

An aerial photograph of the Wyndham Alltra Cancun All Inclusive Resort. The resort is a large, multi-story white building complex with numerous balconies and blue accents. It is situated on a white sandy beach with turquoise water. In the foreground, there are many lounge chairs and umbrellas arranged on the beach. A swimming pool is visible in the center of the resort. The sky is clear and blue.

WYNDHAM

HOTELS & RESORTS

# Investor Presentation

October 27, 2021

Wyndham Alltra Cancun All Inclusive Resort  
Cancun, Mexico

# Introduction to Wyndham Hotels & Resorts

Largest hotel franchisor by hotels worldwide

Leading economy & midscale brands in attractive select-service space

Asset-light business model with significant cash generation capabilities

Primarily leisure-focused “drive to” portfolio of hotels

9,000  
Hotels

803,000  
Current Rooms

95  
Countries

193,000  
Rooms in the Pipeline

>90M  
Loyalty Members

\$621M  
FY2019 Adjusted  
EBITDA <sup>(a)</sup>

\$360M  
FY2019 Adjusted  
Free Cash Flow <sup>(b)</sup>

~80%  
FY2019 Franchising  
Margin <sup>(c)</sup>

Data is approximated as of September 30, 2021. FY2019 metrics provided to illustrate normalized, pre COVID-19 results. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.

(a) Recast to reflect exclusion of development advance notes amortization. Net income was \$157 million for the year ended December 31, 2019.

(b) Net cash provided by operating activities was \$100 million for the year ended December 31, 2019.

(c) Consistent with our peers, 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. Calculation can be found in the Appendix.

# Select-Service Has Recovered

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U.S. Economy RevPAR  
**exceeded** 2019 levels  
for 6 consecutive months,  
+14% in Q3

U.S. Midscale RevPAR  
**exceeded** 2019 levels  
for the past 17 weeks,  
+4% in Q3

U.S. system grows  
40 bps sequentially

Website visits and  
booking volumes  
now ~15% above  
2019 levels

Call volumes  
consistently above  
2019 levels

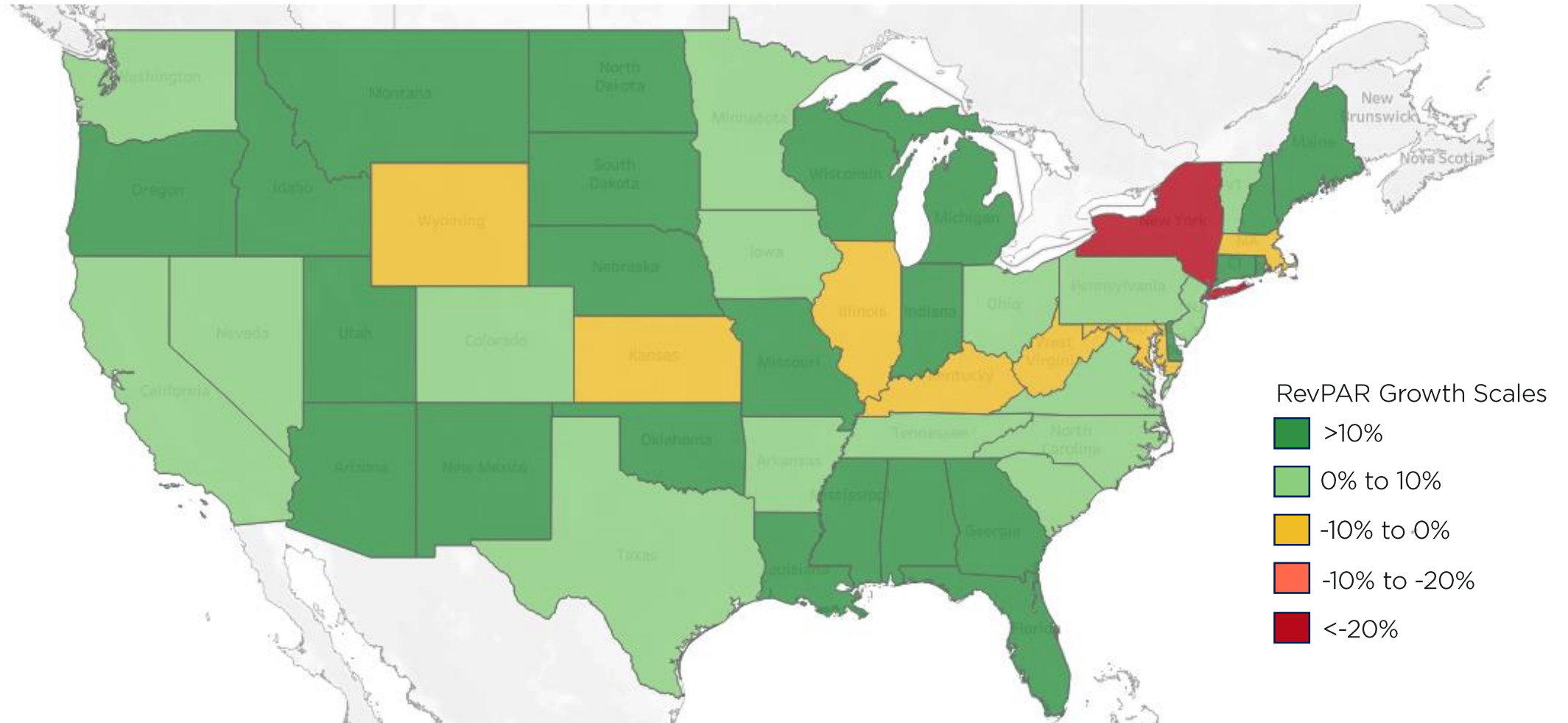
Franchisee  
collection rates  
have returned  
to 2019 levels

Q3 RevPAR outperformed the total U.S. market  
by **1,200 bps**



# Strong REVPAR Growth Across the U.S.

## OCTOBER MTD WH REVPAR GROWTH LEVELS





1

# Q3 2021 Performance Recap

CLEAR FOCUS & PRIORITIES TO  
DRIVE SHAREHOLDER VALUE



# Third Quarter 2021 Performance Recap



**\$194M**

Adjusted EBITDA;  
+1% vs. 2019 <sup>(a)</sup>



**\$141M**

Free cash flow;  
+4% vs. 2019 <sup>(b)</sup>



**+600 bps**

Margin expansion  
vs. 2019 <sup>(c)</sup>



**+7%**

U.S. RevPAR  
vs. 2019



**+4%**

Growth in global additions  
vs. 2019



**+4%**

Growth in global pipeline  
year-over-year



**>95%**

Retention rate <sup>(d)</sup>; 70 bps  
growth vs. 2019

Data as of September 30, 2021. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.

(a) Net income for third quarter 2021 was \$103 million, a 129% increase vs. third quarter 2019.

(b) Net cash provided by operating activities was \$147 million, a 1% increase vs. third quarter 2019.

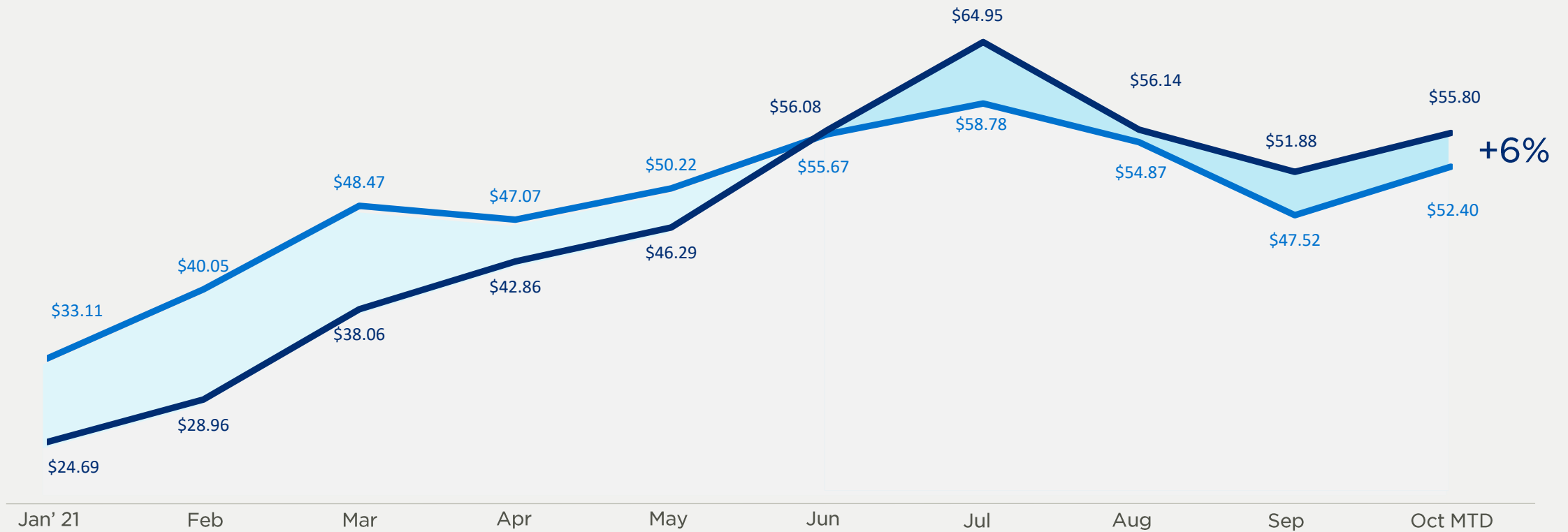
(c) Reflects margin improvement resulting from permanent cost savings generated approximately 300 basis points, and the timing of the marketing funds approximately 300 basis points. Margin calculation excludes cost reimbursements from revenues and can be found in the Appendix.

