

WYNDHAM
HOTELS & RESORTS

Investor Presentation

July 26, 2022



La Quinta Inn & Suites by Wyndham
Pflugerville, Texas, USA
Opened May 2022

Introduction to Wyndham Hotels & Resorts

Largest hotel franchisor by hotels worldwide

Leading brands in the resilient select-service segment

Asset-light business model with significant cash generation capabilities

Primarily leisure-focused “drive to” portfolio of hotels

~9,000
Hotels

~819,000
Current Rooms

~208,000
Rooms in the Pipeline

95+
Countries

95M+
Loyalty Members

22
Brands

70%
Leisure Guest Mix

~90%
Drive to Destinations

1

Q2 2022 Performance Recap

CLEAR INTENT & PRIORITIES TO
DRIVE SHAREHOLDER VALUE

Second Quarter 2022 Performance Recap

+3%

Global RevPAR vs. 2019;
+23% vs. 2021

+9%

U.S. RevPAR vs. 2019;
+15% vs. 2021

+3%

Net room growth YOY;
+2% U.S., **+4%** international
+6% Midscale+

+21%

New deals
signed YOY ^(a)

+9%

Global pipeline growth YOY;
+17% U.S.,
+5% international

\$175M

Adjusted EBITDA ^(b)

+11%

Hotel franchising
adjusted EBITDA
vs. 2021 ^(b)

\$224M

YTD free cash flow ^(c);
+67% conversion rate

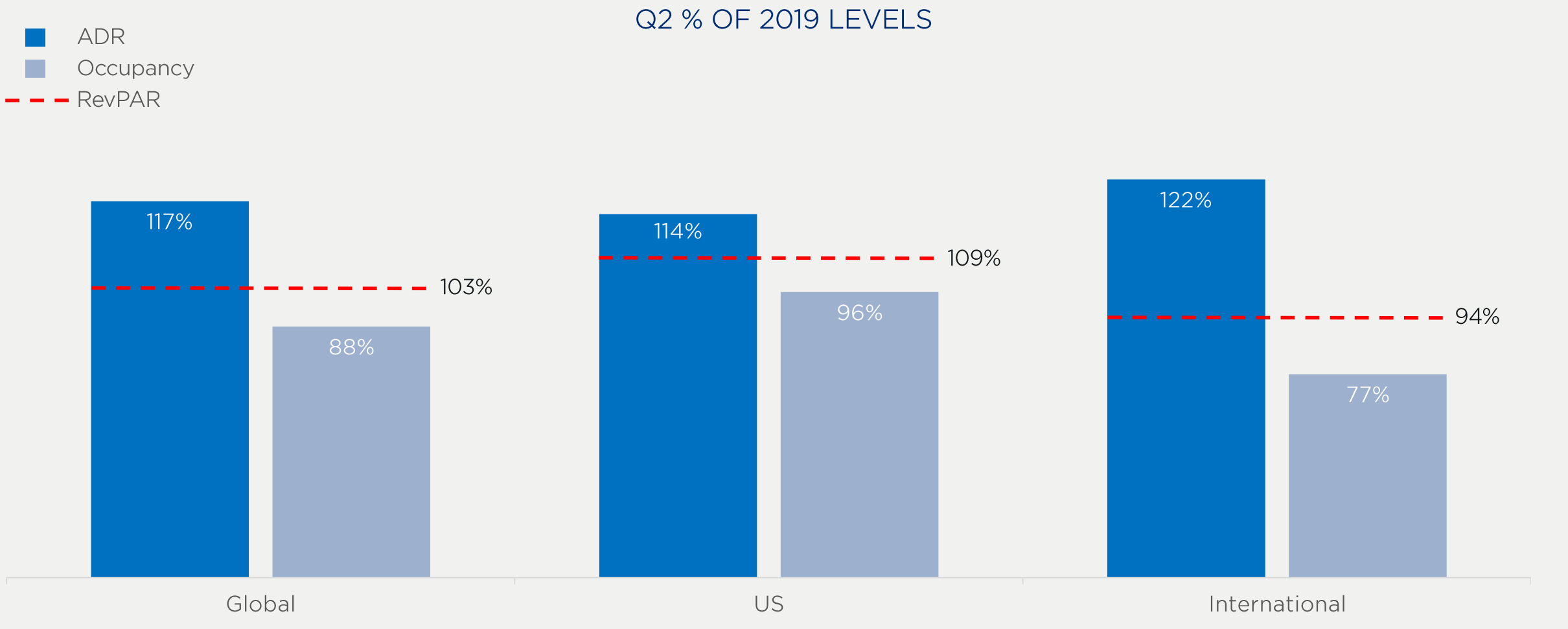
Data as of June 30, 2022. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.

(a) Includes 22 new construction projects for our new economy extended-stay brand.

(b) Net income for second quarter 2022 was \$92 million. Hotel franchising adjusted EBITDA was \$185 million and \$166 million in second quarter 2022 and 2021, respectively.

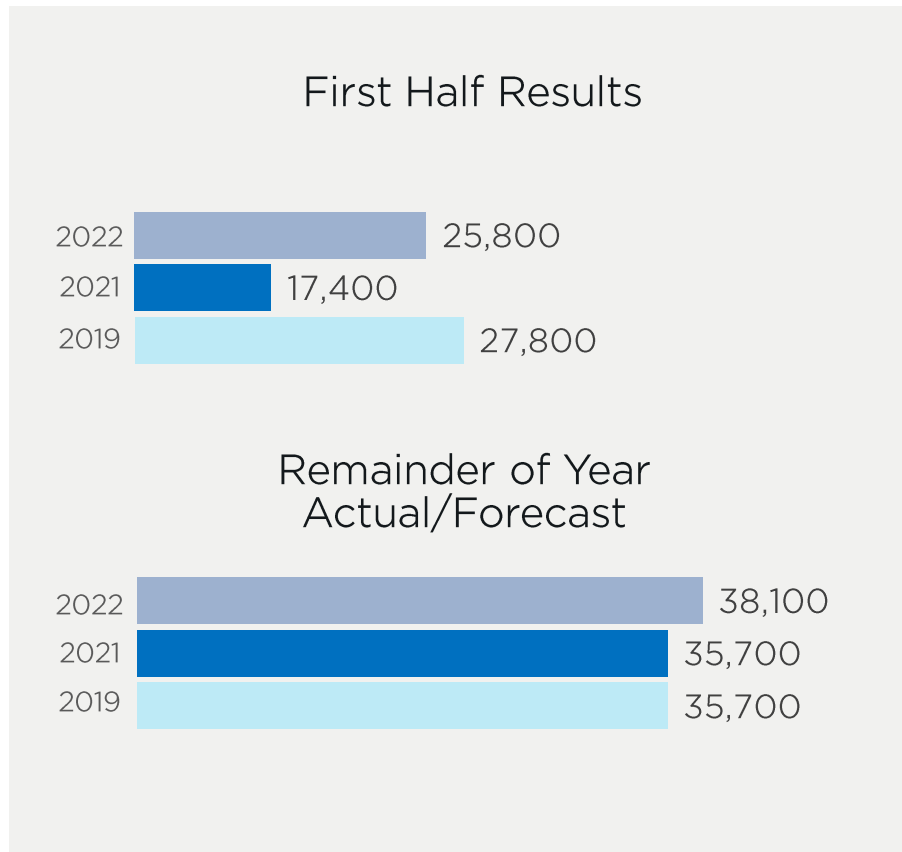
(c) Net cash from operating, investing and financing activities were \$242 million, \$244 million and (\$256 million), respectively.

