WYNDHAM
HOTELS & RESORTS

Investor Presentation

April 26, 2022

La Quinta Inn & Suites by Wyndham
Shorewood, Illinois, USA

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	813,000+ Current Rooms	~204,000 Rooms in the Pipeline	95+ Countries
~94M Loyalty Members	22 Brands	70% Leisure Guest Mix	~90% Drive to Destinations

Data is approximated as of March 31, 2022.

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Q1 2022 Performance Recap

CLEAR INTENT & PRIORITIES TO DRIVE SHAREHOLDER VALUE

Days Inn by Wyndham
Parsippany, New Jersey, USA

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First Quarter 2022 Performance Recap

+4%

U.S. RevPAR vs. 2019;
+38% vs. 2021

+11%

U.S. Economy RevPAR
vs. 2019; +28% vs. 2021

+2%

Net room growth YOY;
1% in the U.S.,
3% internationally

+47%

New deals
signed YOY [a]

+9%

Growth in
global pipeline YOY

$159M

Adjusted EBITDA;
+64% vs. 2021 [b]

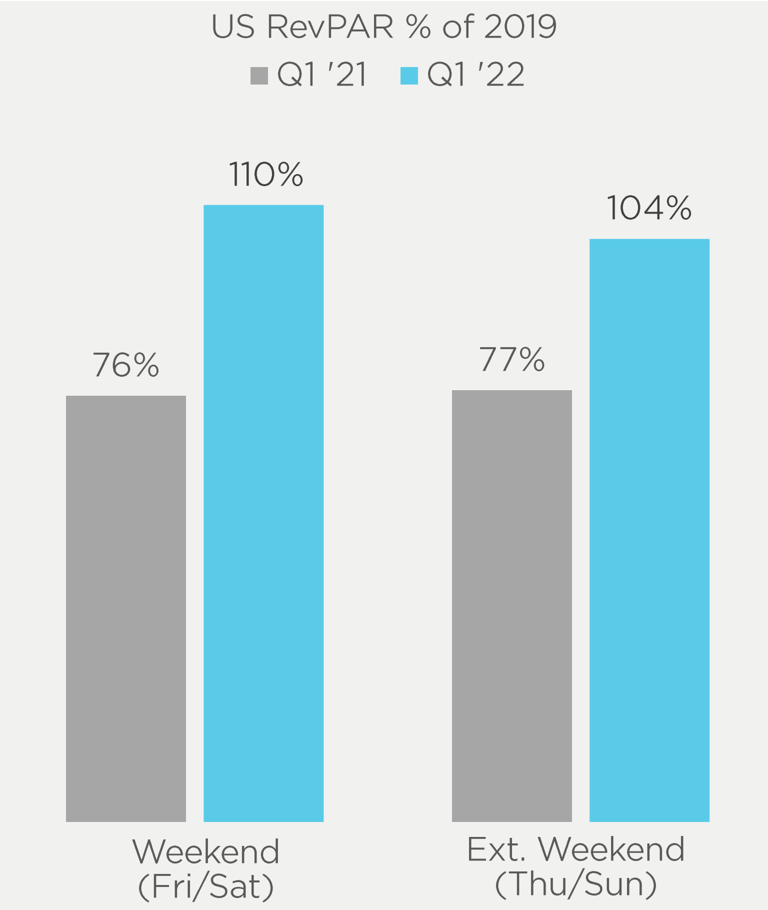
$125M

Free cash flow;
+112% vs. 2021 [c]

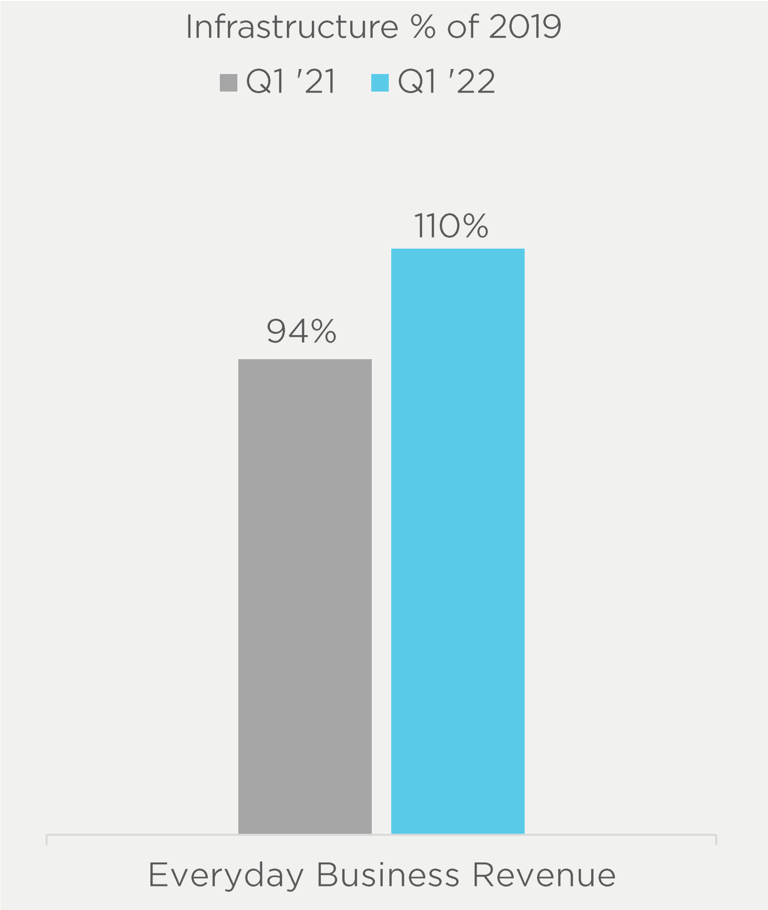
Data as of March 31, 2022. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.
(a) Includes 50 new construction projects for our new economy extended-stay brand.
(b) Net income for first quarter 2022 and 2021 was $106 million and $24 million, respectively.
(c) Net cash provided by/(used in) operating, investing and financing activities for first quarter 2022 were $135 million, $192 million and ($82 million), respectively. Such amounts for first quarter 2021 were $64 million, ($5 million) and ($21 million), respectively.

