

# Investor Presentation

April 24, 2024

WaterWalk by Wyndham  
Boise, Idaho, USA  
Opened March 2024

**WYNDHAM**  
HOTELS & RESORTS



# Introduction to Wyndham Hotels & Resorts

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Largest  
hotel franchisor  
worldwide<sup>(a)</sup>

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

~9,200  
Hotels

25  
Brands

~243,000  
Rooms in the  
Pipeline

~70%  
Leisure Guest Mix

>876,000  
Current Rooms

95+  
Countries

~108M  
Loyalty Members

~90%  
Drive to Destinations

1

# Q1 2024 Performance Recap

Wyndham Jomtien Pattaya  
Pattaya, Thailand  
Opened January 2024

# First Quarter 2024 Performance Recap

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+1%

Global RevPAR  
vs. 2023<sup>(a)</sup>

+4%

Net room  
growth YOY

+8%

New deals  
signed YOY

+8%

Global pipeline  
growth YOY

\$141M

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

\$102M

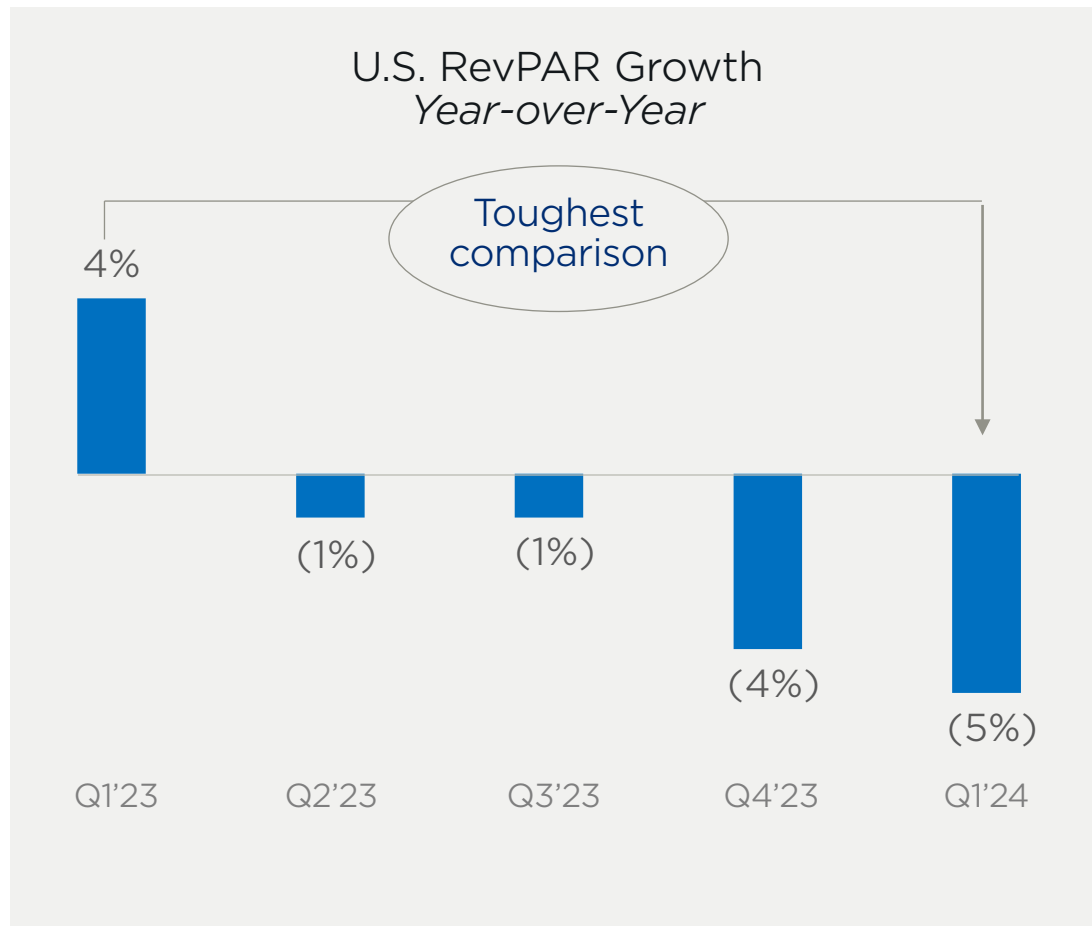
Adjusted  
free cash flow<sup>(c)</sup>

\$89M

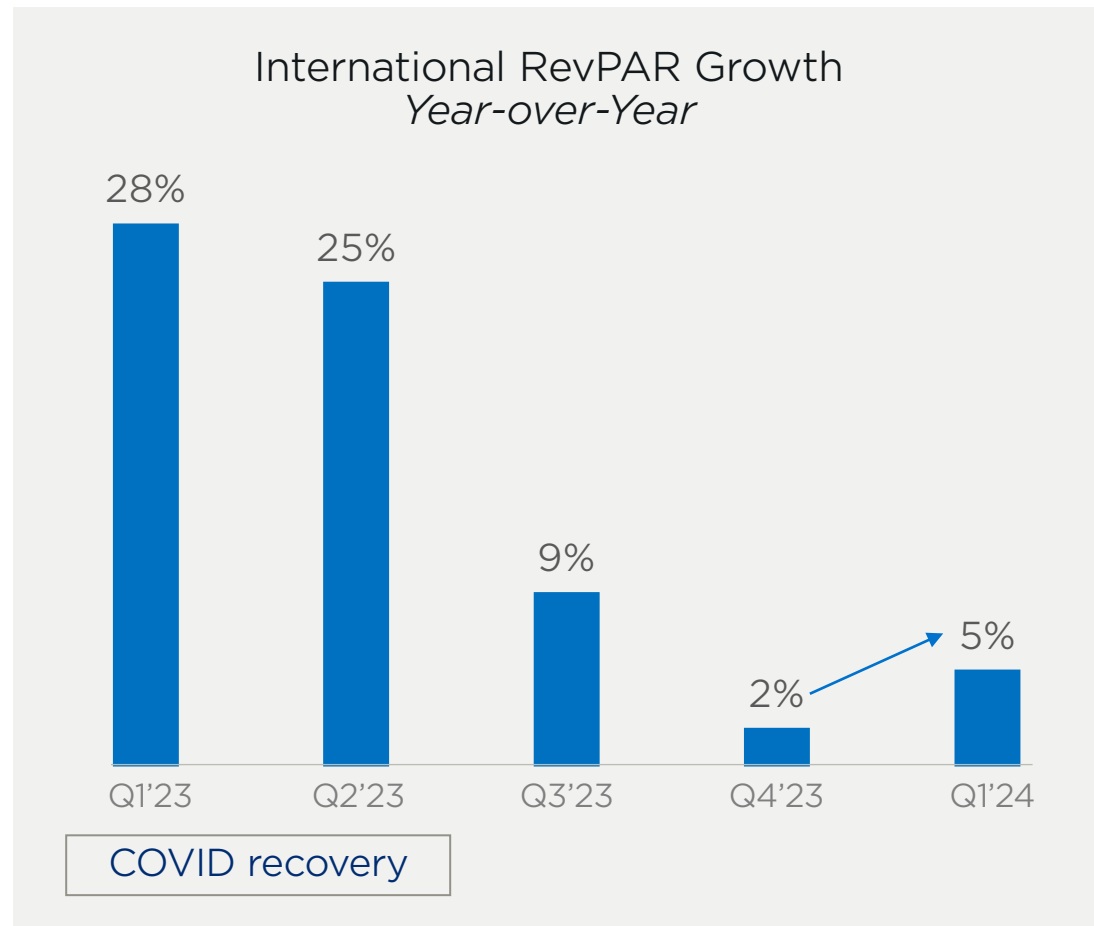
Capital returned to  
shareholders

# Global RevPAR Poised to Accelerate...

## U.S. REVPAR COMPARISONS SIGNIFICANTLY IMPROVE BEYOND Q1



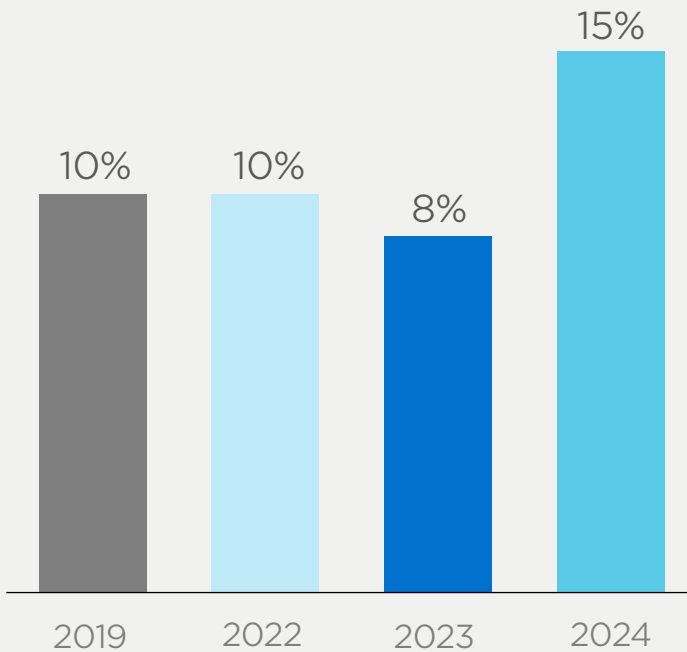
## POSITIVE MOMENTUM INTERNATIONALLY FOLLOWING COVID RECOVERY



# ...System Growth Off to Strongest Start Ever...

## NET ROOM GROWTH PACING AHEAD OF HISTORICAL PERFORMANCE

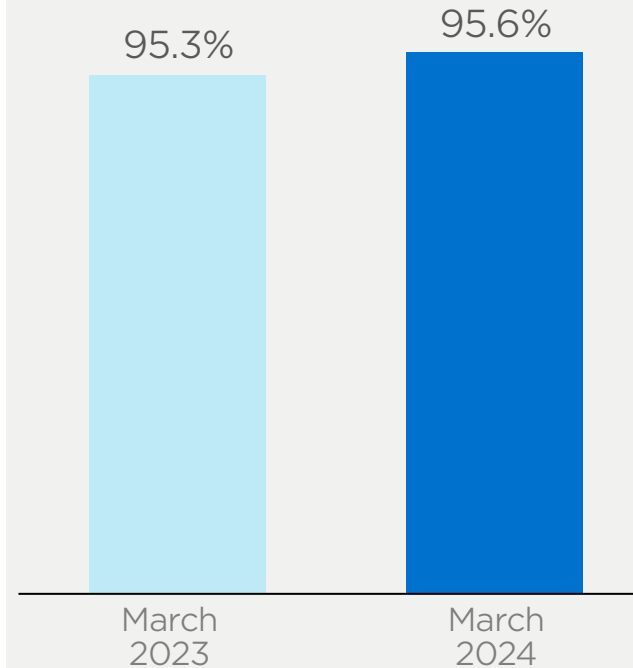
% of FY NRG  
Achieved through Q1



Note: 2024 reflects the midpoint of our full-year 3-4% NRG outlook.