RevPAR Recovery Fueled by ADR Growth with Substantial Occupancy Opportunity

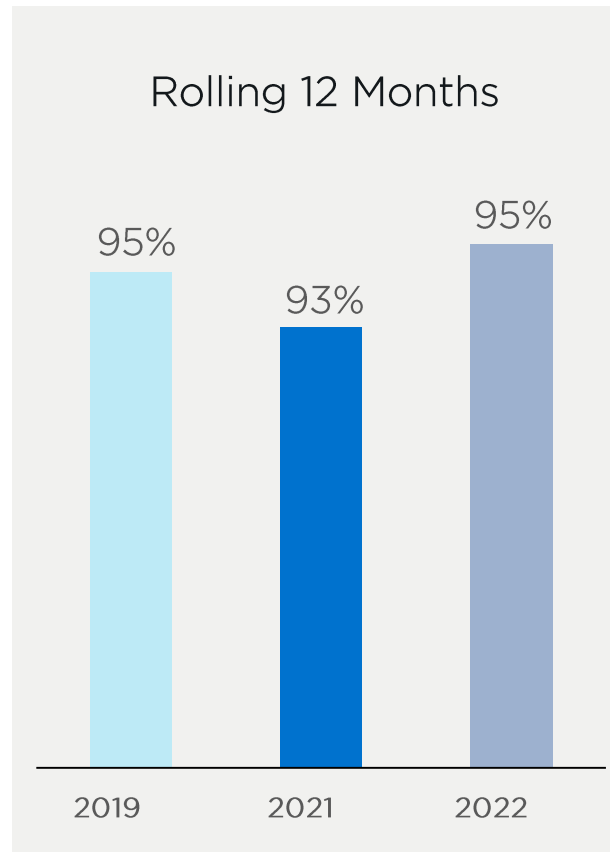


Net Room Growth Tracking in Line with Expectations

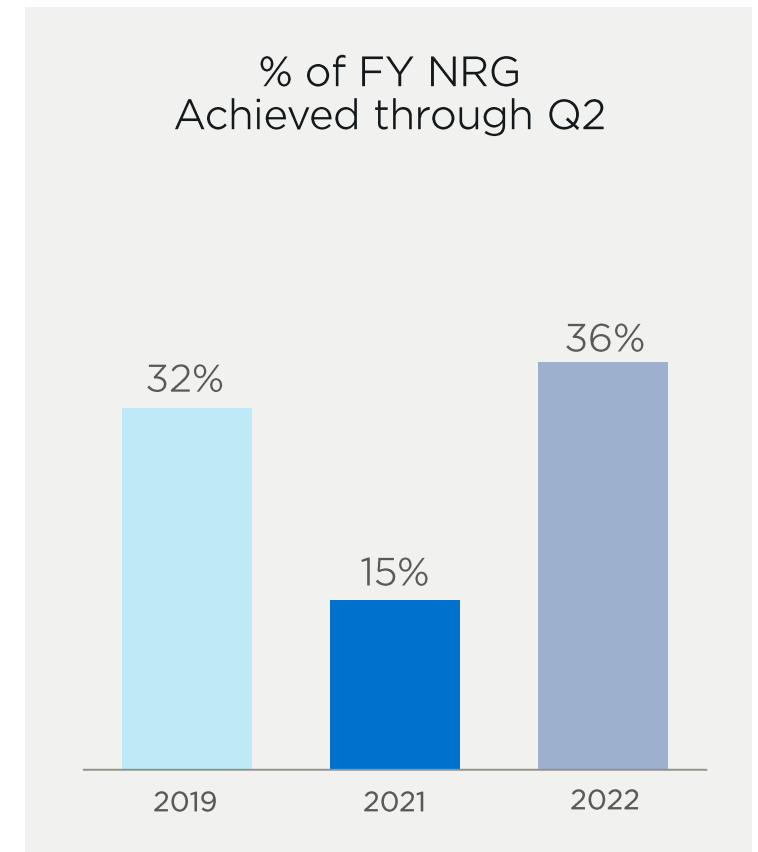
ROOM ADDITIONS ON TRACK TO RETURN TO 2019 LEVELS



RETENTION TRENDING IN LINE WITH EXPECTATIONS



NET ROOM GROWTH PACING AHEAD OF 2019



Pipeline Climbs to a Record 208K Rooms with Faster Growth in Higher Revenue Generating Segments

TOTAL PIPELINE @ 6/30/22



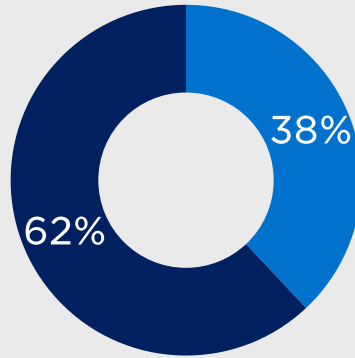
8th consecutive quarter of sequential growth

↑ +920bps vs. Q2'21 (YOY)
+190bps vs. Q1'22 (sequential)

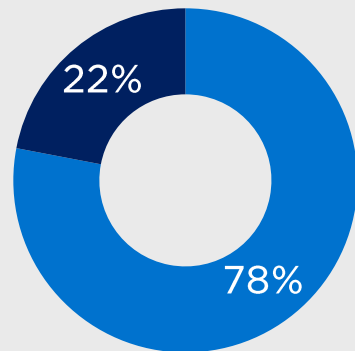
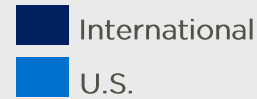


