UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): July 31, 2019

HYATT HOTELS CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware	**001-34521**	**20-1480589**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

150 North Riverside Plaza **8th Floor, Chicago, Illinois**	**60606**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (312) 750-1234

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A common stock	H	New York Stock Exchange

Former Name or Former Address, if Changed Since Last Report: Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On July 31, 2019 , Hyatt Hotels Corporation (the "Company") issued a press release announcing its results for its quarter ended June 30, 2019 . The full text of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

The information in this Form 8-K and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section and shall not be deemed incorporated by reference in any filing made by Hyatt Hotels Corporation under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1	Hyatt Hotels Corporation Press Release, dated July 31, 2019 (furnished pursuant to Item 2.02)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Hyatt Hotels Corporation

Date: July 31, 2019	By: /s/ Joan Bottarini
	Joan Bottarini
	Executive Vice President, Chief Financial Officer

Exhibit 99.1

Investor Contact:
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HYATT REPORTS SECOND -QUARTER 2019 RESULTS
Total Management and Franchise Fees Expand Over 10% on Strong Net Rooms Growth

CHICAGO (July 31, 2019) - Hyatt Hotels Corporation ("Hyatt" or the "Company") (NYSE: H) today reported second -quarter 2019 financial results. Net income attributable to Hyatt was $86 million , or $0.80 per diluted share, in the second quarter of 2019 , compared to $77 million , or $0.66 per diluted share, in the second quarter of 2018 . Adjusted net income attributable to Hyatt was $82 million , or $0.76 per diluted share, in the second quarter of 2019 , compared to $84 million , or $0.72 per diluted share, in the second quarter of 2018 . Refer to the table on page 14 of the schedules for a summary of special items impacting Adjusted net income and Adjusted earnings per share in the three months ended June 30, 2019 .

Mark S. Hoplamazian, president and chief executive officer of Hyatt Hotels Corporation, said, "We reported solid second quarter results. Strong transient demand drove 1.3% system-wide RevPAR growth, and fees and net rooms grew at a double-digit pace inclusive of the Two Roads Hospitality LLC acquisition. We expect the key drivers of growth across our lodging business to continue to drive results within the context of our reduced RevPAR guidance. Separately, we are reducing expectations for full-year Adjusted EBITDA to primarily reflect construction-related issues in our Miraval business, as well as increased transaction adjustments and foreign currency headwinds."

Second quarter of 2019 financial highlights as compared to the second quarter of 2018 are as follows:

- Net income increased 10.6% to $86 million .
- Adjusted EBITDA decreased 2.1% to $213 million , a decrease of 1.0% in constant currency.
- Comparable system-wide RevPAR increased 1.3% , including an increase of 2.3% at comparable owned and leased hotels. Excluding the negative impact from the timing of the Easter holiday, comparable RevPAR at system-wide hotels and comparable owned and leased hotels would have increased 1.7% and 2.8%, respectively.
- Comparable U.S. hotel RevPAR decreased 0.3%; full service hotel RevPAR increased 0.7% and select service hotel RevPAR decreased 2.3%.
- Net rooms growth was 12.6%, or 6.9% excluding the acquisition of Two Roads Hospitality LLC ("Two Roads") in the fourth quarter of 2018.
- Comparable owned and leased hotels operating margin increased 10 basis points to 26.4% .
- Adjusted EBITDA margin of 31.6% decreased 260 basis points in constant currency.

Mr. Hoplamazian continued, "We continued to expand our portfolio at a solid pace in the second quarter. Developer demand for our brands remains strong with our base of executed contracts for future openings increasing by 1,000 rooms in the quarter net of opening of nearly 4,000 rooms. Based on this development activity and an increase in conversions of hotels to our brands we now expect to grow net rooms by 7.25% to 7.75% this year as compared with our prior expectation of 7.0% to 7.5%."

Note: All RevPAR and ADR percentage changes are in constant dollars. This release includes references to non-GAAP financial measures. Refer to the non-GAAP reconciliations included in the schedules and the definitions of the non-GAAP measures presented beginning on page 12.

Second quarter of 2019 financial results as compared to the second quarter of 2018 are as follows:

Management, Franchise and Other Fees

Total management, franchise and other fees increased 10.5% (12.0% increase in constant currency) to $ 158 million . Base management fees increased 14.9% to $68 million , primarily in the Americas management and franchising segment due to the acquisition of Two Roads. Incentive management fees increased 3.1% to $ 39 million . Franchise fees increased 9.8% to $ 38 million . Other fees increased 14.7% to $13 million . Excluding other fees, management and franchise fees increased 10.2% (11.8% increase in constant currency) to $145 million.

Americas Management and Franchising Segment

Americas management and franchising segment Adjusted EBITDA increased 5.4% (5.7% increase in constant currency), driven by higher management, franchise, and other fees from the Two Roads acquisition. RevPAR for comparable Americas full service hotels increased 2.5% , occupancy increased 80 basis points, and ADR increased 1.5% . RevPAR was driven by strength in certain resort locations outside of the United States. RevPAR for comparable Americas select service hotels decreased 2.4% , occupancy decreased 80 basis points, and ADR decreased 1.4% . Total Americas management and franchising adjusted revenues increased 26.0% (26.3% increase in constant currency) including revenue from the residential management operations acquired as part of Two Roads.

Transient rooms revenue at comparable U.S. full service hotels increased 3.9%, room nights increased 3.9%, and ADR decreased 0.1%. Group rooms revenue at comparable U.S. full service hotels decreased 2.9%, room nights decreased 3.7%, and ADR increased 0.9%, largely due to the timing of the Easter holiday.

Americas net rooms increased 11.2% compared to the second quarter of 2018, or 4.4% excluding Two Roads.

Southeast Asia, Greater China, Australia, South Korea, Japan and Micronesia (ASPAC) Management and Franchising Segment

ASPAC management and franchising segment Adjusted EBITDA increased 17.5% (23.9% increase in constant currency). RevPAR for comparable ASPAC full service hotels increased 1.2% , driven by strong results in Southeast Asia and Japan, partially offset by weaker results in Greater China. Occupancy increased 110 basis points and ADR decreased 0.4%. Revenue from management, franchise, and other fees increased 8.9% (13.1% increase in constant currency).

ASPAC net rooms increased 17.4% compared to the second quarter of 2018, or 12.5% excluding Two Roads.

Europe, Africa, Middle East and Southwest Asia (EAME/SW Asia) Management and Franchising Segment

EAME/SW Asia management and franchising segment Adjusted EBITDA decreased 5.8% (1.3% decrease in constant currency). RevPAR for comparable EAME/SW Asia full service hotels increased 3.7% , driven primarily by strong growth in Western Europe and Southwest Asia offset partially by weaker performance in the Middle East and Russia which lapped the FIFA World Cup in 2018. Occupancy increased 310 basis points and ADR decreased 1.0% . Revenue from management, franchise, and other fees decreased 1.5%

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(2.0% increase in constant currency), driven by lower incentive fees due to lapping the FIFA World Cup along with weaker conditions in the Middle East.

EAME/SW Asia net rooms increased 13.7% compared to the second quarter of 2018, or 12.5% excluding Two Roads.

Owned and Leased Hotels Segment

Total owned and leased hotels segment Adjusted EBITDA decreased 4.4% (3.8% decrease in constant currency), including a decrease of 18.6% (17.2% decrease in constant currency) in pro rata share of unconsolidated hospitality ventures Adjusted EBITDA. Refer to the table on page 11 of the schedules for a detailed list of portfolio changes and the year-over-year net impact to total owned and leased hotels segment Adjusted EBITDA.

Owned and leased hotels segment revenues increased 0.4% (1.4% increase in constant currency), and was negatively impacted by weakness in group and banquet revenues. RevPAR for comparable owned and leased hotels increased 2.3% , including an approximate 50 basis point negative impact from the timing of the Easter holiday. Occupancy increased 80 basis points and ADR increased 1.2% .

