system refreshes and other 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

Capture increased share of growing spend from the Infrastructure & CHIPS Acts

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



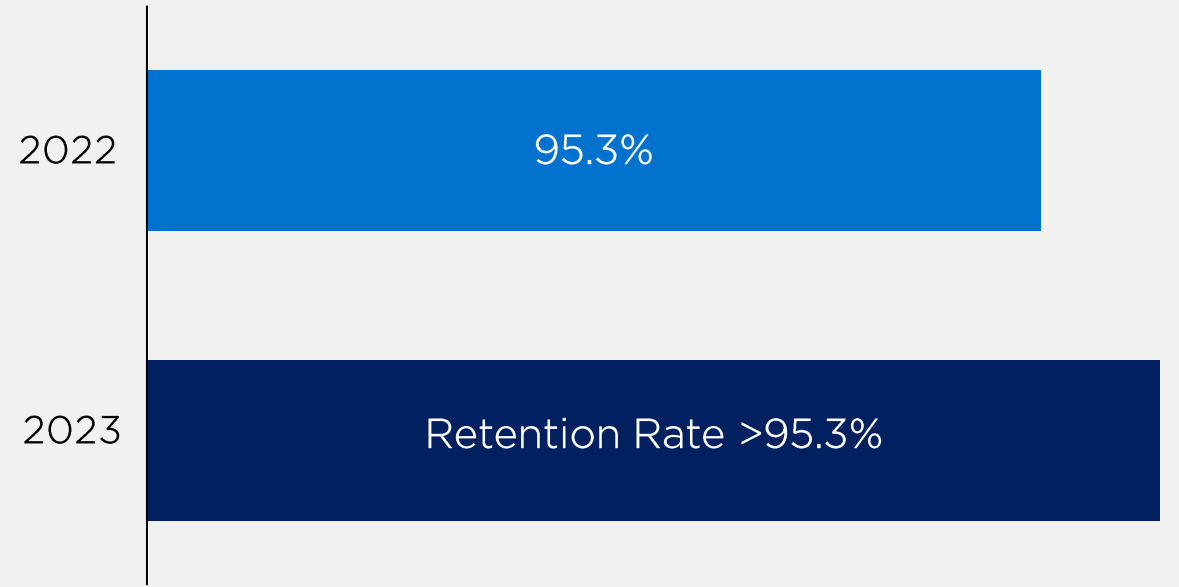
# System Projected to Increase 2 to 4%

Continued momentum in openings and improvements in retention rate expected to drive net room growth