Covers 60 countries, including 10 without pre-existing WH presence

GLOBAL COMPOSITION

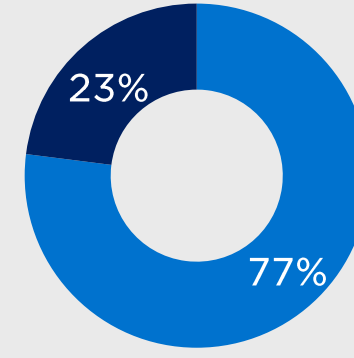


25% of current portfolio



36% in the ground

SEGMENT MIX



+310bps YOY midscale+ growth



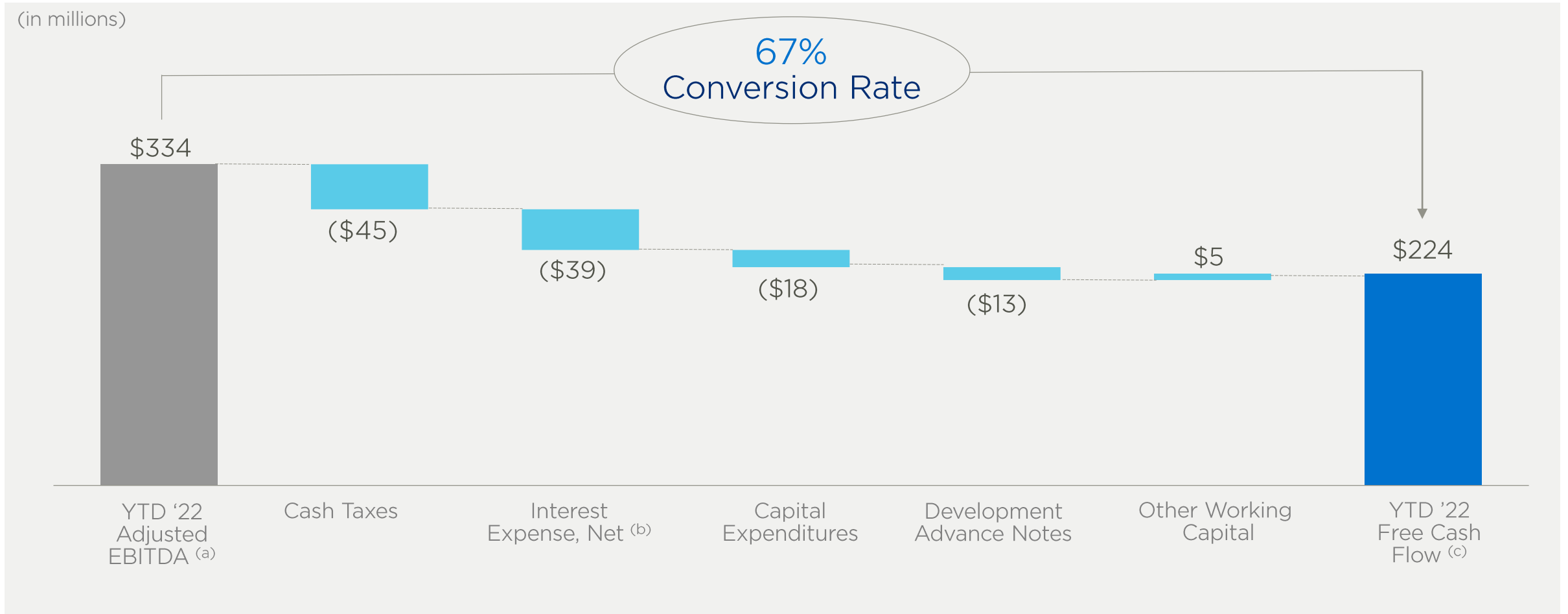
PROJECT ECHO

Pipeline

72
Contracts

~9,000
Rooms

Asset-Light, Franchised Model Generates Strong Free Cash Flow

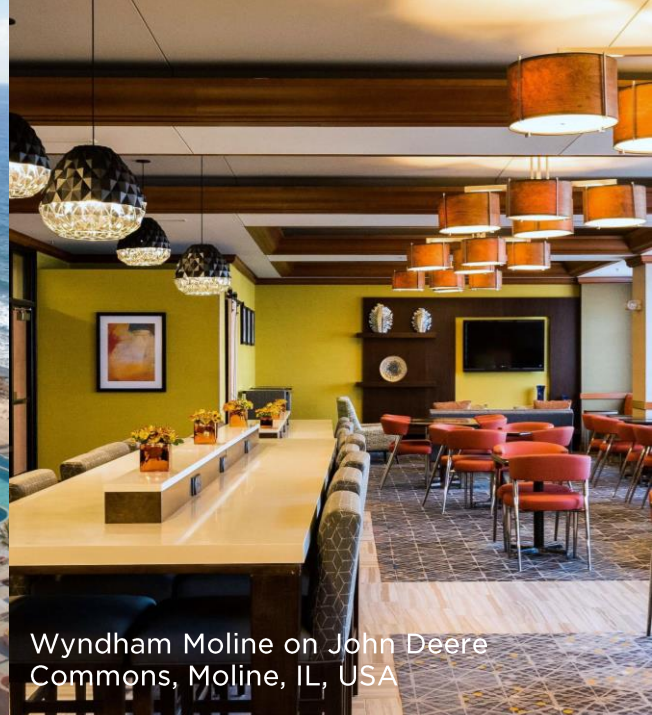
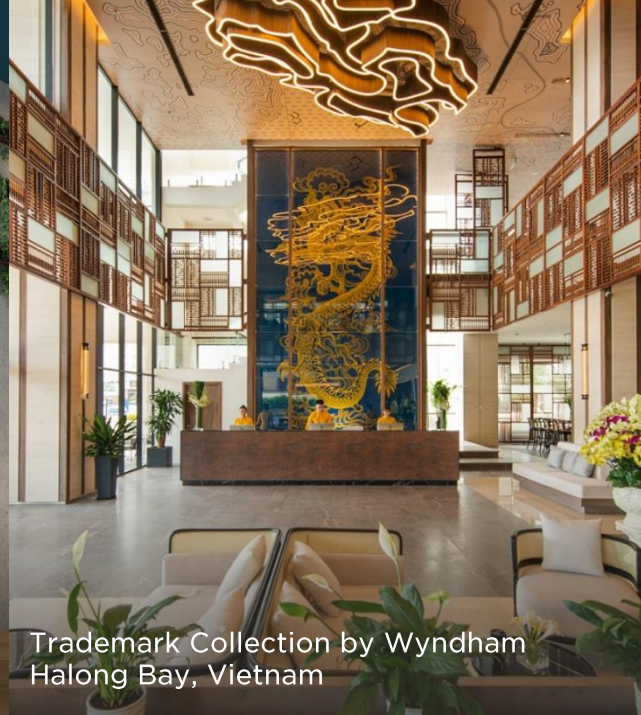
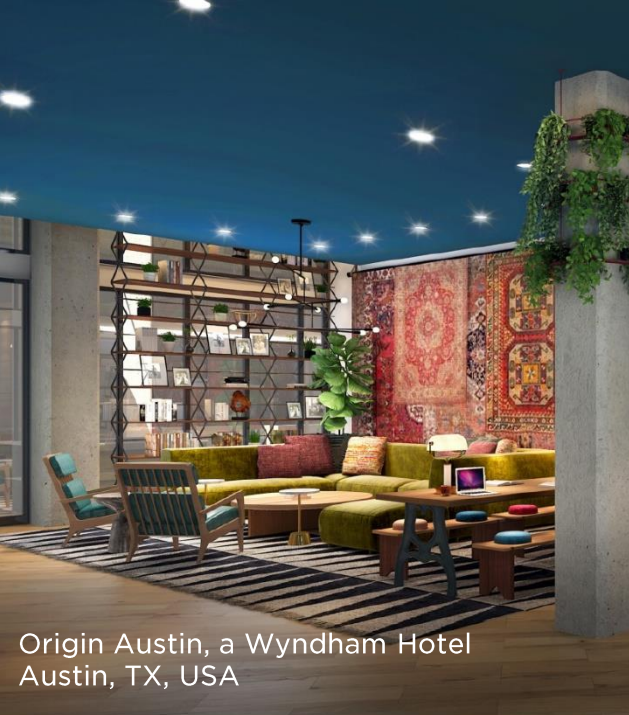


Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.

(a) Net income was \$198 million.

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

(c) Net cash from operating, investing and financing activities was \$242 million, \$244 million and (\$256 million), respectively.