Corporate and Other

Corporate and other Adjusted EBITDA decreased 30.6% (30.8% decrease in constant currency), inclusive of $5 million of integration related expenses from the Two Roads acquisition.

Corporate and other adjusted revenues increased 13.1% (consistent in constant currency).

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased 15.2% , inclusive of rabbi trust impact and stock- based compensation. Adjusted selling, general, and administrative expenses increased 11.8% , or $8 million, including approximately $9 million from the acquisition of Two Roads, of which $5 million is considered to be one-time integration related expenses. Refer to the table on page 16 of the schedules for a reconciliation of selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses.

<u>OPENINGS AND FUTURE EXPANSION</u>

Twenty-two hotels (or 3,909 rooms) opened in the second quarter of 2019 , contributing to a 12.6% increase in net rooms compared to the second quarter of 2018 . Excluding the impact of the Two Roads acquisition, net rooms increased 6.9% compared to the second quarter of 2018.

As of June 30, 2019 , the Company had executed management or franchise contracts for approximately 460 hotels, or approximately 92,000 rooms. This compares to approximately 455 hotels, or approximately 91,000 rooms as of March 31, 2019. The Company is now expected to open approximately 85 hotels in the 2019 fiscal year, an increase from the prior expectation of over 80 hotels.

<u>SHARE REPURCHASE/DIVIDEND</u>

During the second quarter of 2019, the Company repurchased a total of 599,678 Class A shares for $ 45 million . The Company ended the second quarter with 37,867,014 Class A and 67,115,828 Class B shares issued and outstanding.

From July 1 through July 26, 2019, the Company repurchased 153,221 shares of Class A common stock for an aggregate purchase price of approximately $12 million. As of July 26, 2019, the Company had approximately $509 million remaining under its share repurchase authorization.

The Company's board of directors has declared a cash dividend of $0.19 per share for the third quarter of 2019. The dividend is payable on September 9, 2019 to Class A and Class B stockholders of record as of August 27, 2019.

CAPITAL STRATEGY UPDATE

On July 31, 2019, the Company sold the property adjacent to Grand Hyatt San Francisco and assigned the related Apple store lease to an unrelated third party for a sale price of approximately $120 million.

The Company is in the process of pursuing the sale of certain additional hotel assets and will provide details on timing and pricing as appropriate.

BALANCE SHEET / OTHER ITEMS

As of June 30, 2019 , the Company reported the following:

- Total debt of $1,712 million.
- Pro rata share of unconsolidated hospitality venture debt of approximately $547 million, substantially all of which is non-recourse to Hyatt and a portion of which Hyatt guarantees pursuant to separate agreements.
- Cash and cash equivalents, including investments in highly-rated money market funds and similar investments, of $515 million , restricted cash of $32 million , and short-term investments of $62 million .
- Undrawn borrowing availability of $1.4 billion under Hyatt's revolving credit facility.

2019 OUTLOOK

The Company is revising the following expectations for the 2019 fiscal year:

- Comparable system-wide RevPAR is expected to increase approximately 1% to 2%, as compared to fiscal year 2018. This compares to a prior range of approximately 1% to 3%.
- The Company expects to grow units, on a net rooms basis, by approximately 7.25% to 7.75%, reflecting approximately 85 new hotel openings. This compares to a prior range of 7.0% to 7.5% and over 80 new hotel openings.
- Net income is expected to be approximately $231 million to $275 million. This compares to a prior range of approximately $144 million to $183 million. Please refer to table on page 13 of the schedules for revised ranges impacting net income.
- Other income (loss), net is expected to be negatively impacted by approximately $40 million related to performance guarantee expense for the four managed hotels in France. This compares to the prior range of approximately $40 to $50 million.
- Adjusted EBITDA is expected to be approximately $755 million to $775 million, compared to prior expectations of approximately $780 million to $800 million, reflecting a $25 million reduction at the mid-point. These revised estimates are primarily driven by the following two items:

  - construction-related issues at Miraval properties in Austin, Texas and Lenox, Massachusetts, impacting operations at both properties. On a combined basis, these two properties are expected to account for nearly two-thirds of the $25 million reduction at the mid-point of the range of Adjusted EBITDA guidance.
  - the impact of two recent transactions including the sale of our interest in a joint venture which holds a hotel in San Francisco and the sale of a retail property adjacent to Grand Hyatt San Francisco. On a combined basis, these transactions are expected to impact 2019 Adjusted EBITDA by approximately $5 million.

  Other items affecting the range of Adjusted EBITDA guidance include an approximate $3 million increase at the mid-point of the expected range of negative foreign currency impact, and the reduction in system-wide RevPAR growth guidance by 50 basis points at the mid-point of the range. Refer to the table on page 13 of the schedules for a reconciliation of Net Income to Adjusted EBITDA.

- Depreciation and amortization expense is expected to be approximately $335 million to $340 million. This compares to a prior range of approximately $347 million to $352 million.
- The effective tax rate is expected to be approximately 25% to 27%. This compares to a prior range of approximately 28% to 30%.

The Company is reaffirming the following information for the 2019 fiscal year:

- Adjusted EBITDA contribution from the Two Roads acquisition prior to non-recurring integration-related costs is estimated to be approximately $20 million to $25 million.
- Interest expense is expected to be approximately $78 million to $79 million.
- Adjusted selling, general, and administrative expenses are expected to be approximately $345 million inclusive of approximately $25 million of expenses related to non-recurring integration costs for Two Roads. Adjusted selling, general, and administrative expenses exclude approximately $33 million of stock-based compensation expense and any potential impact related to benefit programs funded through rabbi trusts.
- Capital expenditures are expected to be approximately $375 million.
- The Company expects to return approximately $300 million to shareholders through a combination of cash dividends on its common stock and share repurchases.

No additional disposition or acquisition activity beyond what has been completed as of the date of this release has been included in the outlook. The Company's outlook is based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that Hyatt will achieve these results.

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CONFERENCE CALL INFORMATION

The Company will hold an investor conference call tomorrow, August 1, 2019, at 10:30 a.m. CT. All interested persons may listen to a simultaneous webcast of the conference call, which may be accessed through the Company's website at investors.hyatt.com, or by dialing 647.689.4468 or 833.238.7946, passcode #3890439 , approximately 10 minutes before the scheduled start time. For those unable to listen to the live broadcast, a replay will be available from 1:30 p.m. CT on August 1, 2019 through August 3, 2019 at midnight by dialing 416.621.4642, passcode #3890439. Additionally, an archive of the webcast will be available on the Company's website for 90 days.