(d) Third quarter-to-date 2021 annualized.

# RevPAR Above 2019 Levels

## MONTHLY WH U.S. RevPAR

■ 2019  
■ 2021

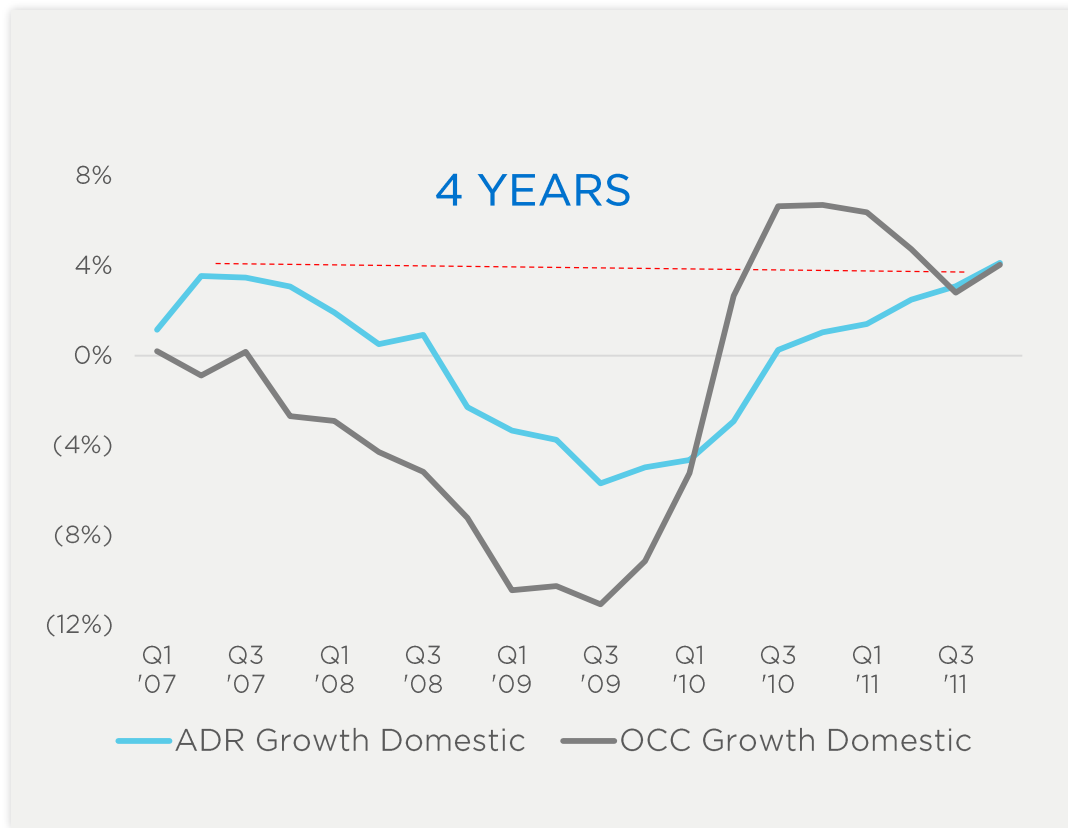




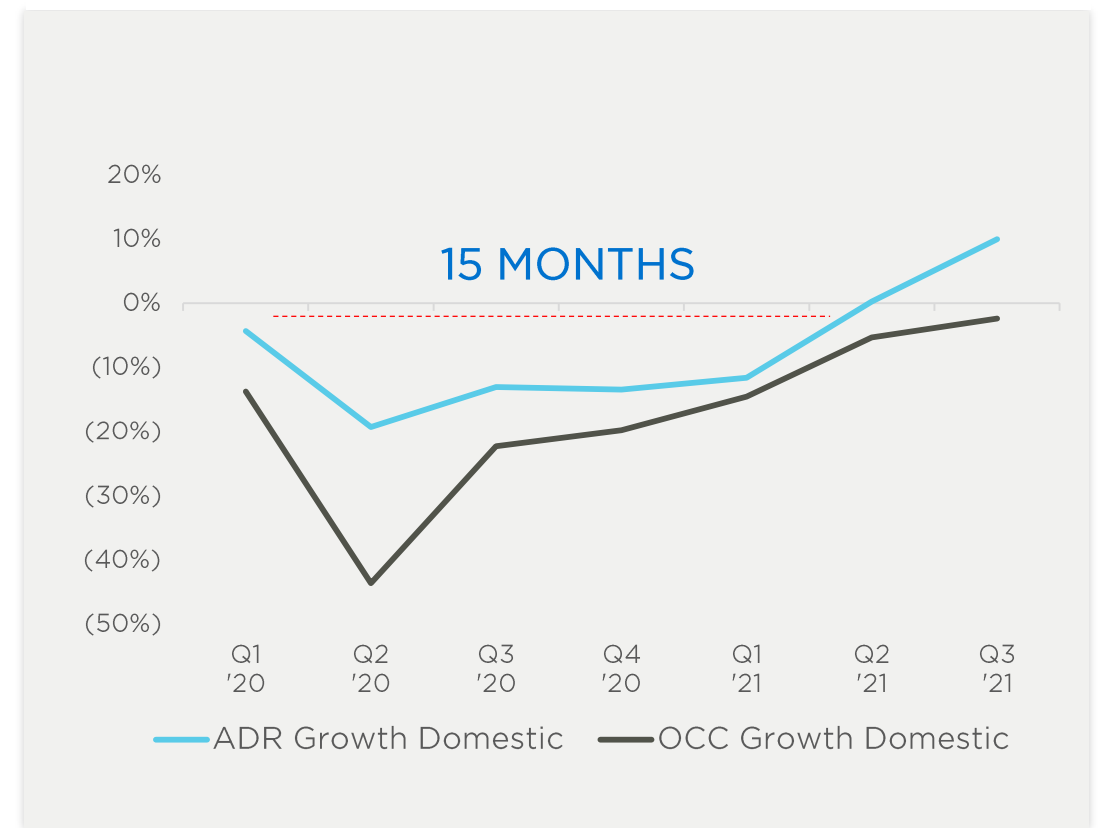
# Pricing Power Returns Faster than 2008 Recession

## WH U.S. OCCUPANCY AND ADR GROWTH

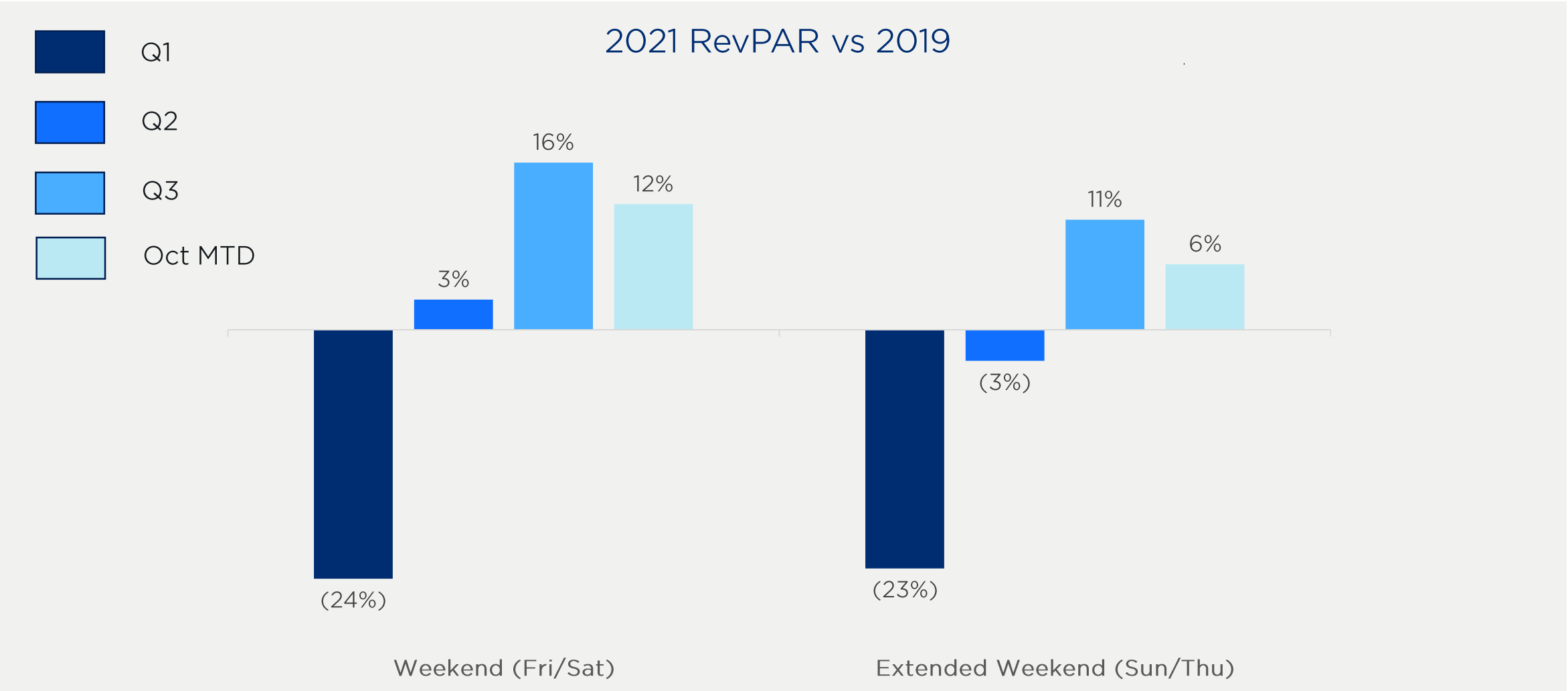
### GREAT FINANCIAL CRISIS (2008)