## RETENTION CONTINUES TO IMPROVE

Rolling 12 Months



DOMESTIC  
MIDSCALE+ SYSTEM  
YOY GROWTH

+3%

INTERNATIONAL  
DIRECT SYSTEM  
YOY GROWTH

+11%



# ...Pipeline Expanding to Another All-Time High

## TOTAL PIPELINE @ 3/31/2024



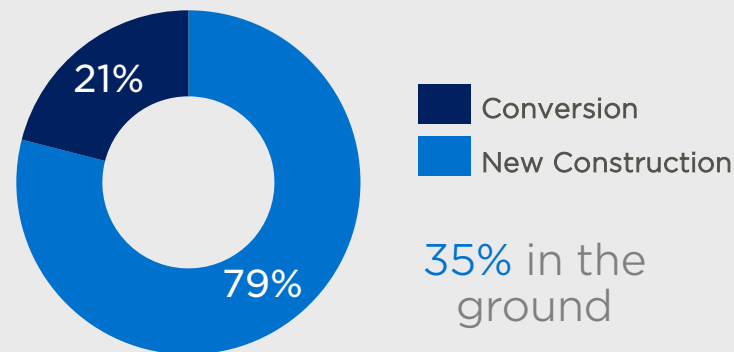
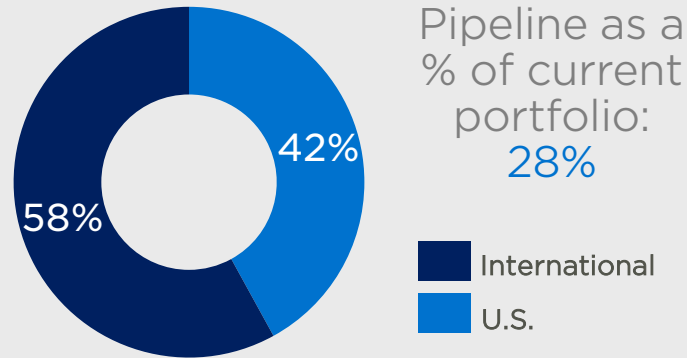
*15<sup>th</sup> consecutive quarter of sequential growth*

↑  
YOY Growth  
Global +8% U.S. +5%

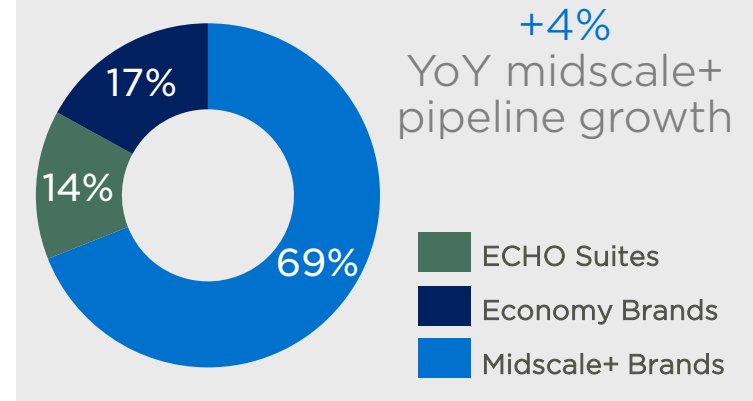
Sequential Growth  
Global +110 bps U.S. +170 bps

🌐  
Covers ~60 countries,  
including 8 without  
pre-existing WH presence

## GLOBAL COMPOSITION



## SEGMENT MIX



## EXTENDED STAY

**ECHOSUITES**  
EXTENDED STAY BY WYNDHAM

**Hawthorn**  
EXTENDED STAY  
BY WYNDHAM

**WaterWalk**  
BY WYNDHAM

~420  
Contracts

~42,200  
Rooms

# First ECHO Suites Nearing Opening Dates



Plano North, TX



Spartanburg, SC



Richmond, VA



Houston/Katy, TX



Indianapolis, IN



Plano Gateway, TX





Legacy Hotel, Trademark Collection by Wyndham, Green Bay, Wisconsin, USA  
Opened January 2024



Wyndham Monterrey Ambassador Centro  
Nuevo Leon, Mexico  
Opened March 2024



Ramada Resort by Wyndham Sapanca  
Thermal, Sakarya, Turkey  
Opened March 2024



Days Inn Staten Island  
Staten Island, New York, USA  
Opened March 2024



TRYP By Wyndham Asunción  
Asunción, Paraguay  
Opened March 2024



H2 Hotel Vienna Schoenbrunn  
Vienna, Austria  
Opened March 2024

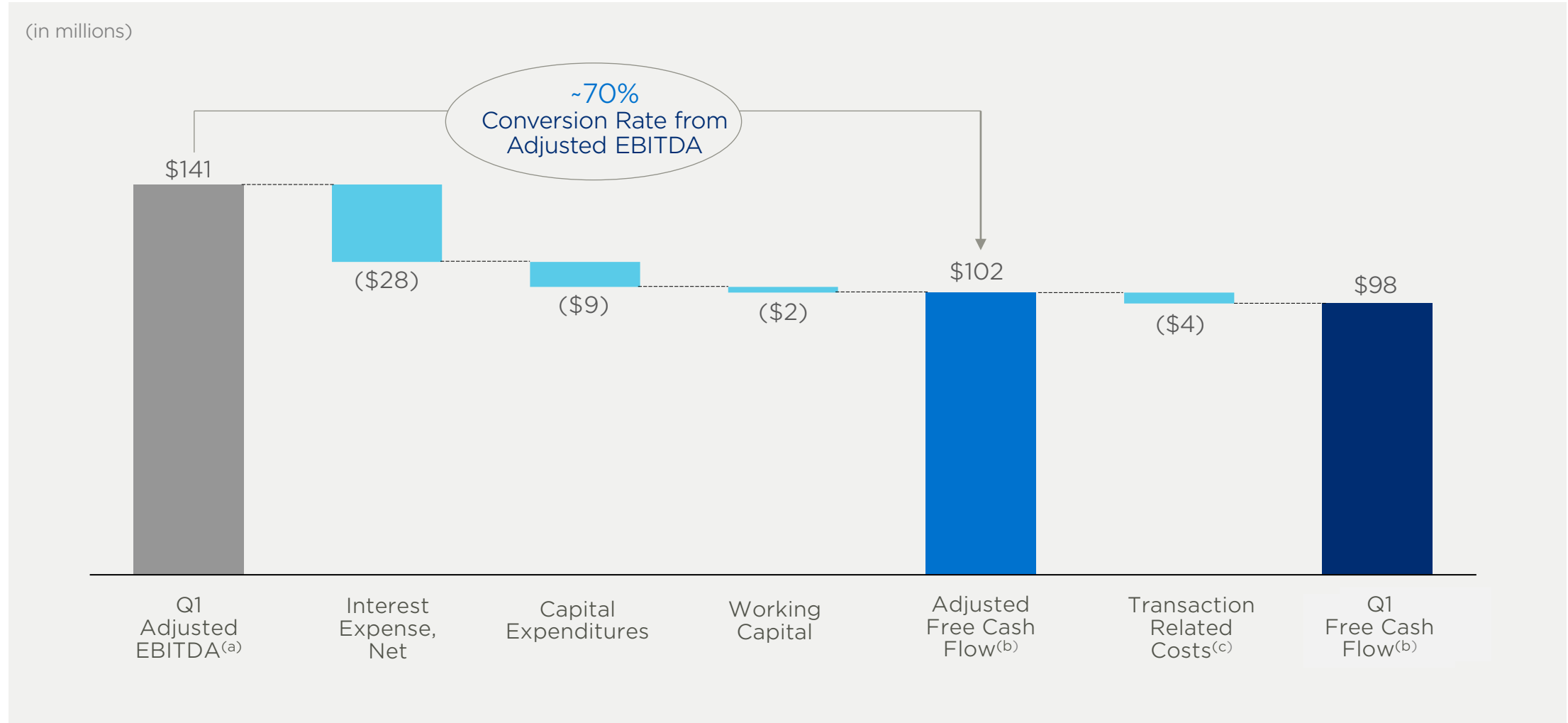


Wyndham Xishuang Banna  
Qingquan, China  
Opened March 2024

Expanding Globally  
in Key Markets

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





# Continued Significant Investment & Focus on ESG



## A CULTURE OF DIVERSITY, EQUITY & INCLUSION

Recognized for the 4<sup>th</sup> time as one of the World's Most Ethical Companies® by Ethisphere

Named a 2024 Military Friendly® Silver Employer by VIQTORY

Women globally constitute 46% of our leadership team<sup>(b)</sup> and 57% of our global corporate workforce

Continued to promote diverse hotel ownership with 50+ Women Own the Room and ~30 BOLD deals in development pipeline

Held 1<sup>st</sup> two-day Elevate Professional Development Session to focus on a variety of career advancement and DEI topics



## LEADERSHIP IN SUSTAINABILITY

Global brand standard for hotels to participate in Wyndham Green Certification with utility tracking using the Wyndham Green Toolbox

Providing multiple cage-free egg sourcing options

Named one of the Net-Zero Leaders by Forbes for 2023

Scored in the management band on our 2023 CDP Responses for Climate Change and Water Security ahead of the North American, global and sector averages

13M+

Wyndham Rewards points donated to

**Polaris**



## PROTECTING HUMAN RIGHTS

For Human Trafficking Prevention Awareness Month, offered a live online training to corporate team members and franchisees

Supplier Code of Conduct incorporated into all new contracts

Continued support for hotel workers through AHLA's "5-Star Promise"

Maintained partnerships with BEST, PACT, Polaris, and the Sustainable Hospitality Alliance, which provide training and awareness for our team members and franchisees

**ISS CORPORATE SOLUTIONS**

QualityScore ratings <sup>(a)</sup>:

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

**MSCI**  
ESG RATINGS



## SUPPORTING OUR COMMUNITIES

Wyndham Rewards and its members donated ~184 million points to charitable organizations lifetime

Partner with local inner-city high schools and colleges to provide student mentoring programs and workshops

Support the wellness of our team members through our Be Well program

Launched global virtual volunteer opportunity for team members and increased overall participation in Wish Day volunteer program by 73% YOY





2

# 2024 Focus

CLEAR INTENT & PRIORITIES TO  
MAXIMIZE STANDALONE  
GROWTH PROSPECTS

Wyndham Dalian Jinpu  
Dalian, China  
12 Opened January 2024

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# 2024 Key Priorities

Grow direct franchise system 3-4% in 2024, including continued improvement of retention rate and investment in our brands

Continue momentum of ECHO Suites brand by successfully opening newly constructed hotels and supporting developers to progress pipeline projects

Target new development efforts in high FeePAR (RevPAR + royalty rate) brands and regions

Expand portfolio reach across adjacent segments and geographies

Disciplined approach to capital allocation: investment in business, M&A and capital return

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

Capitalize on growing government spend tied to the Infrastructure & CHIPS Acts

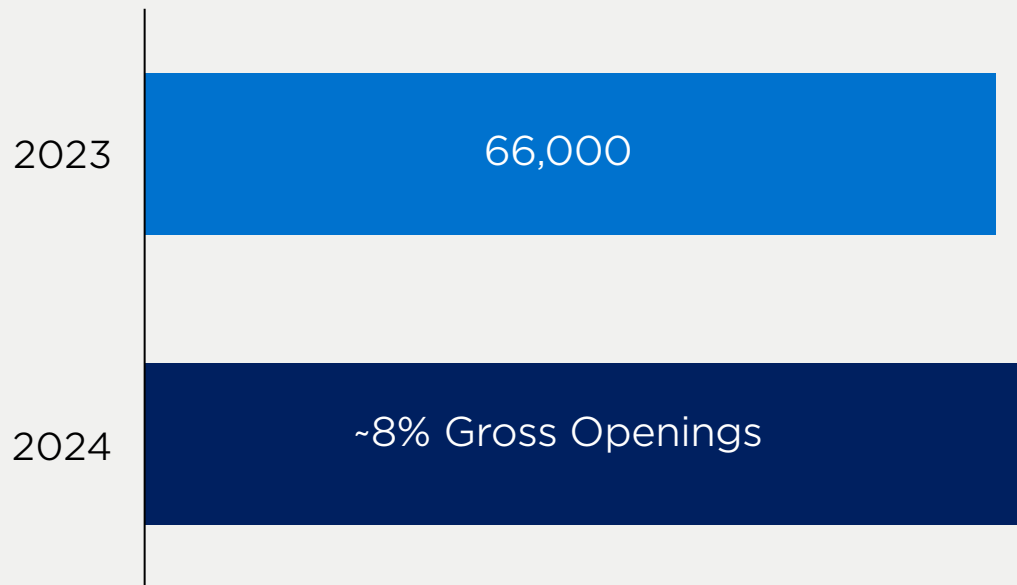
Reduce on-property labor and operating costs through state-of-the-art, owner-first technology solutions that streamline franchisee operations and elevate the guest experience