FORWARD-LOOKING STATEMENTS

Forward-Looking Statements in this press release, which are not historical facts, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements about our plans, strategies, outlook, occupancy, ADR and growth trends, market share, the number of properties we expect to open in the future, our expected adjusted SG&A expense, our estimated comparable system-wide RevPAR growth, our estimated Adjusted EBITDA growth, our expected net rooms growth, maintenance and enhancement to existing properties capital expenditures, investments in new properties capital expenditures, depreciation and amortization expense and interest expense estimates, financial performance, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, our actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, general economic uncertainty in key global markets and a worsening of global economic conditions or low levels of economic growth; the rate and the pace of economic recovery following economic downturns; levels of spending in business and leisure segments as well as consumer confidence; declines in occupancy and average daily rate; limited visibility with respect to future bookings; loss of key personnel; hostilities, or fear of hostilities, including future terrorist attacks, that affect travel; travel-related accidents; natural or man-made disasters such as earthquakes, tsunamis, tornadoes, hurricanes, floods, wildfires, oil spills, nuclear incidents, and global outbreaks of pandemics or contagious diseases or fear of such outbreaks; our ability to successfully achieve certain levels of operating profits at hotels that have performance tests or guarantees in favor of our third-party owners; the impact of hotel renovations and redevelopments; risks associated with our capital allocation plans and common stock repurchase program and other forms of shareholder capital return, including the risk that our common stock repurchase program could increase volatility and fail to enhance shareholder value; our intention to pay a quarterly cash dividend and the amounts thereof, if any; the seasonal and cyclical nature of the real estate and hospitality businesses; changes in distribution arrangements, such as through internet travel intermediaries; changes in the tastes and preferences of our customers; relationships with colleagues and labor unions and changes in labor laws; the financial condition of, and our relationships with, third-party property owners, franchisees, and hospitality venture partners; the possible inability of third-party owners, franchisees, or development partners to access capital necessary to fund current operations or implement our plans for growth; risks associated with potential acquisitions and dispositions and the introduction of new brand concepts; the timing of acquisitions and dispositions, and our ability to successfully integrate completed acquisitions with existing operations; failure to successfully complete proposed transactions (including the failure to satisfy closing conditions or obtain required approvals); our ability to successfully execute on our strategy to expand our management and franchising business while at the same time reducing our real estate asset base within targeted timeframes and at expected values; declines in the value of our real estate assets; unforeseen terminations of our management or franchise agreements; changes in federal, state, local, or foreign tax law; the impact of changes in the tax code as a result of the Tax Cuts and Jobs Act of 2017 and uncertainty as to how some of those changes may be applied; increases in interest rates and operating costs; foreign exchange rate fluctuations or currency restructurings; lack of acceptance of new brands or innovation; general volatility of the capital markets and our ability to access such markets; changes in the competitive environment in our industry, including as a result of industry consolidation, and the markets where we operate; our ability to successfully grow the World of Hyatt loyalty program; cyber incidents and information technology failures; outcomes of legal or administrative proceedings; violations of regulations or laws related to our franchising business; and other risks discussed in the Company's filings with the SEC, including our annual report on Form 10-K, which filings are available from the SEC. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this press release. We do not undertake or assume any obligation to update publicly any of these forward-

looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

NON-GAAP FINANCIAL MEASURES

The Company refers to certain financial measures that are not recognized under U.S. generally accepted accounting principles (GAAP) in this press release, including: net income, adjusted for special items; diluted EPS, adjusted for special items; Adjusted EBITDA; Adjusted EBITDA margin; and Adjusted SG&A. See the schedules to this earnings release, including the "Definitions" section, for additional information and reconciliations of such non-GAAP financial measures.

AVAILABILITY OF INFORMATION ON HYATT'S WEBSITE

Investors and others should note that Hyatt routinely announces material information to investors and the marketplace using U.S. Securities and Exchange Commission (SEC) filings, press releases, public conference calls, webcasts and the Hyatt Investor Relations website. While not all of the information that the Company posts to the Hyatt Investor Relations website is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in Hyatt to review the information that it shares at the Investor Relations link located at the bottom of the page on hyatt.com. Users may automatically receive email alerts and other information about the Company when enrolling an email address by visiting "Sign up for Email Alerts" in the "Investor Resources" section of Hyatt's website at investors.hyatt.com.

ABOUT HYATT HOTELS CORPORATION

Hyatt Hotels Corporation, headquartered in Chicago, is a leading global hospitality company with a portfolio of 19 premier brands. As of June 30, 2019, the Company's portfolio included more than 875 properties in over 60 countries across six continents. The Company's purpose to care for people so they can be their best informs its business decisions and growth strategy and is intended to attract and retain top colleagues, build relationships with guests and create value for shareholders. The Company's subsidiaries develop, own, operate, manage, franchise, license or provide services to hotels, resorts, branded residences, vacation ownership properties, and fitness and spa locations, including under the ***Park Hyatt®***, ***Miraval®***, ***Grand Hyatt®***, ***Alila®***, ***Andaz®***, ***The Unbound Collection by Hyatt®***, ***Destination®***, ***Hyatt Regency®***, ***Hyatt®***, ***Hyatt Ziva ™***, ***Hyatt Zilara ™***, ***Thompson Hotels®***, ***Hyatt Centric®***, ***Hyatt House®***, ***Hyatt Place®***, ***Joie de Vivre®***, ***tommie™***, ***Hyatt Residence Club®*** and ***Exhale®*** brand names, and operates the World of Hyatt ® loyalty program that provides distinct benefits and exclusive experiences to its valued members. For more information, please visit *www.hyatt.com* .

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Hyatt Hotels Corporation

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Financial Information (unaudited)

Percentages on the following schedules may not recompute due to rounding. Not meaningful percentage changes are presented as "NM".

Hyatt Hotels Corporation

Condensed Consolidated Statements of Income

(in millions, except per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
REVENUES:				
Owned and leased hotels	$ 490	$ 485	$ 960	$ 1,000
Management, franchise, and other fees	158	142	299	274
Amortization of management and franchise agreement assets constituting payments to customers	(6)	(5)	(11)	(10)
Net management, franchise, and other fees	152	137	288	264
Other revenues	28	9	73	20
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	619	502	1,209	958
Total revenues	1,289	1,133	2,530	2,242
DIRECT AND SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:				
Owned and leased hotels	367	357	724	741
Depreciation and amortization	83	79	163	162
Other direct costs	30	7	75	15
Selling, general, and administrative	95	83	223	178
Costs incurred on behalf of managed and franchised properties	633	500	1,238	960
Direct and selling, general, and administrative expenses	1,208	1,026	2,423	2,056
Net gains and interest income from marketable securities held to fund rabbi trusts	11	6	41	9
Equity earnings (losses) from unconsolidated hospitality ventures	6	2	3	(11)
Interest expense	(20)	(19)	(39)	(38)
Gains on sales of real estate	—	1	1	530
Asset impairments	(1)	—	(4)	—
Other income (loss), net	28	5	79	(13)
INCOME BEFORE INCOME TAXES	105	102	188	663
PROVISION FOR INCOME TAXES	(19)	(25)	(39)	(175)
NET INCOME	86	77	149	488
NET INCOME AND ACCRETION ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	—
NET INCOME ATTRIBUTABLE TO HYATT HOTELS CORPORATION	**$ 86**	**$ 77**	**$ 149**	**$ 488**
EARNINGS PER SHARE - Basic				
Net income	$ 0.81	$ 0.67	$ 1.41	$ 4.19
Net income attributable to Hyatt Hotels Corporation	$ 0.81	$ 0.67	$ 1.41	$ 4.19
EARNINGS PER SHARE - Diluted				
Net income	$ 0.80	$ 0.66	$ 1.39	$ 4.12
Net income attributable to Hyatt Hotels Corporation	$ 0.80	$ 0.66	$ 1.39	$ 4.12
Basic share counts	105.4	114.6	105.7	116.6
Diluted share counts	107.0	116.5	107.2	118.6

Hyatt Hotels Corporation
Segment Financial Summary
(in millions)