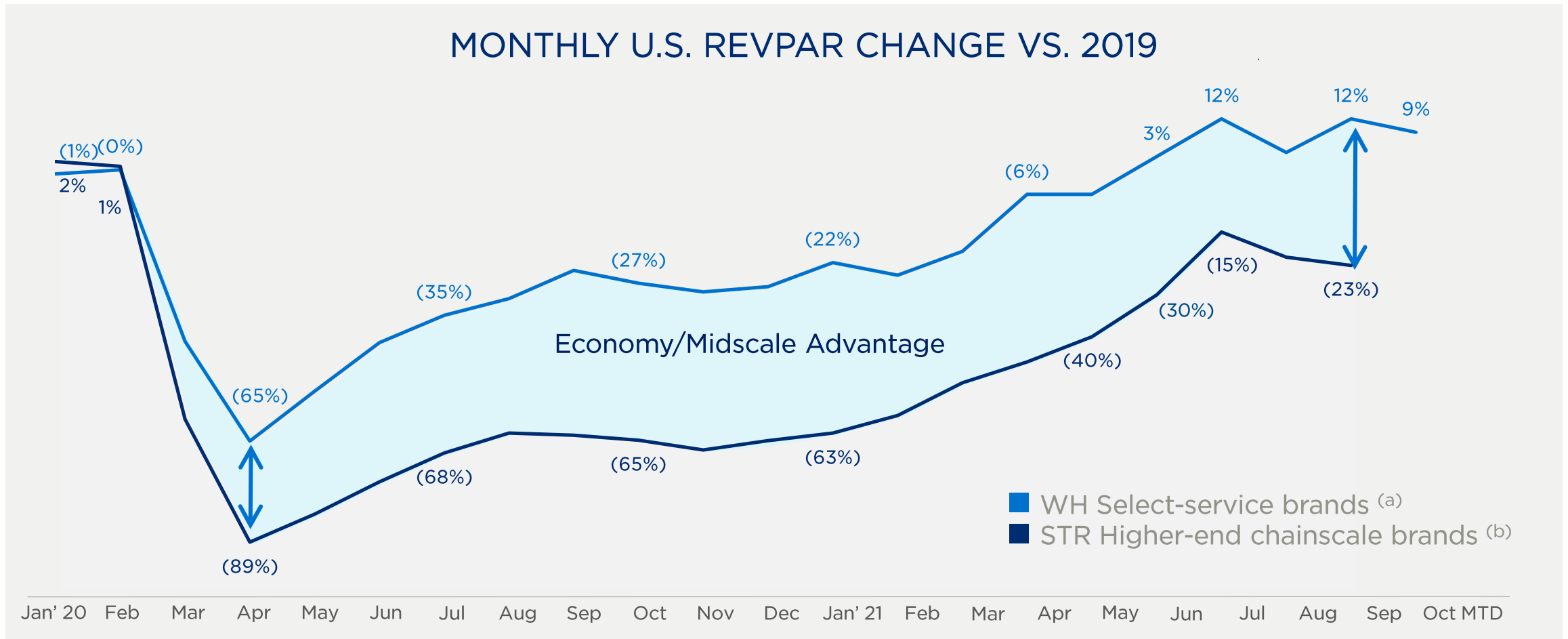
### COVID-19



# Thursday and Sunday Nights Driving Longer “Long Weekends”



# WH Select-Service Brands Continue to Outperform Higher-end Chainscales



Note: October month-to-date includes RevPAR change through October 16<sup>th</sup>.  
 (a) Includes WH brands in the economy, midscale and upper midscale segments.  
 (b) Includes STR performance for upscale, upper upscale and luxury segments.



# Net Room Growth Tracking in Line with Expectations

## THIRD QUARTER 2021 NOTABLE ADDITIONS

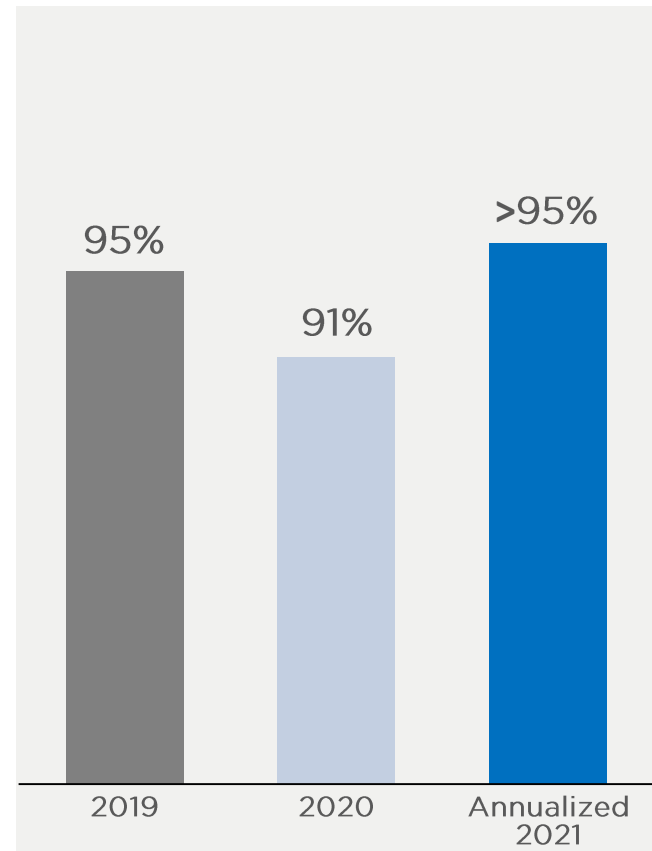
### Conversion

- Wyndham Fort Smith Arkansas
- Wyndham Detroit Michigan
- Microtel Kunming City Center (China)
- Ramada Dubai Barsha (UAE)
- Wyndham Garden Conception (Chile)
- Wyndham Garden Antofagasta (Chile)
- Ramada Guangyuan Zeng Jiashan Resort (China)

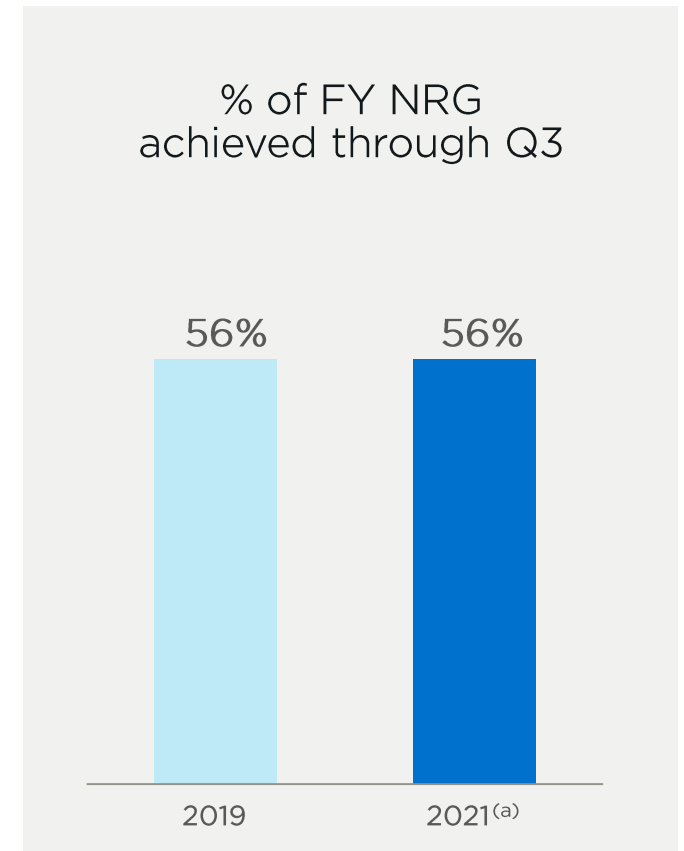
### New Build

- La Quinta South Bend Indiana
- La Quinta San Antonio Texas
- La Quinta Locust Grove Georgia
- Microtel Huangshan Tangkou (China)
- Ramada Plaza Dongguan Songshan Lake (China)
- Wyndham Changzhou Liyang (China)
- Ramada Tbilisi Old City (Georgia)
- Ramada by Wyndham Istanbul Sile (Turkey)