Capture ancillary revenue growth opportunities, including credit card products and strategic marketing partnerships

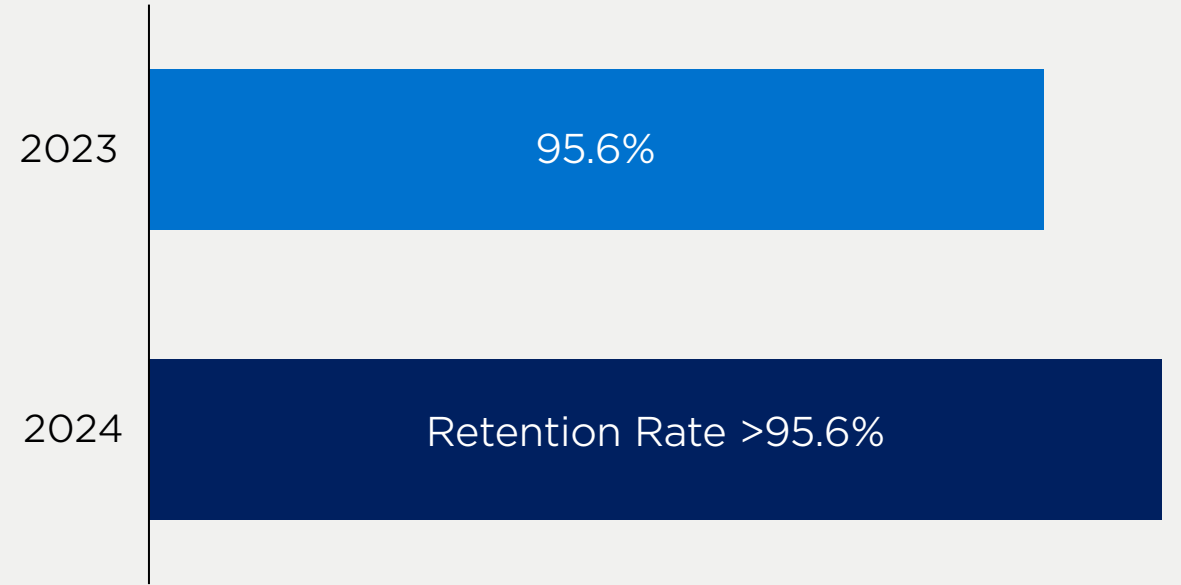
# System Projected to Increase 3 to 4%

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

## GLOBAL ADDITIONS



## GLOBAL RETENTION RATE

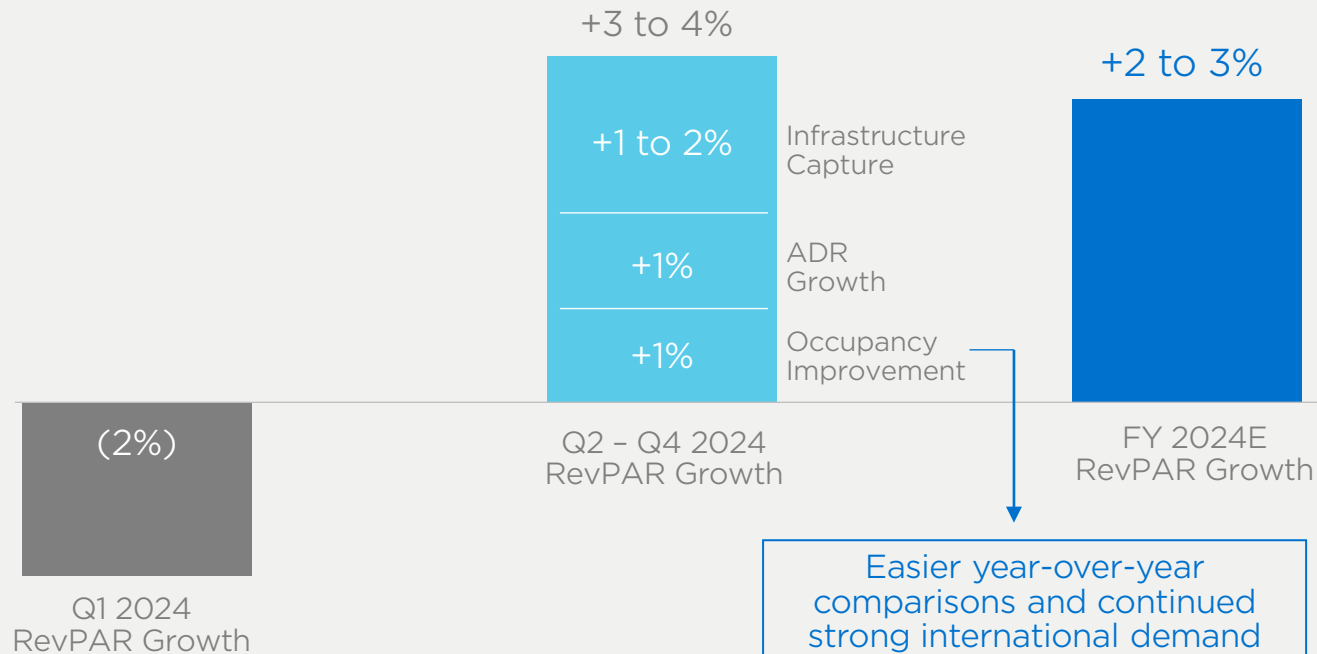




# RevPAR Growth Expectation Remains 2 to 3%

Improving U.S. RevPAR trends and strong international momentum expected to drive rest-of-year RevPAR growth of 3 to 4%

## 2024 RevPAR Growth vs. 2023



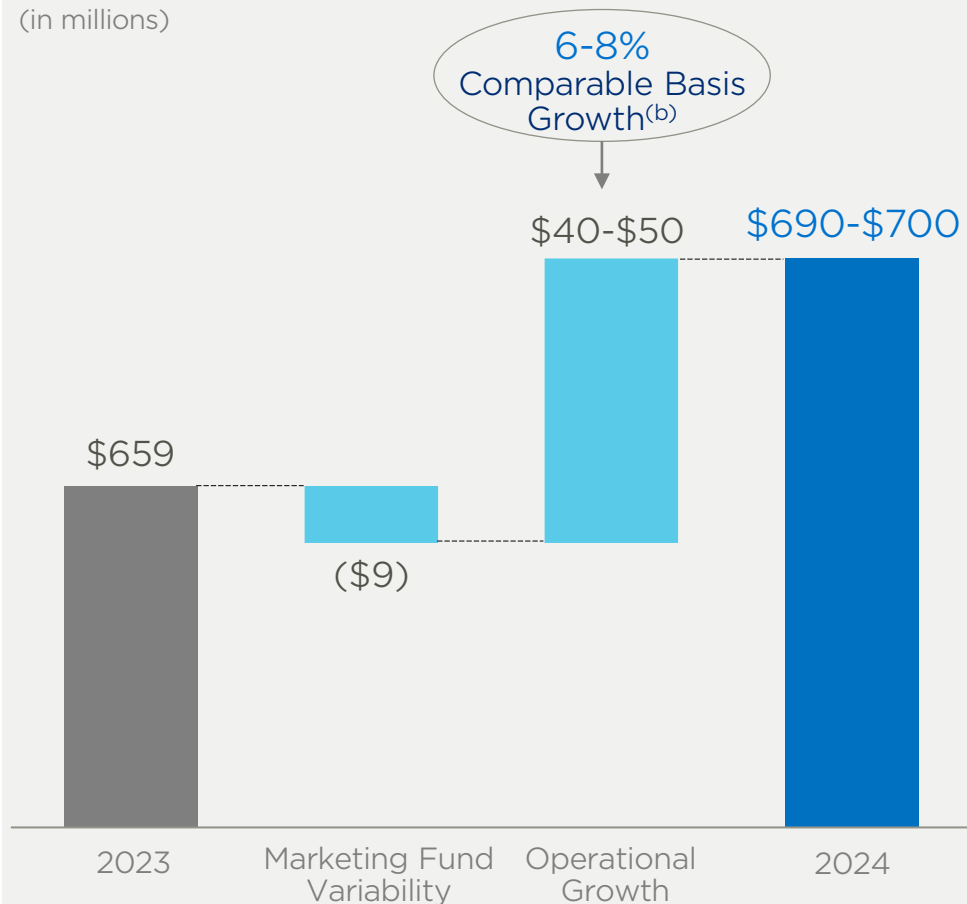
## Recent Trends

- U.S. RevPAR improved >200 basis points from February to March
- Month-to-date (through 4/20), U.S. RevPAR up 4% year-over-year<sup>(a)</sup>
- Revenue on the books for the month of May is currently pacing +7% to prior year, indicating positive travel sentiment for the peak leisure season
- Infrastructure allocation<sup>(b)</sup> increased from ~10% to ~40% in past six months, suggesting a ramping of spend
- Continued strong demand internationally

# Wyndham on Track for 7% Growth in 2024 . . .

## 2024 Adjusted EBITDA Outlook<sup>(a)</sup>

(in millions)

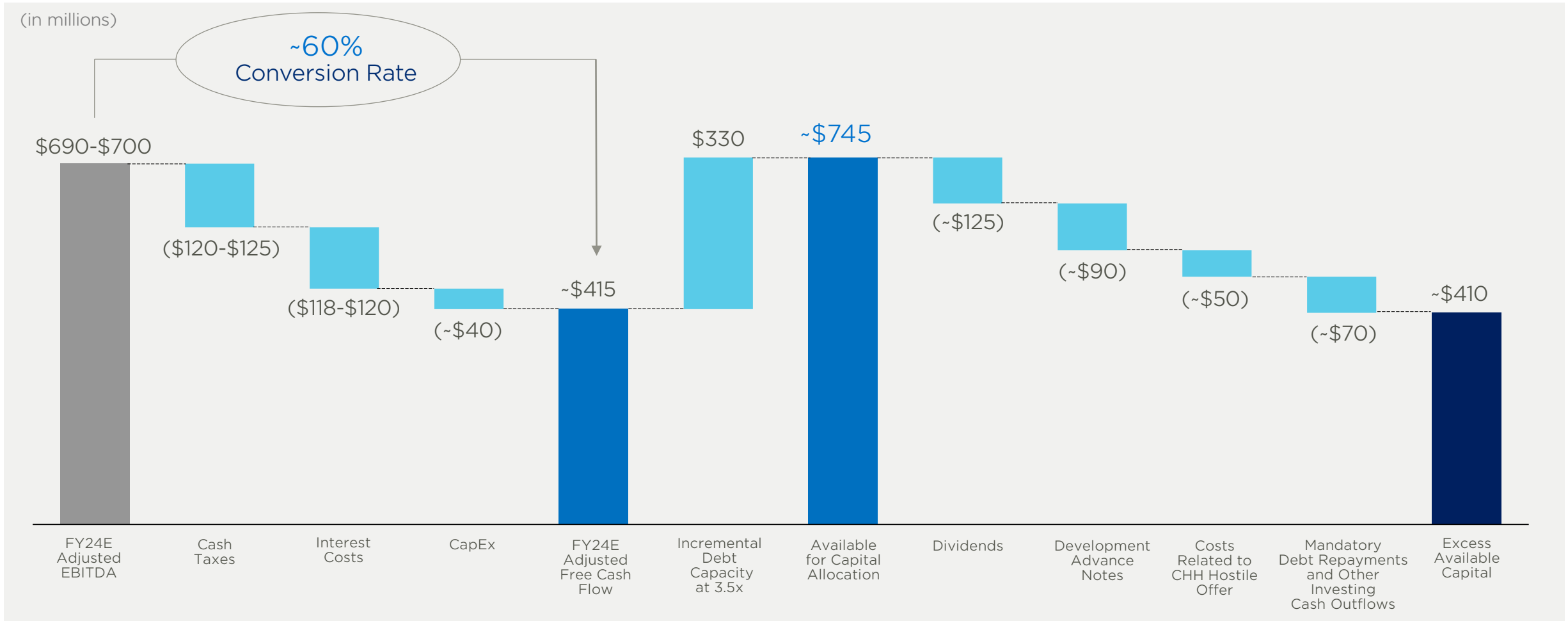


## 2024 Building Blocks

- 3-4% Net Room Growth
  - ~8% gross openings, including higher FeePAR room openings from pipeline
  - ~96% retention, reflecting 20-30 bps retention rate improvement
- 2-3% RevPAR Growth
  - Half from Infrastructure & CHIPS Acts spend
  - Remainder from expected occupancy recovery (trails 2019 by nine points) and modest ADR growth
- ~7% growth in ancillary fee streams
  - Co-branded credit card program optimization, additional products and international expansion
  - Marketing partnerships including Wyndham Rewards
  - Other monetization opportunities