Leisure and Everyday Business Travel Fuels U.S. RevPAR Growth

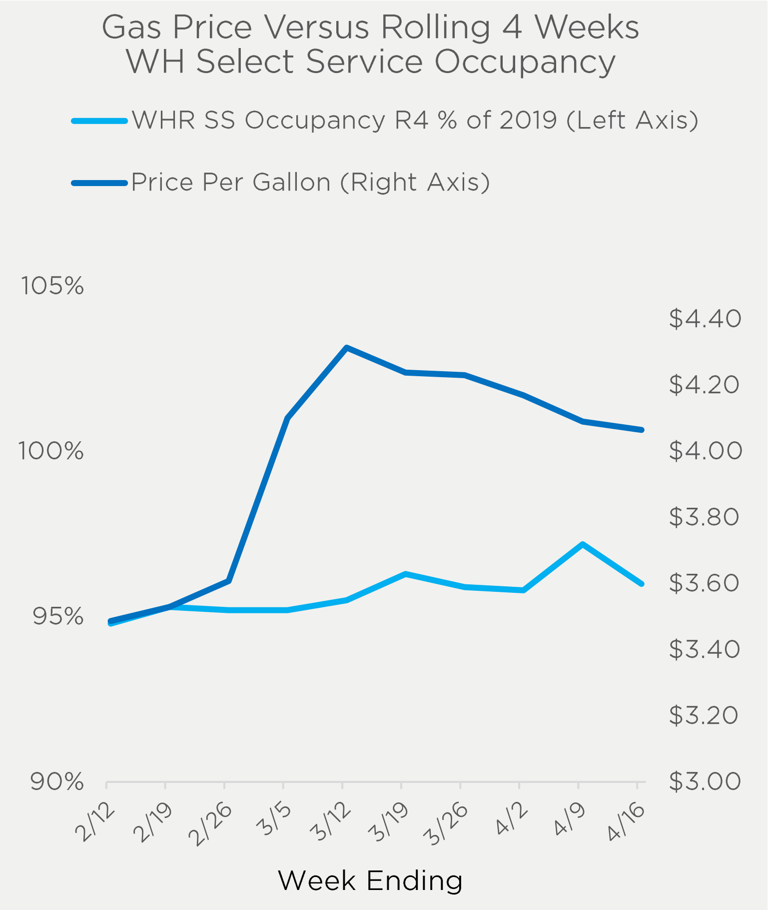
LEISURE DEMAND REMAINS STRONG



INCREASED DEMAND FROM INFRASTRUCTURE



NO IMPACT FROM GAS PRICE SURGE



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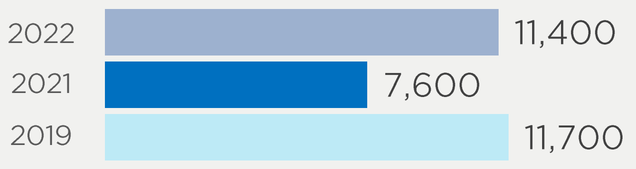
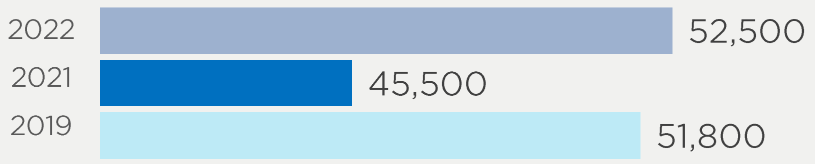
Net Room Growth Tracking in Line with Expectations

ROOM ADDITIONS MOMENTUM

First Quarter Results

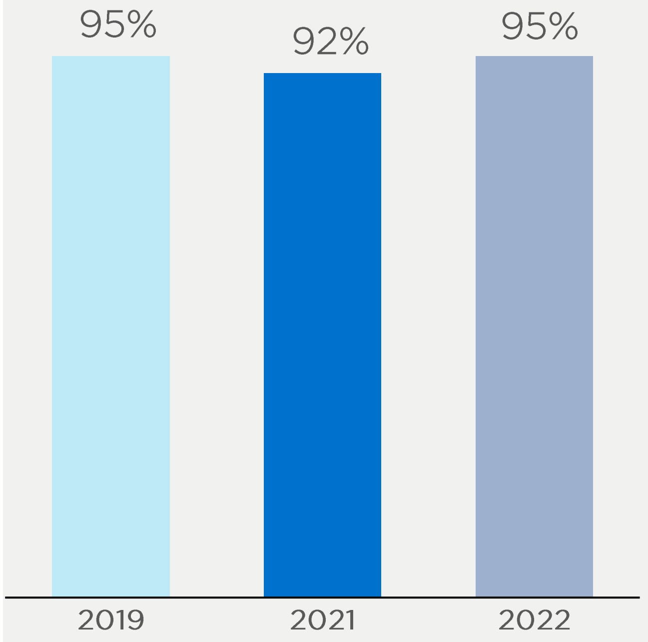


Remainder of Year Actual/Forecast



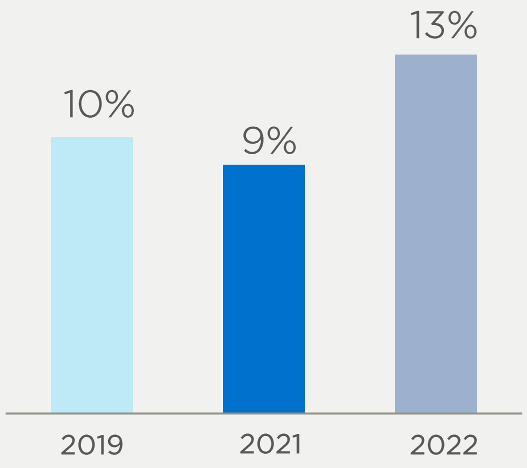
RETENTION TRENDING IN LINE WITH EXPECTATIONS

Rolling 12 Months



NET ROOM GROWTH PACING AHEAD OF 2019

% of FY NRG Achieved through Q1



Note: 2022 reflects the midpoint of our full-year 2-4% NRG outlook.

Pipeline Climbs to a Record 204K Rooms with Faster Growth in Higher Revenue Generating Segments

TOTAL PIPELINE @ 3/31/22

204K
Global rooms

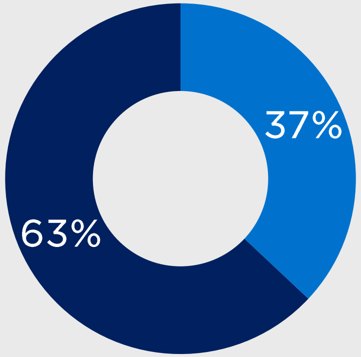
1,600
Global hotels

7th consecutive quarter of sequential growth

+900bps vs. Q1’21 (YOY)
+490bps vs. Q4’21 (sequential)

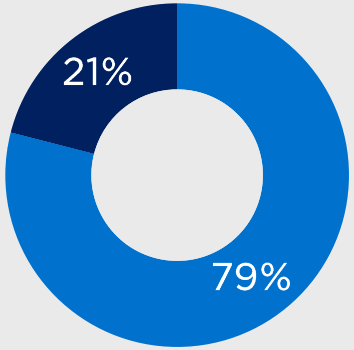
Covers nearly 60 countries, including 8 without pre-existing WH presence

GLOBAL COMPOSITION



25% of current portfolio

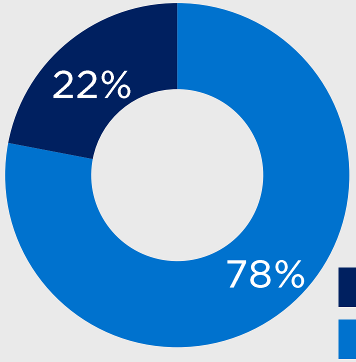
International
U.S.



Conversion
New Construction

35% in the ground

SEGMENT MIX



+310bps YOY midscale+ growth

Economy Brands
Midscale+ Brands

NEW BRANDS

Pipeline contains nearly 10,000 rooms associated with newly launched brands

Project ECHO

Alltra ALL-INCLUSIVE RESORTS

REGISTRY COLLECTION HOTELS

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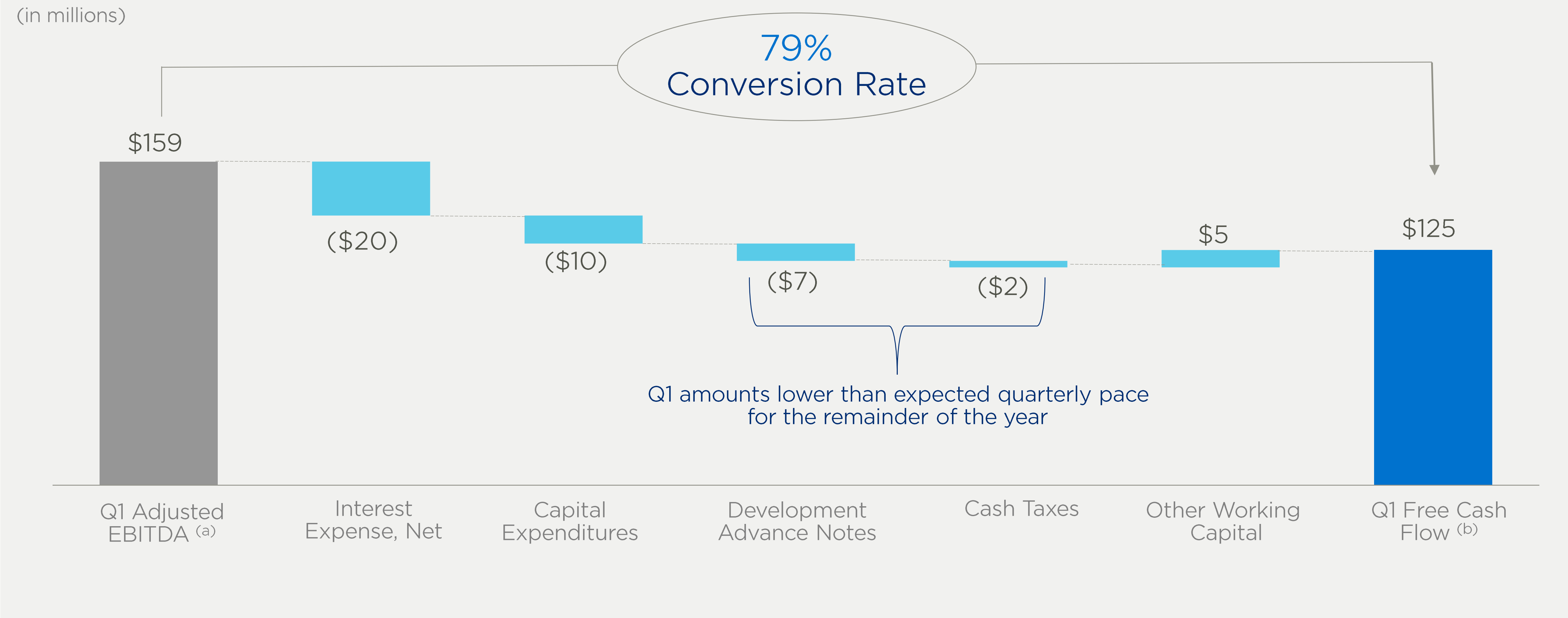
Asset-Light, Franchised Model Generates Strong Free Cash Flow



Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.
(a) Net income was $106 million.
(b) Net cash provided by/(used in) operating, investing and financing activities was $135 million, $192 million and ($82 million), respectively.

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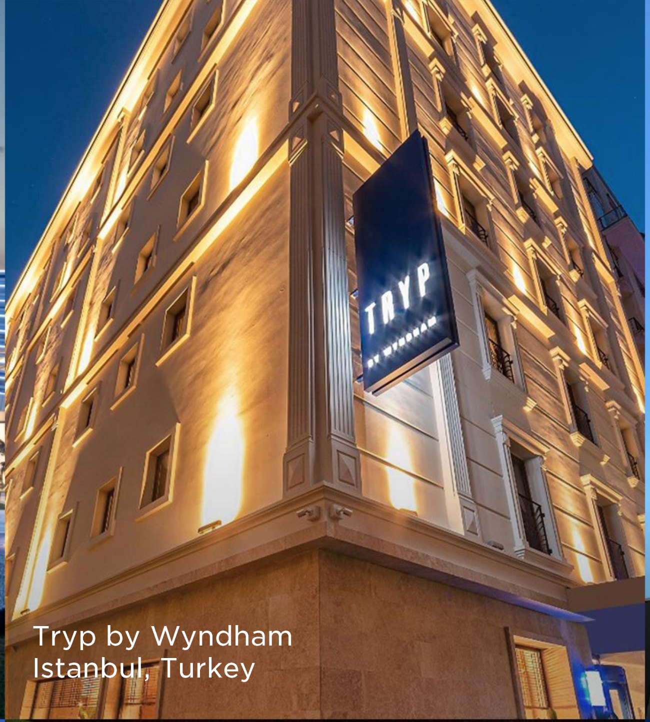
Hotel Tupelo, a Wyndham Hotel
Tupelo, MS, USA

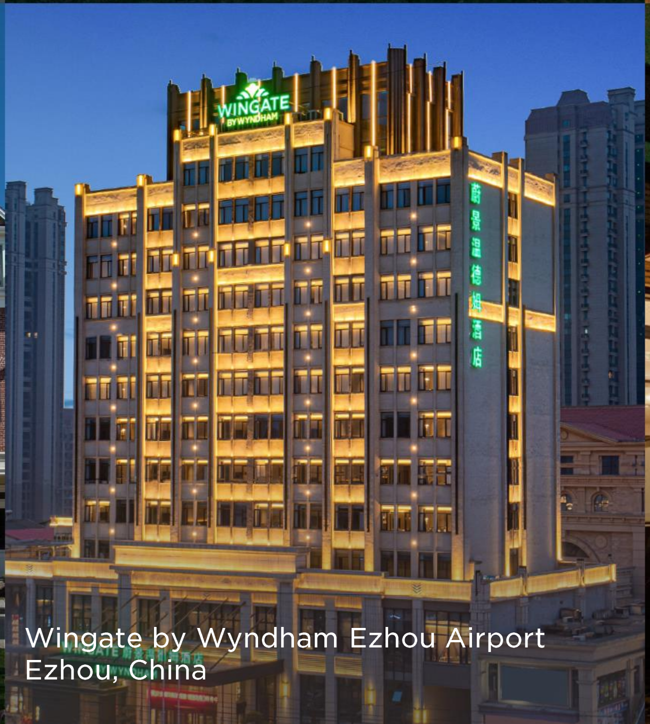
La Quinta by Wyndham
Weifang, China



Tryp by Wyndham
Istanbul, Turkey

La Quinta by Wyndham
Galveston, TX, USA

Gateway Hotel & Golf Bungalows
Trademark Collection by Wyndham
Copperopolis, CA, USA



Wingate by Wyndham Ezhou Airport
Ezhou, China

Wyndham Garden
Munich, Germany

Notable Q1-22 Additions

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2022 Focus

CLEAR INTENT & PRIORITIES TO DRIVE SHAREHOLDER VALUE

TRYP by Wyndham
Shanxi, China

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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

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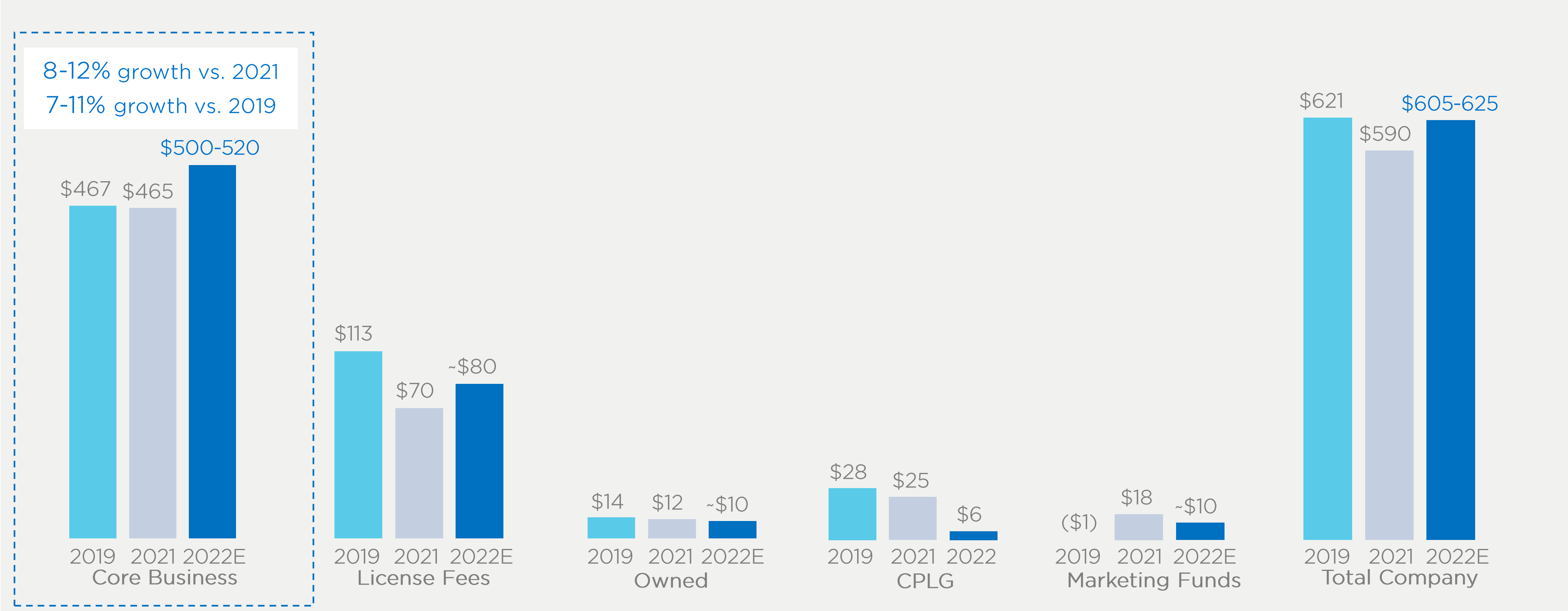
Core Business Projected to Grow 7-11% vs. 2019