Origin Austin, a Wyndham Hotel
Austin, TX, USA

Trademark Collection by Wyndham
Halong Bay, Vietnam

TRS Yucatan, a Registry Collection Hotel
Riviera Maya, Mexico

Wyndham Moline on John Deere
Commons, Moline, IL, USA



Tryp by Wyndham
Corfu, Greece

Microtel by Wyndham
Xishuangbanna City Center, China

Ramada by Wyndham
Gangtok, India

Notable Q2-22
Additions

WYNDHAM
HOTELS & RESORTS



2

2022 Focus

CLEAR INTENT & PRIORITIES TO
DRIVE SHAREHOLDER VALUE

The Americus Hotel, Trademark Collection by Wyndham
Allentown, Pennsylvania, USA

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2022 Key Priorities

DRIVE NET ROOM GROWTH

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

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

Expand portfolio reach across
adjacent segments and geographies

INCREASE OWNERS' PROFITABILITY

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

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

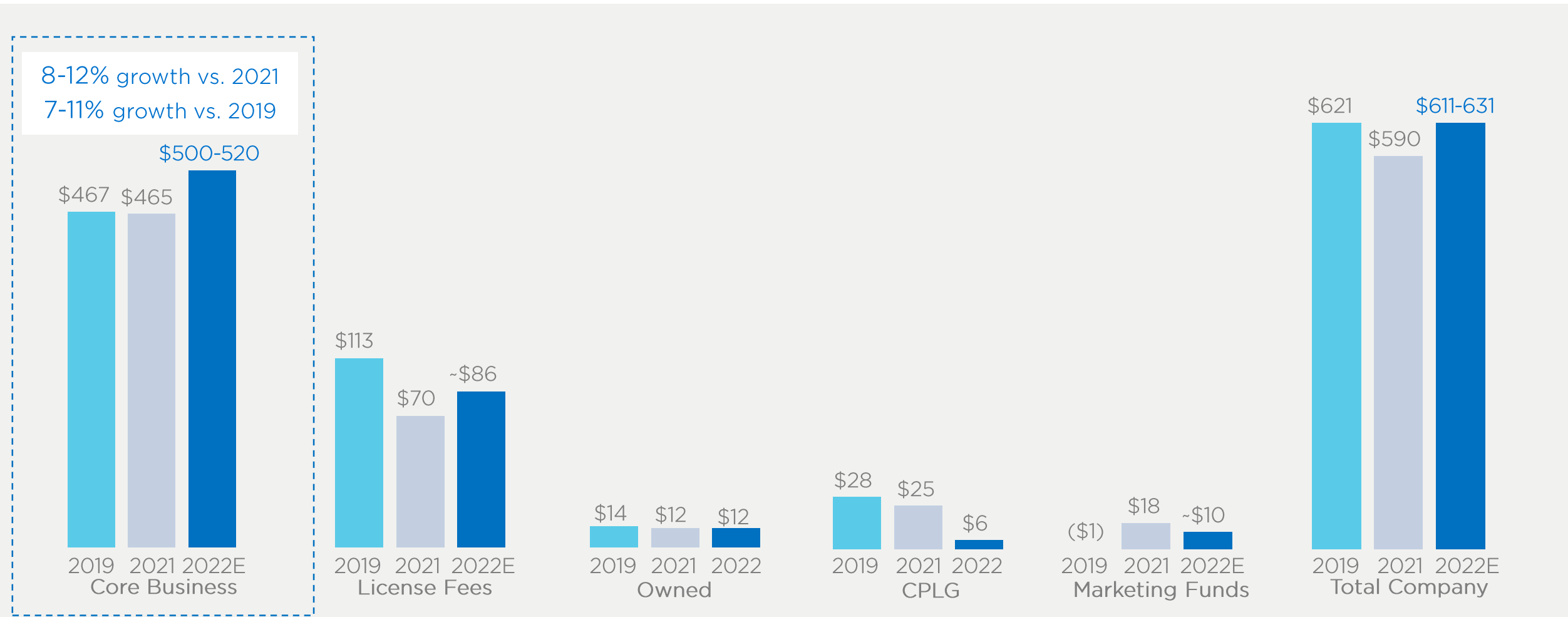
SIMPLIFY OUR BUSINESS MODEL

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

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

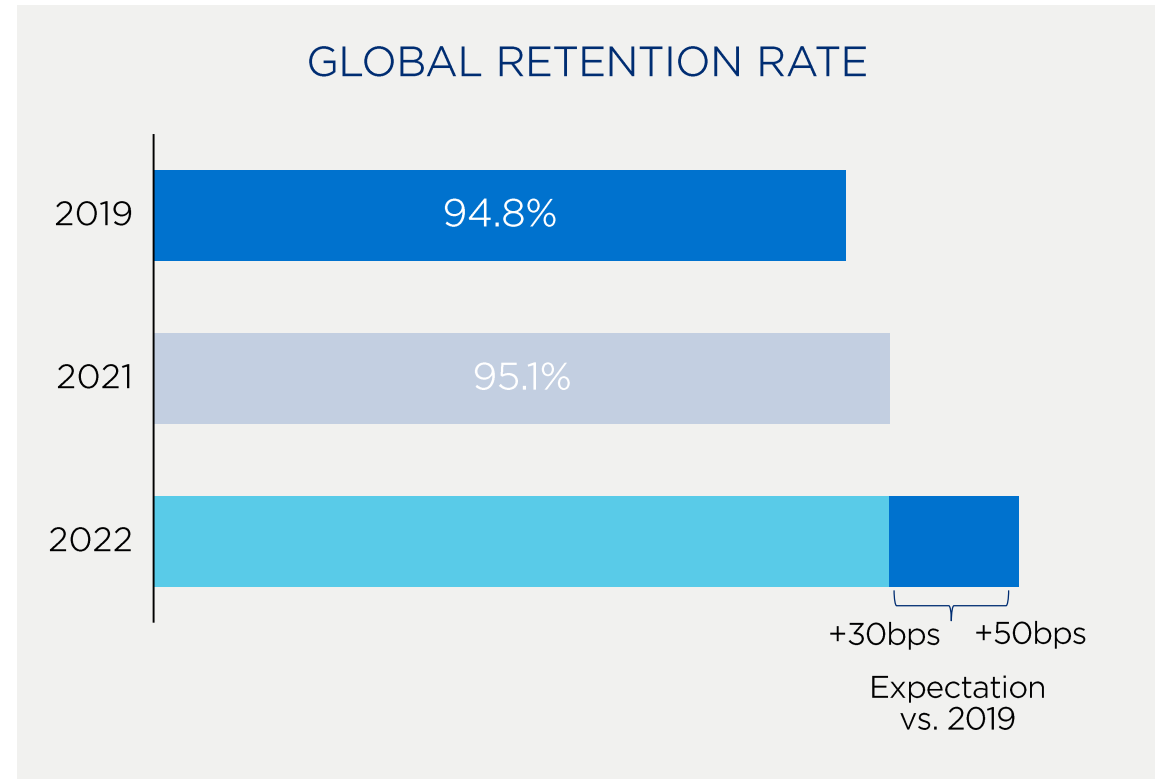
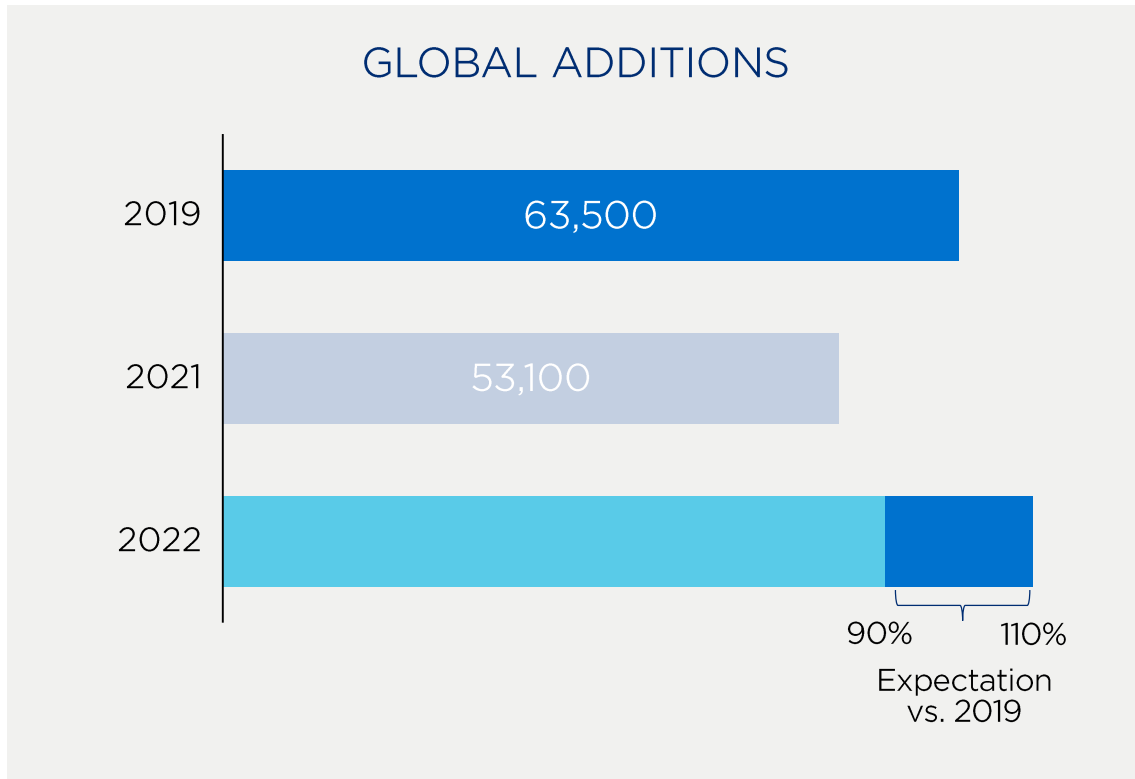
Core Business Projected to Grow 7-11% vs. 2019

ADJUSTED EBITDA CONTRIBUTION (a)



System Projected to Increase 2 to 4%

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



7-9%
Gross
Openings

>95%
Retention
Rate

WH Unveils Developer-Driven, All New Construction Economy Extended-Stay Brand

Capitalizing on industry's strongest segment with record growth over past two years and robust demand from guests and developers, WH launched an all-new construction brand with a developer-driven, highly efficient prototype

72 contracts awarded since launch in March with first few properties expected to open in 2023

Targeting at least 300 domestic hotels over next 10 years with plans for additional international expansion



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

EXIT SELECT-SERVICE MANAGEMENT BUSINESS

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

SALE OF OWNED ASSETS

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

Use of Proceeds

- Project ECHO (1st economy extended-stay brand)
- Support brand-enhancing prototypes & system refreshes
- Disciplined and strategic M&A
- Residual available for share repurchase

Maximizing Capital Allocation For All Stakeholders

MAINTAIN STRONG BALANCE SHEET

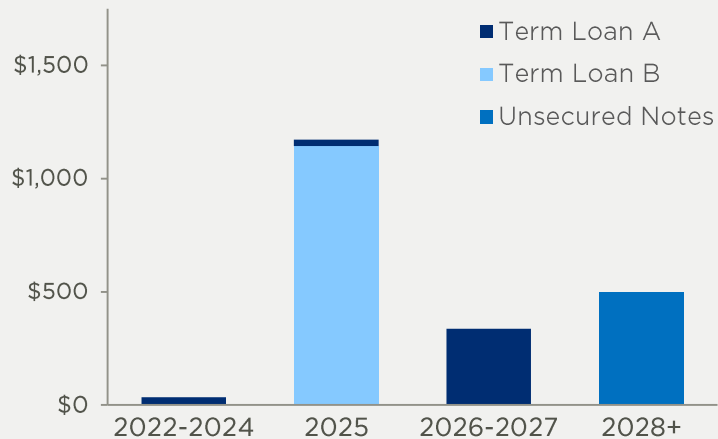
~\$1.1 billion of liquidity

\$750 million revolver extended to April 2027

Total leverage at 2.5x ^(a)

Significant room under all debt covenants

No near-term debt maturities



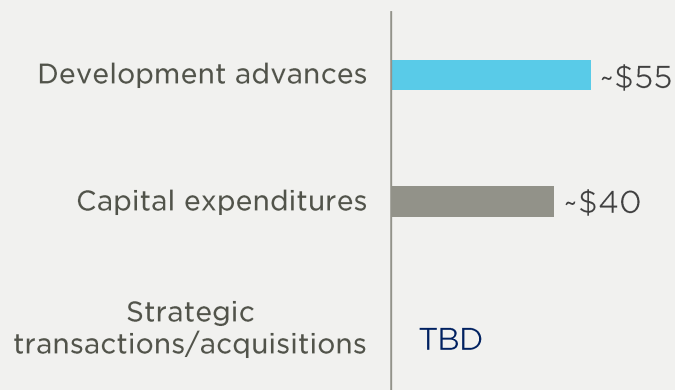
INVEST IN BUSINESS

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

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

Continued digital innovation to drive franchisees' top and bottom lines

Disciplined approach to strong ROI strategic transactions/acquisitions



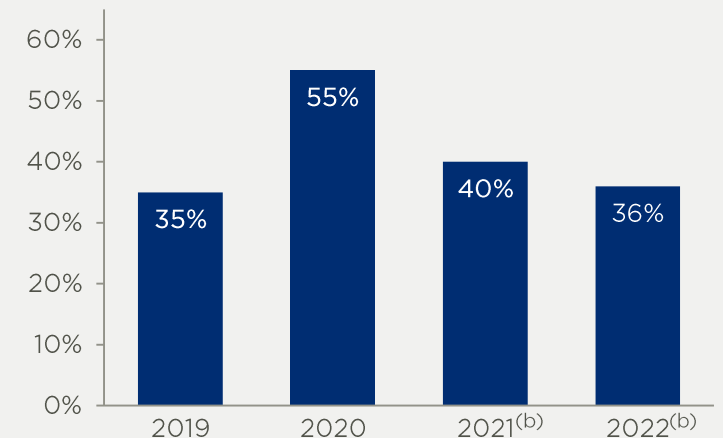
RETURN EXCESS CAPITAL TO SHAREHOLDERS

Target mid-30s dividend payout ratio

Deploy excess cash to bolster shareholder return

\$530 million of capital returned to shareholders since January 1, 2020 (9.0% of market cap)

Dividend Payout Ratio



(a) Below our 3-4x target range; 2.9x excluding proceeds received on sale of owned assets and select-service management exit, which are being redeployed.