# ... Capital Deployment Will Further Enhance Growth



# Maximizing Capital Allocation For All Stakeholders

## MAINTAIN STRONG BALANCE SHEET

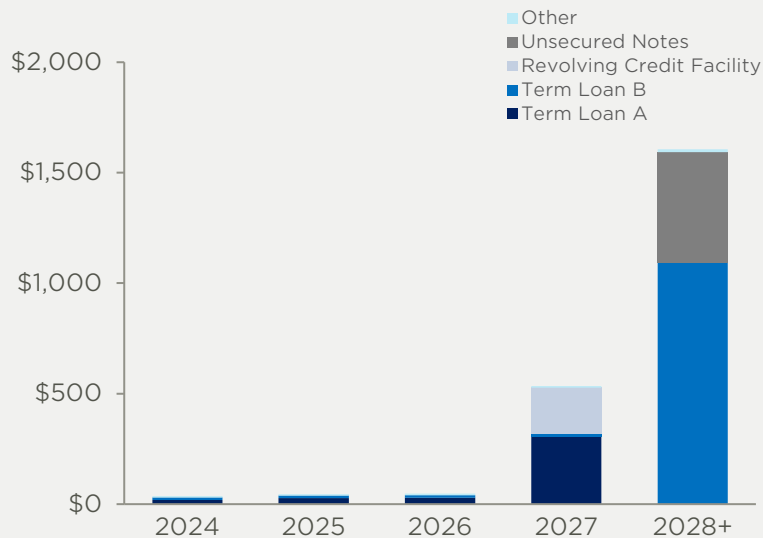
\$583 million of liquidity

Total leverage at 3.4x,  
lower end of 3-4x range

Weighted average maturity of 5.5 years

Less than 30% of debt is variable-rate

Significant room under all debt covenants



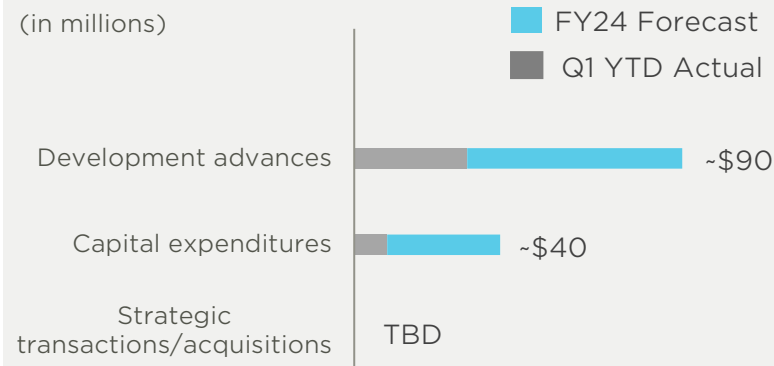
## INVEST IN BUSINESS

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



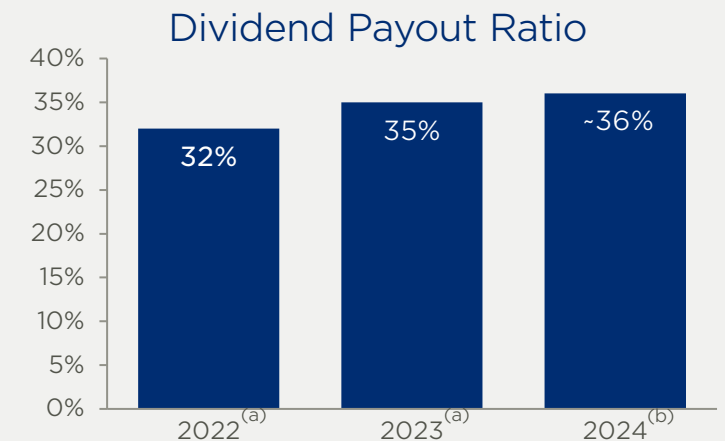
## RETURN EXCESS CAPITAL TO SHAREHOLDERS

Target mid-30s dividend payout ratio

Targeting at least \$400 million for share repurchases with the ability to upsize to \$750 million

Nearly \$800 million of share repurchase authorization, including Board's recent increase of \$400 million

~\$2 billion of capital returned to shareholders since spin-off (~34% of market cap at spin-off) including \$89 million during Q1 2024





# 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



3

# Business Overview

Wyndham Alltra Samaná All Inclusive Resort  
Samaná, Dominican Republic  
20 *Opened March 2024*

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# WH Investment Thesis

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

Wyndham São Paulo Ibirapuera Convention Plaza Hotel  
São Paulo, Brazil

21 *Opened January 2024*

**WYNDHAM**  
HOTELS & RESORTS



# 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



La Quinta Inn & Suites by Wyndham  
Wenatchee, Washington, USA

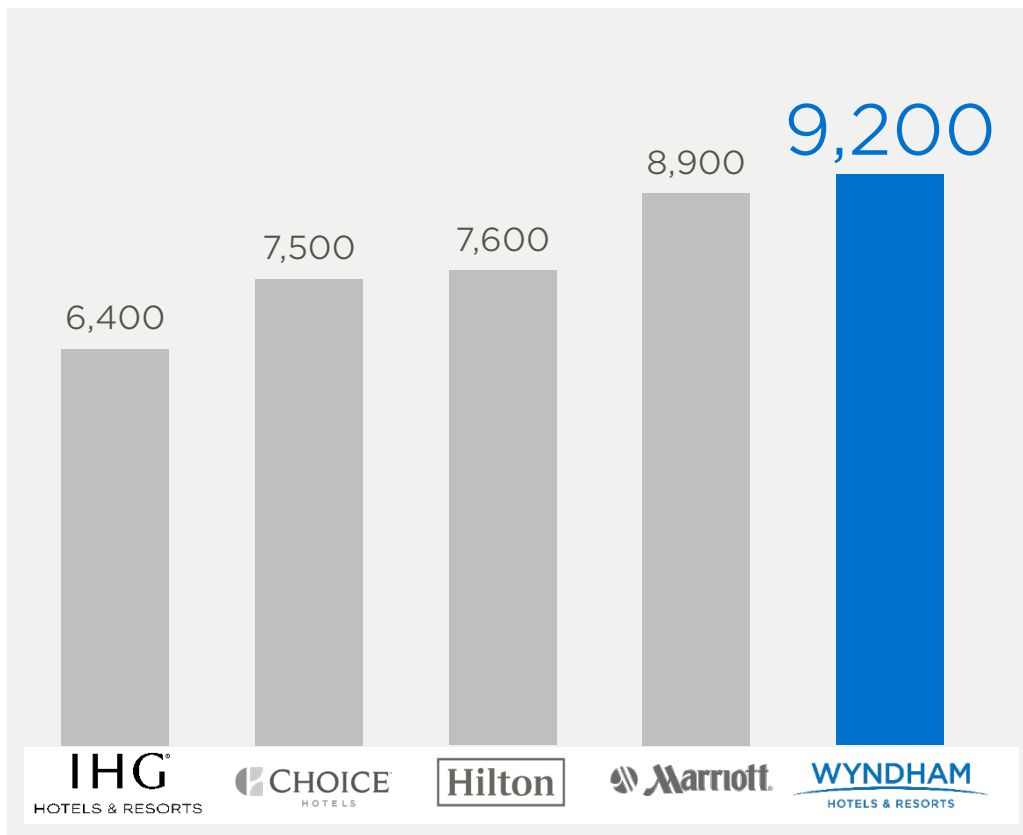
22 Opened March 2024

WYNDHAM  
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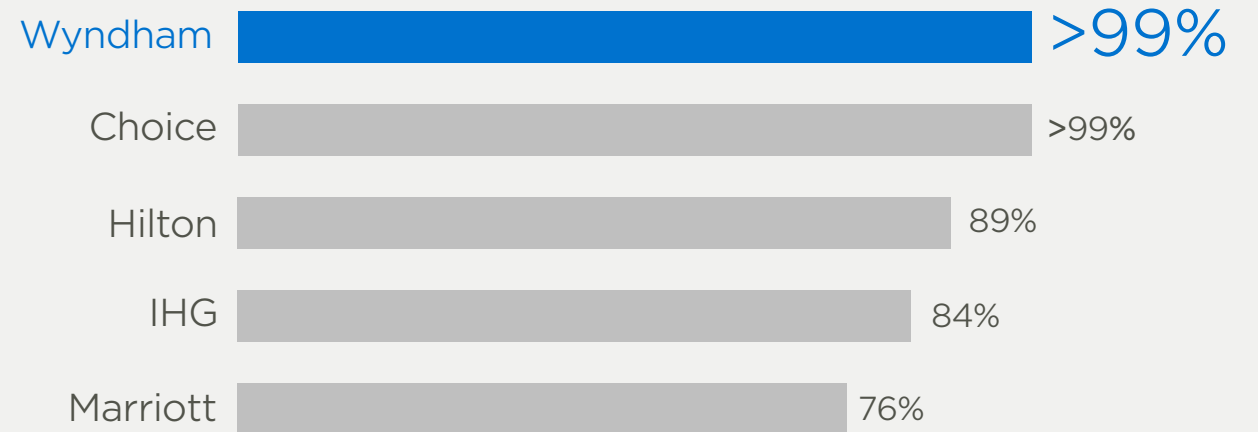