## GLOBAL ADDITIONS



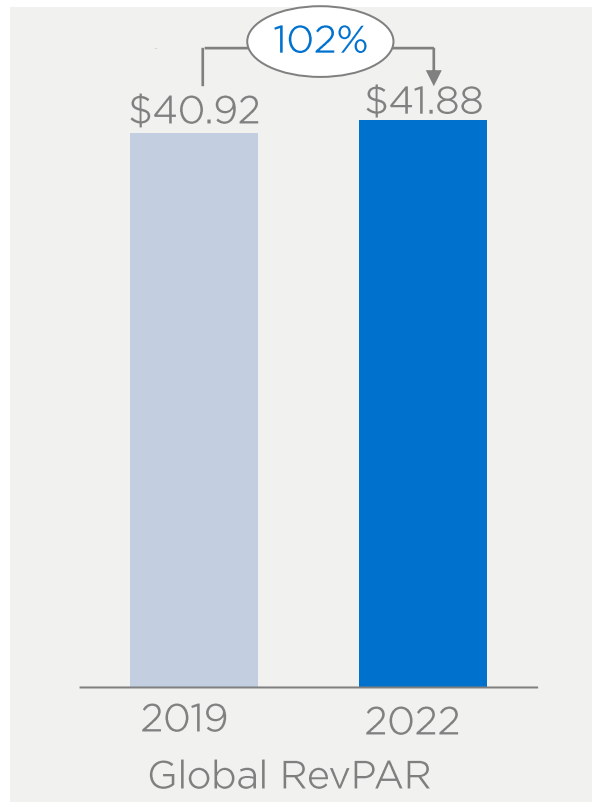
## GLOBAL RETENTION RATE



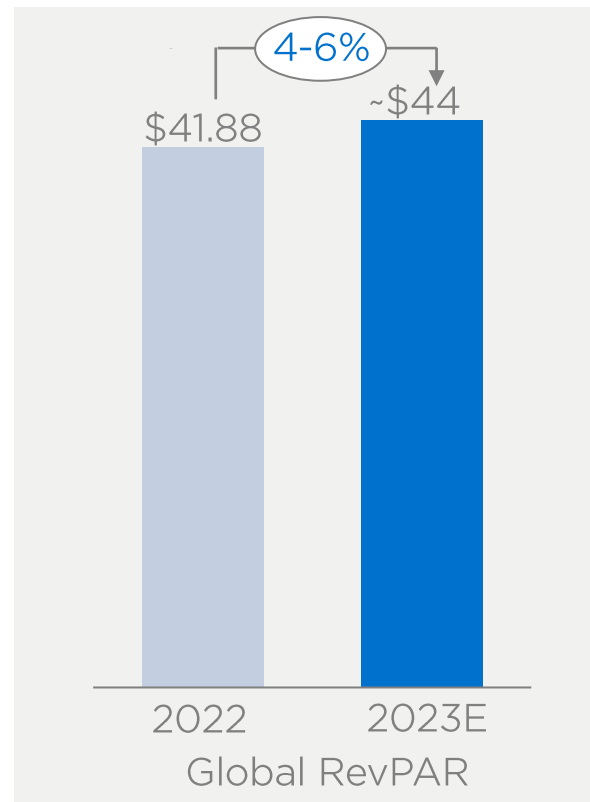
# RevPAR Projected to Grow 4% to 6%

Accelerated RevPAR recovery due to select-service focus

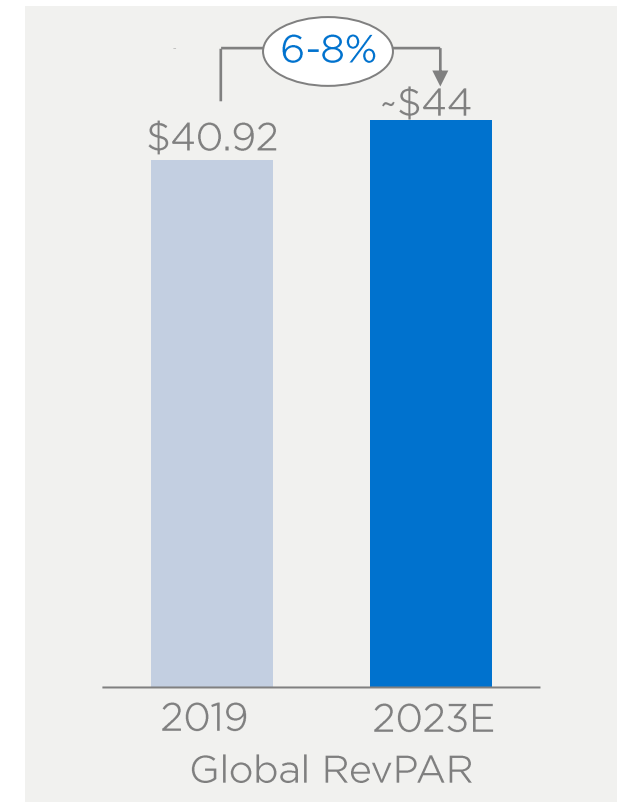
REVPAR FULLY RECOVERED IN 2022



2023 REVPAR GROWTH PROJECTED AT 4-6% ...



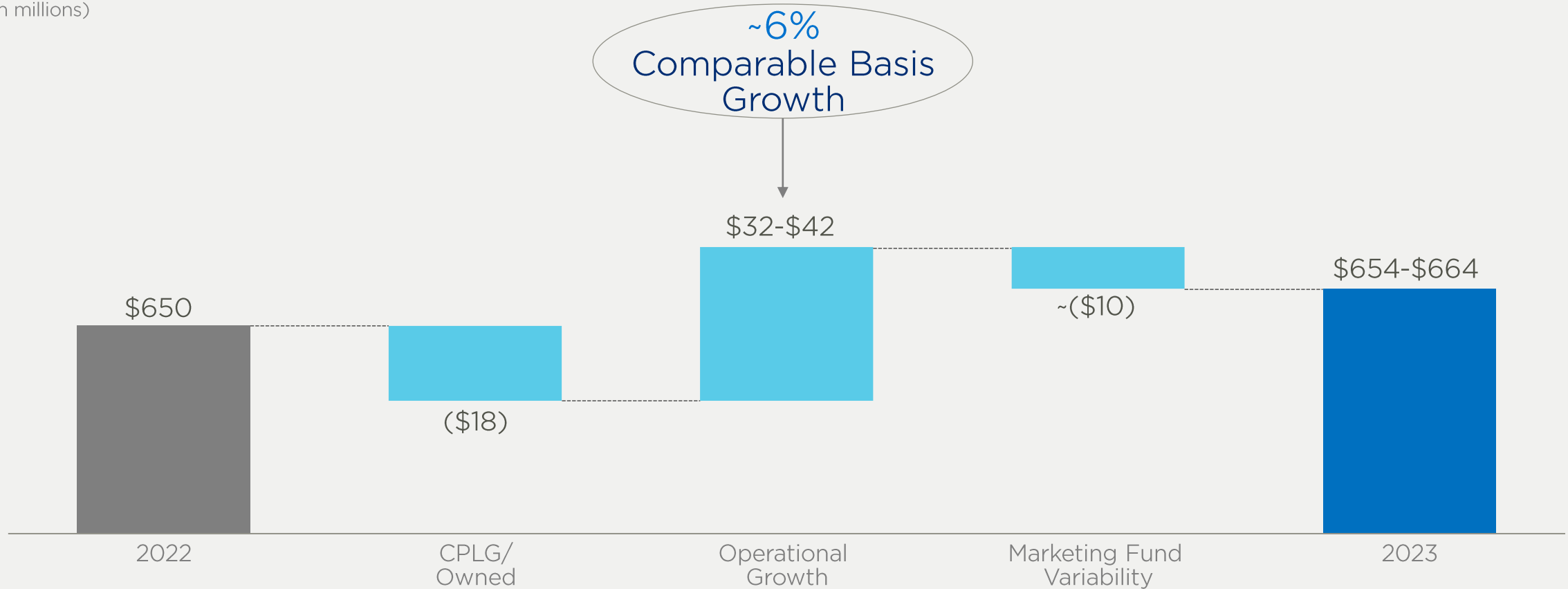
... WHICH REPRESENTS 6-8% GROWTH VS. 2019



# 2023 Adjusted EBITDA Projected to Grow ~6% on a Comparable Basis (a)

## ADJUSTED EBITDA (b)

(in millions)



(a) Comparable basis represents year-over-year growth excluding the results of the select-service management business and owned hotels in 2022, as well as the variability in the marketing funds.

(b) Net income for full-year 2022 was \$355 million. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix. Core business includes all adjustments to Adjusted EBITDA as well as license fees, which are expected to grow in line the rest of the Company's core business.



# Maximizing Capital Allocation For All Stakeholders

## MAINTAIN STRONG BALANCE SHEET

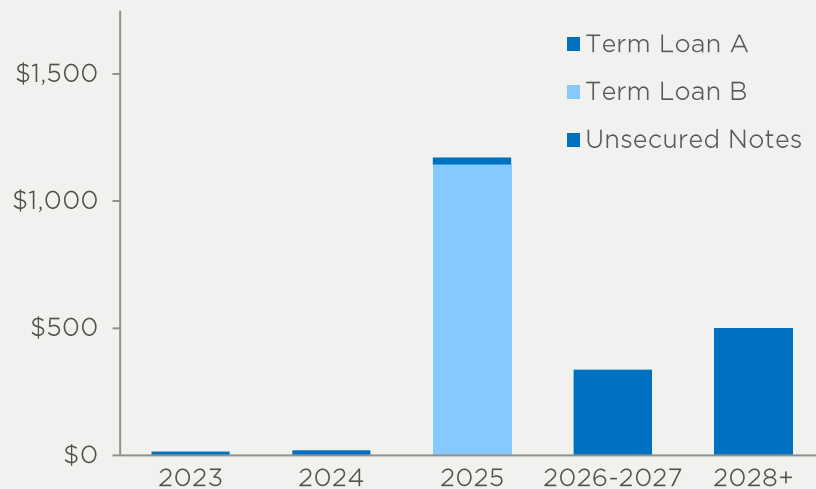
~\$900 million of liquidity

Total leverage at 3.0x

No near-term debt maturities

Only ~20% of debt is variable-rate

Significant room under all debt covenants



## INVEST IN BUSINESS

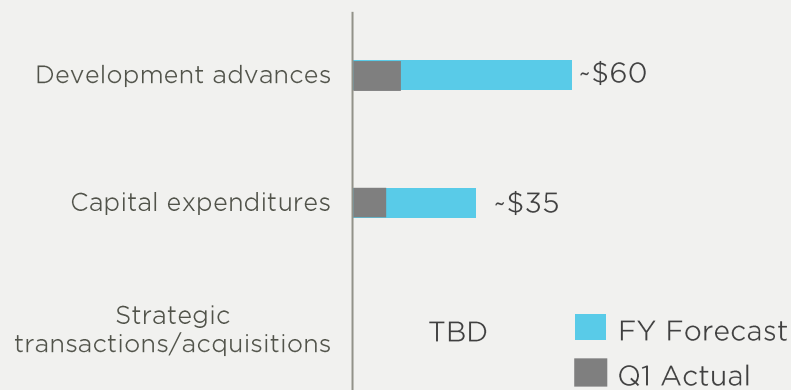
Strategic deployment of capital to accelerate growth in higher RevPAR, midscale+ hotels

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

(in millions)



## RETURN EXCESS CAPITAL TO SHAREHOLDERS

Target mid-30s dividend payout ratio

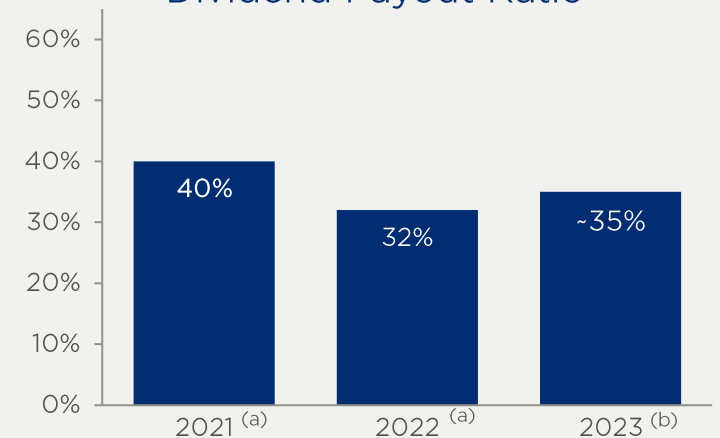
Deploy excess cash to bolster shareholder return

Record \$561 million of capital returned to shareholders during 2022 (7% of market cap)