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

Disciplined Approach to M&A

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



ISS CORPORATE SOLUTIONS
 QualityScore ratings (a):
 Environment - 1 out of 10
 Social - 1 out of 10
 Governance - 3 out of 10

10M+
 Wyndham Rewards points donated to
Polaris



A CULTURE OF DIVERSITY, EQUITY & INCLUSION

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

~55% of global corporate workforce is female

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

Pledged CEO Action for Diversity, Equity & Inclusion

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

Expanded on-property DE&I franchisee training offerings

LEADERSHIP IN SUSTAINABILITY

All Wyndham hotels globally required to attain a minimum of Level 1 Core in the Wyndham Green Certification Program by April 2023, providing hotels with a sustainability foundation

Proprietary Wyndham Green Toolbox for owners to track, measure and report the progress on their energy, emissions, water and waste diversion efforts

Maintaining LEED® Gold certification at corporate headquarters

Continued increased engagement in the Wyndham Green Program

PROTECTING HUMAN RIGHTS

Human trafficking training mandated across all hotels

Employee safety devices deployed to owned and managed hotels

Signatory to ECPAT Code to combat trafficking since 2011

Supplier Code of Conduct prohibits forced and child labor

Enhanced training to support hotel workers through AHLA's "5-Star Promise"

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

SUPPORTING OUR COMMUNITIES

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

Wyndham Rewards and its members donated 160 million points to charitable organizations, including over 25 million points to Save the Children's Ukraine Crisis Relief Fund

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

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

WH Investment Thesis

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

Resilient Business Model & Core Strengths

1

LOW RISK
BUSINESS MODEL

2

PRIMARILY
LEISURE-FOCUSED

3

PREDOMINATELY
“DRIVE TO”
LOCATIONS

4

SELECT-SERVICE
LEADER

5

POWERFUL
GROWTH ENGINE



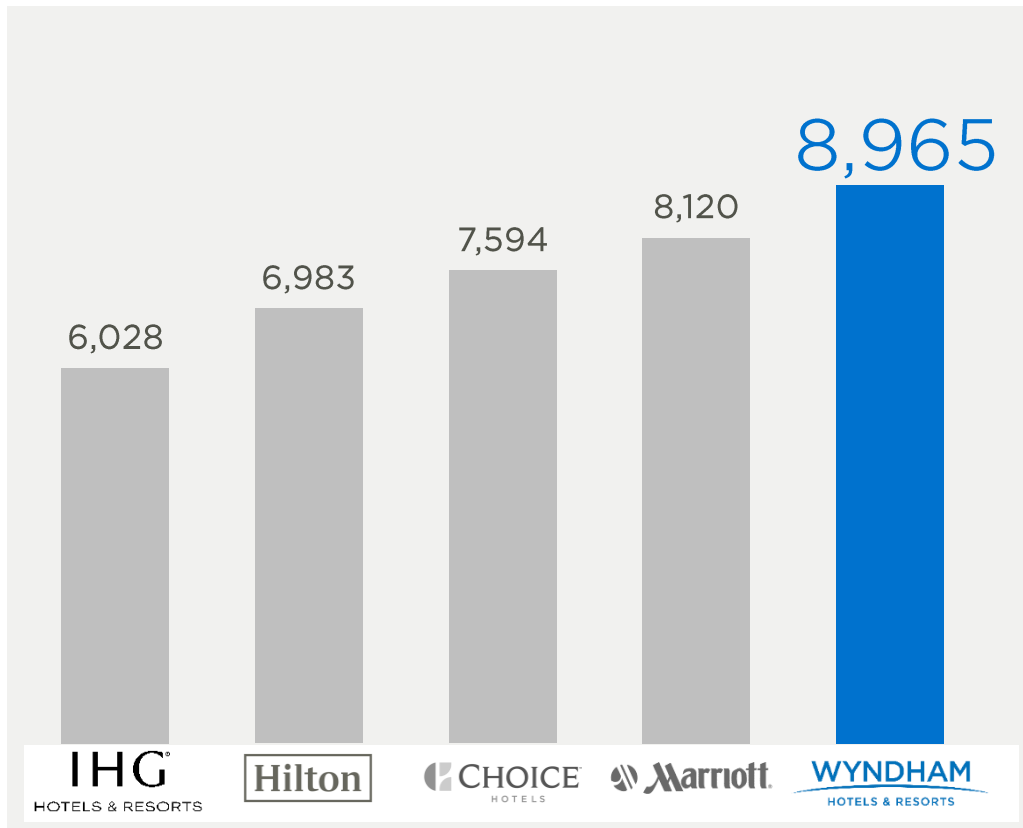
Days Inn by Wyndham
Bullhead City, Arizona, USA

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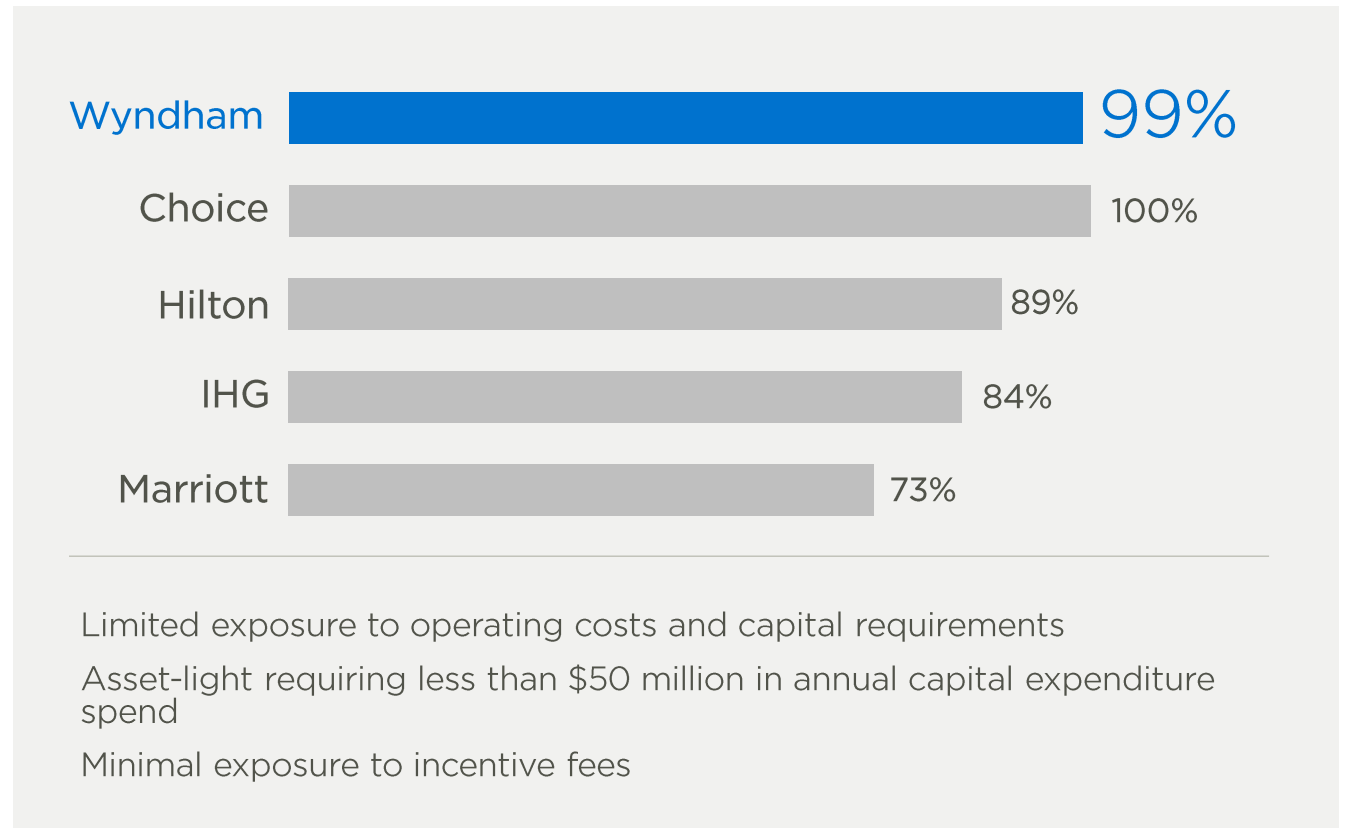
REASON 1