# World's Largest Hotel Franchisor with Minimal Exposure to Asset Risk

NUMBER OF HOTELS WORLDWIDE



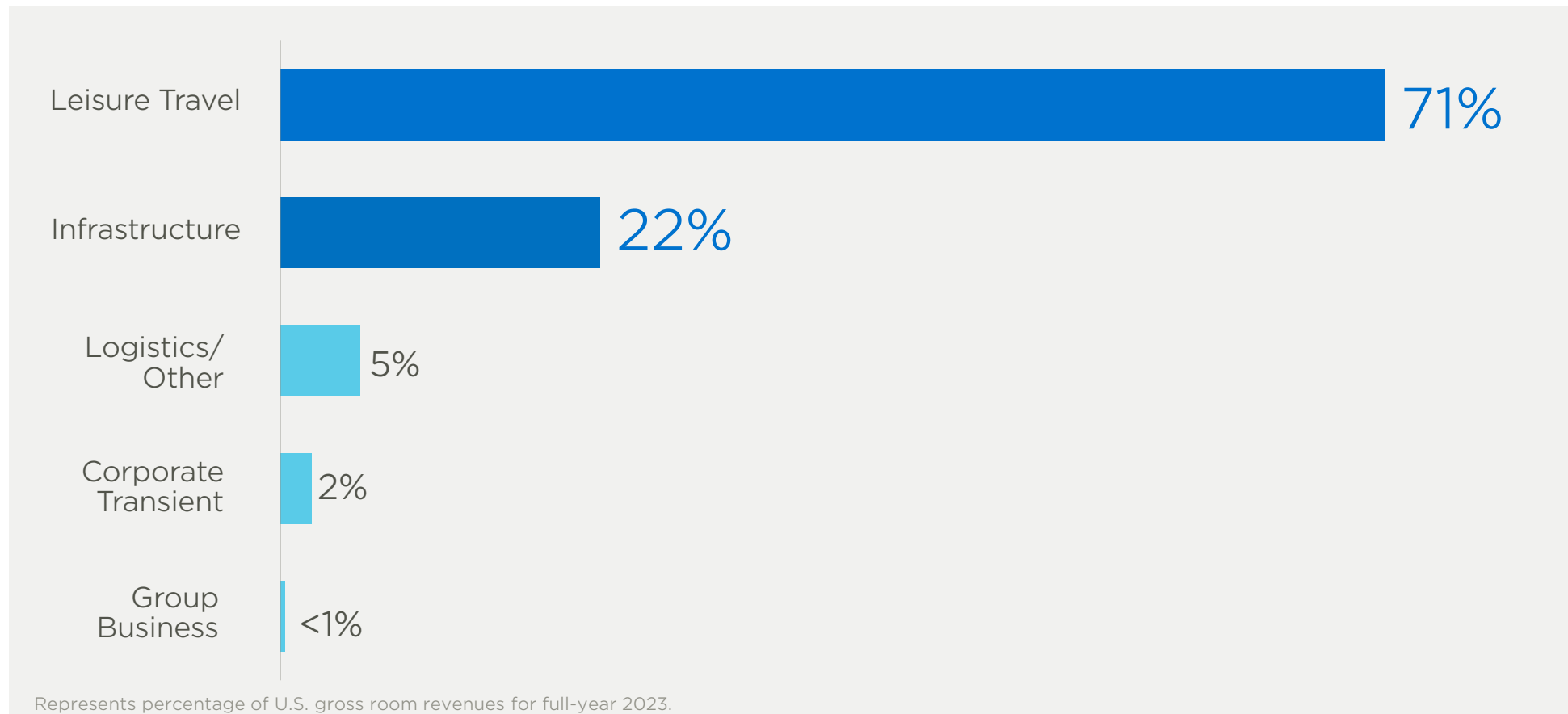
PERCENT OF FRANCHISED HOTELS



Asset-light requiring average capital expenditure spend of less than 5% of fee-related and other revenues

# Leisure Guests Power Our Business, Infrastructure-Related Spend Further Supports Growth

~70% LEISURE FOCUS; ~20% INFRASTRUCTURE





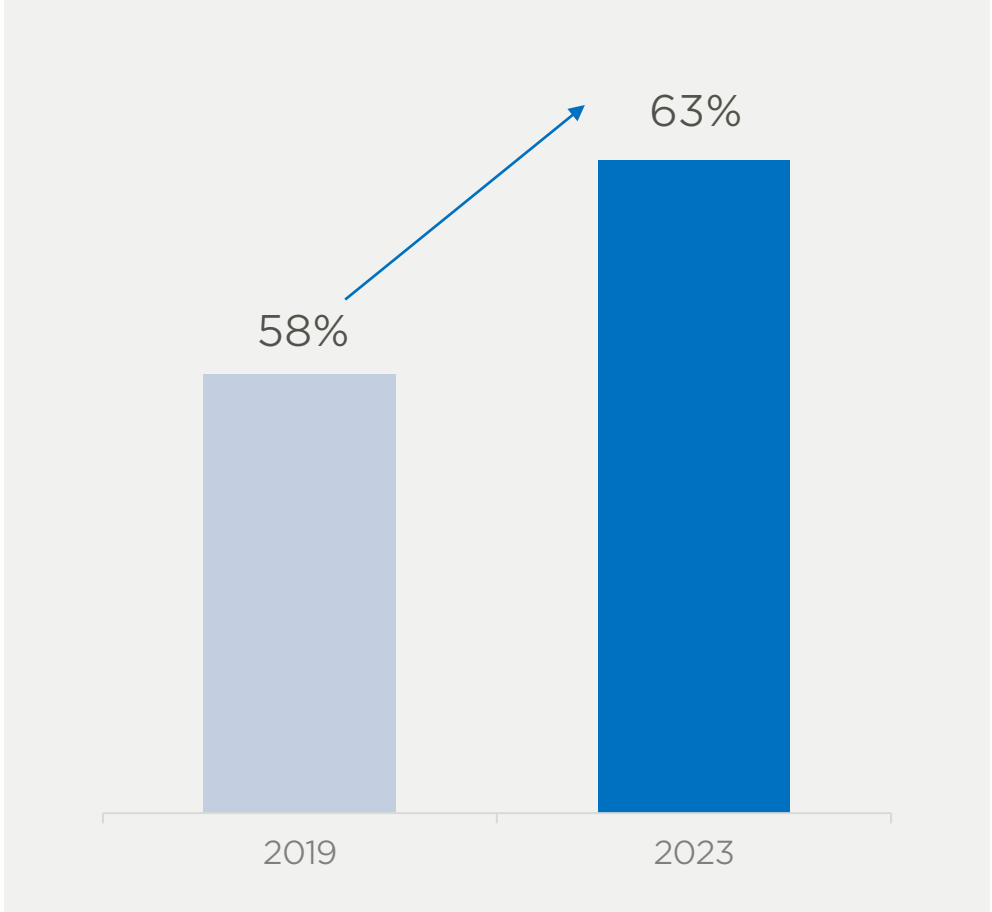
# Our Domestic Guests are Middle-Class and Getting Younger

U.S. Household Income				
First Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile
<\$30,000	\$30,000 - 58,000	\$58,000 - 94,000	\$94,000 - 153,000	>\$153,000

WH guest average household income of \$95K is ~30% higher than U.S. median

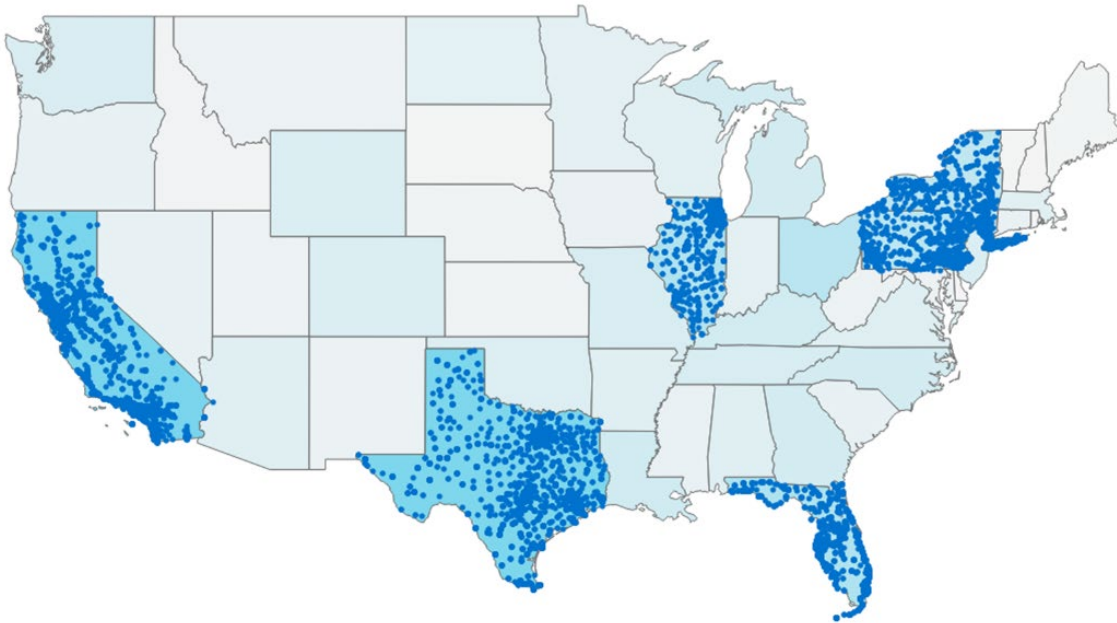


GEN X/Y/Z GUESTS AS % OF TOTAL



# Infrastructure Category Represents Large Growth Opportunity in Coming Years

## STRONG OVERLAP OF WH FOOTPRINT AND INFRASTRUCTURE SPEND MARKETS



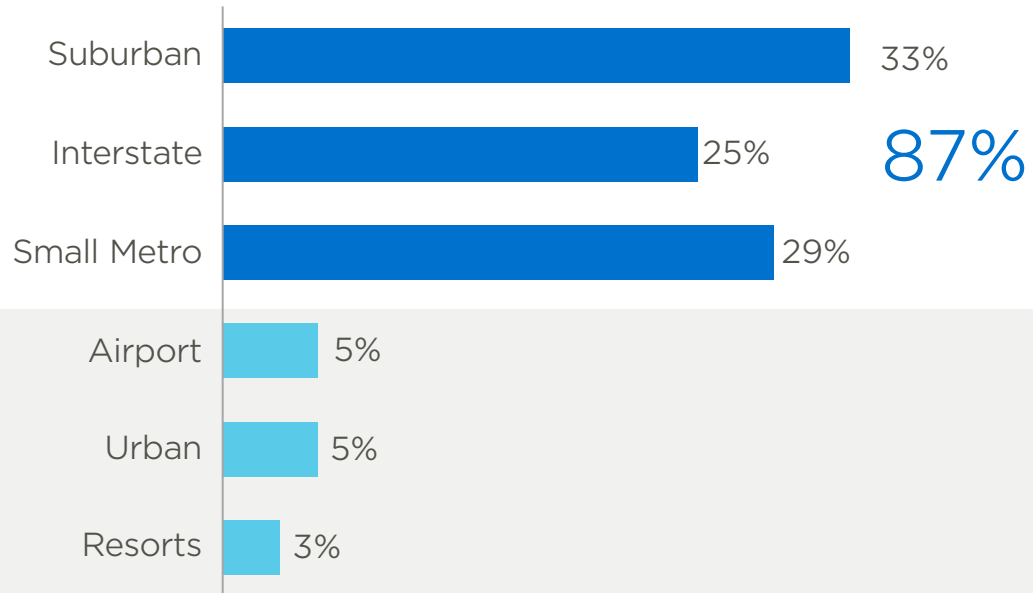
## WH WELL-POSITIONED FOR FUTURE OPPORTUNITY