Repurchased 16% of outstanding shares since spin-off

Returned \$87 million of capital to shareholders during first quarter 2023

### Dividend Payout Ratio

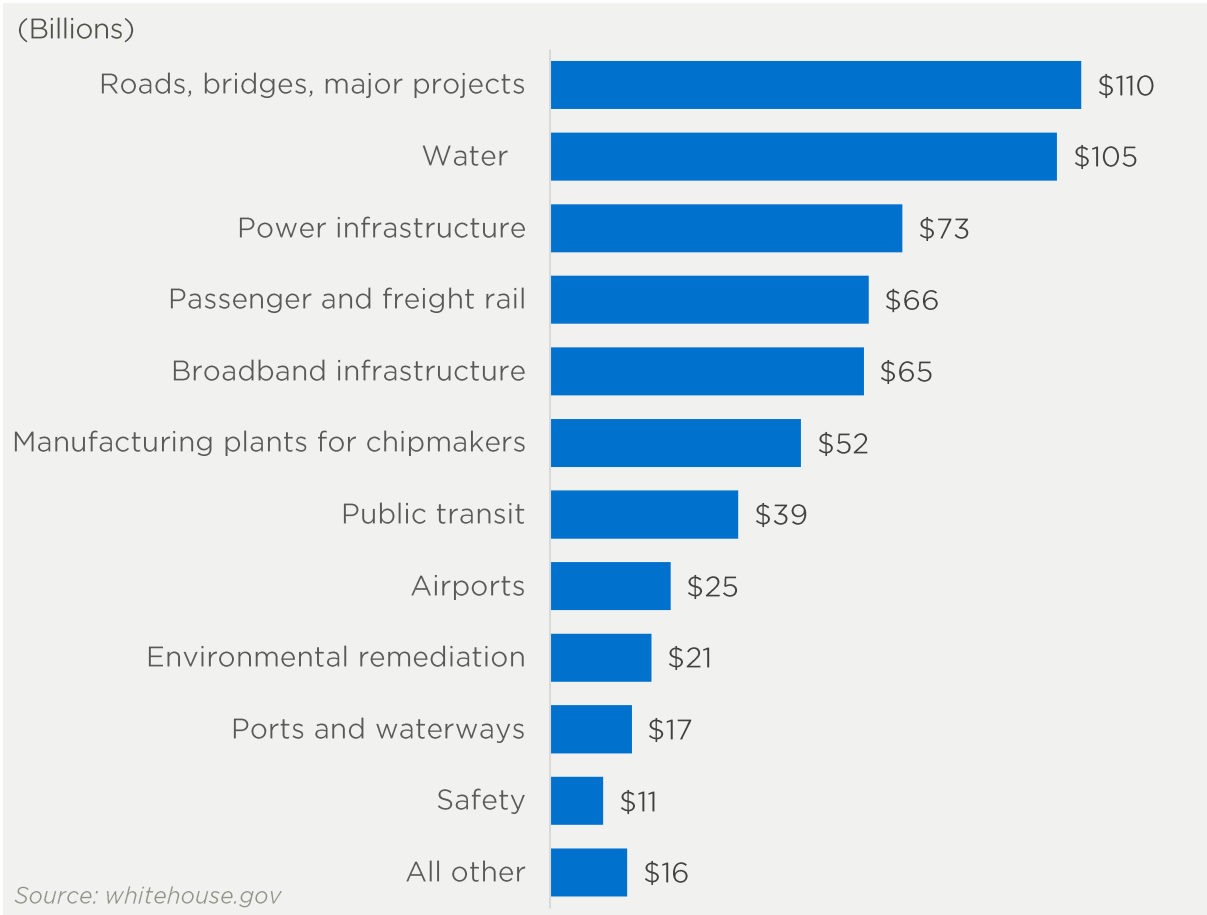


(a) Based on 2021/2022 actual adjusted net income and annualized \$0.32 per share quarterly dividend.

(b) Based on 2023 estimated adjusted net income and annualized \$0.35 per share quarterly dividend, consistent with current quarterly cash dividend policy.

# Infrastructure Category Represents Large Growth Opportunity in Coming Years

## INCREMENTAL U.S. INFRASTRUCTURE & CHIPS ACTS SPEND



## WH WELL-POSITIONED FOR FUTURE OPPORTUNITY

- In 2019, the federal government spent \$71 billion on infrastructure; the 2021 Infrastructure Act & 2022 CHIPS Act provide for a total of ~\$1.5 trillion in infrastructure spend over eight years
- WH is well-positioned to capture expected hotel demand in markets receiving the largest infrastructure dollars
- Represents ~\$3.3 billion opportunity to WH owners and \$150 million+ to WH over the spend period

# 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



13M+  
Wyndham Rewards points donated to  
**Polaris**

**ISS CORPORATE SOLUTIONS**  
QualityScore ratings (a):  
Environment - 1 out of 10  
Social - 2 out of 10  
Governance - 1 out of 10



Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA



**MSCI ESG RATINGS** A

## A CULTURE OF DIVERSITY, EQUITY & INCLUSION

## LEADERSHIP IN SUSTAINABILITY

## PROTECTING HUMAN RIGHTS

## SUPPORTING OUR COMMUNITIES

Perfect score of 100 on Human Rights Campaign 2022 Corporate Equality Index for 4<sup>th</sup> consecutive year  
~55% of global corporate workforce is female  
Recognized for the 3<sup>rd</sup> time as one of the World's Most Ethical Companies<sup>®</sup> by Ethisphere  
Launched Women Own the Room and BOLD programs to help promote diverse hotel ownership  
Pledged CEO Action for DE&I  
Executive-level sponsorship of all DE&I Associate Business Groups

Global Brand Standard for all hotels to participate in Wyndham Green Certification Program  
Proprietary Wyndham Green Toolbox  
Google certification of the Wyndham Green program  
Added web/mobile app search functionality for our guests to identify Wyndham Green certified hotels  
Maintaining LEED<sup>®</sup> Gold certification at corporate headquarters; recertified Energy Star

Human trafficking training mandated across all 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"  
Strong partnerships with ECPAT, Polaris, Sustainable Hospitality Alliance and BEST

Partner with local inner-city high schools and colleges to provide student mentoring programs and workshops  
Wyndham Rewards and its members donated ~177 million points to charitable organizations  
Focus on Wyndham's Count on Us health and safety efforts  
Introduced Shatterproof and their Just Five video series to support our team members and franchisees

3

# Business Overview

# WH Investment Thesis

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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  
& INFRASTRUCTURE  
BUSINESS-FOCUSED