ADJUSTED EBITDA CONTRIBUTION (a)

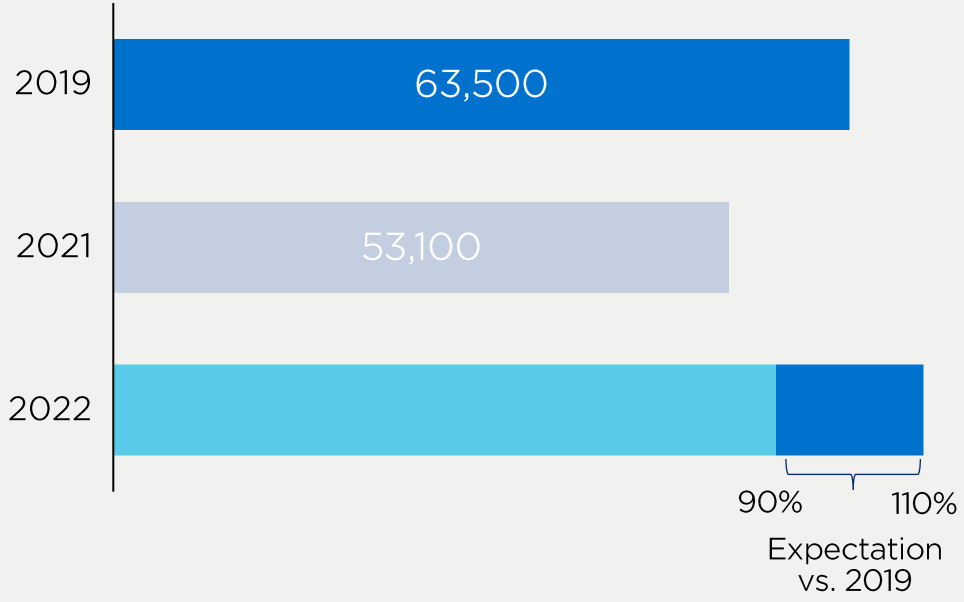


(a) Net income for full-year 2019 and 2021 was $157 million and $244 million, respectively. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix. Core business includes all adjustments to Adjusted EBITDA.

System Projected to Increase 2 to 4%

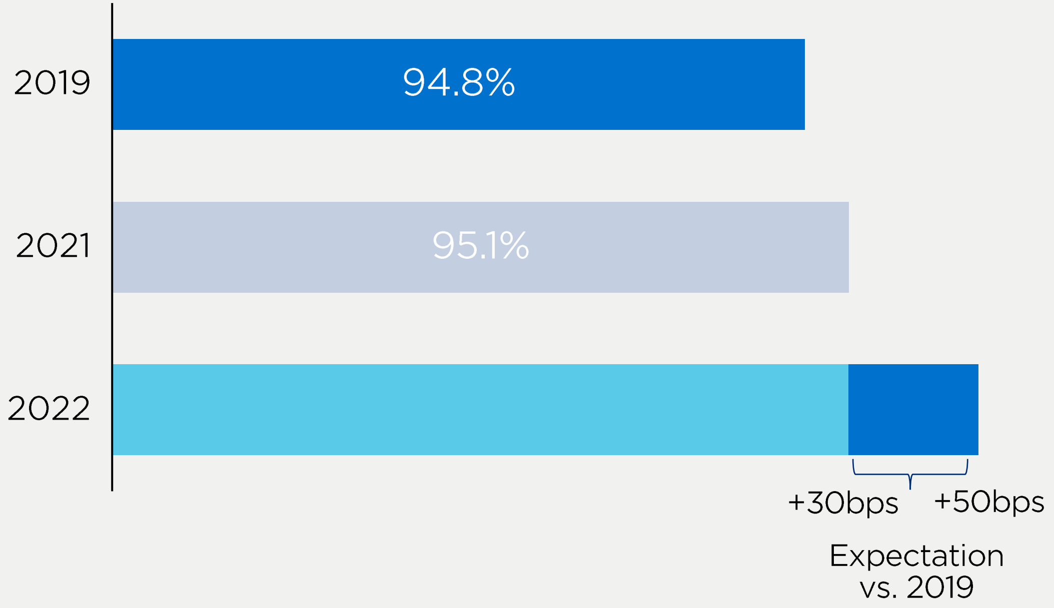
Continued momentum in openings and improvements in retention rate expected to drive net room growth back to pre-pandemic growth rate

GLOBAL ADDITIONS



7-9% Gross Openings

GLOBAL RETENTION RATE



>95% Retention Rate

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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

50 properties added to the pipeline in Q1 with first few properties expected to open in 2023

Targeting at least 300 hotels over next 10 years in the U.S. with potential for international growth

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 ~$121 million
- Recognized ~$36 million gain on sale
- Executed 20-year franchise agreement at full-fees
- Under contract and expect to close in May 2022 on Wyndham Grand Rio Mar (Puerto Rico); expected to be subject to a 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 to share repurchase

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Maximizing Capital Allocation For All Stakeholders

MAINTAIN STRONG BALANCE SHEET

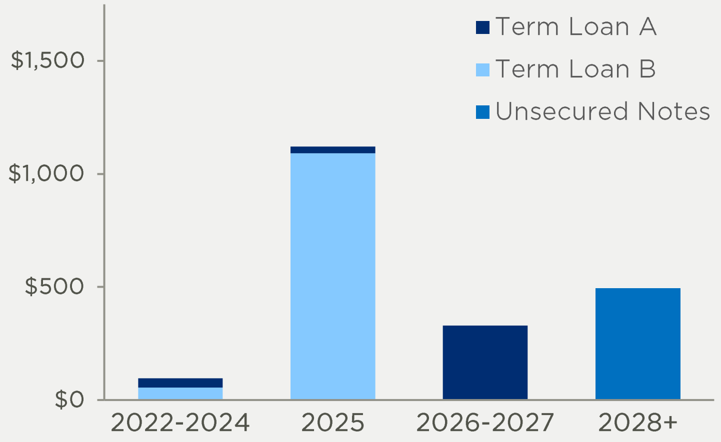
~$1.2 billion of liquidity

$750 million revolver extended to April 2027

Total leverage at 2.6x (a)

Significant room under all debt covenants

No near-term debt maturities



Pro forma as of March 31, 2022 to include impact of the April 2022 term loan A issuance and repayment of a portion of existing term loan B.

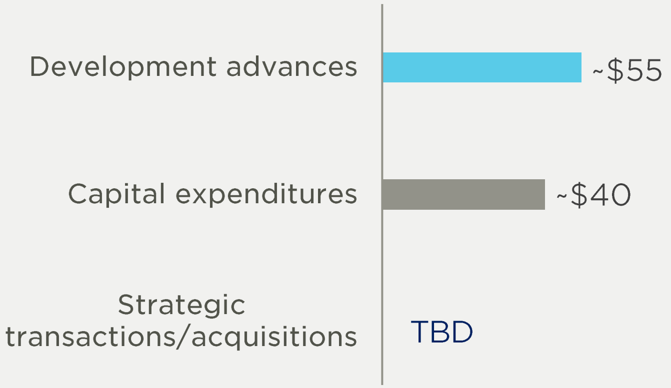
INVEST IN BUSINESS

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



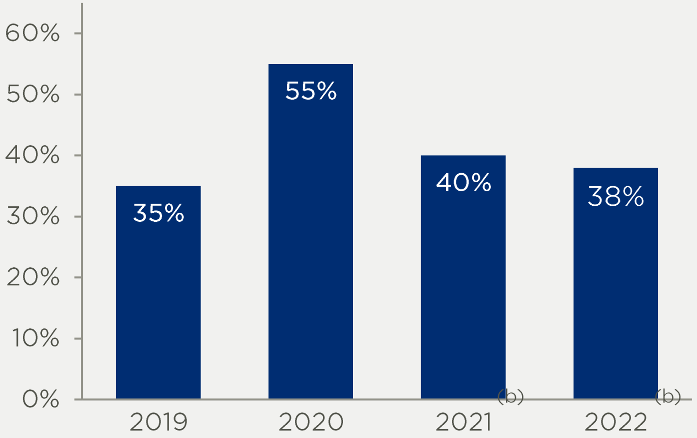
RETURN EXCESS CAPITAL TO SHAREHOLDERS

Target mid-30s dividend payout ratio

Deploy excess cash to bolster shareholder return

$359 million of capital returned to shareholders since January 1, 2020 (6.1% of market cap)