## RETENTION TRENDING ABOVE 95%



## 2021 NET ROOM GROWTH ACHIEVED YTD PACING IN-LINE WITH 2019





La Quinta Inn & Suites by Wyndham San Antonio  
12 San Antonio, Texas, United States



La Quinta Inn & Suites by Wyndham South Bend  
South Bend, Indiana, United States





13 La Quinta Inn & Suites by Wyndham Locust Grove  
Locust Grove, Georgia, United States



Wyndham Fort Smith  
Fort Smith, Arkansas, United States





14 Wyndham Garden Concepcion  
Concepcion, Chile



Wyndham Garden Antofagasta  
Antofagasta, Chile





Wyndham Changzhou Liyang  
Liyang, China



Microtel by Wyndham Kunming City Center  
Kunming, China





16 Ramada by Wyndham Istanbul Sile  
Istanbul, Turkey



Ramada by Wyndham Tbilisi Old City  
Tbilisi, Georgia

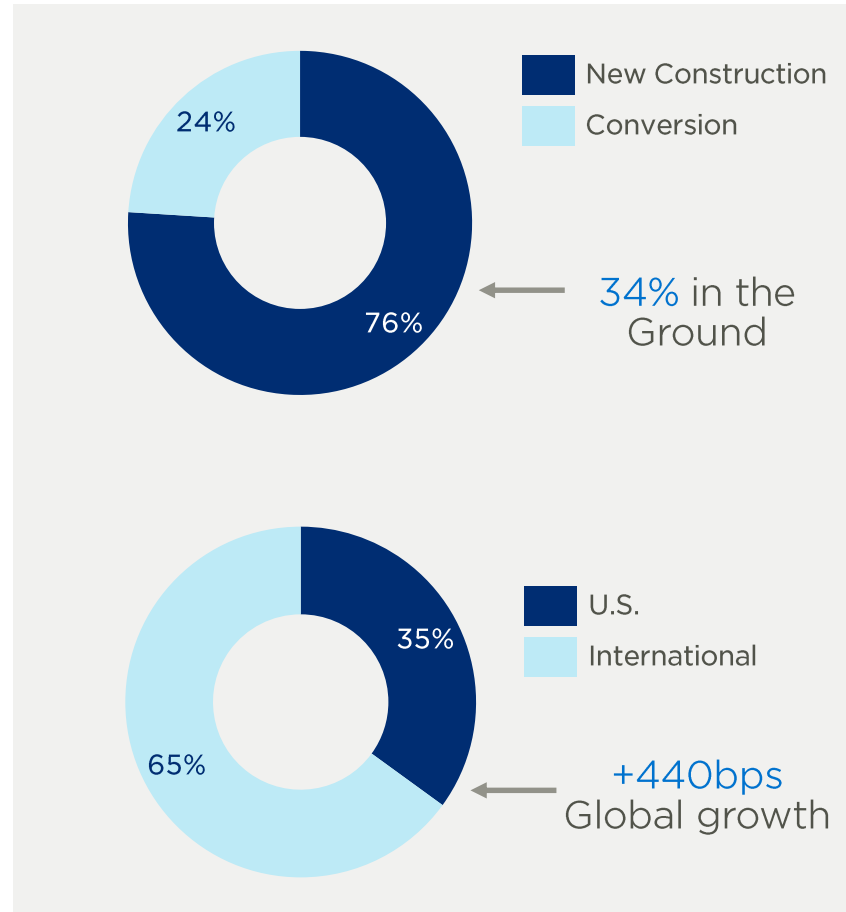


# Pipeline Concentrated and Growing Faster in Higher Revenue Generating Segments

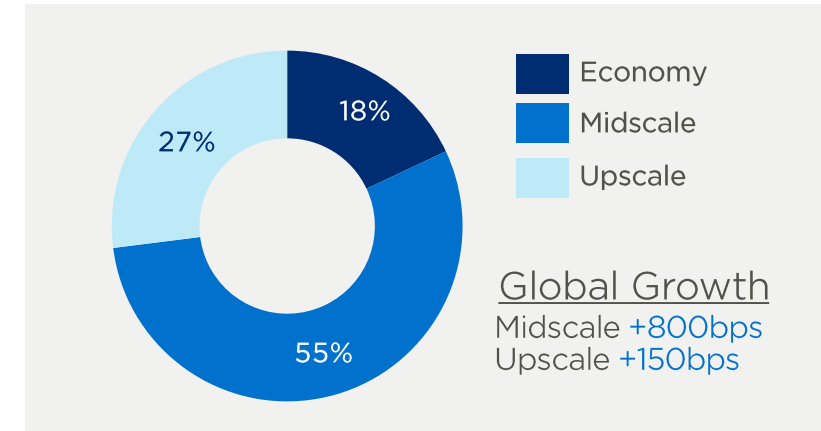
## TOTAL PIPELINE @ 9/30/21

193K Global rooms	1,500 Global hotels
+350bps Domestic growth	+490bps International growth
+590bps Growth in Conversion pipeline	+390bps Growth in New Construction pipeline
24% of current system	

## COMPOSITION



## SEGMENT MIX



## NEW BRAND COMPOSITION

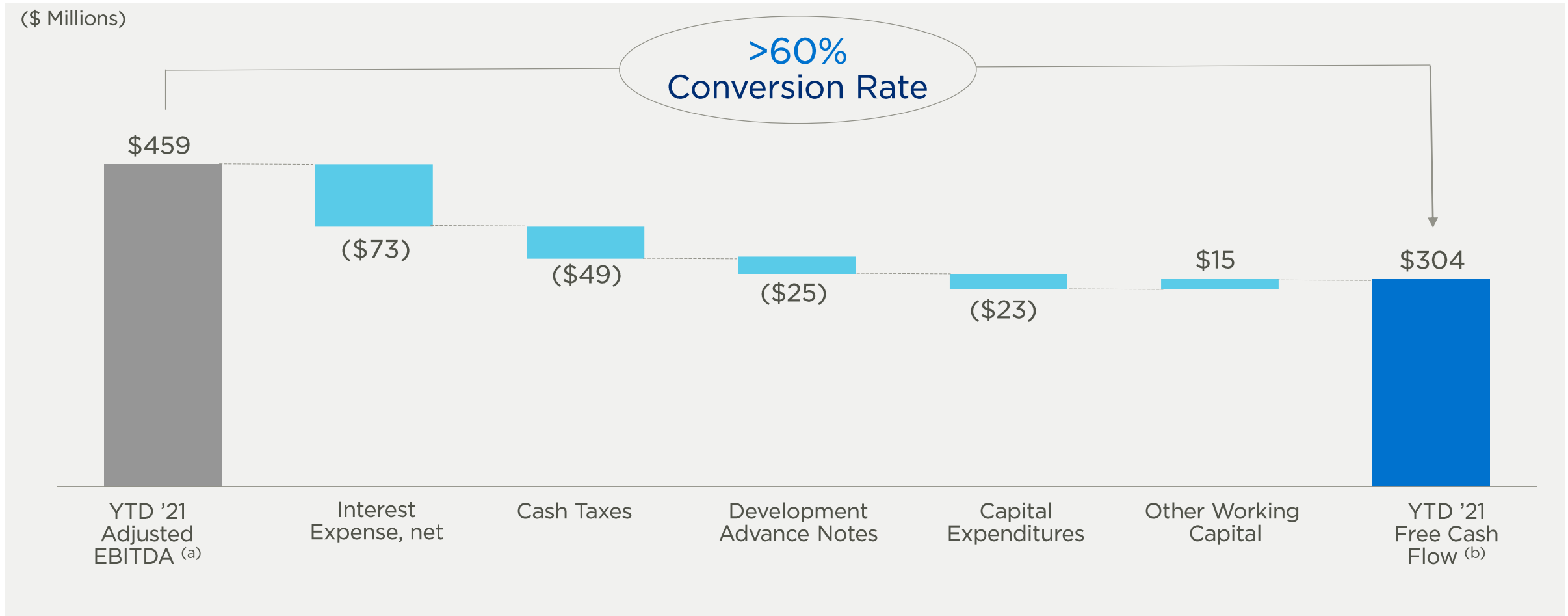
Pipeline contains more than 2,100 rooms associated with brands launched in 2021



**REGISTRY**  
COLLECTION HOTELS

Growth represents year-over-year.