3

PREDOMINATELY  
“DRIVE TO”  
LOCATIONS

4

SELECT-SERVICE  
LEADER

5

POWERFUL  
GROWTH ENGINE

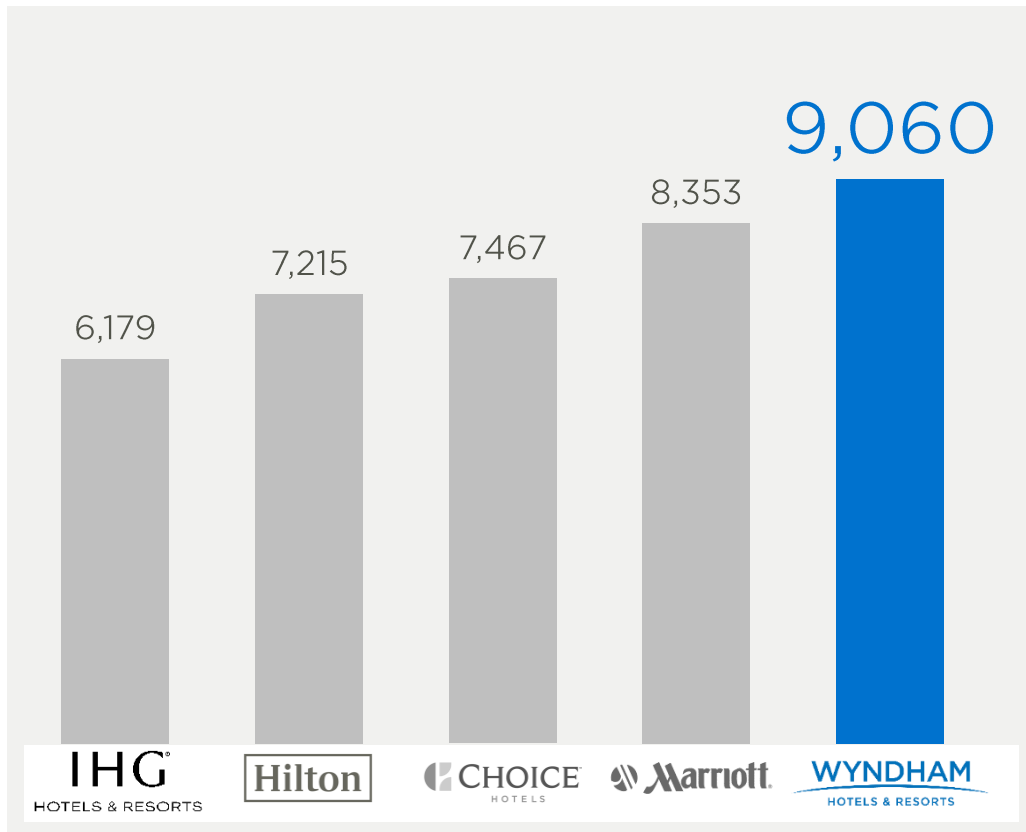


Days Inn by Wyndham  
Bullhead City, Arizona, USA

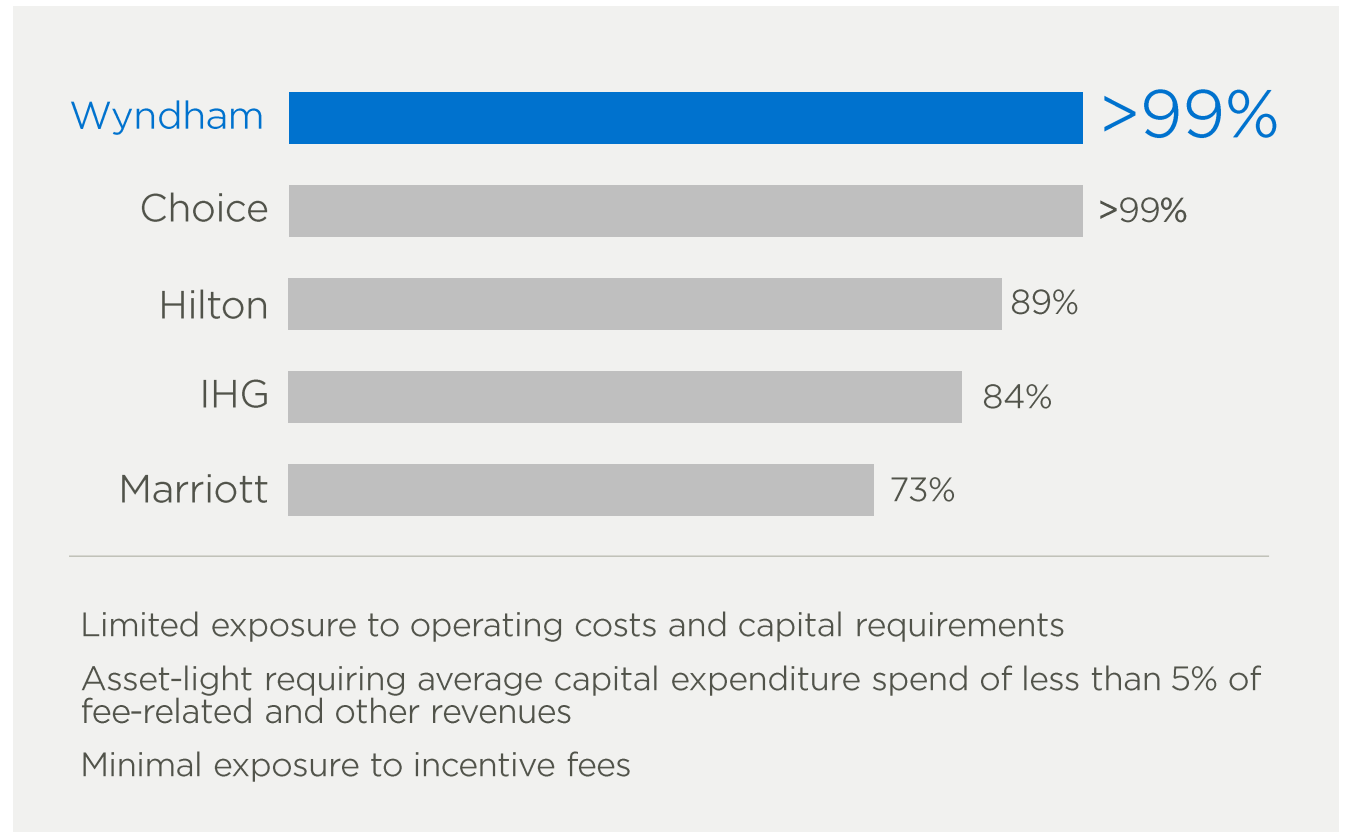
## REASON 1

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

### NUMBER OF HOTELS WORLDWIDE



### PERCENT OF FRANCHISED HOTELS

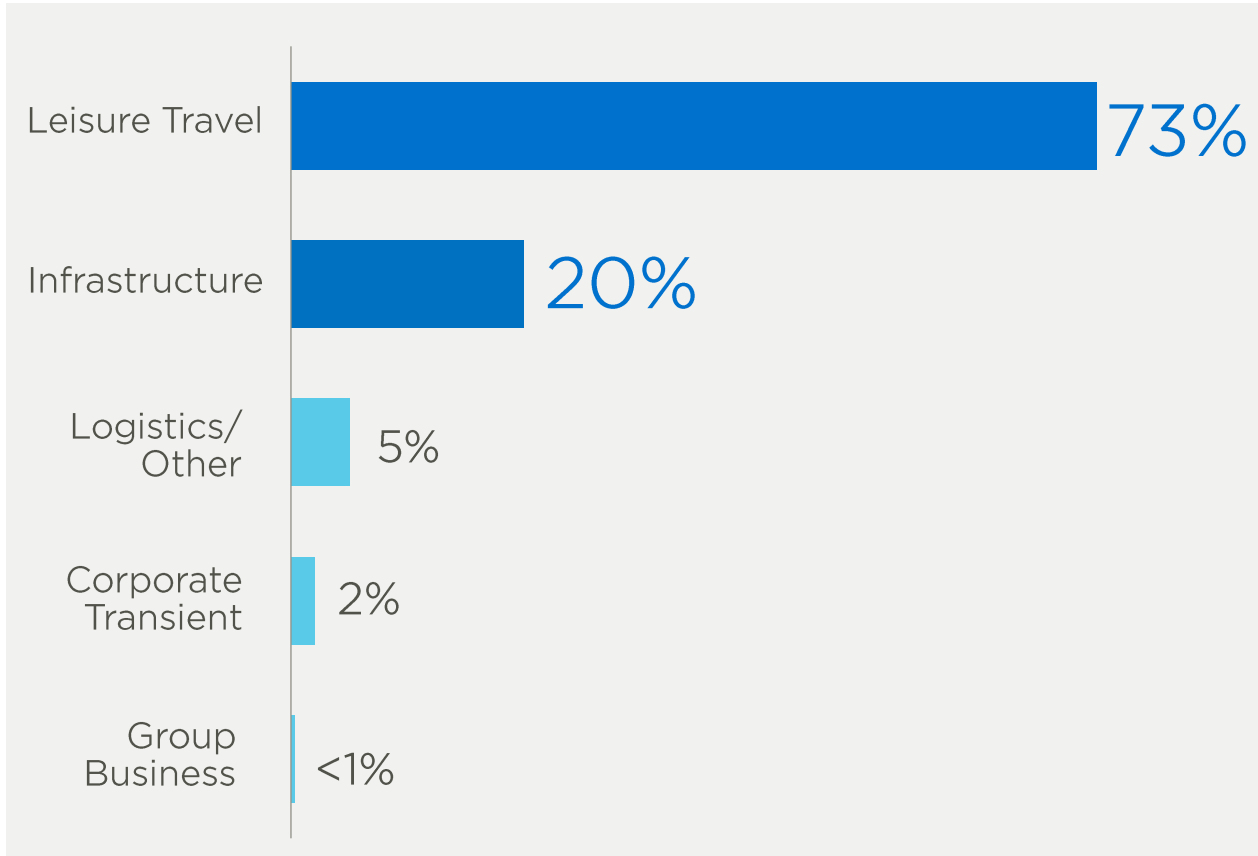




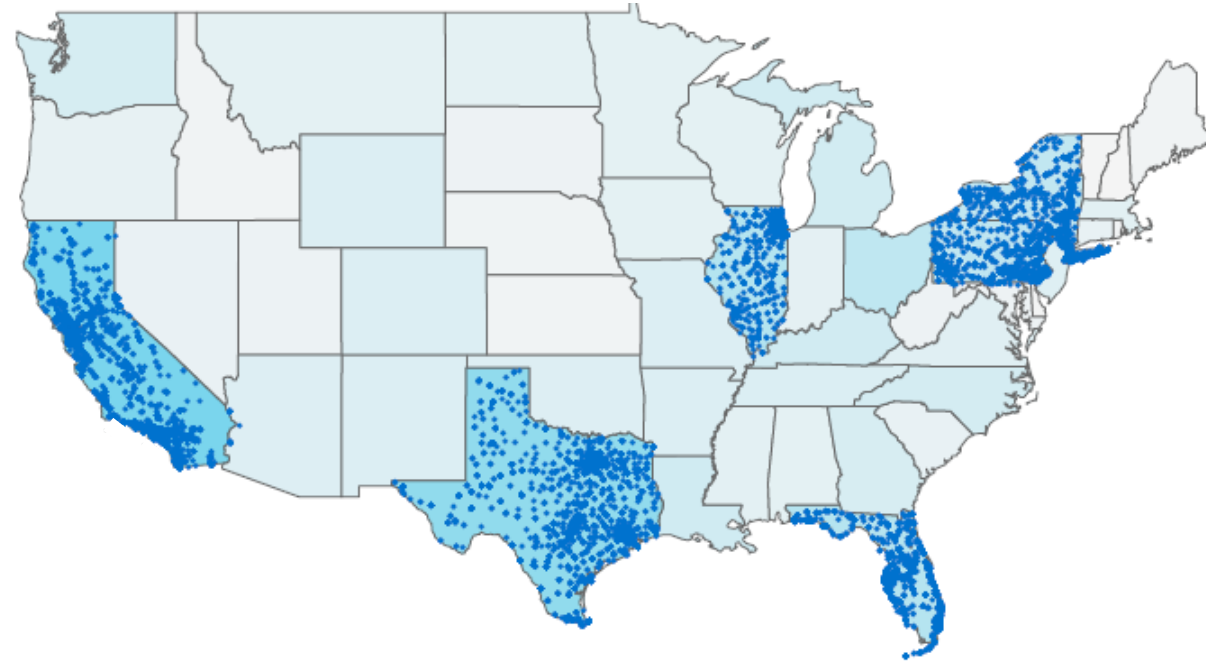
REASON 2

# Leisure Guests Power Our Business, Followed by Infrastructure Related Spend

~70% LEISURE FOCUS; 20% INFRASTRUCTURE