Dividend Payout Ratio



(a) Below our 3-4x target range; 2.9x excluding proceeds received on sale of owned asset and select-service management exit, which will be 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	✓

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Continued Significant Investment & Focus on ESG

Ranked #4 in

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

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
- 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 are required to attain a minimum of Level 1 Core in the Wyndham Green Certification Program by April 2023, as part of a new brand standard announced in Q1'22
- Proprietary Wyndham Green Toolbox for owners to track, measure and report the progress on their energy, emissions, water and waste diversion efforts
- Scored in the management band on CDP Response for Climate Change ahead of North American and Sector average
- 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

- Partnered with local inner-city high schools and colleges to provide mentoring programs and workshops to students
- Wyndham Rewards and its members donated 142 million points to charitable organizations
- Continuing to strengthen Wyndham's Count on Us health and safety efforts
- Empowering women through sponsorship and participation in Dress for Success and Making Strides Against Breast Cancer
- Donated 25+ million Wyndham Rewards points to Save the Children's Ukraine Crisis Relief Fund

(a) As of April 1, 2022.

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WH Investment Thesis

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

Ramada by Wyndham
Chenzhou Dongjjang Lake, China

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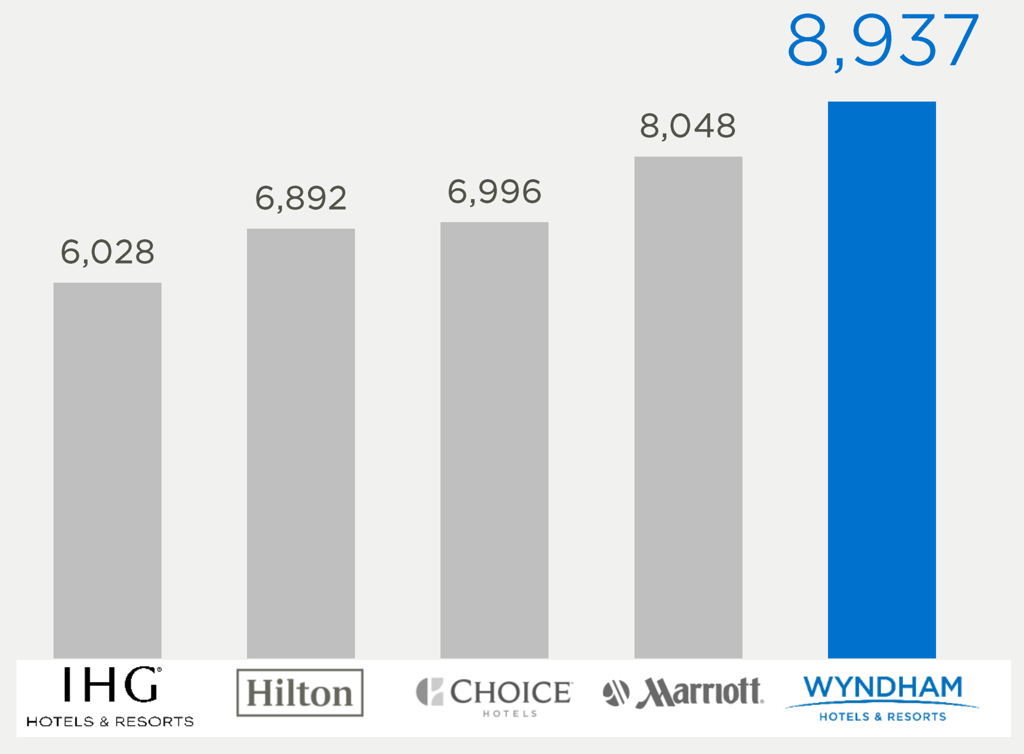
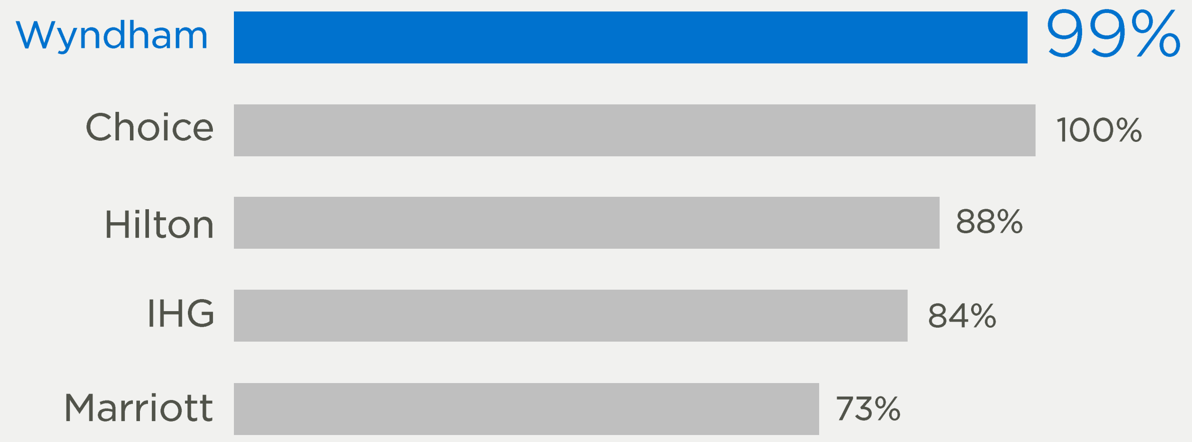
World's Largest Hotel Franchisor with Minimal Exposure to Asset Risk

NUMBER OF HOTELS WORLDWIDE



PERCENT OF FRANCHISED HOTELS



Limited exposure to operating costs and capital requirements

Asset-light requiring less than $50 million in annual capital expenditure spend

Minimal exposure to incentive fees

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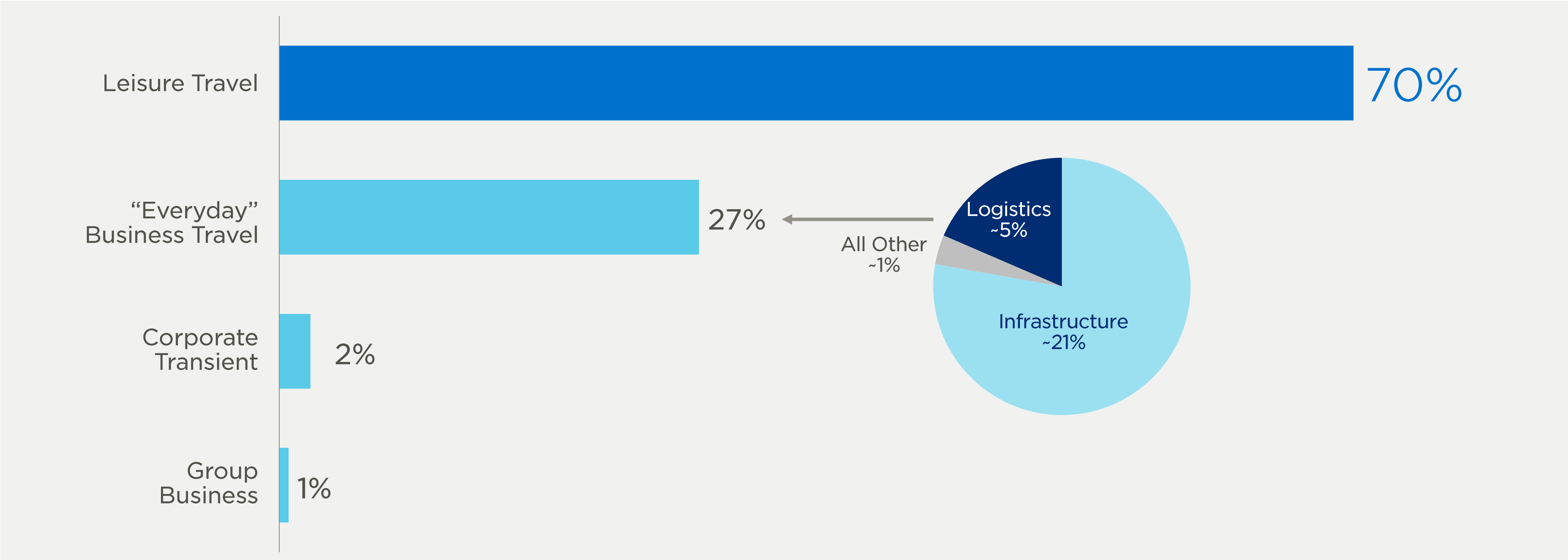
REASON 2

Leisure Guests Power Our Business

70% LEISURE FOCUS



All data as of December 31, 2021.