# 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 \$195 million.

(b) Net cash provided by operating activities was \$327 million.

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# 2021 Focus

CLEAR FOCUS & PRIORITIES TO  
DRIVE SHAREHOLDER VALUE



# On Track to Achieve 2021 Key Priorities

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## NET ROOM GROWTH

Deliver 1.5-2% organic net room growth in 2021

Return to 2-4% organic net room growth post COVID-19 while targeting 3-5% long-term growth through investments in business, return of new construction and improvement in domestic retention rate to 96%

## FRANCHISEE SUPPORT

Modified brand standards and redesigned sourcing programs drive hotel-level cost savings

Enhanced sales, marketing and revenue management services drive lower-cost direct bookings, higher ADR and greater market share

NextGen property level technology drives higher ADR and operational efficiencies

## GUEST EXPERIENCE

“Count on Us to Put Safety First” initiative, flexible booking/cancellation policies & dynamic personalized offers meet rising guest expectations

Best-in-class digital eco-system, mobile app evolution and suite of Wyndham Business products streamlines travel planning



# 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 90 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 Has Historically Delivered Strong Returns



Cost per room	~\$75,000
Loan-to-value	~70%
Franchisee Investment	\$1,575,000
RevPAR	\$53.00
Revenues	\$1,355,000
Operating expenses	\$705,000
Brand fees	\$115,000
Interest expense	\$220,000
Hotel EBTDA	\$315,000

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 stabilized pre-COVID basis. Cost per room also includes average land costs for economy hotels across the United States. Operating expenses are based on normalized pre-COVID STR HOST select-service industry data and are not based on individual hotel performance. Return on invested capital assumes a loan interest rate of 6%.

3

# Strong Financial Profile

CLEAR FOCUS & PRIORITIES TO  
DRIVE SHAREHOLDER VALUE

# Maximizing Capital Allocation For All Stakeholders

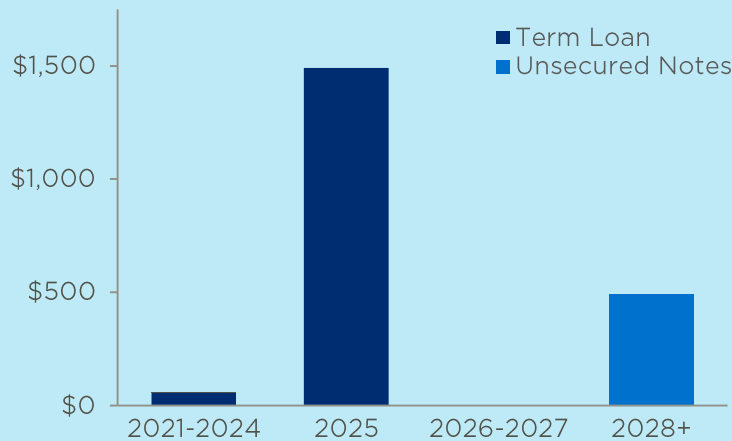
## MAINTAIN STRONG BALANCE SHEET

~\$930 million of liquidity

Total leverage at 3.7x  
- within our 3-4x target

Significant room under all debt covenants

No near-term debt maturities

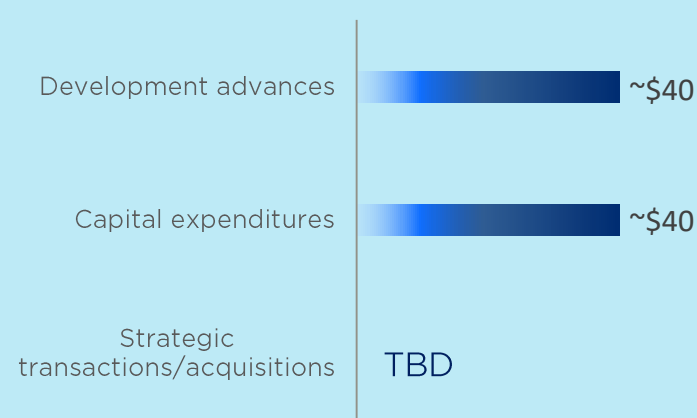


## INVEST IN BUSINESS

Increased deployment of capital to accelerate system growth

Continued investment in guest facing technology, customer data platform and business traveler tools

Strong ROI strategic transactions/acquisitions



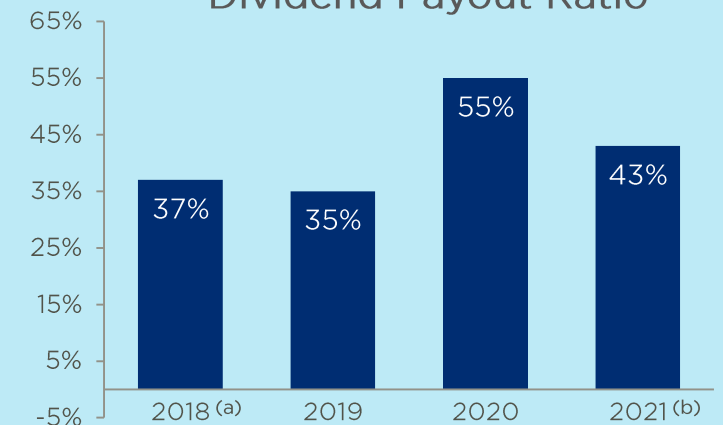
## RETURN EXCESS CAPITAL TO SHAREHOLDERS

Restored quarterly dividend to pre-pandemic level of \$0.32 per share

\$27 million of share repurchases in Q3

Total \$79 million of shareholder return year-to-date

### Dividend Payout Ratio



(a) Assumes annualized dividend of \$103 million as Wyndham Hotels & Resorts, Inc. was not a separate public company for the full duration of 2018.

(b) Based on the midpoint of 2021 adjusted net income outlook and annualized \$0.32 per share quarterly dividend, consistent with the new quarterly cash dividend policy recently approved by the Board of Directors. Note that the fourth quarter dividend is still subject to management's discretion and declaration by the Board of Directors.



# Continued Significant Investment & Focus on ESG



**ISS CORPORATE SOLUTIONS**  
 QualityScore ratings (a):

- Environment - 1 out of 10
- Social - 1 out of 10
- Governance - 2 out of 10

10M Wyndham Rewards+ points donated to **Polaris**

**Count on Us**™  
 to put safety first

## A CULTURE OF DIVERSITY, EQUITY & INCLUSION

- Perfect score of 100 on Human Rights Campaign 2021 Corporate Equality Index for 3<sup>rd</sup> consecutive year
- ~55% of global corporate workforce is female
- Launched Women Own the Room program to support advancement of women-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

- Received A- on CDP Response for Climate Change 2nd year in a row
- 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

## 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

- Assisted over 2,800 Team Members through Wyndham Relief Fund
- Continuing to strengthen Wyndham's Count on Us health and safety efforts
- Wyndham Rewards and its members donated 118 million points to non-profits
- Instant complimentary Wyndham Rewards GOLD membership upgrade and special rates to all essential workers fighting the front lines of COVID-19