- 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



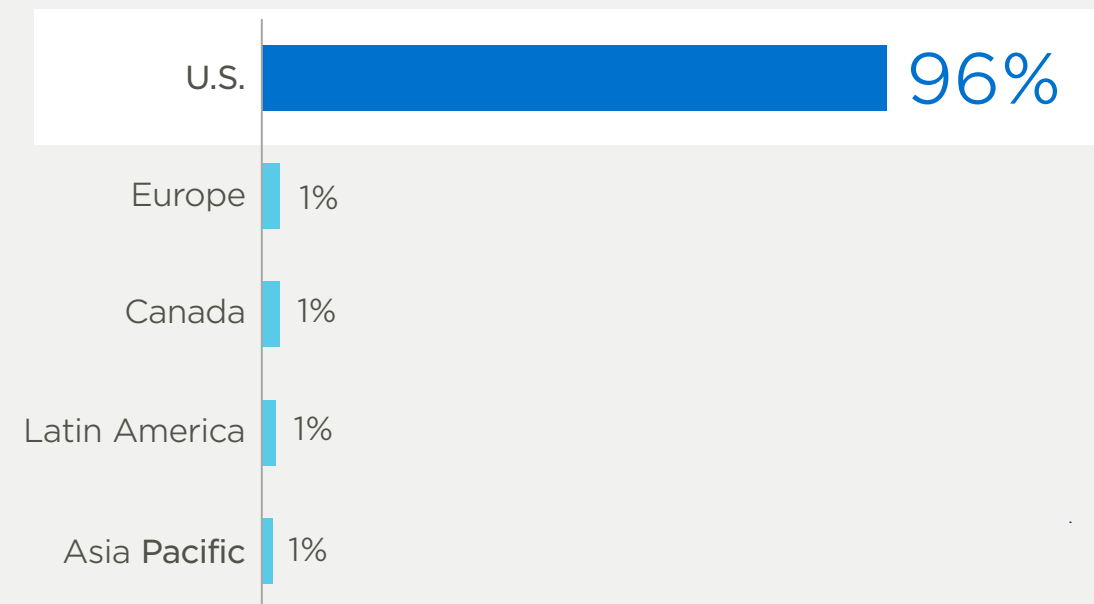
## “Drive to” Destinations Not Reliant on Air Travel or International Travelers

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



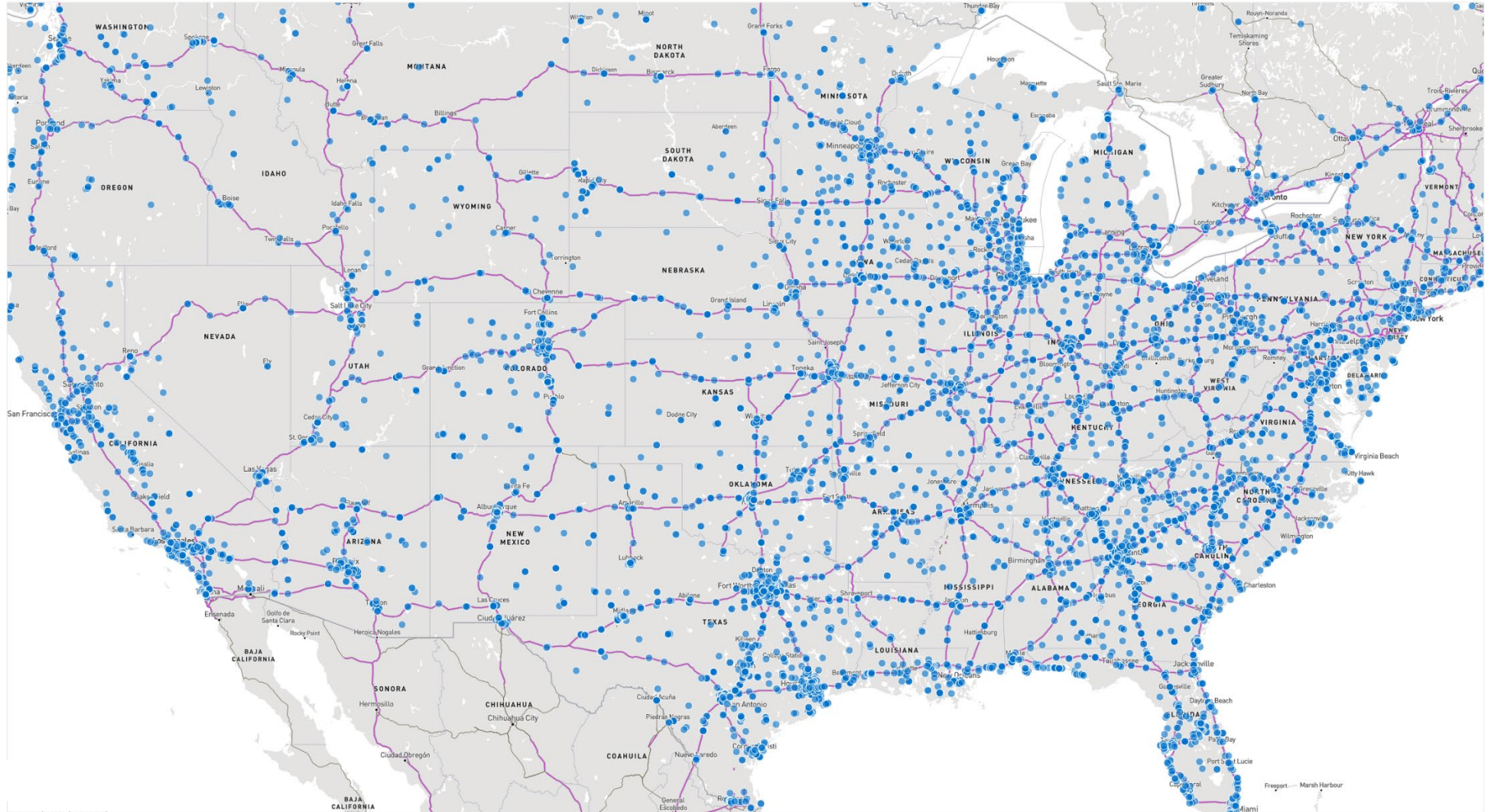
All data based on STR census December 2023.

96% OF U.S. GUESTS  
ORIGINATE DOMESTICALLY



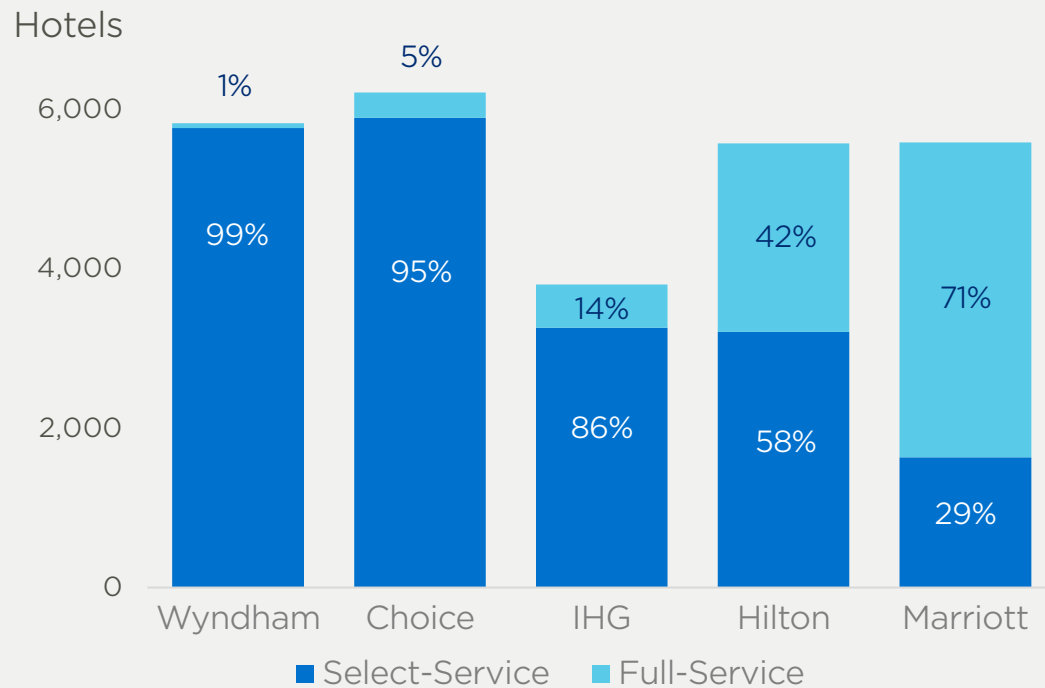
Based on FY2023 data.

# 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 2023.

## 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

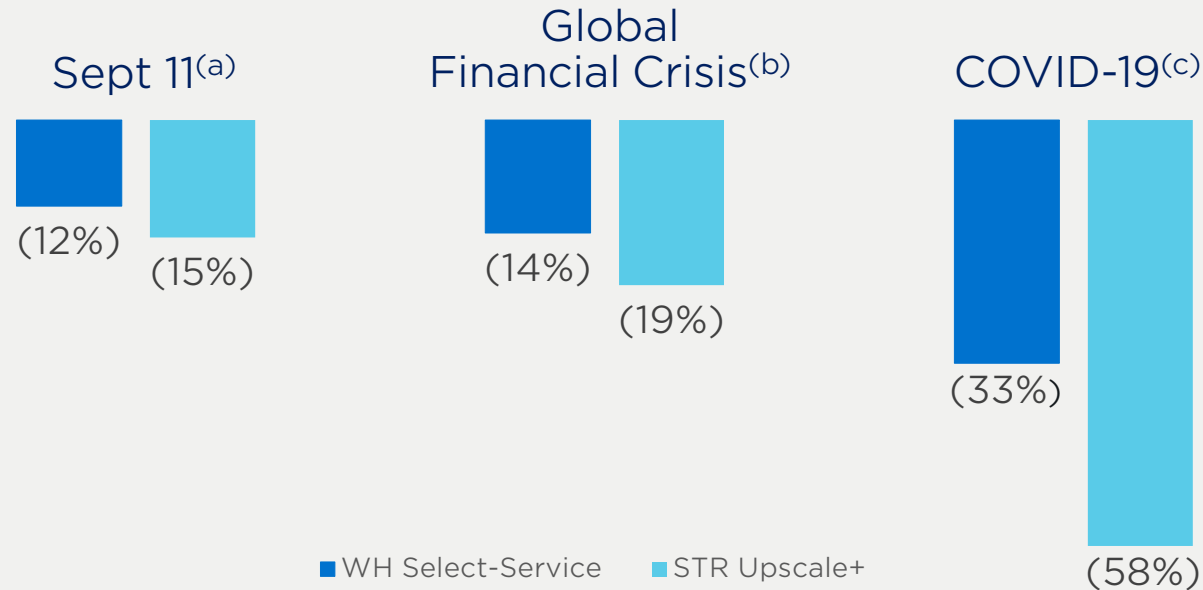
~25% of franchisee revenues originate from steady everyday business traveler



# WH Select-Service Portfolio Less Volatile During Periods of Economic Decline

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

## RevPAR Growth



*WH Select-Service Outperformance:*

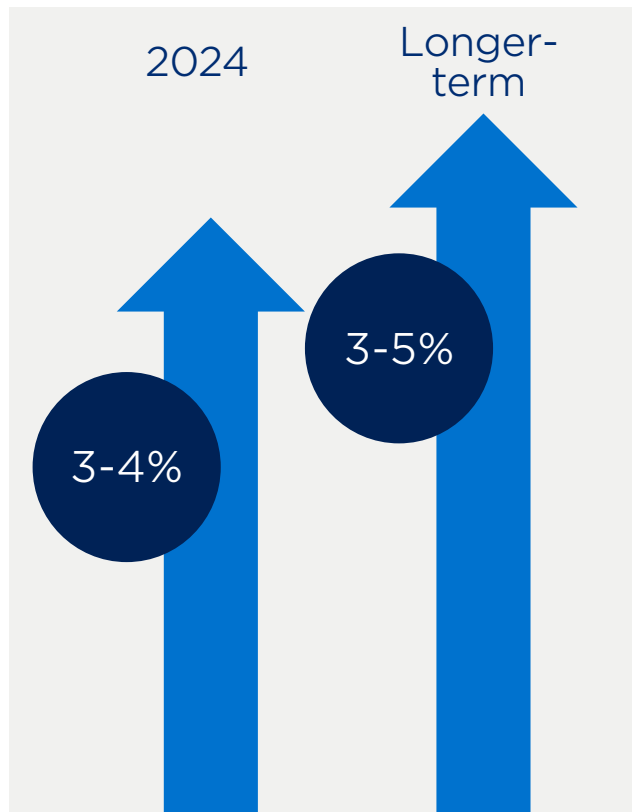
+300 BPS

+500 BPS

+2,500 BPS

## Multiple Levers to Drive Net Room Growth

### ORGANIC NET ROOM GROWTH



# Compelling Value Proposition for Franchisees . . .

Wyndham's industry-leading central reservation systems deliver nearly \$8 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 approximately 108 million enrolled members