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

NUMBER OF HOTELS WORLDWIDE



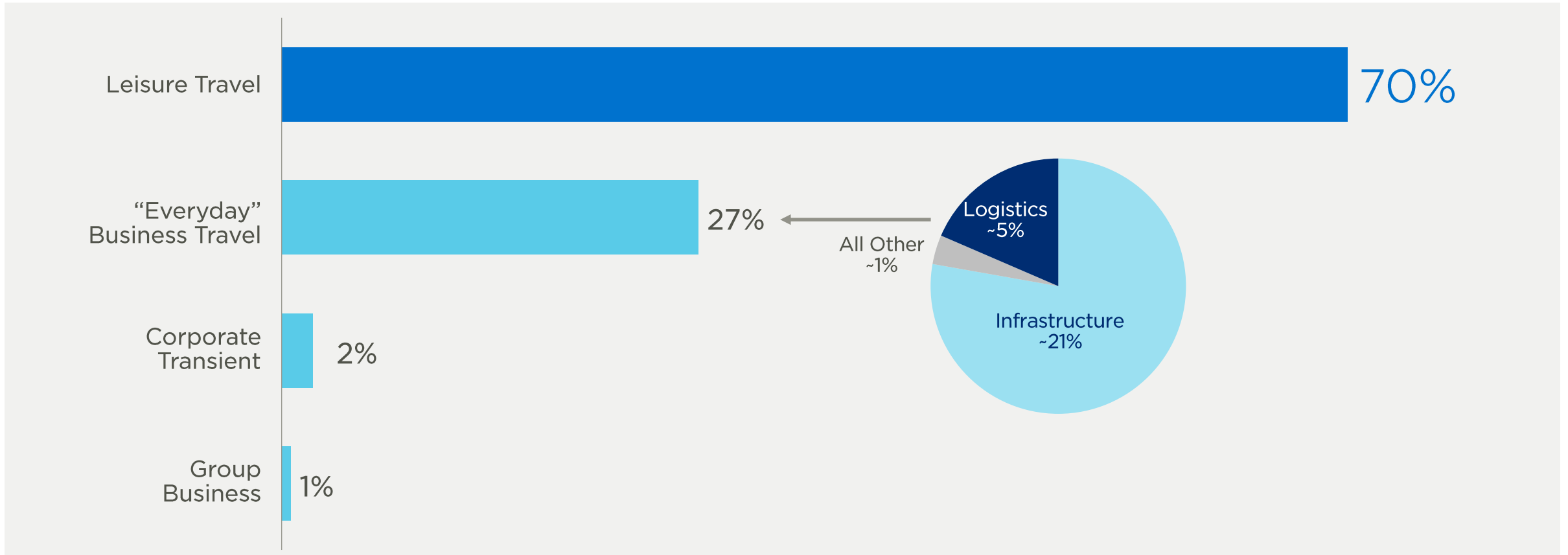
PERCENT OF FRANCHISED HOTELS



REASON 2

Leisure Guests Power Our Business

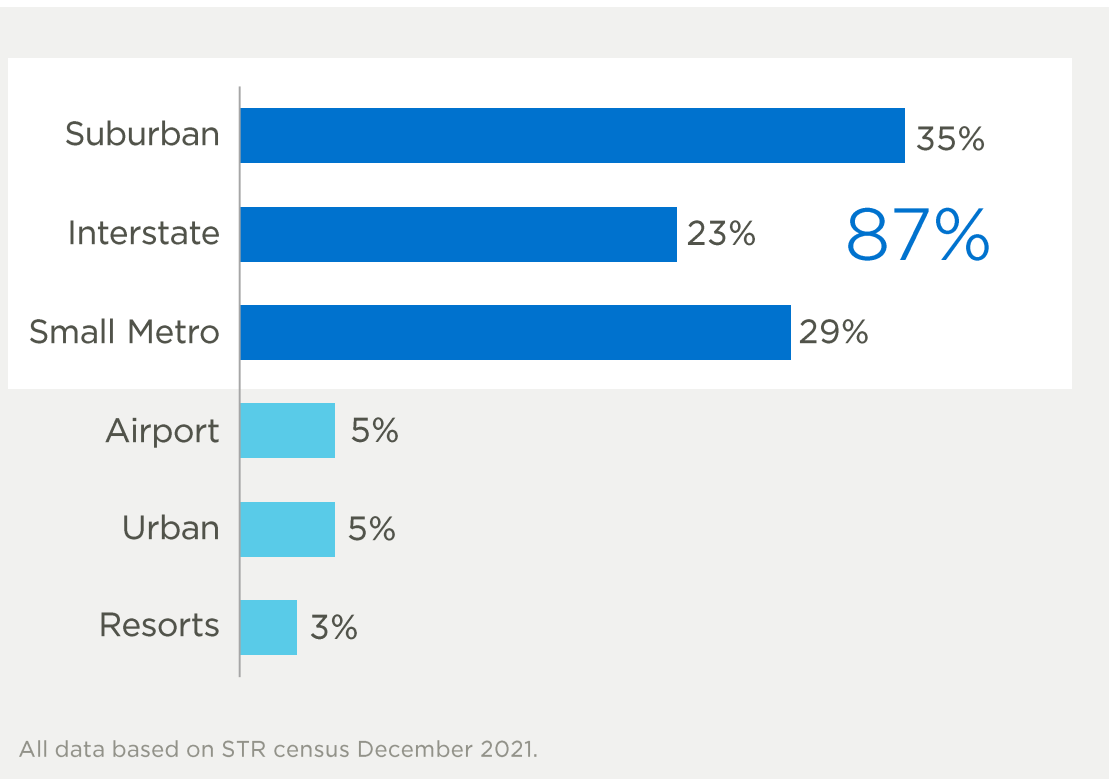
70% LEISURE FOCUS



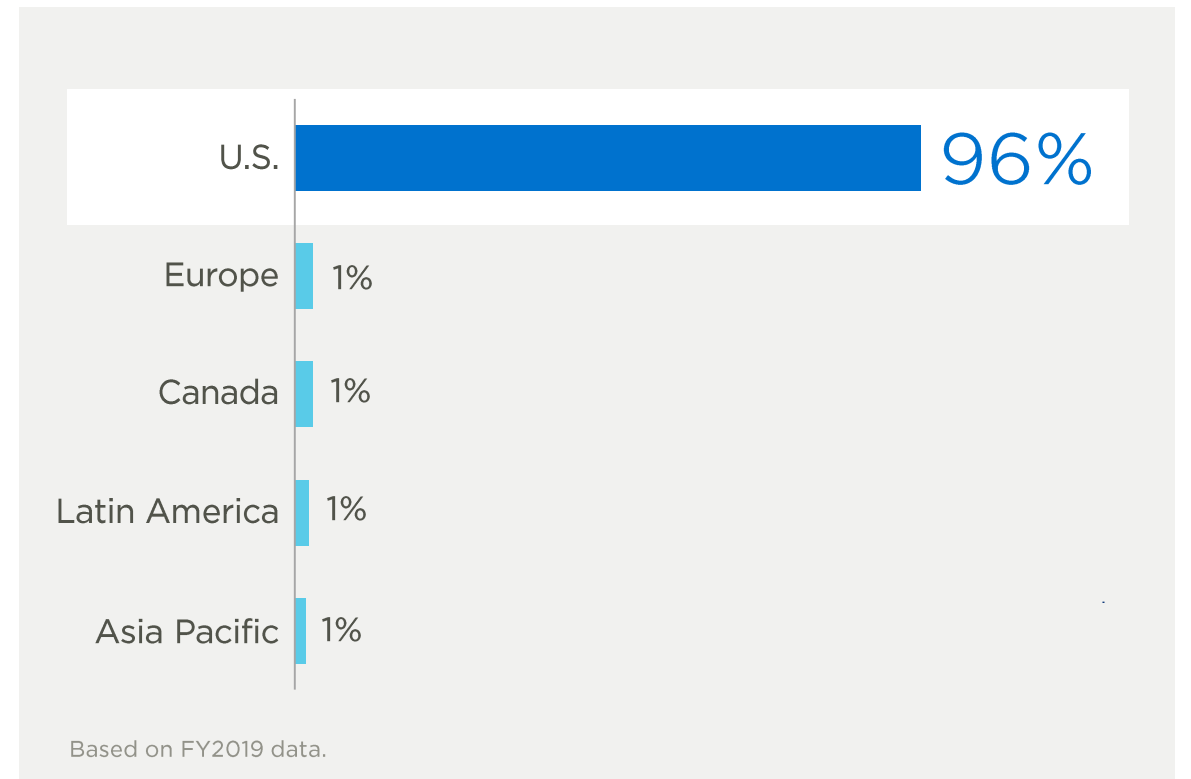
REASON 3

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

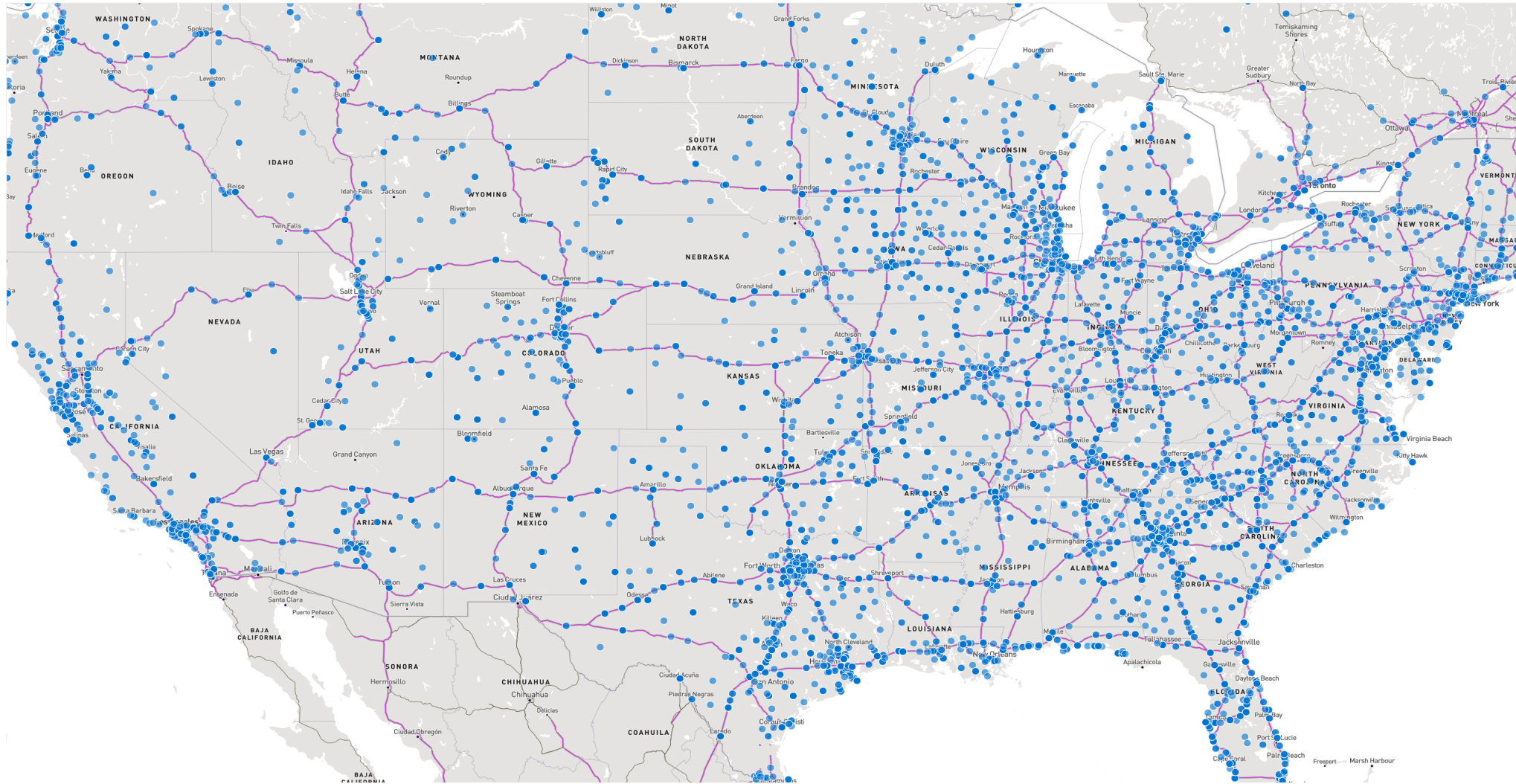