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Change ($)	Change (%)	Change in Constant $	Change in Constant $ (%)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Change ($)	Change (%)	Change in Constant $	Change in Constant $ (%)
Owned and leased hotels	$ 481	$ 478	$ 3	0.4 %	$ 8	1.4 %	$ 939	$ 985	$ (46)	(4.7)%	$ (35)	(3.7)%
Americas management and franchising	136	108	28	26.0 %	28	26.3 %	275	206	69	33.1 %	69	33.5 %
ASPAC management and franchising	32	30	2	8.9 %	3	13.1 %	64	60	4	7.6 %	6	11.7 %
EAME/SW Asia management and franchising	19	19	—	(1.5)%	1	2.0 %	37	37	—	(2.1)%	2	2.4 %
Corporate and other	34	31	3	13.1 %	3	13.1 %	69	63	6	10.7 %	6	10.7 %
Eliminations (a)	(26)	(30)	4	9.1 %	4	8.7 %	(52)	(57)	5	9.6 %	5	9.1 %
Adjusted revenues	**$ 676**	**$ 636**	**$ 40**	**6.1 %**	**$ 47**	**7.2 %**	**$1,332**	**$1,294**	**$ 38**	**2.9 %**	**$ 53**	**4.1 %**
Adjusted EBITDA												
Owned and leased hotels	$ 100	$ 102	$ (2)	(2.0)%	$ (1)	(1.6)%	$ 190	$ 205	$ (15)	(6.9)%	$ (14)	(6.6)%
Pro rata share of unconsolidated hospitality ventures	14	18	(4)	(18.6)%	(4)	(17.2)%	25	28	(3)	(8.6)%	(2)	(5.4)%
Total owned and leased hotels	114	120	(6)	(4.4)%	(5)	(3.8)%	215	233	(18)	(7.1)%	(16)	(6.5)%
Americas management and franchising	101	96	5	5.4 %	5	5.7 %	193	183	10	5.4 %	10	5.7 %
ASPAC management and franchising	20	18	2	17.5 %	3	23.9 %	40	36	4	11.9 %	6	17.7 %
EAME/SW Asia management and franchising	11	11	—	(5.8)%	—	(1.3)%	21	21	—	(2.8)%	1	2.7 %
Corporate and other	(35)	(27)	(8)	(30.6)%	(8)	(30.8)%	(72)	(56)	(16)	(30.1)%	(16)	(30.3)%
Eliminations	2	—	2	947.4 %	2	947.4 %	3	3	—	24.2 %	—	24.2 %
Adjusted EBITDA	**$ 213**	**$ 218**	**$ (5)**	**(2.1)%**	**$ (3)**	**(1.0)%**	**$ 400**	**$ 420**	**$ (20)**	**(4.6)%**	**$ (15)**	**(3.4)%**

(a) These intersegment eliminations represent management fee revenues and expenses related to our owned and leased hotels, revenues that are deferred under the loyalty program for stays at our owned and leased hotels, and promotional award redemption revenues and expenses related to our co-branded credit card.

Hyatt Hotels Corporation
Hotel Chain Statistics
Comparable Hotels
In Constant $

	Three Months Ended June 30,						Six Months Ended June 30,					
	RevPAR		Occupancy		ADR		RevPAR		Occupancy		ADR	
	2019	vs. 2018	2019	vs. 2018	2019	vs. 2018	2019	vs. 2018	2019	vs. 2018	2019	vs. 2018
Owned and leased hotels (# of hotels) (a)												
Owned and leased hotels (33)	$186.05	2.3 %	80.2%	0.8% pts	$ 231.88	1.2 %	$180.05	2.5 %	77.1%	0.2% pts	$ 233.38	2.2 %
Managed and franchised hotels (# of hotels) (b)												
System-wide hotels (705)	$144.48	1.3 %	77.7%	0.9% pts	$ 186.04	0.2 %	$138.40	1.6 %	74.4%	0.6% pts	$ 185.95	0.7 %
Americas												
Full service hotels (165)	$172.28	2.5 %	79.9%	0.8% pts	$ 215.63	1.5 %	$163.96	2.8 %	75.9%	0.3% pts	$ 216.11	2.4 %
Select service hotels (356)	$113.89	(2.4) %	80.1%	(0.8)% pts	$ 142.25	(1.4) %	$106.87	(2.0) %	76.0%	(0.9)% pts	$ 140.65	(0.8) %
ASPAC												
Full service hotels (81)	$148.02	1.2 %	74.8%	1.1% pts	$ 197.86	(0.4) %	$148.33	1.2 %	73.2%	1.1% pts	$ 202.76	(0.2) %
Select service hotels (14)	$ 59.33	10.3 %	70.3%	10.3% pts	$ 84.37	(5.8) %	$ 57.45	12.2 %	67.0%	11.0% pts	$ 85.75	(6.2) %
EAME/SW Asia												
Full service hotels (74)	$131.07	3.7 %	69.0%	3.1% pts	$ 189.84	(1.0) %	$125.17	3.4 %	68.5%	2.9% pts	$ 182.83	(0.9) %
Select service hotels (15)	$ 65.98	2.2 %	72.7%	6.1% pts	$ 90.70	(6.4) %	$ 64.01	5.0 %	70.1%	7.8% pts	$ 91.34	(6.7) %

(a) Owned and leased hotels figures do not include unconsolidated hospitality ventures.
(b) Managed and franchised hotels figures include owned and leased hotels.

Hyatt Hotels Corporation
Hotel Brand Statistics
Comparable Worldwide Managed and Franchised Hotels (a)
In Constant $

	Three Months Ended June 30,						Six Months Ended June 30,					
	RevPAR		Occupancy		ADR		RevPAR		Occupancy		ADR	
Brand (# of hotels)	**2019**	**vs. 2018**	**2019**	**vs. 2018**	**2019**	**vs. 2018**	**2019**	**vs. 2018**	**2019**	**vs. 2018**	**2019**	**vs. 2018**
Park Hyatt (38)	$235.61	2.4 %	70.1%	0.9% pts	$335.97	1.0 %	$233.85	2.7 %	68.6%	0.5% pts	$340.93	2.0 %
Grand Hyatt (48)	$171.70	2.0 %	76.8%	2.0% pts	$223.56	(0.7) %	$171.33	2.9 %	75.6%	2.1% pts	$226.60	(0.1) %
Andaz (18)	$242.72	8.9 %	78.4%	5.3% pts	$309.47	1.4 %	$237.88	8.1 %	77.2%	5.6% pts	$308.29	0.3 %
Composite Luxury [1]	$190.95	2.9 %	75.7%	2.1% pts	$252.16	0.0 %	$189.85	3.5 %	74.5%	2.2% pts	$254.98	0.4 %
Hyatt Regency (178)	$142.83	2.1 %	77.4%	0.9% pts	$184.43	0.8 %	$135.31	1.8 %	73.7%	0.3% pts	$183.61	1.4 %
Hyatt Centric (18)	$208.73	4.6 %	82.3%	0.4% pts	$253.59	4.1 %	$189.43	4.8 %	79.0%	(0.3)% pts	$239.89	5.3 %
Composite Upper-Upscale [2]	$146.09	2.1 %	77.5%	0.9% pts	$188.50	0.9 %	$138.06	1.9 %	73.9%	0.3% pts	$186.94	1.5 %
Hyatt Place (299)	$102.41	(3.2)%	78.3%	(0.4)% pts	$130.73	(2.8) %	$ 96.39	(2.8)%	74.5%	(0.4)% pts	$129.33	(2.4) %
Hyatt House (86)	$132.04	1.6 %	82.5%	1.3% pts	$160.10	0.0 %	$123.70	2.3 %	77.9%	1.4% pts	$158.75	0.5 %
Composite Upscale [3]	$109.18	(1.9)%	79.3%	0.0% pts	$137.71	(2.0) %	$102.63	(1.4)%	75.3%	0.1% pts	$136.29	(1.5) %

(a) Managed and franchised hotels figures include owned and leased hotels.
[1] Includes Park Hyatt, Grand Hyatt, and Andaz.
[2] Includes The Unbound Collection by Hyatt, Hyatt Regency, Hyatt Centric, and Hyatt.
[3] Includes Hyatt Place and Hyatt House.