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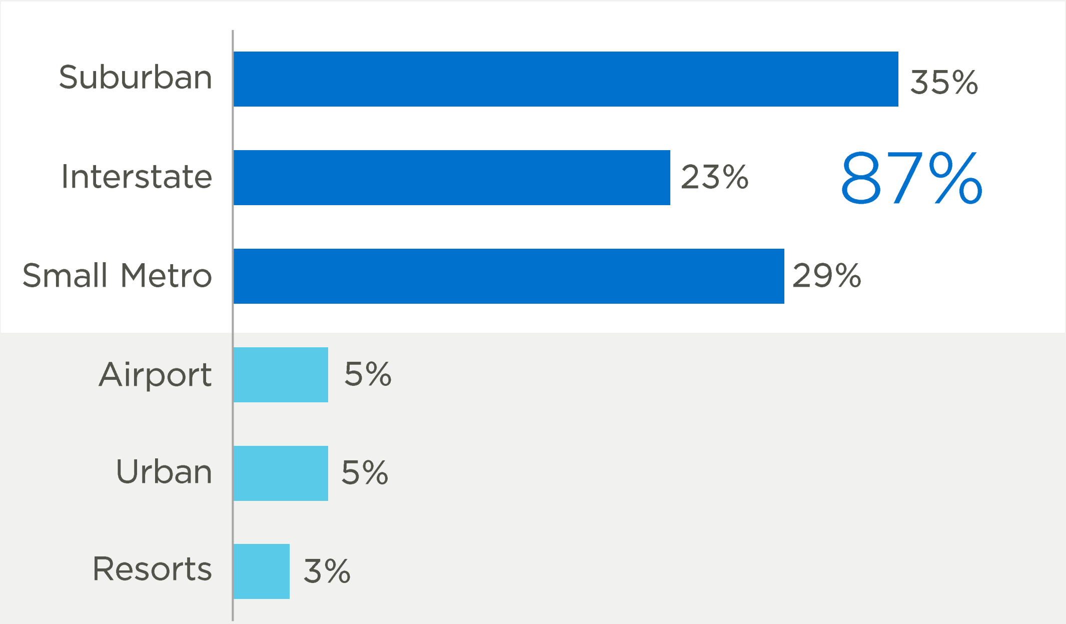
REASON 3

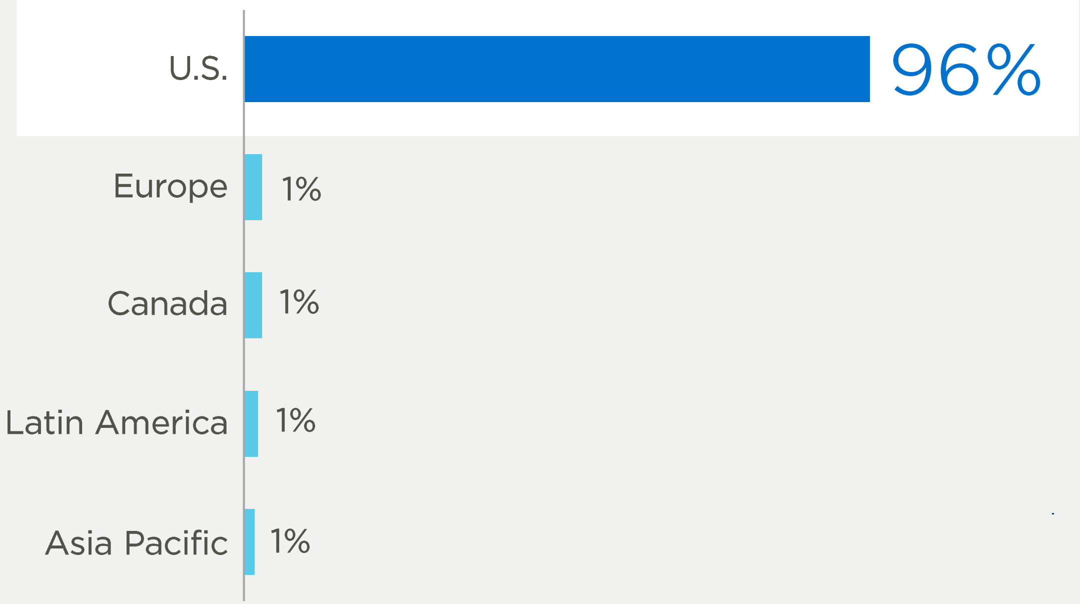
"Drive to" Destinations Not Reliant on Air Travel or International Travelers

87% U.S. HOTELS IN "DRIVE TO" LOCATIONS



All data based on STR census December 2021.

96% OF U.S. GUESTS ORIGINATE DOMESTICALLY



Based on FY2019 data.

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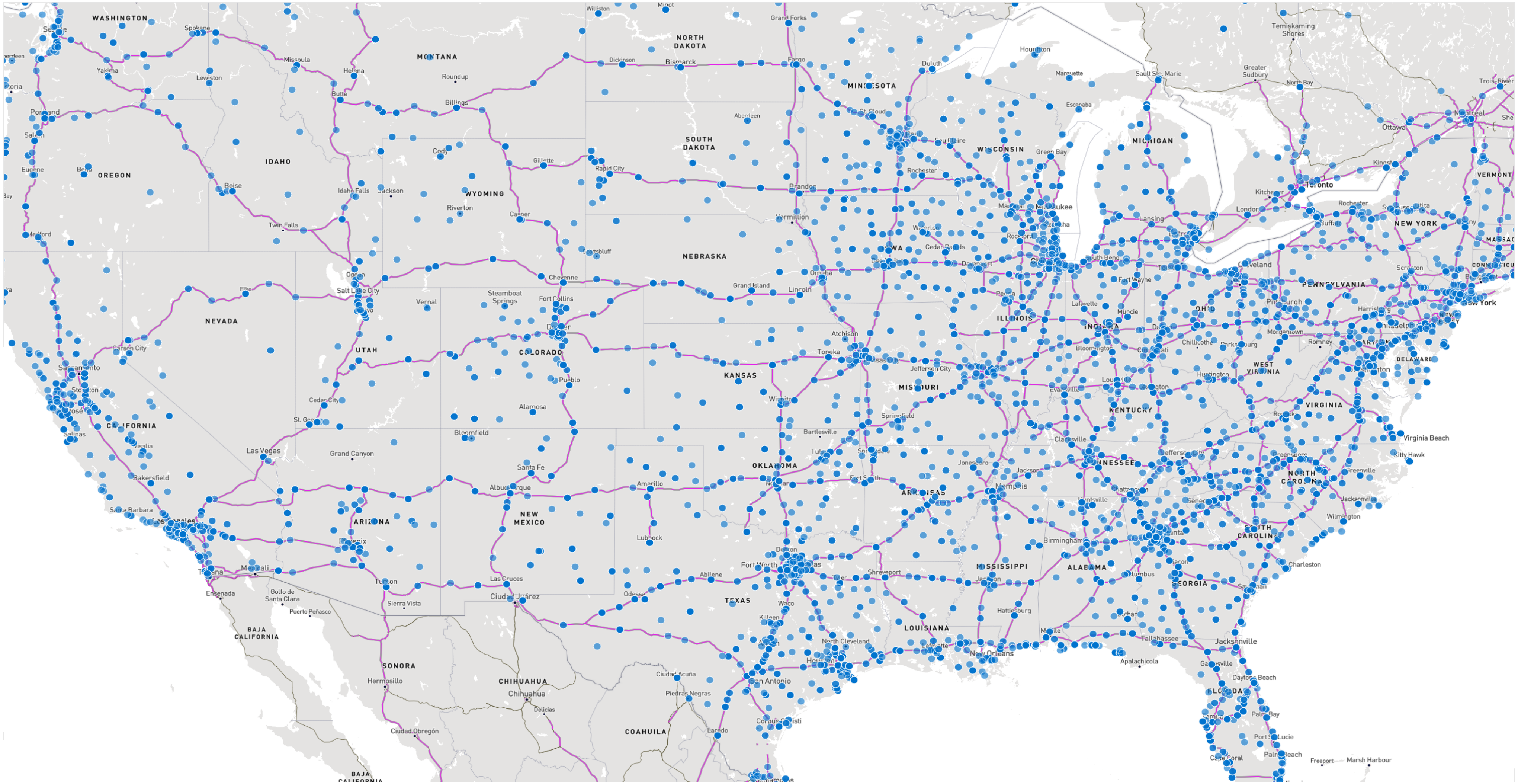
U.S. System Well Positioned Along Highways and Byways and in Drive-to Destinations



 | All data as of December 31, 2021.