87% U.S. HOTELS IN “DRIVE TO” LOCATIONS



96% OF U.S. GUESTS ORIGINATE DOMESTICALLY

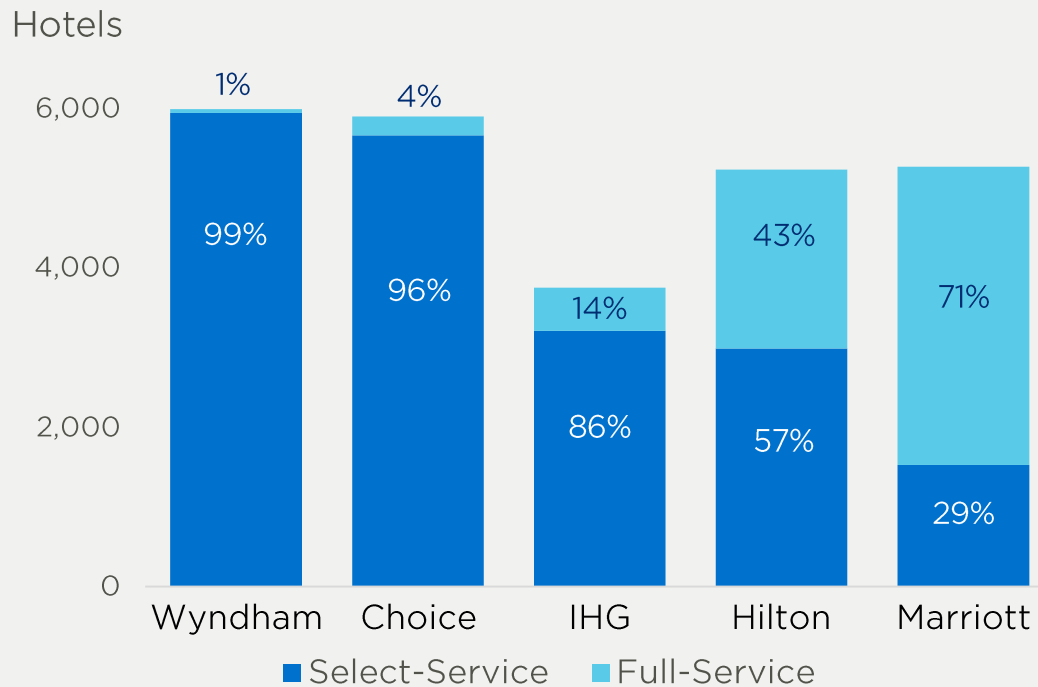


U.S. System Well Positioned Along Highways and Byways and in Drive-to Destinations



Leader in the Attractive Select-Service Space

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



All data based on STR census December 2021.

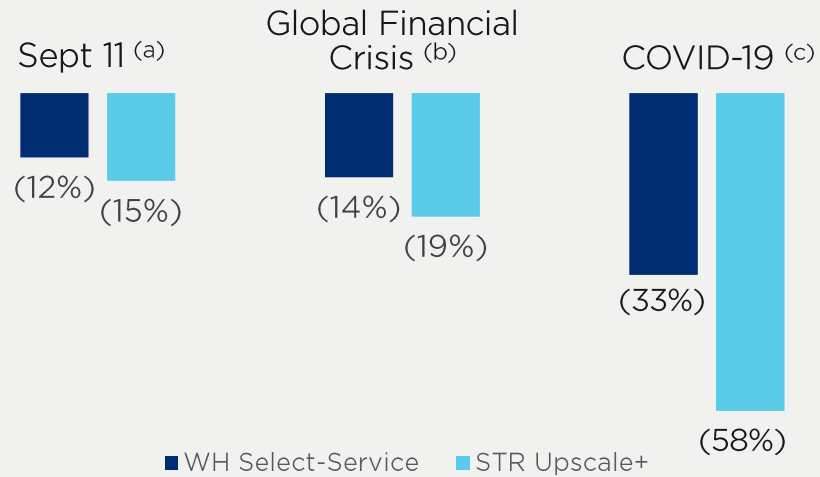
ADVANTAGEOUS FEATURES OF SELECT-SERVICE HOTELS