Hyatt Hotels Corporation
Fee Summary
(in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	2018	Change ($)	Change (%)	2019	2018	Change ($)	Change (%)
Base management fees	$ 68	$ 59	$ 9	14.9%	$ 131	$ 112	$ 19	16.5 %
Incentive management fees	39	38	1	3.1%	73	72	1	1.7 %
Franchise fees	38	35	3	9.8%	70	63	7	11.6 %
Management and franchise fees	**145**	**132**	**13**	**10.2%**	**274**	**247**	**27**	**11.0 %**
Other fee revenues	13	10	3	14.7%	25	27	(2)	(10.6)%
Management, franchise, and other fees	**$ 158**	**$ 142**	**$ 16**	**10.5%**	**$ 299**	**$ 274**	**$ 25**	**8.8 %**

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	2018	Change ($)	Change (%)	2019	2018	Change ($)	Change (%)
Management, franchise, and other fees	**$ 158**	**$ 142**	**$ 16**	**10.5 %**	**$ 299**	**$ 274**	**$ 25**	**8.8 %**
Contra revenue from management agreements	(4)	(3)	(1)	(6.7)%	(7)	(6)	(1)	(2.3)%
Contra revenue from franchise agreements	(2)	(2)	—	(20.2)%	(4)	(4)	—	(18.9)%
Net management, franchise, and other fees	**$ 152**	**$ 137**	**$ 15**	**10.5 %**	**$ 288**	**$ 264**	**$ 24**	**8.8 %**

Hyatt Hotels Corporation

Net Gains and Interest Income From Marketable Securities Held to Fund Rabbi Trusts

The table below provides a reconciliation of net gains and interest income from marketable securities held to fund rabbi trusts, all of which are completely offset within other line items on our condensed consolidated statements of income, thus having no net impact to our earnings. The gains or losses on securities held in rabbi trusts are offset within our owned and leased hotels expenses for our hotel staff and to selling, general, and administrative expenses for our corporate staff and personnel supporting our business segments. The table below shows the amounts recorded to the respective offsetting financial statement line item.

(in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	**2018**	**Change ($)**	**Change (%)**	**2019**	**2018**	**Change ($)**	**Change (%)**
Rabbi trust impact allocated to selling, general, and administrative expenses	$ 10	$ 5	$ 5	84.3%	$ 36	$ 8	$ 28	357.3%
Rabbi trust impact allocated to owned and leased hotels expense	1	1	—	33.4%	5	1	4	230.4%
Net gains and interest income from marketable securities held to fund rabbi trusts	**$ 11**	**$ 6**	**$ 5**	**74.8%**	**$ 41**	**$ 9**	**$ 32**	**333.4%**

Hyatt Hotels Corporation
Capital Expenditures Summary
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Maintenance and technology	$ 17	$ 13	$ 30	$ 26
Enhancements to existing properties	27	30	58	67
Investment in new properties under development or recently opened	36	18	58	28
Total capital expenditures	**$ 80**	**$ 61**	**$ 146**	**$ 121**

Hyatt Hotels Corporation

Properties and Rooms by Geography

Owned and leased hotels (a)

	June 30, 2019		June 30, 2018		Change	
	Properties	**Rooms**	**Properties**	**Rooms**	**Properties**	**Rooms**
Full service hotels						
United States	22	13,440	20	12,217	2	1,223
Other Americas	2	795	3	1,548	(1)	(753)
ASPAC	1	615	1	615	—	—
EAME/SW Asia	8	1,593	8	1,591	—	2
Select service hotels						
United States	1	171	2	320	(1)	(149)
Other Americas	2	293	2	293	—	—
EAME/SW Asia	1	330	1	330	—	—
Total full service and select service hotels	**37**	**17,237**	**37**	**16,914**	**—**	**323**
Wellness	3	410	3	399	—	11
Total owned and leased	**40**	**17,647**	**40**	**17,313**	**—**	**334**

(a) Figures do not include unconsolidated hospitality ventures or branded spas and fitness studios.

Hyatt Hotels Corporation
Properties and Rooms by Geography
Managed and franchised properties ***(includes owned and leased properties)***

	June 30, 2019		June 30, 2018		Change	
	Properties	Rooms	Properties	Rooms	Properties	Rooms
Americas						
Full service hotels						
United States managed	134	61,562	95	52,037	39	9,525
Other Americas managed	26	9,012	22	8,780	4	232
United States franchised	57	17,977	53	17,349	4	628
Other Americas franchised	5	828	5	828	—	—
Subtotal	222	89,379	175	78,994	47	10,385
Select service hotels						
United States managed	47	6,790	53	7,570	(6)	(780)
Other Americas managed	10	1,476	10	1,476	—	—
United States franchised	336	46,256	299	41,204	37	5,052
Other Americas franchised	7	955	5	801	2	154
Subtotal	400	55,477	367	51,051	33	4,426
ASPAC						
Full service hotels						
ASPAC managed	103	33,754	82	29,772	21	3,982
ASPAC franchised	4	1,708	3	1,286	1	422
Subtotal	107	35,462	85	31,058	22	4,404
Select service hotels						
ASPAC managed	26	4,429	17	2,921	9	1,508
Subtotal	26	4,429	17	2,921	9	1,508
EAME/SW Asia						
Full service hotels						
EAME managed	53	12,923	44	10,973	9	1,950
SW Asia managed	37	10,541	34	10,270	3	271
EAME franchised	8	1,536	4	498	4	1,038
SW Asia franchised	1	248	1	248	—	—
Subtotal	99	25,248	83	21,989	16	3,259
Select service hotels						
EAME managed	6	1,217	7	1,309	(1)	(92)
SW Asia managed	10	1,382	8	1,137	2	245
EAME franchised	2	443	2	451	—	(8)
Subtotal	18	3,042	17	2,897	1	145
Total full service and select service hotels	**872**	**213,037**	**744**	**188,910**	**128**	**24,127**
Americas						
All-inclusive						
Other Americas franchised	6	2,403	6	2,401	—	2
Subtotal	6	2,403	6	2,401	—	2
Wellness						
United States managed	3	410	3	399	—	11
Subtotal	3	410	3	399	—	11
Total managed and franchised (a)	**881**	**215,850**	**753**	**191,710**	**128**	**24,140**
Vacation ownership	16		16		—	
Residential	32		22		10	
Condominium ownership	38		—		38	

(a) Figures do not include vacation ownership, residential, branded spas and fitness studios, or condominium ownership units.

Hyatt Hotels Corporation
Properties and Rooms by Brand

	June 30, 2019		June 30, 2018		Change	
Brand	**Properties**	**Rooms**	**Properties**	**Rooms**	**Properties**	**Rooms**
Park Hyatt	39	7,341	40	7,588	(1)	(247)
Grand Hyatt	53	29,053	50	28,054	3	999
Hyatt Regency	199	86,012	185	81,380	14	4,632
Hyatt	12	2,058	15	2,802	(3)	(744)
Andaz	20	4,550	17	3,798	3	752
Hyatt Centric	29	5,517	23	4,593	6	924
The Unbound Collection by Hyatt (b)	18	4,882	13	3,826	5	1,056
Alila	16	2,035	—	—	16	2,035
Destination	19	4,484	—	—	19	4,484
Joie de Vivre	13	1,952	—	—	13	1,952
Thompson	10	2,205	—	—	10	2,205
Hyatt Place	345	48,573	314	44,240	31	4,333
Hyatt House	99	14,375	87	12,629	12	1,746
Total full service and select service hotels	**872**	**213,037**	**744**	**188,910**	**128**	**24,127**
Hyatt Ziva	4	1,859	4	1,860	—	(1)
Hyatt Zilara	2	544	2	541	—	3
Miraval	3	410	3	399	—	11
Total managed and franchised properties (a)	**881**	**215,850**	**753**	**191,710**	**128**	**24,140**
Hyatt Residence Club	16		16		—	

(a) Figures do not include vacation ownership, residential, branded spas and fitness studios, or condominium ownership units.
(b) Includes one property consisting of 241 rooms that was part of the Two Roads acquisition.