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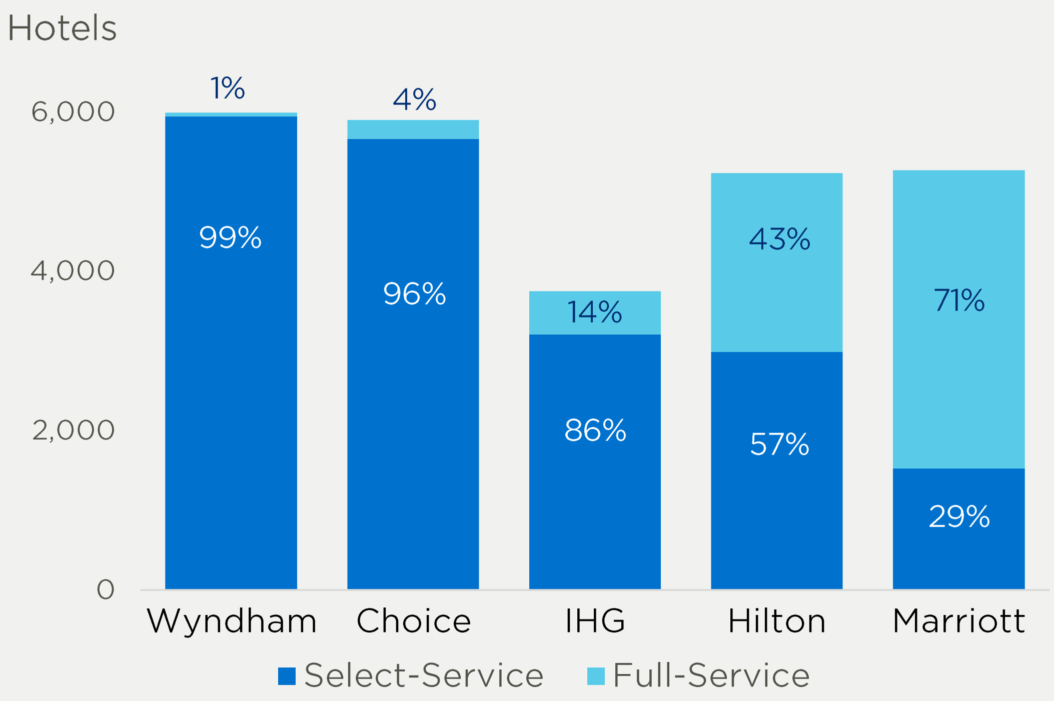
Leader in the Attractive Select-Service Space

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

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

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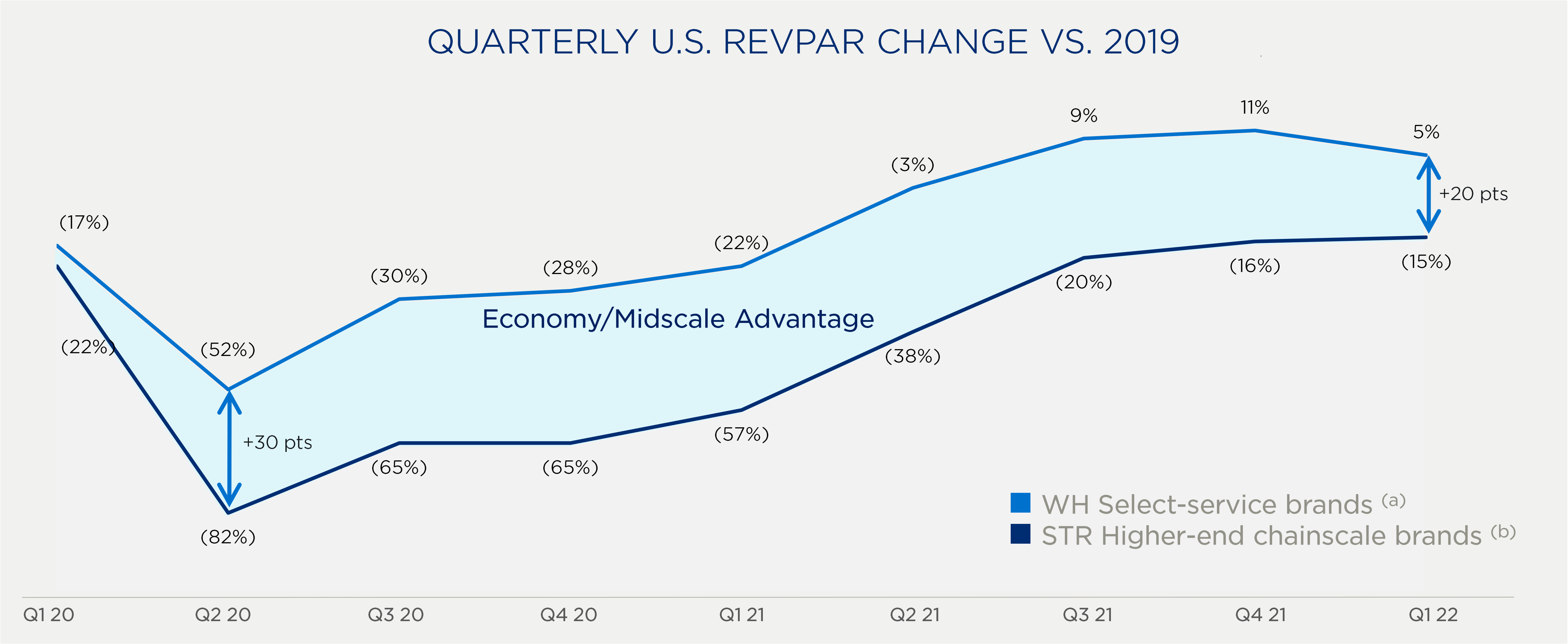
WH Select-Service Brands Outperform Higher-end Chainscales

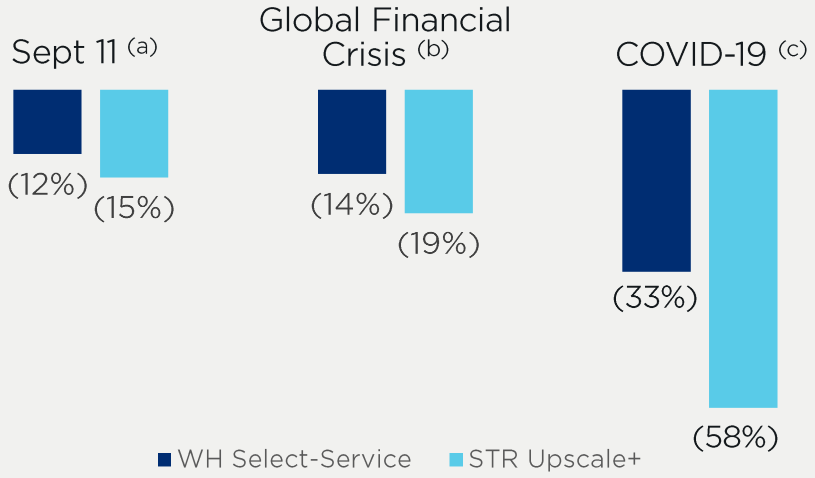


(a) Includes WH brands in the economy, midscale and upper midscale segments.
(b) Includes STR performance for upscale, upper upscale and luxury segments.