STRONG OVERLAP OF WH FOOTPRINT AND INFRASTRUCTURE SPEND MARKETS



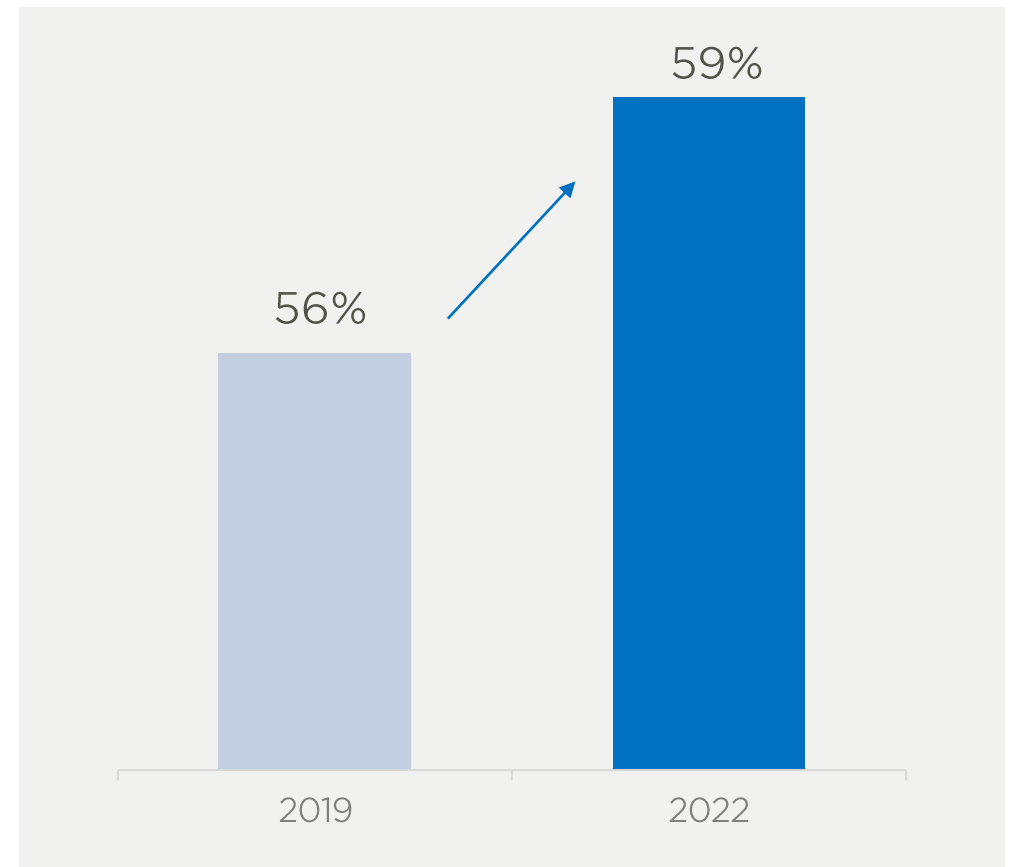
# Our Domestic Guests are Middle-Class and Getting Younger

U.S. Household Income				
First Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile
<\$28,000	\$28,000 - 55,000	\$55,000 - 90,000	\$90,000 - 149,000	>\$149,000

Average household income of WH guest is **\$91K** or **~30% >** U.S. median



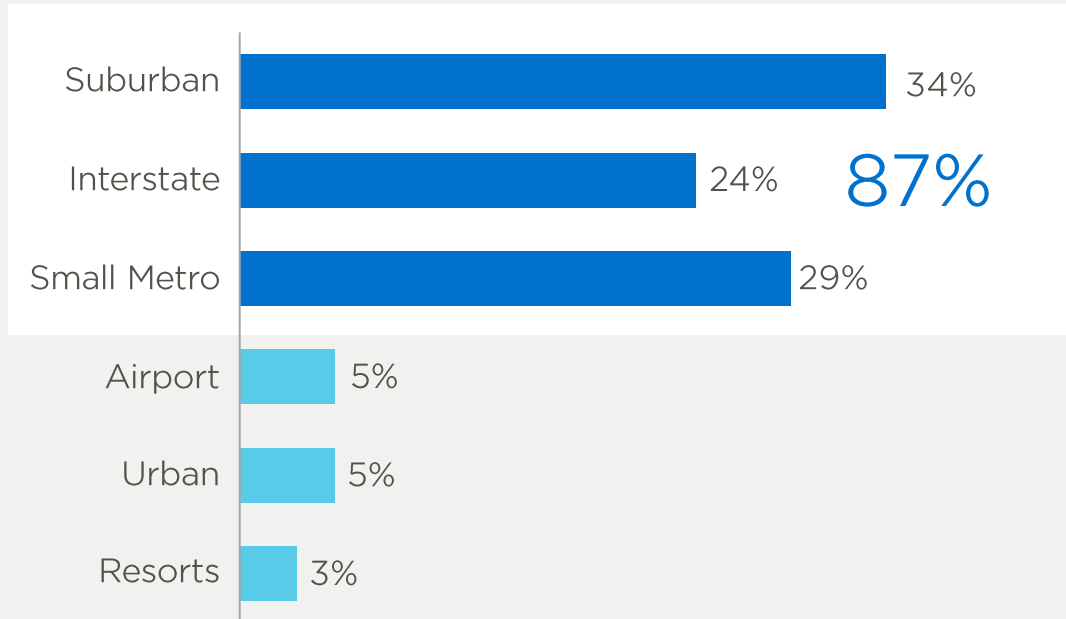
GEN X/GEN Y GUESTS AS % OF TOTAL



### REASON 3

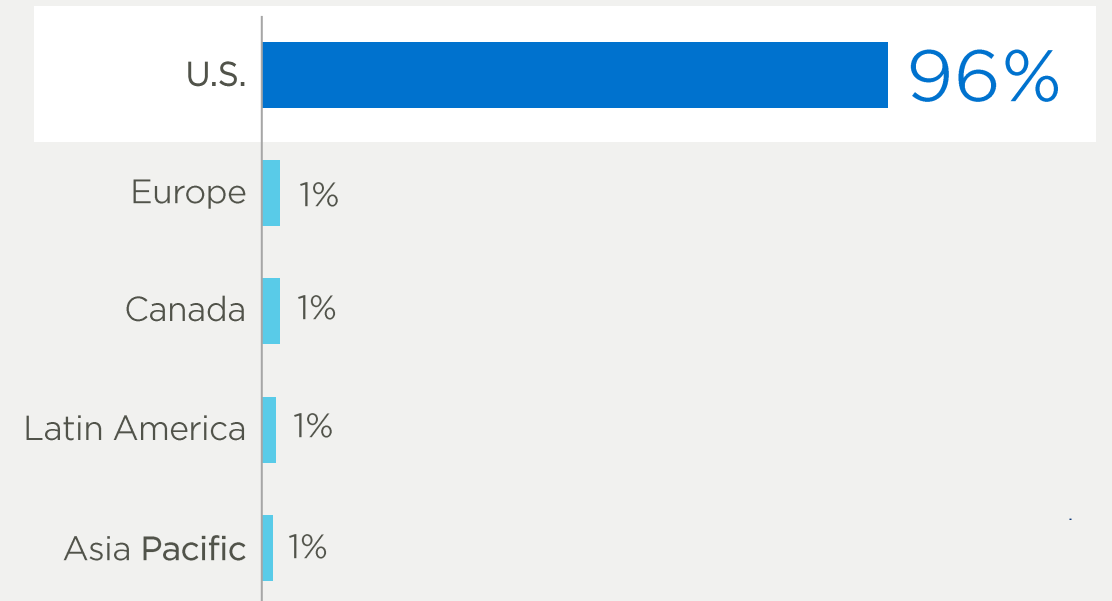
## “Drive to” Destinations Not Reliant on Air Travel or International Travelers