Hyatt Hotels Corporation
Year-over-Year Net Impact of Portfolio Changes to Owned and Leased Hotels Segment Adjusted EBITDA
(in millions)

	Rooms	Transaction / Opening Date	2Q19 Adjusted EBITDA Impact
Dispositions			
Owned and Leased Hotels			
Hyatt Regency Mexico City	755	3Q18	
Hyatt House Irvine / John Wayne Airport	149	4Q18	
Total Owned and Leased Hotels Dispositions			$ (7)
Unconsolidated Hospitality Venture Hotels			
Hyatt House Boston / Waltham	135	2Q18	
Hyatt Place São José do Rio Preto	152	2Q18	
Hyatt Place Macaé	141	2Q18	
Hyatt Place Fair Lawn / Paramus	143	3Q18	
Hyatt Place La Paz	151	3Q18	
Hyatt Place Ciudad del Carmen	140	3Q18	
Hyatt Place San Juan / City Center	149	3Q18	
Hyatt Regency Minneapolis	644	4Q18	
Hyatt Place San Francisco / Downtown	230	2Q19	
Total Unconsolidated Hospitality Venture Hotels Dispositions (a) (b)			$ (3)
Year-over-Year Net Impact of Dispositions to Owned and Leased Hotels Segment Adjusted EBITDA			$ (10)
Acquisitions or Openings			
Owned and Leased Hotels			
Hyatt Place São José do Rio Preto	152	2Q18	
Hyatt Place Macaé	141	2Q18	
Hyatt Regency Phoenix	693	3Q18	
Hyatt Regency Indian Wells Resort & Spa	530	3Q18	
Total Owned and Leased Hotels Acquisitions or Openings			$ 7
Unconsolidated Hospitality Venture Hotels			
Hyatt Place Glendale / Los Angeles	179	3Q18	
Hyatt House Nashville at Vanderbilt	201	4Q18	
Hyatt Regency Bali	363	4Q18	
Hyatt Place San Francisco / Downtown	230	1Q19	
Andaz Vienna Am Belvedere	303	2Q19	
Total Unconsolidated Hospitality Venture Hotels Acquisitions or Openings (a) (c)			NM
Year-over-Year Net Impact of Acquisitions and Openings to Owned and Leased Hotels Segment Adjusted EBITDA			$ 7
Year-over-Year Net Impact of Portfolio Changes to Owned and Leased Hotels Segment Adjusted EBITDA			**$ (3)**

(a) Reflects Hyatt's pro rata share of unconsolidated hospitality ventures Adjusted EBITDA.
(b) Includes the sale of the hotel by the venture, the Company's sale of our equity interest in the venture, or the Company's equity interest no longer qualifying for the equity method of accounting.
(c) Includes the opening of a hotel by the venture.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Measure: Reconciliation of Net Income Attributable to Hyatt Hotels Corporation to EBITDA and EBITDA to Adjusted EBITDA and Total Revenues to Adjusted Revenues

(in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	2018	Change ($)	Change (%)	2019	2018	Change ($)	Change (%)
Net income attributable to Hyatt Hotels Corporation	**$ 86**	**$ 77**	**$ 9**	**10.6 %**	**$ 149**	**$ 488**	**$ (339)**	**(69.6)%**
Interest expense	20	19	1	8.0 %	39	38	1	4.5 %
Provision for income taxes	19	25	(6)	(22.1)%	39	175	(136)	(77.9)%
Depreciation and amortization	83	79	4	4.7 %	163	162	1	0.6 %
EBITDA	**208**	**200**	**8**	**4.0 %**	**390**	**863**	**(473)**	**(54.8)%**
Contra revenue	6	5	1	11.5 %	11	10	1	8.2 %
Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(619)	(502)	(117)	(23.5)%	(1,209)	(958)	(251)	(26.2)%
Costs incurred on behalf of managed and franchised properties	633	500	133	26.6 %	1,238	960	278	29.0 %
Equity (earnings) losses from unconsolidated hospitality ventures	(6)	(2)	(4)	(130.5)%	(3)	11	(14)	(125.7)%
Stock-based compensation expense	4	5	(1)	(6.4)%	24	23	1	3.6 %
Gains on sales of real estate	—	(1)	1	100.0 %	(1)	(530)	529	99.8 %
Asset impairments	1	—	1	NM	4	—	4	NM
Other (income) loss, net	(28)	(5)	(23)	(481.3)%	(79)	13	(92)	(696.7)%
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	14	18	(4)	(18.6)%	25	28	(3)	(8.6)%
Adjusted EBITDA	**$ 213**	**$ 218**	**$ (5)**	**(2.1)%**	**$ 400**	**$ 420**	**$ (20)**	**(4.6)%**

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	2018	Change ($)	Change (%)	2019	2018	Change ($)	Change (%)
Total revenues	**$ 1,289**	**$ 1,133**	**$ 156**	**13.8 %**	**$ 2,530**	**$ 2,242**	**$ 288**	**12.8 %**
Add: Contra revenue	6	5	1	11.5 %	11	10	1	8.2 %
Less: Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties	(619)	(502)	(117)	(23.5)%	(1,209)	(958)	(251)	(26.2)%
Adjusted revenues	**$ 676**	**$ 636**	**$ 40**	**6.1 %**	**$ 1,332**	**$ 1,294**	**$ 38**	**2.9 %**
Adjusted EBITDA Margin %	**31.6%**	**34.2%**		**(2.6)%**	**30.1%**	**32.4%**		**(2.3)%**
Adjusted EBITDA Margin % Change in Constant Currency				**(2.6)%**				**(2.3)%**

Hyatt Hotels Corporation
Reconciliation of Non-GAAP Measure: Guidance: Net Income Attributable to Hyatt Hotels Corporation to EBITDA and EBITDA to Adjusted EBITDA
For the Year Ended December 31, 2019

No additional disposition or acquisition activity beyond what has been completed as of the date of this release has been included in the forecast. The Company's outlook is based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.
(in millions)

	2019 Forecast Range	
	Low Case	**High Case**
Net income attributable to Hyatt Hotels Corporation	**$ 231**	**$ 275**
Interest expense	79	78
Provision for income taxes	85	91
Depreciation and amortization	340	335
EBITDA	**735**	**779**
Contra revenue	21	21
Costs incurred on behalf of managed and franchised properties, net of revenues for the reimbursement of costs	80	70
Equity losses from unconsolidated hospitality ventures	5	—
Stock-based compensation expense	33	33
(Gains) on sales of real estate	(101)	(103)
Asset impairments	4	4
Other (income) loss, net	(76)	(87)
Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA	54	58
Adjusted EBITDA	**$ 755**	**$ 775**
Adjusted EBITDA change, compared to prior year	(3)%	—%
Impact of foreign exchange	$ (10)	$ (5)
Adjusted EBITDA change, compared to prior year *(in constant $)*	(2)%	—%

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Measure: Earnings per Diluted Share and Net Income Attributable to Hyatt Hotels Corporation, to Earnings per Diluted Share, Adjusted for Special Items and Adjusted Net Income Attributable to Hyatt Hotels Corporation - Three Months Ended June 30, 2019 and June 30, 2018

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018
Net income attributable to Hyatt Hotels Corporation		**$ 86**	**$ 77**
Earnings per diluted share		**$ 0.80**	**$ 0.66**
Special items			
Unrealized gains (a)	Other income (loss), net	(8)	(6)
Unconsolidated hospitality ventures gains (b)	Equity earnings (losses) from unconsolidated hospitality ventures	(8)	(2)
Utilization of Avendra proceeds (c)	Costs incurred on behalf of managed and franchised properties; depreciation and amortization	11	5
Fund surpluses (d)	Revenues for the reimbursement of costs incurred and costs incurred on behalf of managed and franchised properties; other income (loss), net	—	(6)
Asset impairments (e)	Asset impairments; Other income (loss), net	1	22
Other	Other income (loss), net	(2)	(4)
Special items - pre-tax		(6)	9
Income tax benefit (provision) for special items	Provision for income taxes	2	(2)
Total special items - after-tax		**(4)**	**7**
Special items impact per diluted share		**$ (0.04)**	**$ 0.06**
Adjusted net income attributable to Hyatt Hotels Corporation		**$ 82**	**$ 84**
Earnings per diluted share, adjusted for special items		**$ 0.76**	**$ 0.72**

(a) **Unrealized gains** - During the three months ended June 30, 2019 (Q2 2019) and June 30, 2018 (Q2 2018), we recognized unrealized gains due to the change in fair value of our marketable securities.