2<sup>nd</sup> most brands among hotel franchisors included in the 2024 Franchise 500 ranking in Entrepreneur Magazine

Global marketing funds in excess of \$575 million

Continuous guest-facing digital innovation enhances guest experience

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

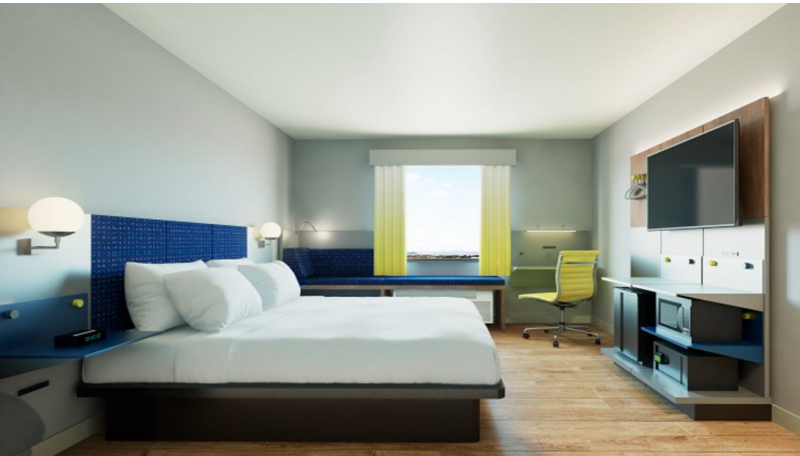
On-property technology tools drive operating efficiencies and reduce hotel labor costs

Efficient prototypes designed to maximize owner ROI

Owner-first, customer-centric approach with ~450 field support associates dedicated to our franchisees' success



# ...That Continues to Deliver Strong Returns

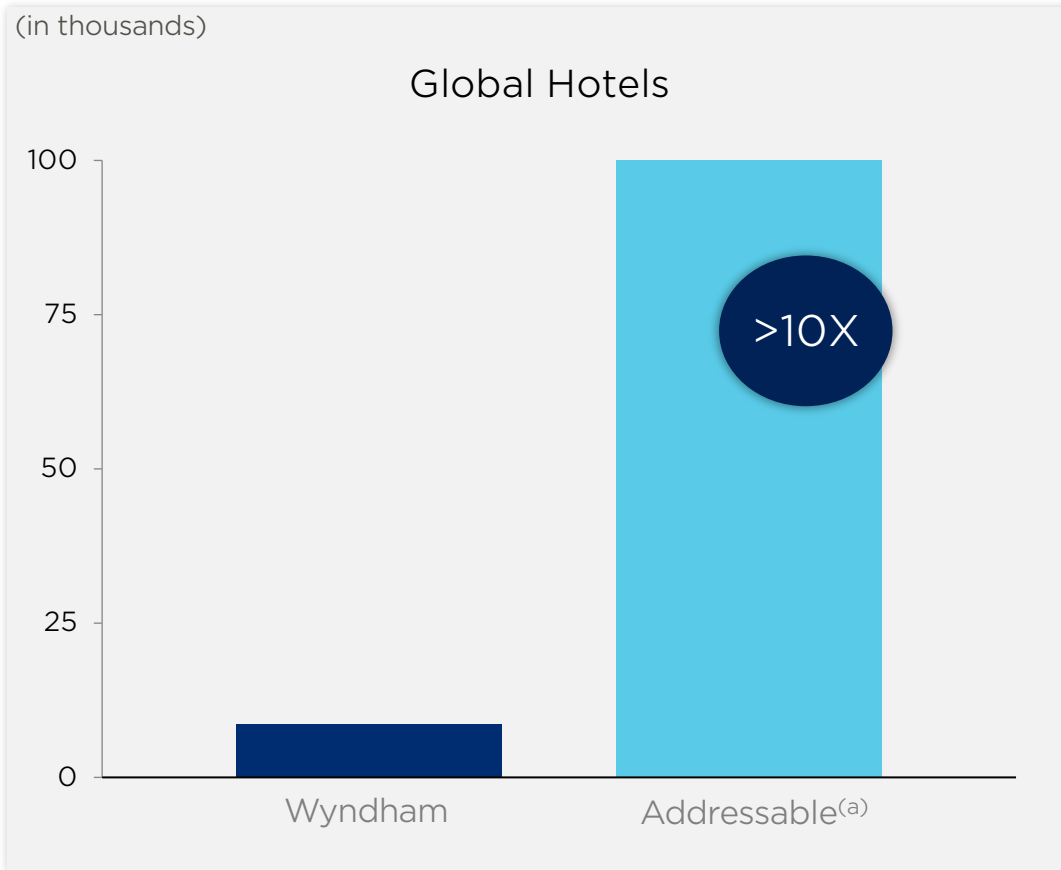


Cost per room	~\$75,000
Loan-to-value	~70%
<b>Franchisee Investment</b>	<b>\$1,575,000</b>
RevPAR	\$55.00
Revenues	\$1,405,000
Operating expenses	\$773,000
Brand fees	\$119,000
Interest expense @ 7.25%	\$266,000
<b>Hotel EBTDA</b>	<b>~\$247,000</b>

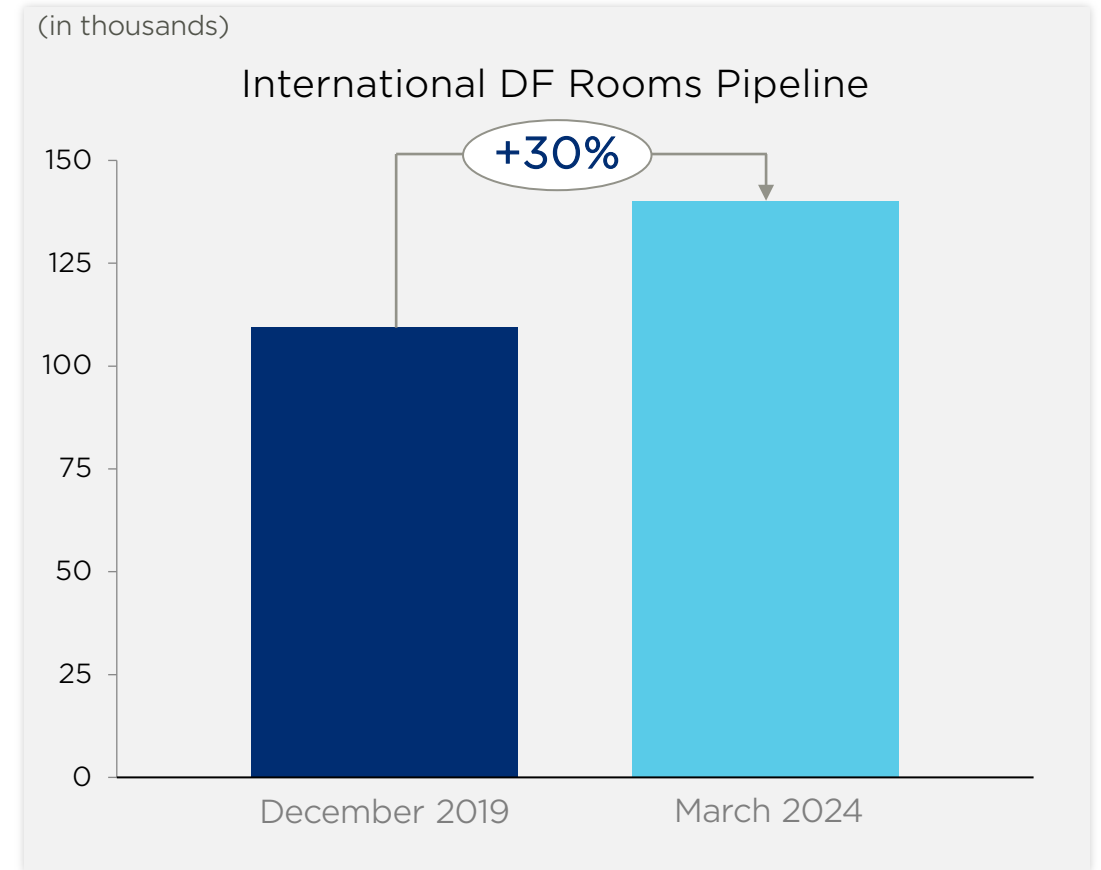
Cash-on-Cash Return of ~16%

# Significant Opportunities in Conversion Market and International Direct-Franchising

## LARGE SELECT-SERVICE CONVERSION MARKET



## STRONG INTERNATIONAL DIRECT-FRANCHISING EXPANSION





4

# Appendix

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Origin Baton Rouge, a Wyndham Hotel  
Baton Rouge, Louisiana, USA

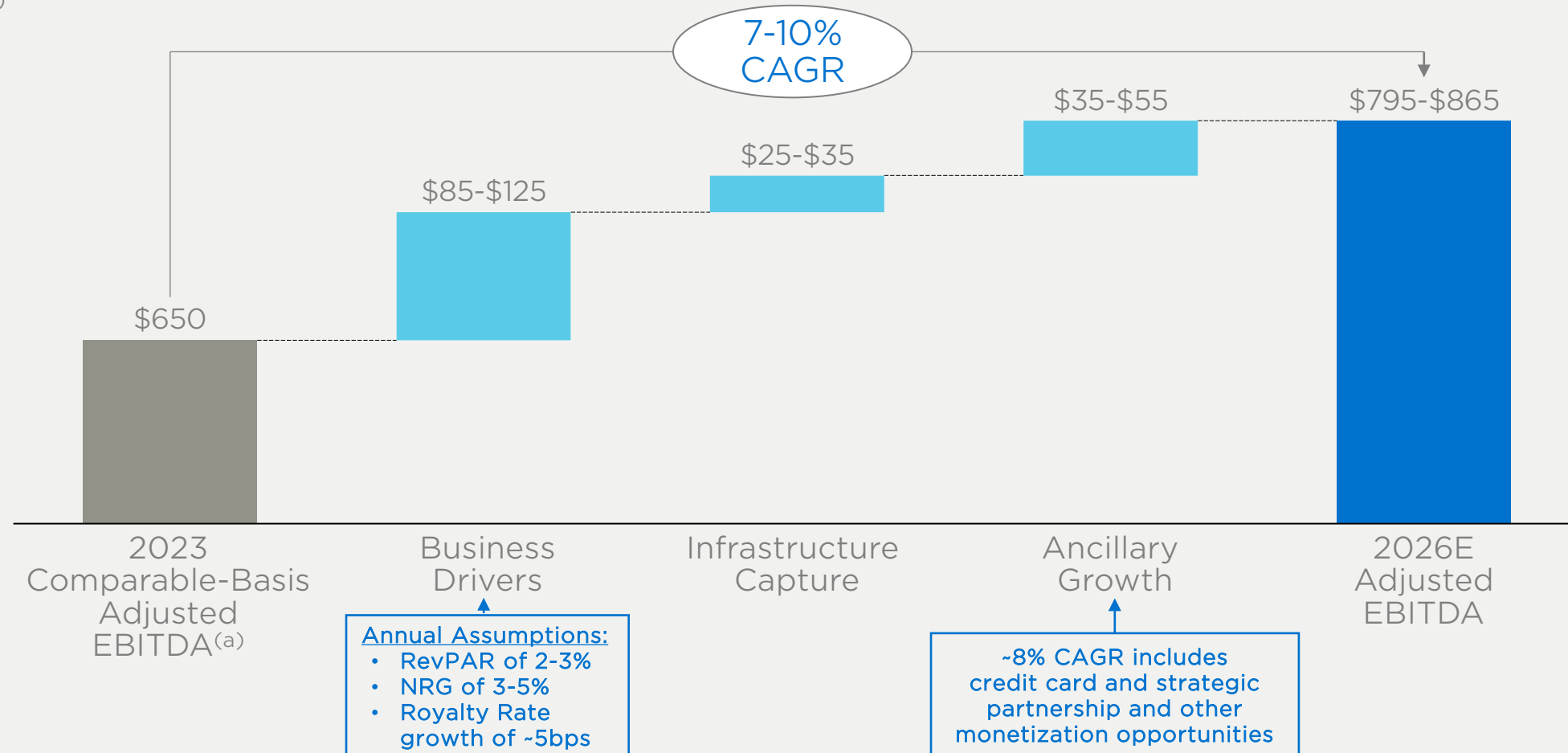
35 *Opened January 2024*

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# Long-Term Growth Opportunity