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



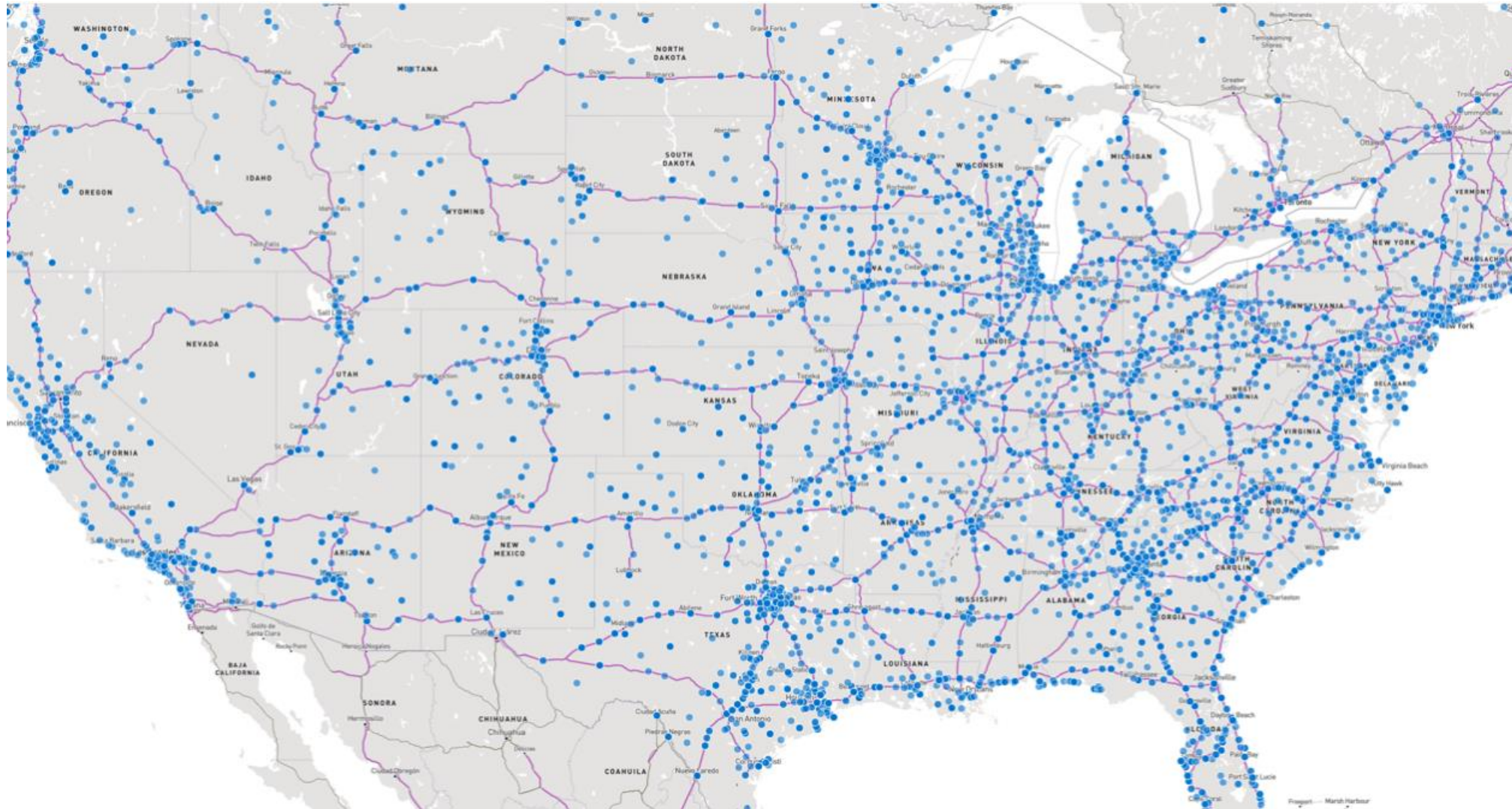
All data based on STR census December 2022.

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



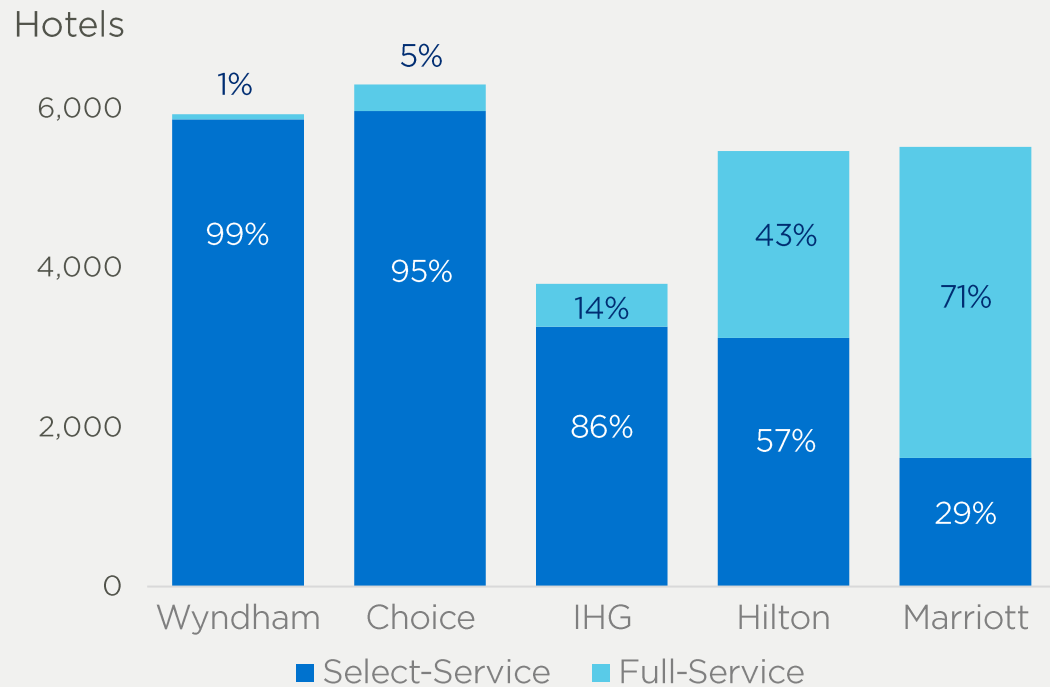
Based on FY2019 data.