(b) **Unconsolidated hospitality ventures gains -** During Q2 2019, we recognized an $8 million gain in connection with the sale of our ownership interest in an unconsolidated hospitality venture.

(c) **Utilization of Avendra proceeds** - During Q2 2019 and Q2 2018, we recognized expenses related to the partial utilization of Avendra sale proceeds for the benefit of our hotels. The gain recognized in conjunction with the sale of Avendra LLC was included as a special item during the year ended December 31, 2017.

(d) **Fund surpluses** - During Q2 2018, we recognized net surpluses on certain funds due to the timing of revenue and expense recognition that we expect will reverse in future periods.

(e) **Asset Impairments** - During Q2 2018, we recognized a $22 million impairment charge related to an investment in an equity security.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Measure: Earnings per Diluted Share and Net Income Attributable to Hyatt Hotels Corporation, to Earnings per Diluted Share, Adjusted for Special Items and Adjusted Net Income Attributable to Hyatt Hotels Corporation - Six Months Ended June 30, 2019 and June 30, 2018

(in millions, except per share amounts)

	Location on Condensed Consolidated Statements of Income	**Six Months Ended June 30, 2019**	**Six Months Ended June 30, 2018**
Net income attributable to Hyatt Hotels Corporation		**$ 149**	**$ 488**
Earnings per diluted share		**$ 1.39**	**$ 4.12**
Special items			
Release of contingent consideration liability (a)	Other income (loss), net	(27)	—
Unrealized (gains) losses (b)	Other income (loss), net	(20)	6
Unconsolidated hospitality ventures (c)	Equity earnings (losses) from unconsolidated hospitality ventures	(7)	4
Gains on sales of real estate (d)	Gains on sales of real estate	(1)	(530)
Utilization of Avendra proceeds (e)	Costs incurred on behalf of managed and franchised properties; depreciation and amortization	19	8
Fund deficits (surpluses) (f)	Revenues for the reimbursement of costs incurred and costs incurred on behalf of managed and franchised properties; other income (loss), net	5	(6)
Asset impairments (g)	Asset impairments; Other income (loss), net	4	22
Other	Other income (loss), net	1	(5)
Special items - pre-tax		(26)	(501)
Income tax benefit for special items	Provision for income taxes	7	135
Total special items - after-tax		**(19)**	**(366)**
Special items impact per diluted share		**$ (0.18)**	**$ (3.09)**
Adjusted net income attributable to Hyatt Hotels Corporation		**$ 130**	**$ 122**
Earnings per diluted share, adjusted for special items		**$ 1.21**	**$ 1.03**

(a) **Release of contingent consideration liability** - During the six months ended June 30, 2019 (YTD 2019), we recognized $27 million of income related to the release of the contingent consideration liability recorded in connection with the acquisition of Two Roads Hospitality LLC in 2018.
(b) **Unrealized (gains) losses** - During YTD 2019 and the six months ended June 30, 2018 (YTD 2018), we recognized unrealized gains and losses, respectively, due to the change in fair value of our marketable securities.
(c) **Unconsolidated hospitality ventures** - During YTD 2019 and YTD 2018, we recognized an $8 million gain and a $10 million gain, respectively, attributable to sales activity related to certain unconsolidated hospitality ventures. During YTD 2018, the gain was offset by a $16 million impairment charge.
(d) **Gains on sales of real estate** - During YTD 2018, we recognized a $531 million gain on the portfolio sale of Andaz Maui at Wailea, Grand Hyatt San Francisco, and Hyatt Regency Coconut Point.
(e) **Utilization of Avendra proceeds** - During YTD 2019 and YTD 2018, we recognized expenses related to the partial utilization of the aforementioned Avendra LLC sale proceeds for the benefit of our hotels.
(f) **Fund deficits (surpluses)** - During YTD 2019 and YTD 2018, we recognized a net deficit and a net surplus, respectively, on certain funds due to the timing of revenue and expense recognition that we expect will reverse in future periods.
(g) **Asset impairments** - During YTD 2018, we recognized a $22 million impairment charge related to an investment in an equity security.

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Measure: SG&A Expenses to Adjusted SG&A Expenses

Results of operations as presented on the condensed consolidated statements of income include expenses recognized with respect to deferred compensation plans funded through rabbi trusts. Certain of these expenses are recognized in SG&A expenses and are completely offset by the corresponding net gains and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings. SG&A expenses also include expenses related to stock-based compensation. Below is a reconciliation of this measure excluding the impact of our rabbi trust investments and stock-based compensation expense.

(in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	2018	Change ($)	Change (%)	2019	2018	Change ($)	Change (%)
SG&A expenses	**$ 95**	**$ 83**	**$ 12**	**15.2 %**	**$ 223**	**$ 178**	**$ 45**	**24.9 %**
Less: rabbi trust impact	(10)	(5)	(5)	(84.3)%	(36)	(8)	(28)	(357.3)%
Less: stock-based compensation expense	(4)	(5)	1	6.4 %	(24)	(23)	(1)	(3.6)%
Adjusted SG&A expenses	**$ 81**	**$ 73**	**$ 8**	**11.8 %**	**$ 163**	**$ 147**	**$ 16**	**10.8 %**

The table below provides a segment breakdown for Adjusted SG&A expenses.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	2018	Change ($)	Change (%)	2019	2018	Change ($)	Change (%)
Americas management and franchising	$ 16	$ 12	$ 4	37.5 %	$ 32	$ 22	$ 10	38.0 %
ASPAC management and franchising	12	12	—	(2.9)%	24	23	1	1.1 %
EAME/SW Asia management and franchising	8	8	—	4.3 %	16	17	(1)	(1.2)%
Owned and leased hotels	4	5	(1)	(0.3)%	8	9	(1)	(9.5)%
Corporate and other	41	36	5	12.0 %	83	76	7	10.8 %
Adjusted SG&A expenses	**$ 81**	**$ 73**	**$ 8**	**11.8 %**	**$ 163**	**$ 147**	**$ 16**	**10.8 %**

Hyatt Hotels Corporation

Reconciliation of Non-GAAP Measure: Comparable Owned and Leased Hotels Operating Margin to Owned and Leased Hotels Operating Margin

Below is a reconciliation of consolidated owned and leased hotels revenues and expenses, as used in calculating comparable owned and leased hotels operating margin percentages. Results of operations as presented on the condensed consolidated statements of income include expenses recognized with respect to deferred compensation plans funded through rabbi trusts. Certain of these expenses are recognized in owned and leased hotels expenses and are completely offset by the corresponding net gains and interest income from marketable securities held to fund rabbi trusts, thus having no net impact to our earnings. Below is a reconciliation of the margins excluding the impact of our rabbi trusts and excluding the impact of non-comparable hotels.