## Adjusted EBITDA Algorithm

(in millions)





# 2024 Planning – Revenue Sensitivities

Adjusted EBITDA Sensitivities (in millions)			
<i>Driver Based vs. 2023</i>	<i>1 Point (RevPAR &amp; NRG)</i>	<i>1 Basis Point (Royalty Rate)</i>	
U.S. royalties and franchise fees	~\$3.4	~\$0.7	 <div>Margin of ~85% on gross revenues</div>
International royalties and franchise fees	~\$0.8	~\$0.3	
Marketing, reservation and loyalty fees	--	--	 <div>Funds expected to break-even until RevPAR declines in excess of ~10% (likely ~\$2.4 million per point)</div>
<i>Ancillary Areas vs. 2023</i>			
1 point change in license fees	~\$1.0		 <div>Not RevPAR-based but is sensitive to overall travel demand; subject to a \$70 million floor</div>
1 point change in other revenue	~\$1.0		 <div>Ancillary revenue streams not tied directly to RevPAR</div>

# Strong and Experienced Leadership Team



**GEOFF BALLOTTI**  
CHIEF EXECUTIVE OFFICER  
*35 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 &  
HEAD OF STRATEGY  
*24 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  
*21 Years of Industry Experience*



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



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



**SCOTT STRICKLAND**  
CHIEF COMMERCIAL OFFICER  
*32 Years of IT/Digital Experience*



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



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



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



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



**DIMITRIS MANIKIS**  
PRESIDENT, EMEA  
*33 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





# WH Business Operates at High Margins

(\$ in millions)

	FY 2023				
	Fee-Related and Other Revenues <sup>(a)</sup>		Margin		Adjusted EBITDA Contribution <sup>(a)</sup>
Royalties and franchise fees	\$532	X	85%	=	\$452
License fees	\$97	X	100%	=	\$97
Other revenues <sup>(a)</sup>	\$177	X	57%	=	\$101
Total ex. Marketing, reservation & loyalty fees	\$806		81%		\$650
Marketing, reservation & loyalty fees	\$578	X	n/a	=	\$9
Total <sup>(b)</sup>	\$1,384		48%		\$659

# APPENDIX

## Footnotes

### Page 2

Data is approximated as of March 31, 2024.

- (a) Largest hotel franchisor by number of hotels.

### Page 4

Data as of March 31, 2024. 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) Net income for first quarter 2024 was \$16 million.
- (c) Net cash from operating, investing and financing activities for the three months ended March 31, 2024 was \$76 million, (\$24 million) and (\$67 million), respectively.

### Page 10

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

- (a) Net income for first quarter 2024 was \$16 million.
- (b) Net cash from operating, investing and financing activities for the three months ended March 31, 2024 was \$76 million, (\$24 million) and (\$67 million), respectively.
- (c) Represents costs related to Choice Hotels' unsuccessful hostile takeover attempt.

### Page 11

- (a) As of March 31, 2024.
- (b) Leadership team is comprised of our Leadership and Senior Management bands.

### Page 15

- (a) Includes ~500bps impact from solar eclipse, the impact of which will dissipate throughout the remainder of the month; expect April to grow ~1% year-over-year.
- (b) Represents percentage of spending allocated for the Infrastructure Investments and Jobs Act as of April 2024 vs. October 2023.

### Page 16

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

- (a) Net income for full year 2023 was \$289 million.
- (b) Represents a comparison eliminating the year-over-year variability of the Company's marketing funds.

### Page 18

- (a) Based on 2022 and 2023 actual adjusted net income and annualized \$0.32 for 2022 and \$0.35 for 2023 per share quarterly dividend.
- (b) Based on 2024 estimated adjusted net income and annualized \$0.38 per share quarterly dividend, consistent with current quarterly cash dividend policy.

### Page 23

All data as of March 31, 2024, except for Hyatt, which is as of December 31, 2023, the most recent date that data was available at time of publishing.

### Page 25

Note: Represents average WH U.S. guest demographic data in 2023.

### Page 29

Select-service is defined as STR economy, midscale and upper midscale segments.

### Page 30

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

### Page 32

Wyndham Rewards member enrollment as of March 31, 2024, all data as of December 31, 2023. World's largest hotel franchisor based on number of hotels; chainscale market share as per most recent Franchise Disclosure Documents.

### Page 33

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 7.25%.

### Page 34

- (a) Represents branded and non-branded hotels in the economy, midscale and upper midscale segments based on STR census December 2023.

### Page 36

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

- (a) Net income for 2023 was \$289 million. Comparable basis excludes marketing fund variability.

### Page 37

Note: Does not include potential bad debt impacts from uncollectible accounts, if any, in the event of a distressed environment, which cannot be predicted.

### Page 40

- (a) Other revenues are primarily derived from our co-branded credit card program and other ancillary services.
- (b) Net income for full-year 2023 was \$289 million.

## 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 2024 Earnings Release at [investor.wyndhamhotels.com](http://investor.wyndhamhotels.com).

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Net income	\$ 16	\$ 289
Provision for income taxes	6	109
Depreciation and amortization	20	76
Interest expense, net	28	102
Early extinguishment of debt	-	3
Stock-based compensation	10	39
Development advance notes amortization	5	15
Transaction-related	41	11
Separation-related	-	1
Impairment	12	-
Restructuring costs	3	-
Foreign currency impact of highly inflationary countries	-	14
Adjusted EBITDA	\$ 141	\$ 659

	Year Ended December 31, 2023
Operating income margin	36%
Depreciation and amortization	5%
Adjusted EBITDA adjustments per above	7%
Marketing fund impact	33%
Adjusted EBITDA margin	81%

	Year Ended December 31, 2023	Year Ended December 31, 2022
Net income	\$ 289	\$ 355
Adjustments:		
Acquisition-related amortization expense	27	31
Transaction-related	11	-
Early extinguishment of debt	3	2
Separation-related expenses	1	1
Gain on asset sale, net	-	(35)
Foreign currency impact of highly inflationary countries	14	4
Total adjustments before tax	56	3
Income tax provision	4	(2)
Total adjustments after tax	52	5
Adjusted net income	\$ 341	\$ 360



## 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 excluding development advances, less capital expenditures. We believe free cash flow to be a useful operating performance measure to us and investors. This measure helps us and investors evaluate our ability to generate cash beyond what is needed to fund capital expenditures, debt service and other obligations. Notwithstanding cash on hand and incremental borrowing capacity, free cash flow reflects our ability to grow our business through investments and acquisitions, as well as our ability to return cash to shareholders through dividends and share repurchases or even to delever. Free cash flow is not 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. Adjusted free cash flow is defined to be free cash flow excluding payments due to transaction-related, restructuring-related and separation-related items.

	Three Months Ended March 31, 2024		Three Months Ended March 31, 2024
Cash Flow:		Net cash provided by operating activities	\$ 76
Net cash provided by operating activities	\$ 76	Less: Property and equipment additions	(9)
Net cash used in investing activities	(24)	Plus: Payments of development advance notes, net	31
Net cash used in financing activities	(67)	Free cash flow	98
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(1)	Plus: Transaction-related payments	4
Net decrease in cash, cash equivalents and restricted cash	\$ (16)	Adjusted free cash flow	\$ 102

# Definitions & Disclaimer

**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, separation-related items, transaction-related items (acquisition-, disposition-, or debt-related), foreign currency impacts of highly inflationary countries, gain/(loss) on asset sales, stock-based compensation expense, income taxes and development advance notes amortization. “Comparable Adjusted EBITDA” is defined as adjusted EBITDA excluding the quarterly timing variances from our marketing funds. Adjusted EBITDA and Comparable Adjusted EBITDA are financial measures that are not recognized under U.S. GAAP and should not be considered as alternatives to net income or other measures of financial performance or liquidity derived in accordance with U.S. GAAP. In addition, our definitions of Adjusted EBITDA and Comparable 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. Additionally, we believe that Comparable Adjusted EBITDA enhances transparency and provides a better understanding of the results of Wyndham’s ongoing operations for the periods for which it is presented. 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.

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

**Free Cash Flow:** Reflects net cash provided by operating activities excluding development advances, less capital expenditures. We believe free cash flow to be a useful operating performance measure to us and investors. This measure helps us and investors evaluate our ability to generate cash beyond what is needed to fund capital expenditures, debt service and other obligations. Notwithstanding cash on hand and incremental borrowing capacity, free cash flow reflects our ability to grow our business through investments and acquisitions, as well as our ability to return cash to shareholders through dividends and share repurchases or even to delever. Free cash flow is not 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.

**Adjusted Free Cash Flow:** Represents free cash flow excluding payments for transaction-related, restructuring-related and separation-related items.

**Adjusted Free Cash Flow Conversion Rate:** Represents the percentage of adjusted EBITDA that is converted to adjusted free cash flow and provides insights into how efficiently we are able to turn profits into cash available for use, such as for investments (including development advance notes), debt reduction, dividends or share repurchases.

**Marketing Fund Variability:** Relates to the quarterly timing variances from our marketing funds. Our franchise agreements require the payment of marketing and reservation fees, and in accordance with our franchise agreements, we are generally contractually obligated to expend such marketing and reservation fees for expenses associated with operating an international, centralized reservation system, e-commerce channels such as Wyndham’s brand.com websites, as well as access to third-party distribution channels, such as online travel agents, advertising and marketing programs, global sales efforts, operations support, training and other related services. Marketing and reservation fees are recognized as revenue when the underlying sales occur. Although we are generally contractually obligated to spend the marketing and reservation fees we collect from franchisees, the marketing and reservations costs are expensed as incurred. The marketing and reservation fees earned are generally highest during the summer season when the franchised hotels have the highest occupancy and daily rates. However, the marketing and reservation expenses are generally highest during the first half of the year, in order to drive the higher occupancy in the summer months. Accordingly, the seasonality of the marketing and reservation revenue and expenses result in variability of the marketing fund net surplus or deficit during the quarters throughout the year.

## Disclaimer:

This presentation and the information contained herein are solely for informational purposes. The information contained in this presentation, including the forward-looking statements herein, is provided as of the date of this presentation and may change materially in the future. Wyndham Hotels & Resorts undertakes no obligation to update or keep current the information contained in this presentation.

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 15, 2024 and subsequent reports filed with the SEC.

## Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the federal securities laws, including 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 reviewed or audited or otherwise reviewed by the independent auditors of Wyndham Hotels & Resorts. All statements other than historical facts are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.

The forward-looking statements 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 on February 15, 2024 and any subsequent reports filed with the SEC. These risks and uncertainties are not the only ones Wyndham Hotels & Resorts may face and additional risks may arise or become material in the future. Wyndham Hotels & Resorts 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, 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.