4

# Business Model & Core Strengths

CLEAR FOCUS & PRIORITIES TO DRIVE SHAREHOLDER VALUE



# Core Strengths

1

PRIMARILY  
LEISURE-FOCUSED

2

PREDOMINATELY  
“DRIVE TO”  
LOCATIONS

3

SELECT-SERVICE  
LEADER

4

POWERFUL  
GROWTH ENGINE

5

LOW RISK  
BUSINESS MODEL



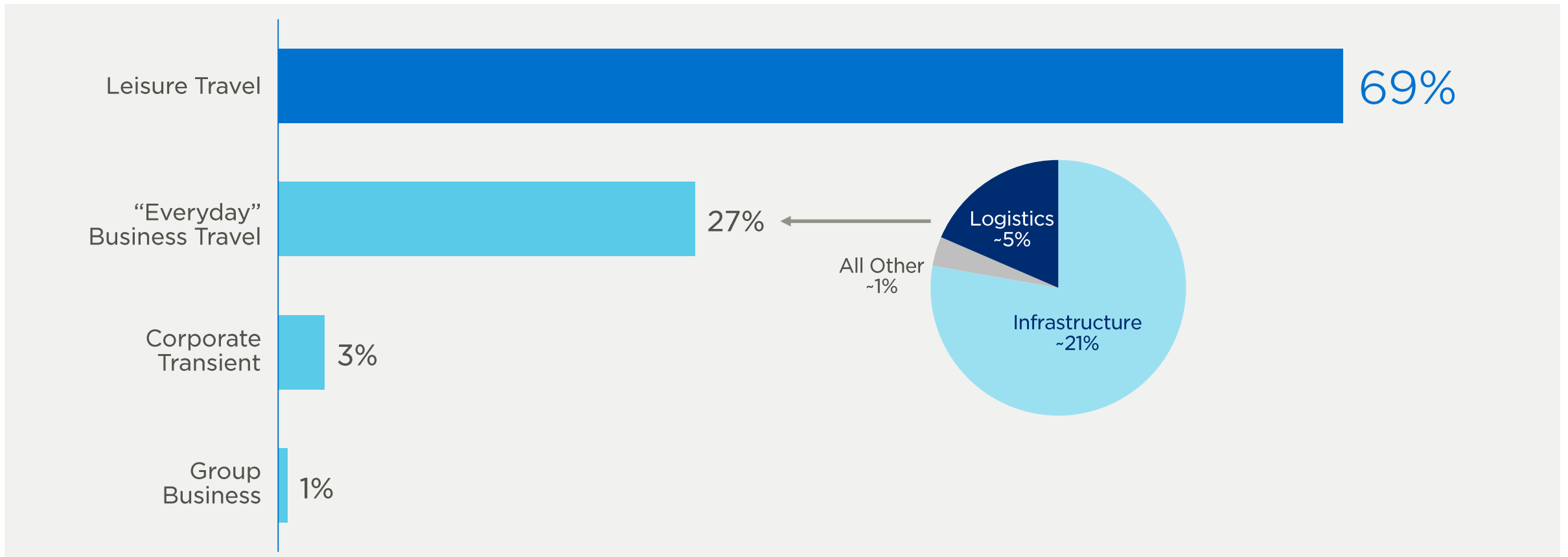
Days Inn by Wyndham Bullhead City  
Bullhead City, Arizona, USA