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

WH Select-Service Portfolio Less Volatile During Crisis

WH Select-Service Brands More Resilient Through Economic Downturns

RevPAR Growth

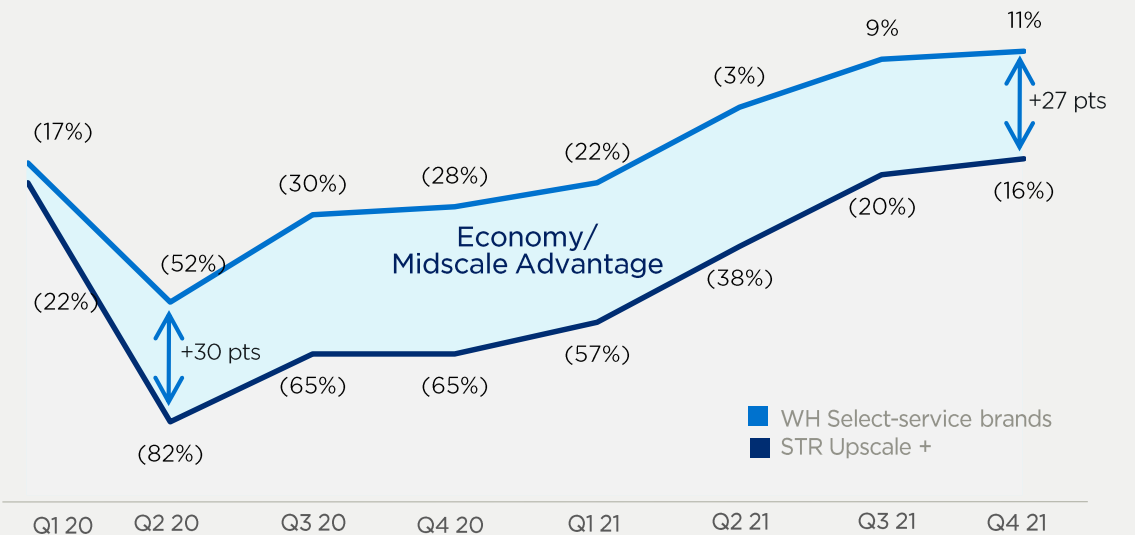


WH Select-Service Outperformance:



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

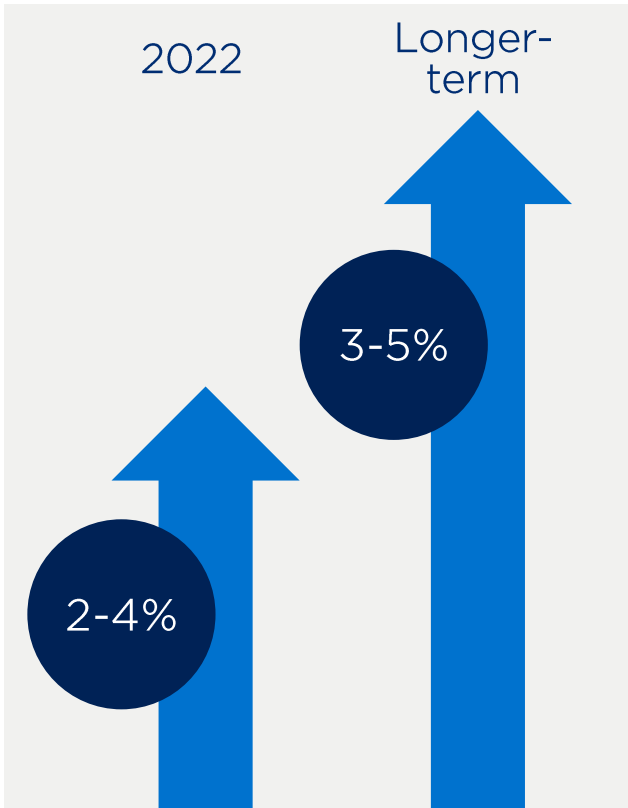
QUARTERLY U.S. REVPAR CHANGE VS. 2019



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

Multiple Levers to Drive Net Room Growth

NET ROOM GROWTH



Proven Conversion Value Prop	<ul style="list-style-type: none"> • ROI-focused approach to property-improvement-plans and other conversion requirements • Strong value proposition and improving transaction markets drove conversion openings to 41,000 rooms in 2021
Investing in New Construction Growth	<ul style="list-style-type: none"> • Wide-ranging investments to grow and support the new construction pipeline • Signings +13% YOY in 2021, paving way for robust openings momentum in future years • Anticipate at least four Project ECHO groundbreaks by YE 2022
Driving International Direct Signings	<ul style="list-style-type: none"> • Direct franchises represented >70% of international room openings in 2021 and we expect these to continue to grow, resulting in higher average royalties and greater control over product
Expanding Brand Portfolio	<ul style="list-style-type: none"> • Recently launched three new brands in complementary, fast-growing segments including economy extended-stay and all-inclusive • Continually evaluating opportunities for portfolio-enhancing M&A
Improving Retention Rates	<ul style="list-style-type: none"> • Employing targeted service models and predictive analytics to drive performance and increase owner engagement • Expanding brand investment programs to improve guest satisfaction and overall brand equity

Compelling Value Proposition for Franchisees . . .

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

Trusted brands with segment-leading consumer awareness and market share

Industry's #1 hotel loyalty program with over 95 million enrolled members

Global marketing funds in excess of \$500 million

Continuous guest-facing digital innovation enhances guest experience

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

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

Efficient prototypes designed to maximize owner ROI

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

...That Continues to Deliver Strong Returns



Cost per room	~\$75,000
Loan-to-value	~70%
Franchisee Investment	\$1,575,000
RevPAR	\$53.00
Revenues	\$1,354,000
Operating expenses	\$745,000
Brand fees	\$115,000
Interest expense	\$184,000
Hotel EBTDA	\$310,000

Cash-on-Cash Return of ~20%

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 5%.

Strong and Experienced Leadership Team



GEOFF BALLOTTI
CHIEF EXECUTIVE OFFICER
33 Years of Industry Experience

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



MICHELE ALLEN
CHIEF FINANCIAL OFFICER
23 Years of Industry Experience

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



PAUL CASH
GENERAL COUNSEL
17 Years of Industry Experience



JOON AUN OOI
PRESIDENT, APAC
20 Years of Industry Experience



SCOTT STRICKLAND
CHIEF INFORMATION OFFICER
30 Years of IT Experience



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



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



CHIP OHLSSON
CHIEF DEVELOPMENT OFFICER
28 Years of Industry Experience



LISA CHECCHIO
CHIEF MARKETING OFFICER
18 Years of Industry Experience



SCOTT LEPAGE
PRESIDENT, AMERICAS
11 Years of Industry Experience



DIMITRIS MANIKIS
PRESIDENT, EMEA
32 Years of Industry Experience

The Wyndham Family of Brands

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

ECONOMY



MIDSCALE



UPPER MIDSCALE



UPSCALE



UPPER UPSCALE



LUXURY



4

Appendix

Ramada by Wyndham
Adiyaman, Turkey

APPENDIX

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

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

APPENDIX

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

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

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

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

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

(d) Recorded within Management and other fees.

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

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

2023 Planning – Revenue Sensitivities

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

APPENDIX

Non-GAAP Reconciliations

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

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022	Three Months Ended June 30, 2021
Net income	\$ 92	\$ 198	\$ 68
Provision for income taxes	31	66	25
Depreciation and amortization	17	40	24
Interest expense, net	20	39	22
Early extinguishment of debt	2	2	18
Stock-based compensation expense	9	17	8
Development advance notes amortization	3	6	2
(Gain)/loss on asset sales	1	(35)	-
Separation-related expenses	(1)	(1)	1
Foreign currency impact of highly inflationary countries	1	2	-
Adjusted EBITDA	\$ 175	\$ 334	\$ 168

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 June 30, 2022	Six Months Ended June 30, 2022
Cash Flow:		
Net cash provided by operating activities	\$ 107	\$ 242
Net cash provided by/(used in) investing activities	52	244
Net cash used in financing activities	(174)	(256)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(1)	(1)
Net increase in cash, cash equivalents and restricted cash	<u>\$ (16)</u>	<u>\$ 229</u>

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Net cash provided by operating activities	\$ 107	\$ 242
Less: Property and equipment additions	(8)	(18)
Free cash flow	<u>\$ 99</u>	<u>\$ 224</u>

APPENDIX

Calculation of Margin

Consistent with how we believe our peers calculate, franchising margin excludes the effects of the marketing, reservation and loyalty funds from Hotel Franchising segment revenues and adjusted EBITDA, as well as license and other fees. Management evaluates the operating results of each of its reportable segments based upon net revenues and “adjusted EBITDA”.

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
Hotel Franchising segment revenues	\$ 335	\$ 283
Hotel Franchising segment adjusted EBITDA	185	166
Segment margin	55%	59%
Effect of license fees	(4%)	(3%)
Effect of marketing, reservation and loyalty funds	34%	29%
Franchising margin	85%	85%

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.

Disclaimer:

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

Forward-Looking Statements

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

Non-GAAP Financial Measures

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