# 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 2022.

ADVANTAGEOUS FEATURES OF SELECT-SERVICE HOTELS

Less labor-intensive and lower operating costs

Higher operating margins

Lower construction costs and manageable debt service

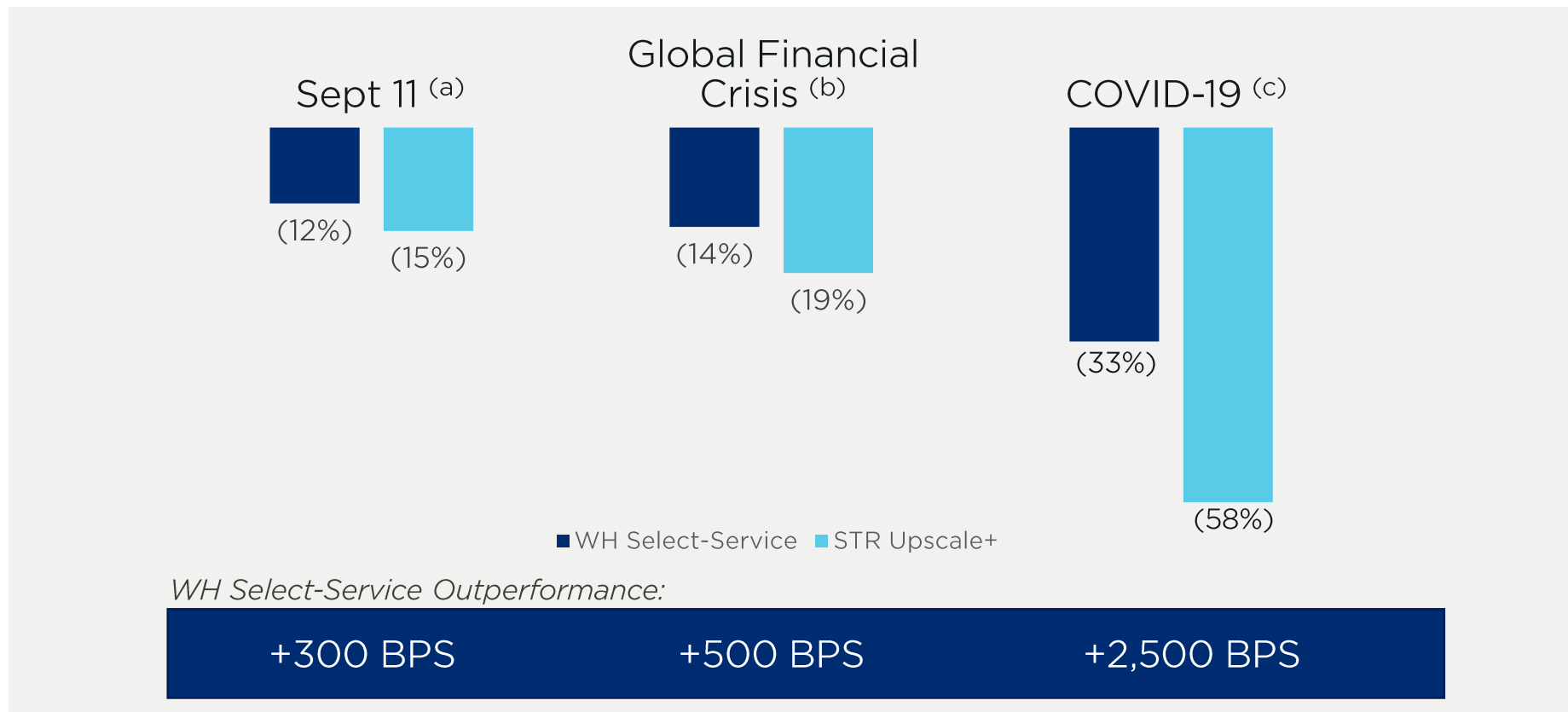
Proven to be more resilient through economic cycles

~25% of franchisee revenues originate from steady everyday business traveler

# WH Select-Service Portfolio Less Volatile During Crisis

Select-service hotels historically outperform full-service hotels in economic downturns

## RevPAR Growth



Note: WH Select-Service includes all WH economy, midscale and upper midscale brands; STR Upscale includes STR upscale, upper upscale and luxury segments.

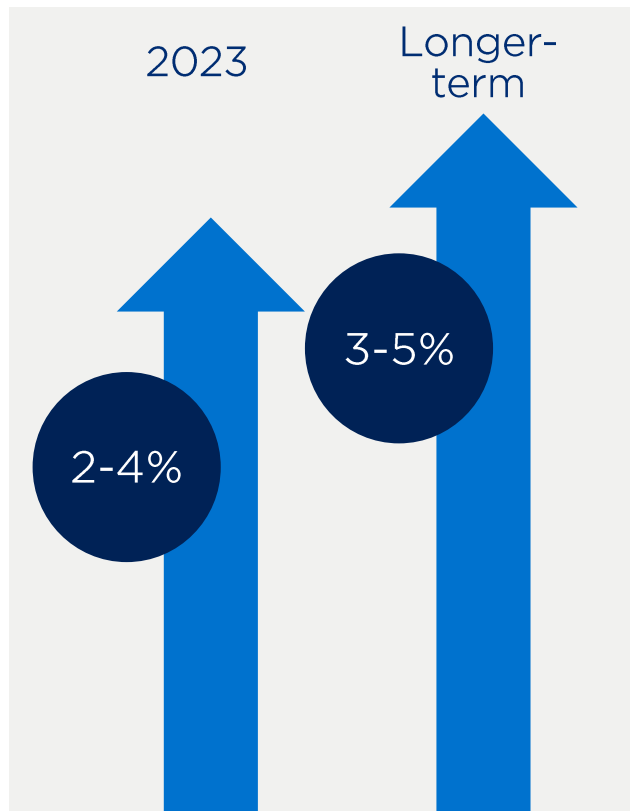
(a) STR 2002 vs 2000

(b) STR 2009 vs 2008

(c) STR 2020 vs 2019

# Multiple Levers to Drive Net Room Growth

## ORGANIC NET ROOM GROWTH



- Proven Value Proposition
- New Extended-Stay Product (ECHO Suites by Wyndham)
- Large Addressable Conversion Market
- International Direct-Franchise Signings
- Continued Improvement in Retention Rates

# 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 ~101 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 375+ 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	\$55.00
Revenues	\$1,405,000
Operating expenses	\$773,000
Brand fees	\$119,000
Interest expense @ 7%	\$257,000
Hotel EBTDA	~\$256,000

Cash-on-Cash Return of >16%

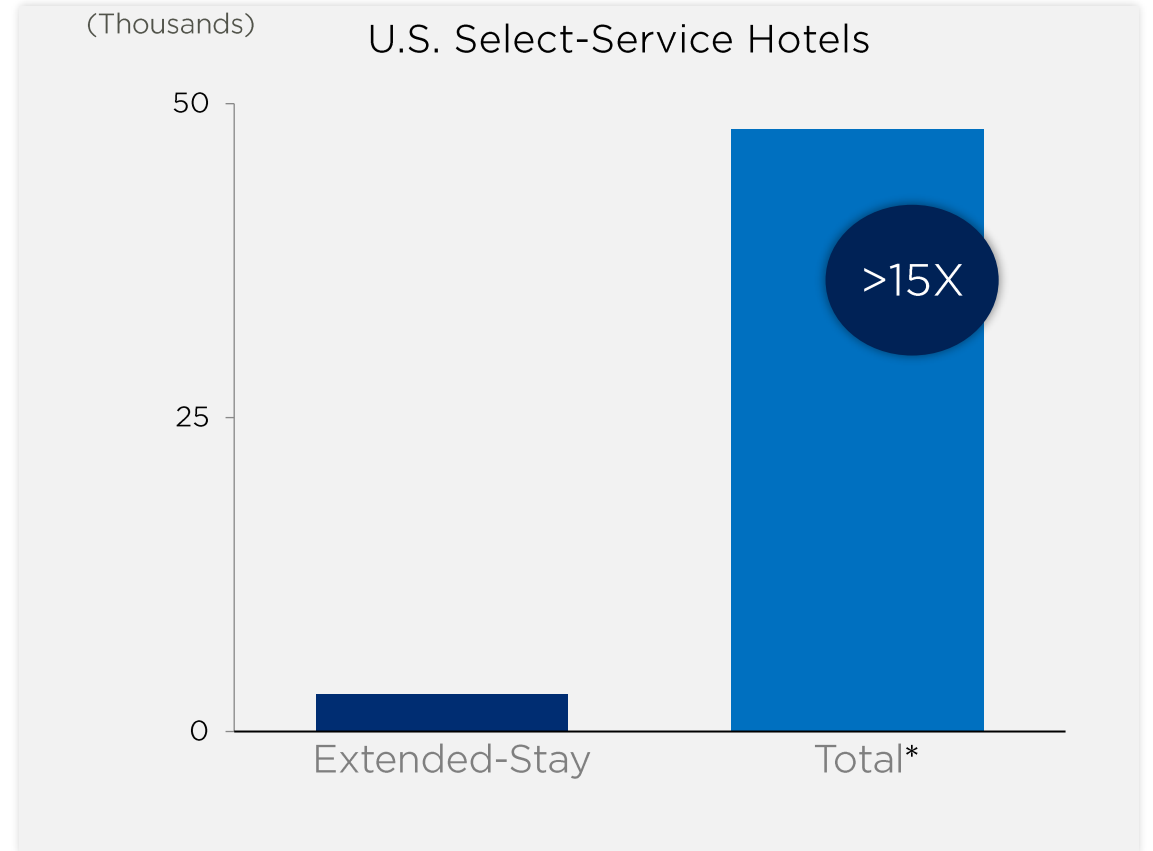
Data is not brand specific. RevPAR and revenue results are indicative for a 70-room new construction Wyndham-branded economy hotel in the United States on a full year current post-COVID basis. Cost per room also includes average land costs for economy hotels across the United States. Operating expenses 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 7%.