WYNDHAM  
HOTELS & RESORTS

REASON 1

# Leisure Guests Power Our Business

70% LEISURE FOCUS

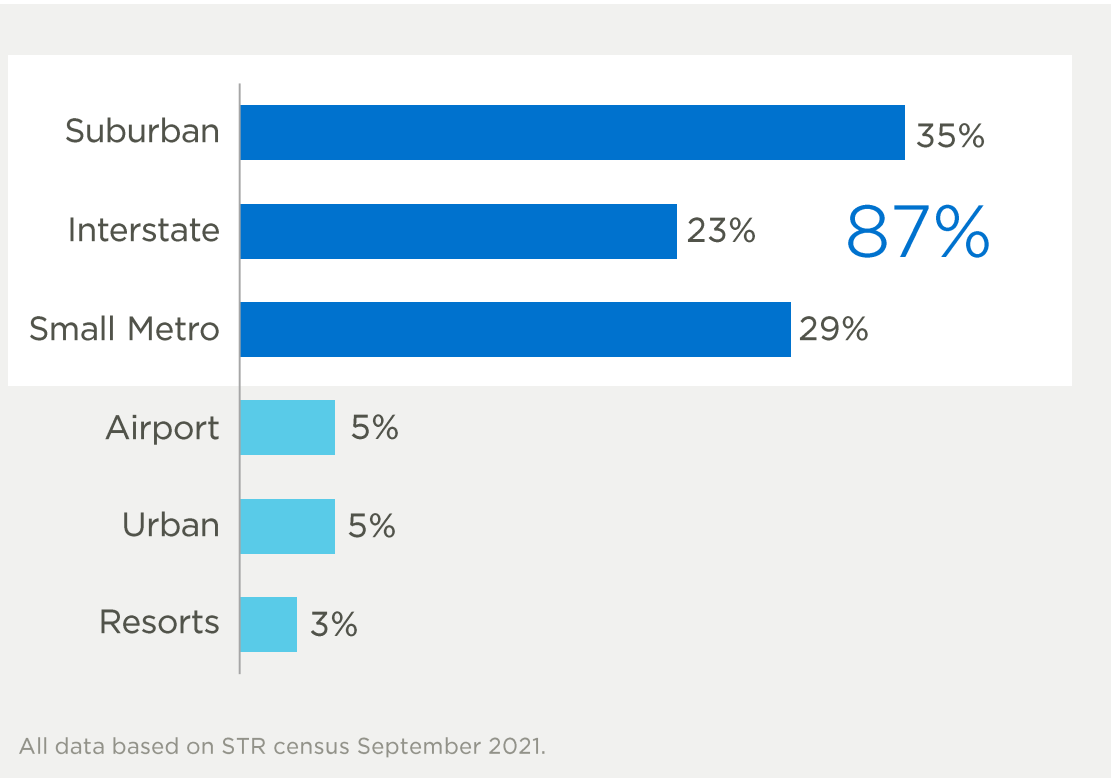




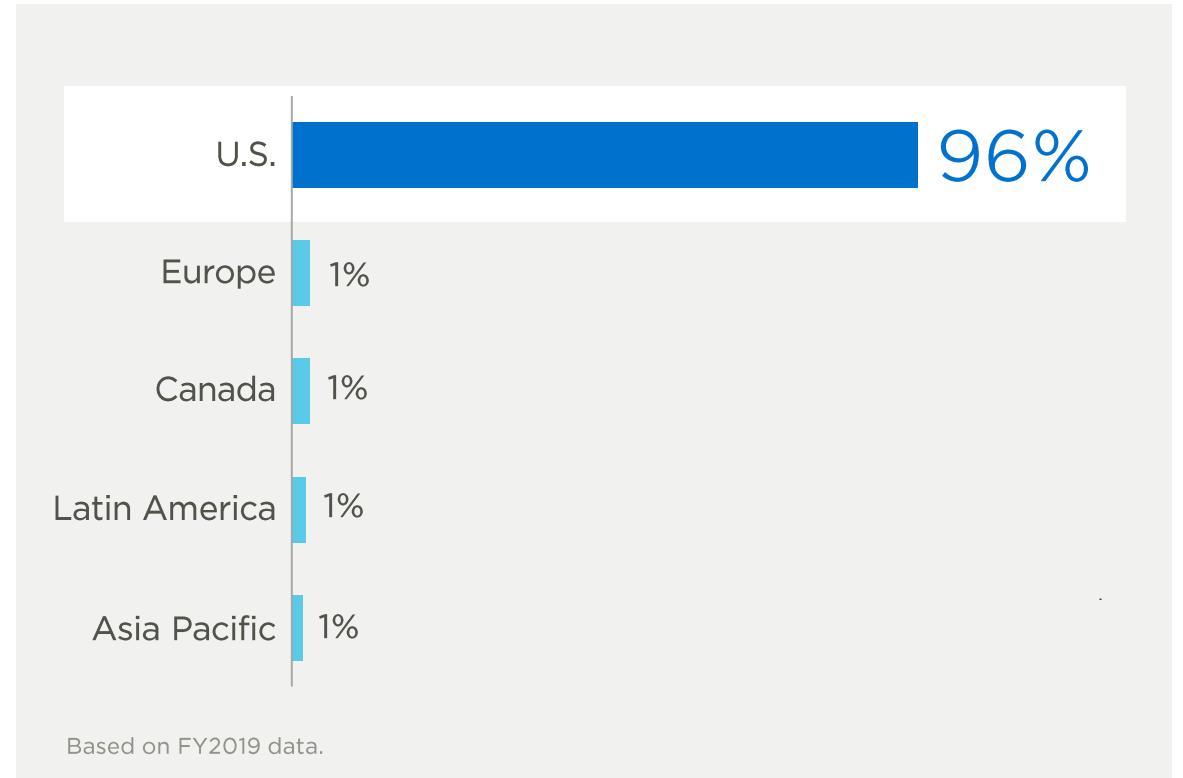
REASON 2

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

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

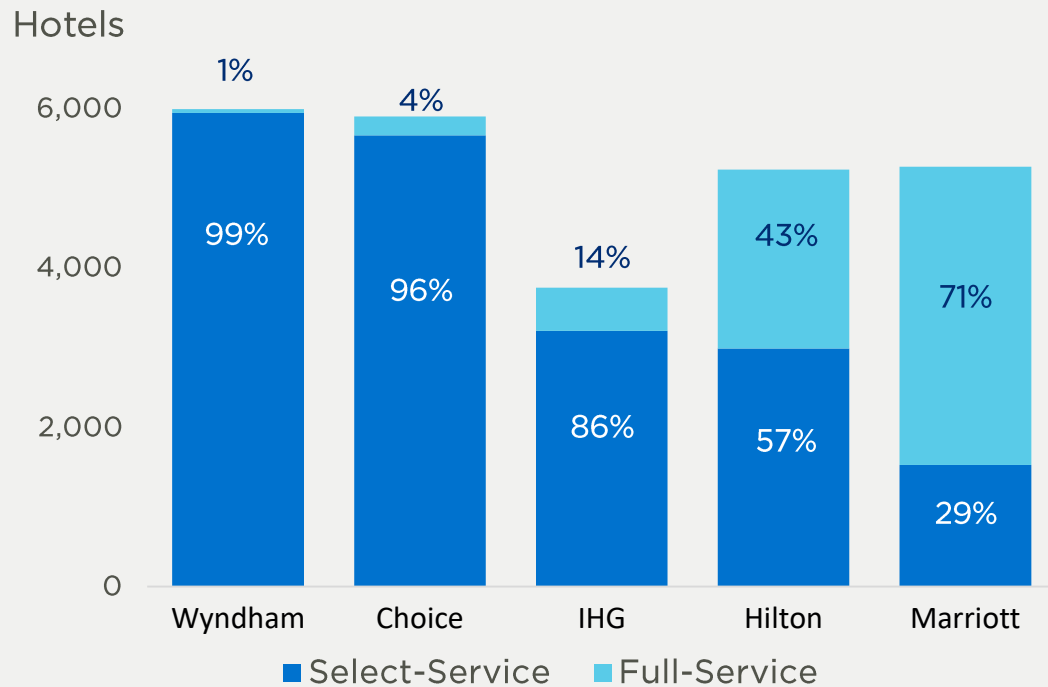


## 96% OF U.S. GUESTS ORIGINATE DOMESTICALLY



# Leader in the Attractive Select-Service Space

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



All data based on STR census September 2021.

ADVANTAGEOUS FEATURES OF SELECT-SERVICE HOTELS

- Less labor-intensive and lower operating costs
- Higher operating margins
- Lower construction costs and manageable debt service
- Can breakeven at ~30% occupancy
- Predominately small business owners, eligible for government stimulus and/or SBA debt relief



# Significant Growth Opportunity in Large Conversion Market

## UNIQUE VALUE PROPOSITION IN TODAY'S MARKET

Our brands outperformed their competition in the U.S. by 220 bps compared to YTD 2019

Our franchisees leverage Wyndham's purchasing power to significantly lower operating expenses and third-party booking costs

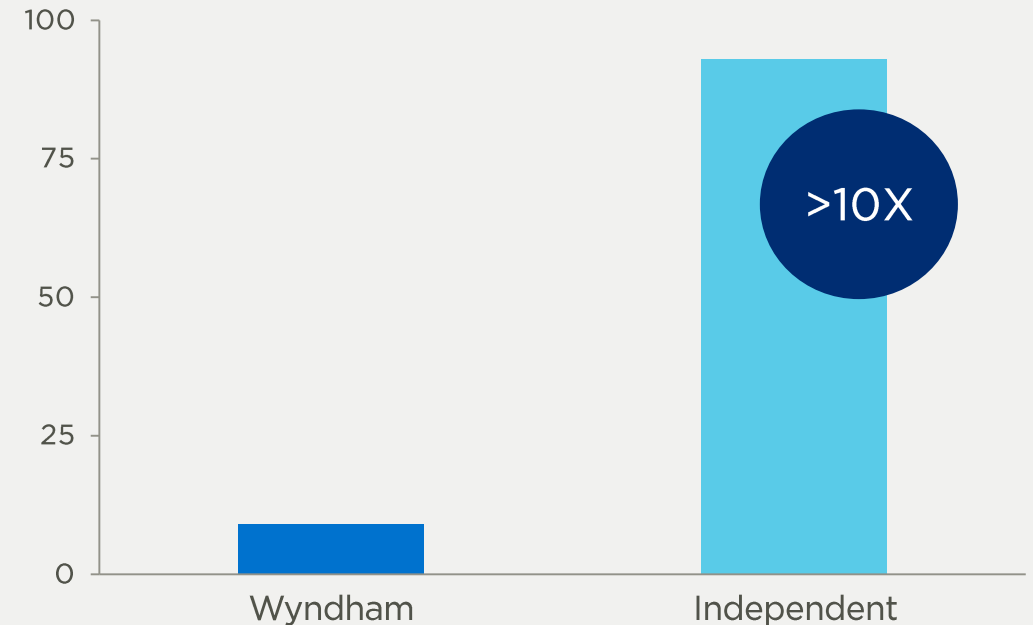
Our owner-first approach compels us to support and invest in our franchisees' health and recovery



## SIGNIFICANT ADDRESSABLE MARKET IN THE ECONOMY & MIDSCALE SEGMENTS

(Thousands)

Global Hotels

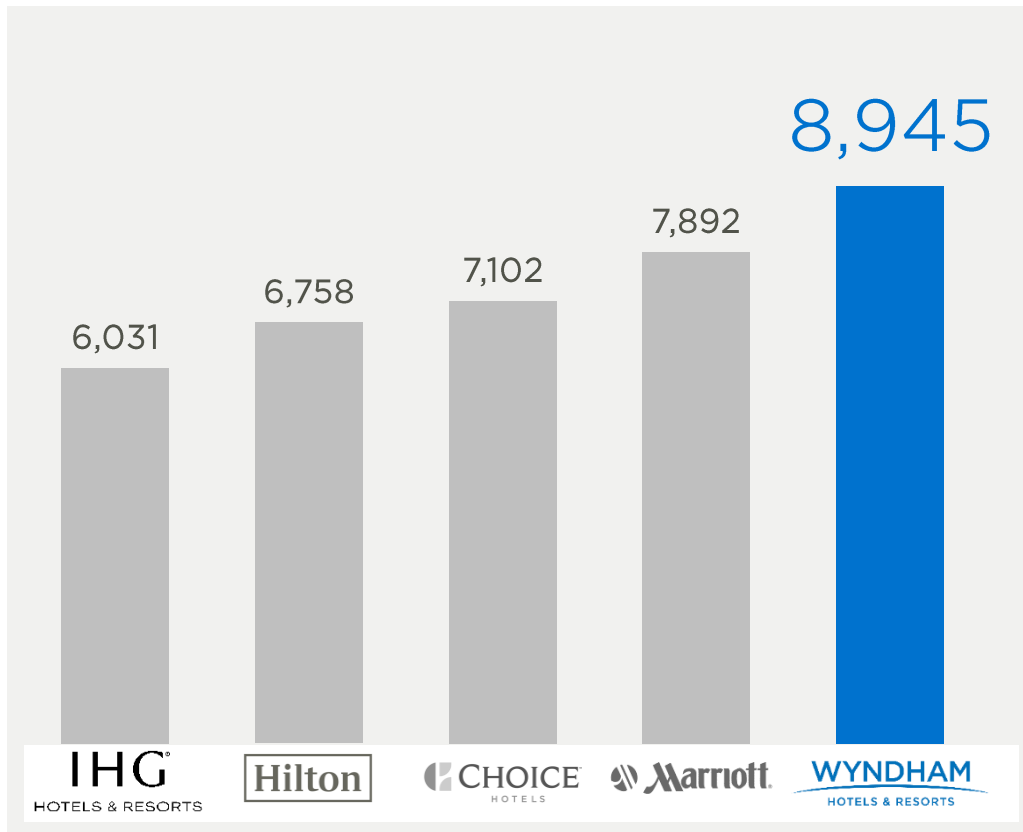


Independent data based on STR census September 2021.