WH Select-Service Portfolio Less Volatile During Crisis

WH Select-Service More Resilient Through Economic Downturns

RevPAR Growth



WH Select-Service Outperformance:

+300 BPS	+500 BPS	+2,500 BPS

Inflation Not Expected to Materially Impact Go-Forward Demand

- "Nearly 9 out of 10 Americans are expecting to travel this summer" per U.S. Travel Association (3/31/2022)
- "2022 travel bookings are off to a much stronger start compared to this time last year" per AAA (2/22/2022)
- STR reports "low correlation with U.S. RevPAR and real gas prices" (3/10/2022)

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

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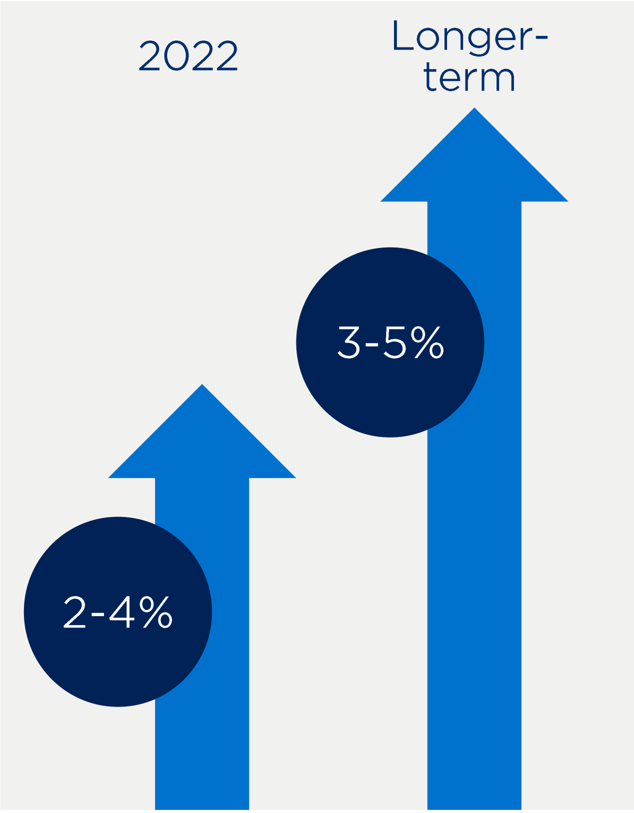
Multiple Levers to Drive Net Room Growth

Owner-First Approach

Prioritize Investment in the Business

Strategic Evolution of Business and Innovation

NET ROOM GROWTH



Proven Conversion Value Prop

- 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

- 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

- 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

- Three recent brands introductions in complementary, fast-growing segments including economy extended-stay and all-inclusive
- Continually evaluating opportunities for portfolio-enhancing M&A

Improving Retention Rates

- 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

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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 ~94 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

Note: Enrolled members as of March 31, 2022; all other data as of December 31, 2021. World's largest hotel franchisor based on number of hotels; chainscale market share as per most recent Franchise Disclosure Documents.

. . .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
29 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
16 Years of Industry Experience

CHIP OHLSSON
CHIEF DEVELOPMENT OFFICER
28 Years of Industry Experience

LISA CHECCHIO
CHIEF MARKETING OFFICER
19 Years of Industry Experience

SCOTT LEPAGE
PRESIDENT, AMERICAS
11 Years of Industry Experience

DIMITRIS MANIKIS
PRESIDENT, EMEA
32 Years of Industry Experience

WYNDHAM HOTELS & RESORTS

The Wyndham Family of Brands

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

ECONOMY	MIDSCALE	UPPER MIDSCALE	UPSCALE	UPPER UPSCALE	LUXURY
MICROTEL BY WYNDHAM	RAMADA BY WYNDHAM	LA QUINTA BY WYNDHAM	WYNDHAM	WYNDHAM GRAND	REGISTRY COLLECTION HOTELS
Days Inn BY WYNDHAM	RAMADA encore BY WYNDHAM	TM TRADEMARK COLLECTION BY WYNDHAM	DAZZLER BY WYNDHAM	DOLCE HOTELS AND RESORTS BY WYNDHAM	
Super 8 BY WYNDHAM	WINGATE BY WYNDHAM	TRYP BY WYNDHAM	esplendor BY WYNDHAM		
Howard Johnson BY WYNDHAM	HAWTHORN SUITES BY WYNDHAM	WYNDHAM GARDEN			
Travelodge BY WYNDHAM	AmericInn BY WYNDHAM	WYNDHAM Alltra ALL-INCLUSIVE RESORTS			
	BAYMONT BY WYNDHAM				

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Appendix

Super 8 by Wyndham
Chemnitz, Germany

Financial Impact of Select-Service Management Business Exit and Sale of Owned Assets

(in millions)	2019 Revenue	2019 Adjusted EBITDA [(a)]	2021 Revenue	2021 Adjusted EBITDA [(a)]	2022 Revenue	2022 Adjusted EBITDA [(f)]
Estimated CPLG contribution from assets sold [(b)]	$ (18)	$ (12)	$ (6)	$ (2)	$ -	$ -
Estimated CPLG contribution from assets to be transferred to new owners [(b)]	(23)	(9)	(18)	(4)	(3)	(1)
Termination fees from CPLG [(c)]	(7)	(7)	(19)	(19)	(5)	(5)
Owned assets [(d)]	(89)	(14)	(82)	(12)	(36)	(10)
Plus: One-time fee credit [(e)]	20	-	-	-	-	-
Subtotal	(117)	(42)	(125)	(37)	(44)	(16)
Cost reimbursables	(623)	-	(320)	-	(29)	-
Total financial impact	$ (740)	$ (42)	$ (445)	$ (37)	$ (73)	$ (16)

(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; 2022 includes April/May projections for the Wyndham Grand Rio Mar hotel, the sale of which is expected to close in May 2022.
(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.

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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 2022 Earnings Release at investor.wyndhamhotels.com.

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net income	$ 106	$ 24
Provision for income taxes	34	11
Depreciation and amortization	24	24
Interest expense, net	20	28
Stock-based compensation expense	8	5
Development advance notes amortization	3	2
Gain on asset sale	(36)	-
Separation-related expenses	-	2
Foreign currency impact of highly inflationary countries	-	1
Adjusted EBITDA	$ 159	$ 97

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Non-GAAP Reconciliations

The following table reconciles certain non-GAAP financial measures. We define free cash flow to be net cash provided by operating activities less property and equipment additions, which we also refer to as capital expenditures. We believe free cash flow to be a useful operating performance measure to us and investors to evaluate the ability of our operations to generate cash for uses other than capital expenditures and, after debt service and other obligations, our ability to grow our business through acquisitions and investments, as well as our ability to return cash to shareholders through dividends and share repurchases, to the extent permitted. We believe free cash flow conversion to be a useful liquidity measure to us and investors to evaluate our ability to convert our earnings to cash. These non-GAAP measures are not necessarily a representation of how we will use excess cash. A limitation of using free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating Wyndham Hotels is that free cash flow does not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash Flow:		
Net cash provided by operating activities	$ 135	$ 64
Net cash provided by/(used in) investing activities	192	(5)
Net cash used in financing activities	(82)	(21)
Net increase in cash, cash equivalents and restricted cash	$ 245	$ 38

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net cash provided by operating activities	$ 135	$ 64
Less: Property and equipment additions	(10)	(5)
Free cash flow	$ 125	$ 59

WYNDHAM HOTELS & RESORTS

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".

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 March 31, 2022	Three Months Ended March 31, 2021
Hotel Franchising segment revenues	$ 272	$ 209
Hotel Franchising segment adjusted EBITDA	155	105
Segment margin	57%	50%
Effect of license fees	(3%)	(5%)
Effect of marketing, reservation and loyalty funds	30%	36%
Franchising margin	84%	81%

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Fee-related and other revenues	$ 316	$ 233
Adjusted EBITDA	$ 159	$ 97
Adjusted EBITDA margin [(a)]	50%	42%

(a) Calculated on the same basis, operating income margin for the three months ended March 31, 2022 and 2021 was 51% and 27%, respectively.

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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.