(in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2019	**2018**	**Change ($)**	**Change (%)**	**2019**	**2018**	**Change ($)**	**Change (%)**
Revenues								
Comparable owned and leased hotels	$ 458	$ 464	$ (6)	(1.1)%	$ 892	$ 894	$ (2)	(0.2)%
Non-comparable owned and leased hotels	32	21	11	52.8 %	68	106	(38)	(36.1)%
Owned and leased hotels revenues	**$ 490**	**$ 485**	**$ 5**	**1.2 %**	**$ 960**	**$ 1,000**	**$ (40)**	**(4.0)%**
Expenses								
Comparable owned and leased hotels	$ 338	$ 341	$ (3)	(1.2)%	$ 665	$ 671	$ (6)	(1.0)%
Non-comparable owned and leased hotels	28	15	13	96.5 %	54	69	(15)	(21.8)%
Rabbi trust impact	1	1	—	33.4 %	5	1	4	230.4 %
Owned and leased hotels expenses	**$ 367**	**$ 357**	**$ 10**	**2.7 %**	**$ 724**	**$ 741**	**$ (17)**	**(2.3)%**
Owned and leased hotels operating margin percentage	**25.3%**	**26.4%**		**(1.1)%**	**24.6%**	**25.9%**		**(1.3)%**
Comparable owned and leased hotels operating margin percentage	**26.4%**	**26.3%**		**0.1 %**	**25.6%**	**25.0%**		**0.6 %**

DEFINITIONS

Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization (Adjusted EBITDA) and EBITDA

We use the terms Adjusted EBITDA and EBITDA throughout this earnings release. Adjusted EBITDA and EBITDA, as the Company defines them, are non-GAAP measures. We define consolidated Adjusted EBITDA as net income attributable to Hyatt Hotels Corporation plus its pro rata share of unconsolidated hospitality ventures Adjusted EBITDA based on its ownership percentage of each venture, adjusted to exclude the following items:

- interest expense;
- provision for income taxes;
- depreciation and amortization;
- amortization of management and franchise agreement assets constituting payments to customers (Contra revenue);
- revenues for the reimbursement of costs incurred on behalf of managed and franchised properties;
- costs incurred on behalf of managed and franchised properties;
- equity earnings (losses) from unconsolidated hospitality ventures;
- stock-based compensation expense;
- gains (losses) on sales of real estate;
- asset impairments; and
- other income (loss), net

We calculate consolidated Adjusted EBITDA by adding the Adjusted EBITDA of each of our reportable segments and eliminations to corporate and other Adjusted EBITDA. Our board of directors and executive management team focus on Adjusted EBITDA as a key performance and compensation measure both on a segment and on a consolidated basis. Adjusted EBITDA assists us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations both on a segment and on a consolidated basis. Our president and chief executive officer, who is our chief operating decision maker, also evaluates the performance of each of our reportable segments and determines how to allocate resources to those segments, in significant part, by assessing the Adjusted EBITDA of each segment. In addition, the compensation committee of our board of directors determines the annual variable compensation for certain members of our management based in part on consolidated Adjusted EBITDA, segment Adjusted EBITDA, or some combination of both. We believe Adjusted EBITDA is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance and making compensation decisions.

Adjusted EBITDA and EBITDA are not substitutes for net income attributable to Hyatt Hotels Corporation, net income, or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted EBITDA and EBITDA. Although we believe that Adjusted EBITDA can make an evaluation of our operating performance more consistent because it removes items that do not reflect our core operations, other companies in our industry may define Adjusted EBITDA differently than we do. As a result, it may be difficult to use Adjusted EBITDA or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, Adjusted EBITDA should not be considered as a measure of the income generated by our business. Our management compensates for these limitations by reference to its GAAP results and using Adjusted EBITDA supplementally.

Adjusted EBITDA Margin

We define Adjusted EBITDA margin as Adjusted EBITDA divided by total revenues excluding Contra revenue and revenues for the reimbursement of costs incurred on behalf of managed and franchised properties ("Adjusted revenues"). We believe Adjusted EBITDA margin is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance.

Adjusted Net Income

Adjusted net income, as we define it, is a non-GAAP measure. We define Adjusted net income as net income attributable to Hyatt Hotels Corporation excluding special items, which are those items deemed not to be reflective of ongoing operations. We consider Adjusted net income to be an indicator of operating performance because excluding special items allows for period-over-period comparisons of our ongoing operations.

Adjusted net income is not a substitute for net income attributable to Hyatt Hotels Corporation, net income, or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted net income. Although we believe that Adjusted net income can make an evaluation of our operating performance more consistent because it removes special items that are deemed not to be reflective of ongoing operations, other companies in our industry may define Adjusted net income differently than we do. As a result, it may be difficult to use Adjusted net income or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, Adjusted net income should not be considered as a measure of the income generated by our business. Our management compensates for these limitations by reference to its GAAP results and using Adjusted net income supplementally.

Adjusted Selling, General, and Administrative (SG&A) Expenses

Adjusted SG&A expenses, as we define it, is a non-GAAP measure. Adjusted SG&A expenses exclude the impact of deferred compensation plans funded through rabbi trusts and stock-based compensation expense. Adjusted SG&A expenses assist us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations, both on a segment and consolidated basis.

Comparable Owned and Leased Hotels Operating Margin

We define comparable owned and leased hotels operating margin as the difference between comparable owned and leased hotels revenues and comparable owned and leased hotels expenses. Comparable owned and leased hotels revenues is calculated by removing non-comparable hotels revenues from owned and leased hotels revenues as reported in our condensed consolidated statements of income. Comparable owned and leased hotels expenses is calculated by removing both non-comparable owned and leased hotels expenses and the impact of expenses funded through rabbi trusts from owned and leased hotels expenses as reported in our condensed consolidated statements of income. We believe comparable owned and leased hotels operating margin is useful to investors because it provides investors the same information that the Company uses internally for purposes of assessing operating performance.

Comparable Hotels

"Comparable system-wide hotels" represents all properties we manage or franchise (including owned and leased properties) and that are operated for the entirety of the periods being compared and that have not sustained substantial damage, business interruption, or undergone large scale renovations during the periods being compared or for which comparable results are not available. We may use variations of comparable system-wide hotels to specifically refer to comparable system-wide Americas full service or select service hotels for those properties that we manage or franchise within the Americas management and franchising segment, comparable system-wide ASPAC full service or select service hotels for those properties we manage or franchise within the ASPAC management and franchising segment, or comparable system-wide EAME/SW Asia full service or select service hotels for those properties that we manage or franchise within the EAME/SW Asia management and franchising segment. "Comparable owned and leased hotels" represents all properties we own or lease and that are operated and consolidated for the entirety of the periods being compared and have not sustained substantial damage, business interruption, or undergone large scale renovations during the periods being compared or for which comparable results are not available. Comparable system-wide hotels and comparable owned and leased hotels are commonly used as a basis of measurement in our industry. "Non-comparable system-wide hotels" or "non-comparable owned and leased hotels" represent all hotels that do not meet the respective definition of "comparable" as defined above.

Constant Dollar Currency

We report the results of our operations both on an as reported basis, as well as on a constant dollar basis. Constant dollar currency, which is a non-GAAP measure, excludes the effects of movements in foreign currency exchange rates between comparative periods. We believe constant dollar analysis provides valuable information regarding our results as it removes currency fluctuations from our operating results. We calculate constant dollar currency by restating prior-period local currency financial results at the current period’s exchange rates. These restated amounts are then compared to our current period reported amounts to provide operationally driven variances in our results.

Revenue per Available Room (RevPAR)

RevPAR is the product of the average daily rate (ADR) and the average daily occupancy percentage. RevPAR does not include non-room revenues, which consist of ancillary revenues generated by a hotel property, such as food and beverage, parking, and other guest service revenues. Our management uses RevPAR to identify trend information with respect to room revenues from comparable properties and to evaluate hotel performance on a regional and segment basis. RevPAR is a commonly used performance measure in our industry. RevPAR changes that are driven predominantly by changes in occupancy have different implications for overall revenue levels and incremental profitability than do changes that are driven predominantly by changes in average room rates. For example, increases in occupancy at a hotel would lead to increases in room revenues and additional variable operating costs (including housekeeping services, utilities, and room amenity costs), and could also result in increased ancillary revenues (including food and beverage). In contrast, changes in average room rates typically have a greater impact on margins and profitability as average room rate changes result in minimal impacts to variable operating costs.

Average Daily Rate (ADR)

ADR represents hotel room revenues, divided by the total number of rooms sold in a given period. ADR measures average room price attained by a hotel and ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. ADR is a commonly used performance measure in our industry, and we use ADR to assess the pricing levels that we are able to generate by customer group, as changes in rates have a different effect on overall revenues and incremental profitability than changes in occupancy, as described above.

Occupancy

Occupancy represents the total number of rooms sold divided by the total number of rooms available at a hotel or group of hotels. Occupancy measures the utilization of a hotel's available capacity. We use occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable ADR levels as demand for hotel rooms increases or decreases.