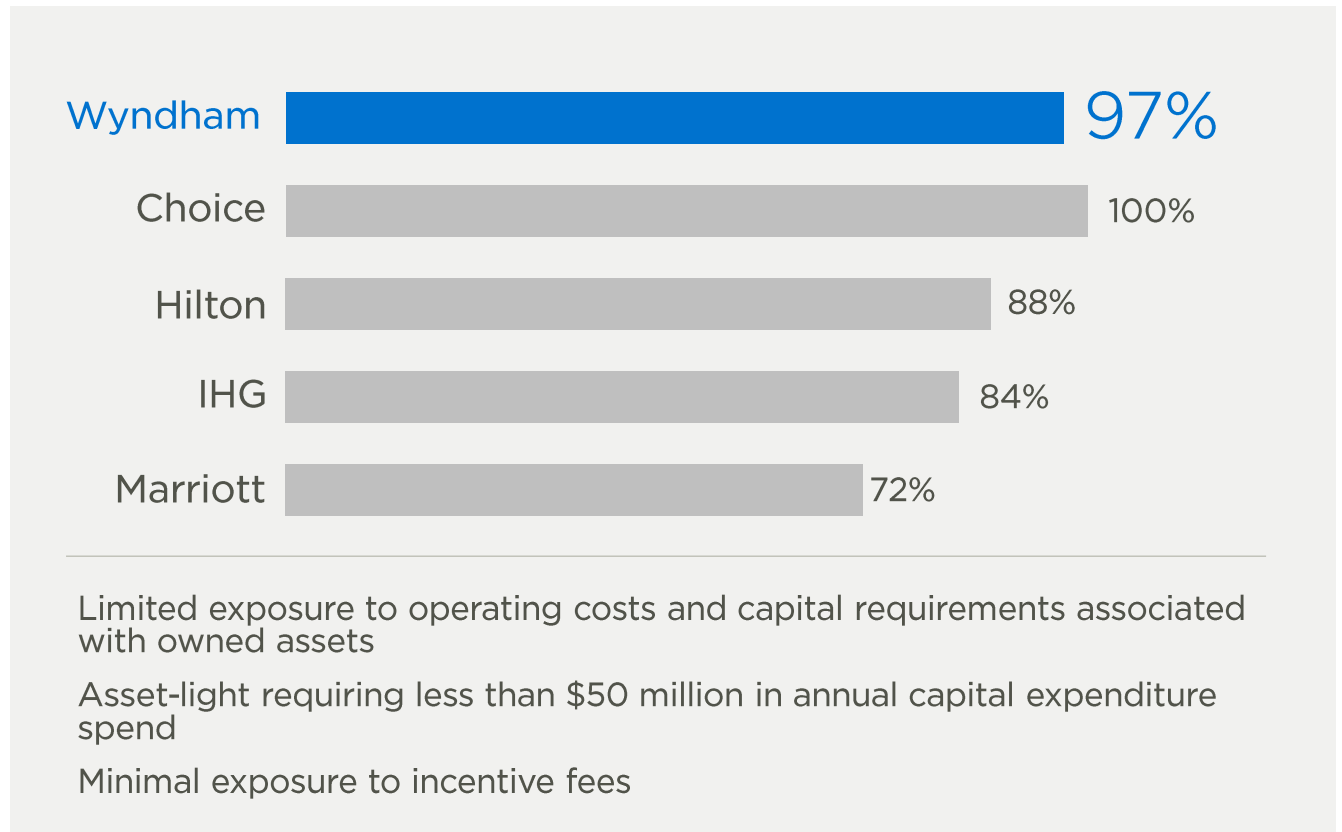
## REASON 5

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

### NUMBER OF HOTELS WORLDWIDE



### PERCENT OF FRANCHISED HOTELS





# Strong and Experienced Leadership Team



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

*32 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**

*22 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**

*16 Years of Industry Experience*



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

*18 Years of Industry Experience*



**SCOTT STRICKLAND**  
**CHIEF INFORMATION OFFICER**

*20 Years of IT Experience*



**MONICA MELANCON**  
**CHIEF HUMAN RESOURCE OFFICER**

*23 Years of Human Resource Experience*



**KRISHNA PALIWAL**  
**PRESIDENT, LA QUINTA**  
**HEAD OF DESIGN & CONSTRUCTION**

*15 Years of Industry Experience*



**CHIP OHLSSON**  
**CHIEF DEVELOPMENT OFFICER**

*27 Years of Industry Experience*



**SCOTT LEPAGE**  
**PRESIDENT, AMERICAS**

*10 Years of Industry Experience*



**JOON AUN OOI**  
**PRESIDENT, APAC**

*18 Years of Industry Experience*



**DIMITRIS MANIKIS**  
**PRESIDENT, EMEA**

*30 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

# Reconciliation of 2019 Adjusted EBITDA to 2021 Outlook

(\$ Millions)	RECONCILIATION TO 2019
2019 Adjusted EBITDA <sup>(a)</sup>	\$621
COVID-19 permanent cost savings <sup>(b)</sup>	40
14% RevPAR decline vs. 2019 @ ~\$2.9 million per point	(35 - 45)
Not in the RevPAR per point estimate <sup>(c)</sup> :	
Marketing, reservation & loyalty funds	5
License fees <sup>(d)</sup>	(43)
Owned hotels <sup>(e)</sup>	(5)
Ancillary fee stream <sup>(f)</sup>	(10)
Bad debt expense <sup>(g)</sup>	(3)
<b>2021 Adjusted EBITDA Outlook</b>	<b>\$560 - \$570</b>

(a) Net income was \$157 million for the year ended December 31, 2019. Reconciliation can be found in the Appendix.

(b) Represents estimated cost savings expected as a result of the Company's COVID-19 mitigation plan implemented in April 2020.

(c) In a full recovery environment, these amounts would be incremental Adjusted EBITDA above per point sensitivity.

(d) License fees are not linear to RevPAR (but are sensitive to travel demand) and therefore not included in the RevPAR per point sensitivity; expected to be \$70 million in 2021 reflecting the minimum levels outlined in the underlying agreements, which is consistent with the 2020 amount and \$43 million lower than the 2019 amount.

(e) Adjusted EBITDA for our two owned hotels will not improve linear with RevPAR due to the fixed nature of the cost base.

(f) Ancillary fee streams are not expected to fully recover in 2021 as they are tied to either revenue recognition deferral accounting, franchisee spend or franchisee relief programs partially or fully in effect during 2021.

(g) Bad debt expense is currently elevated due to the impact of the pandemic. In a full recovery environment, bad debt would normalize to 2019 levels.

## 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. 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. Explanations for adjustments within the reconciliations can be found in our third quarter 2021 Earnings Release at [investor.wyndhamhotels.com](http://investor.wyndhamhotels.com).

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021	Three Months Ended September 30, 2019	Year Ended December 31, 2019
Net income	\$ 103	\$ 195	\$ 45	\$ 157
Provision for income taxes	36	72	21	50
Depreciation and amortization	23	70	26	109
Interest expense, net	22	73	25	100
Early extinguishment of debt	-	18	-	-
Stock-based compensation expense	7	20	4	15
Development advance notes amortization	3	7	2	8
Impairment, net	-	-		45
Contract termination costs	-	-	34	42
Transaction-related expenses, net	-	-	12	40
Separation-related expenses	-	3	-	22
Transaction-related item	-	-	20	20
Restructuring costs	-	-	-	8
Foreign currency impact of highly inflationary countries	-	1	3	5
Adjusted EBITDA	<u>\$ 194</u>	<u>\$ 459</u>	<u>\$ 192</u>	<u>\$ 621</u>



## APPENDIX

# Non-GAAP Reconciliations

The following tables reconcile 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, and adjusted free cash flow as free cash flow less special-item cash outlays. We believe free cash flow and adjusted free cash flow to be useful operating performance measures to us and investors to evaluate the ability of our operations to generate cash for uses other than capital expenditures and special-item cash outlays 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. These non-GAAP measures are not necessarily a representation of how we will use excess cash. A limitation of using free cash flow and adjusted 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 and adjusted free cash flow do not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021	Year Ended December 31, 2019
Net cash provided by operating activities	\$ 147	\$ 327	\$ 100
Less: Property and equipment additions	(6)	(23)	(50)
Free cash flow	<u>\$ 141</u>	<u>\$ 304</u>	50
Payments to tax authorities related to the La Quinta acquisition			195
Transaction-related and separation-related cash outlays			78
Payment to terminate an unprofitable hotel-management arrangement			35
Capital expenditures at owned hotel in Puerto Rico, all of which were reimbursed by insurance proceeds in 2018			2
Adjusted free cash flow			<u>\$ 360</u>

## APPENDIX

# Calculation of Margin

Consistent with our peers, 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”. During the first quarter of 2021, we modified the definition of adjusted EBITDA to exclude the amortization of development advance notes and have applied the modified definition of adjusted EBITDA to all periods presented.

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by fee-related and other revenues. The calculation of adjusted EBITDA margin excludes cost reimbursement revenues, which primarily represent payroll costs for operational employees at certain of our managed hotels. Although these costs are funded by hotel owners, accounting guidance requires us to report these costs on a gross basis as both revenues and expenses. As there are no resultant earnings from these revenues, we excluded these amounts from the margin calculation.

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2019	Year Ended December 31, 2019
Hotel Franchising segment revenues	\$ 337	\$ 379	\$ 1,279
Hotel Franchising segment adjusted EBITDA	193	197	629
Segment margin	57%	52%	49%
Effect of license fees	(3%)	(5%)	(6%)
Effect of marketing, reservation and loyalty funds	31%	36%	37%
Franchising margin	85%	83%	80%

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2019	Six Months Ended September 30, 2021	Six Months Ended September 30, 2019
Fee-related and other revenues	\$ 377	\$ 419	\$ 931	\$ 1,105
Adjusted EBITDA	\$ 194	\$ 192	\$ 459	\$ 467
Adjusted EBITDA margin <sup>(a)</sup>	51%	46%	49%	42%



# 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, 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. 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. 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.

**Adjusted Free Cash Flow:** Adjusted free cash flow represents net cash provided by operating activities less property and equipment additions, which we also refer to as capital expenditures, and in periods prior to 2020, special-item cash outlays. We believe adjusted 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 special-item outlays 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. This non-GAAP measure is not necessarily a representation of how we will use excess cash. A limitation of using adjusted free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating Wyndham Hotels is that adjusted free cash flow does not represent the total cash movement for the period as detailed in the 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 12, 2021 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, free cash flow and adjusted 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.