# Investment in Extended Stay Product Drives Long-Term Growth

## SIGNIFICANT GROWTH IN ECHO SUITES EXTENDED STAY BRAND



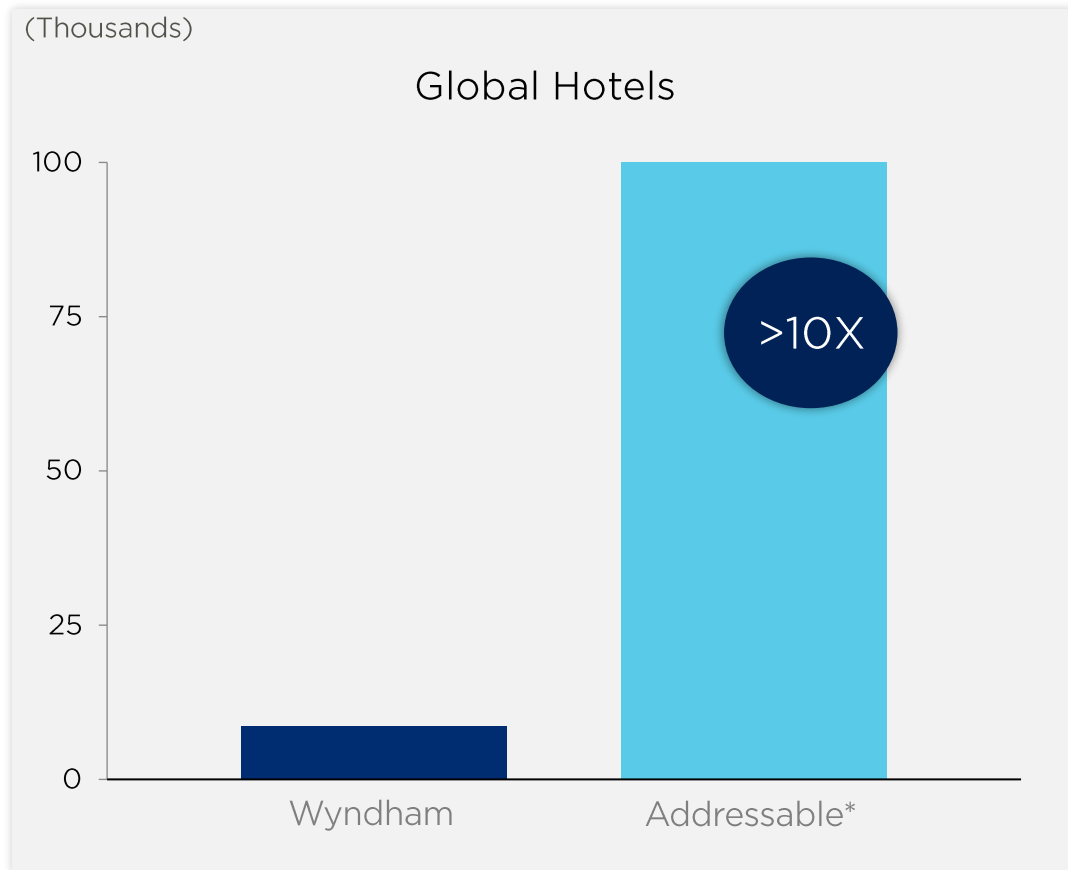
## LIMITED PENETRATION IN EXTENDED STAY MARKET



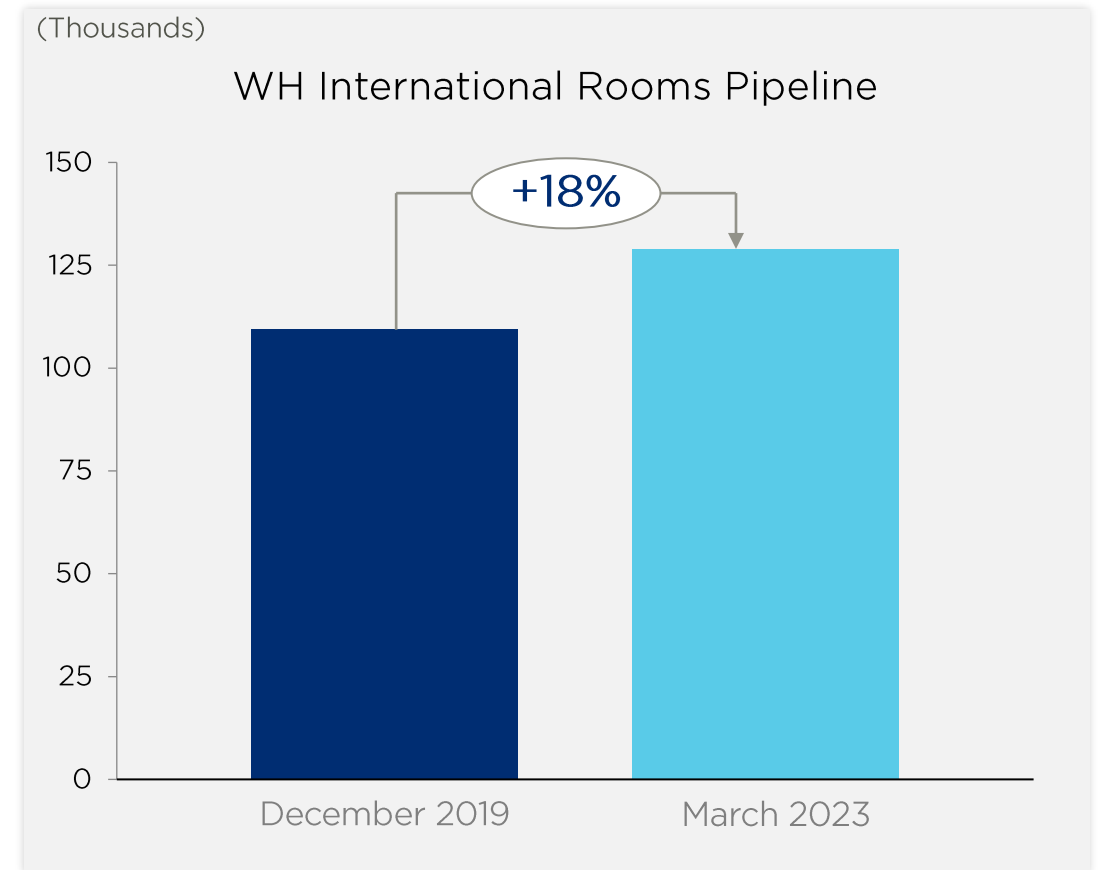
\*Represents branded and non-branded hotels in the economy, midscale and upper midscale segments based on STR census December 2022.

# Significant Opportunities in Conversion Market and International Direct-Franchising

## LARGE SELECT-SERVICE CONVERSION MARKET



## STRONG INTERNATIONAL PIPELINE EXPANSION



\*Represents non-branded hotels in the economy, midscale and upper midscale segments based on STR census December 2022.

4

# Appendix



Wyndham Garden  
Yunnan, China  
Opened February 2023

**WYNDHAM**  
HOTELS & RESORTS

# Strong and Experienced Leadership Team



**GEOFF BALLOTTI**  
**CHIEF EXECUTIVE OFFICER**  
*34 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



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



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



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



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



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



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



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



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



**LISA CHECCHIO**  
**CHIEF MARKETING OFFICER**  
*18 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



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>(a)</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>

Note: See Non-GAAP Financial Measure definition in Appendix.

(a) Net income for full-year 2019, 2021 and 2022 was \$157 million, \$244 million and \$355 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.

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



# 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</p>
1 point change in other revenue	~\$1.0	<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 first quarter 2023 Earnings Release at [investor.wyndhamhotels.com](http://investor.wyndhamhotels.com).

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net income	\$ 67	\$ 106
Provision for income taxes	24	34
Depreciation and amortization	19	24
Interest expense, net	22	20
Stock-based compensation expense	9	8
Development advance notes amortization	3	3
Gain on asset sale	-	(36)
Separation-related expenses	2	-
Foreign currency impact of highly inflationary countries	1	-
Adjusted EBITDA	<u>\$ 147</u>	<u>\$ 159</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 March 31, 2023
Cash Flow:	
Net cash provided by operating activities	\$ 93
Net cash used in investing activities	(9)
Net cash used in financing activities	(95)
Net decrease in cash, cash equivalents and restricted cash	\$ (11)

	Three Months Ended March 31, 2023
Net cash provided by operating activities	\$ 93
Less: Property and equipment additions	(9)
Free cash flow	\$ 84

## 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, 2023 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. Wyndham Hotels & Resorts claims the protection of the Safe Harbor contained in the Private Securities Litigation Reform Act of 1995 for forward-looking statements and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, subsequent events or otherwise, except as required by law.

### 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.