

Legal Disclaimer

Forward-Looking Statements

Information set forth herein includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as "expect," "estimate," "believe," "anticipate," "forecast," "plan," "intend," "project," "assume," or similar words of future. All statements other than historical facts are forward-looking statements. These forward-looking statements are based on management's current beliefs, assumptions and expectations regarding future events, which, in turn, are based on information currently available to management. Such statements include, but are not limited to, the ultimate outcome of any possible transaction between Choice and Wyndham (including the possibility that the parties will not agree to pursue a business combination transaction or that the terms of any definitive agreement will be materially different from those described herein), uncertainties as to whether Wyndham will cooperate with Choice regarding the proposed transaction, Choice's ability to consummate the proposed transaction with Wyndham, the conditions to the completion of the proposed transaction, including the receipt of any required shareholder approvals and any required regulatory approvals, Choice's ability to finance the proposed transaction with Wyndham, Choice's indebtedness, including the substantial indebtedness Choice expects to incur in connection with the proposed transaction with Wyndham and the need to generate sufficient cash flows to service and repay such debt, the possibility that Choice may be unable to achieve expected synergies and operating efficiencies within the expected timeframe or at all or to successfully integrate Wyndham's operations with those of Choice, including the Choice loyalty program, the possibility that Choice may be unable to achieve the benefits of the proposed transaction for its franchisees, associates, investors and guests within the expected timeframe or at all, including that such integration may be more difficult, time-consuming or costly than expected, that operating costs and business disruption (including litigation, difficulties in maintaining relationships with associates, guests or franchisees) may be greater than expected following the proposed transaction or the public announcement of the proposed transaction, and that the repayment of certain key employees may be difficult. Such statements may relate to projections of the company's revenue, expenses, adjusted EBITDA, earnings, debt levels, ability to repay outstanding indebtedness, payment of dividends, repurchases of common stock and other financial and operational measures, including accuracy and open house, RepeatR, the company's ability to benefit from any reduction in travel demand, and the company's liquidity, among other matters. The section you are not to place undue reliance on any such forward-looking statements. Forward-looking statements do not guarantee future performance and involve known and unknown risks, uncertainties and other factors.

These and other risk factors that may affect Choice's operations are discussed in detail in the company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and, as applicable, our Quarterly Reports on Form 10-Q. Choice undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measurements and Other Definitions

The company evaluates its operations utilizing, among others, the performance metrics adjusted EBITDA, which is a non-GAAP financial measurement. This measure should not be considered as an alternative to any measure of performance or liquidity as promulgated under or authorized by GAAP, such as net income. The company's calculation of this measurement may be different from the calculations used by other companies, including Wyndham, and comparisons may therefore be limited. The discuss management's reasons for reporting this non-GAAP measure and how it is calculated below. In addition to the specific adjustments noted below with respect to adjusted EBITDA, the non-GAAP measure presented herein also includes restructuring of the company's operations including employee severance benefits, income taxes and legal costs, acquisition-related due diligence, transaction and transaction costs, and provisions on lease disposal and impairment of assets primarily related to hotel ownership and development activities to allow for year-over-year comparison of ongoing core operations before the impact of these discrete and infrequent charges.

**Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization.** Adjusted EBITDA reflects net income excluding the impact of interest expense, interest income, provision for income taxes, depreciation and amortization, franchise agreement acquisition cost amortization, other gains and losses, equity in net income (loss) of unconsolidated affiliates, management adjustments on non-qualified retirement plan investments, share based compensation expense benefits and surplus or deficits generated by non-revenue revenue from franchisees and managed properties, the corporate adjusted EBITDA and adjusted EBITDA margin to be an indicator of operating performance because it measures our ability to service debt, fund capital expenditures, and expand our business, the also use these measures, as do analysts, lenders, investors, and others, to evaluate companies because it excludes certain items that can vary widely across industries or among companies within the same industry. For example, interest expense can be dependent on a company's capital structure, debt levels, and debt ratings, and share based compensation expense benefits is dependent on the design of compensation plans in place and the usage of them. Similarly, the impact of interest expense and share based compensation expense benefits or earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. These measures also exclude revaluation and amortization expense because companies close proactive adjuster of different ages and use different methods of both acquiring and re-acquiring productive assets or purchasing franchise agreement acquisition costs. These differences can result in disparate volatility in the relative asset costs and amortized costs and, therefore, the depreciation and amortization expense among companies. Many to market adjustments on non-qualified retirement plan investments reported in SSA are excluded from EBITDA as the company accrues for these investments in accordance with accounting for deferred compensation arrangements when investments are held in a trust and instead. Changes in the fair value of the investments are recognized in both compensation expense in SSA and other gains and losses. As a result, the changes in the fair value of the investments do not have a material impact on the company's net income. Surpluses and deficits generated from reimbursements received from franchisees and managed properties are excluded, as the company's franchise and management agreements require these reimbursements to be used exclusively for expenses associated with providing franchise and management services, such as service maintenance and property management systems, hotel employee and operating costs, reservation delivery and national marketing and media advertising. Franchised and managed properties owners are required to reimburse the company for any deficits generated from these activities and the company is required to spend any surpluses generated in future periods. Since these activities will be managed to break even over time, quarterly or annual surpluses and deficits have been excluded from the measurements utilized to assess the company's operating performance.

**RepeatR.** RepeatR is calculated by dividing total rooms reserved by the total number of rooms available to guests for a given period. Management considers RepeatR to be a meaningful indicator of hotel performance and therefore company liquidity and system revenues. It provides a metric correlated to the hotel key drivers of operations at a hotel, occupancy and ADR. The company calculates RepeatR based on information as reported by its franchisees. To accurately reflect RepeatR, the company may revise its prior year's operating statistics for the most current information provided. RepeatR is also a useful indicator in measuring performance over comparable periods.

Additional Information

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended. This communication is made to a prospectus that Choice has made for a business combination transaction with Wyndham in furtherance of the proposal and subject to future developments. Choice (and, if applicable, Wyndham) may file one or more registration statements, proxy statements, tender or exchange offers or other documents with the Securities and Exchange Commission (the "SEC"). This communication is not a substitute for any proxy statement, registration statement, tender or exchange offer document, prospectus or other document Choice and/or Wyndham may file with the SEC in connection with the proposed transaction. Investors and security holders of Choice and Wyndham are urged to read the registration statements, proxy statements, tender or exchange offer documents, prospectus and/or other documents filed with the SEC carefully in their entirety and when they become available as they will contain important information about the proposed transaction. Any definitive proxy statements or prospectuses, if and when available, will be mailed to the investors of Choice and/or Wyndham, as applicable. Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC by Choice through the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov), and by visiting Choice's investor relations site at [www.investor.choicehotels.com](http://www.investor.choicehotels.com).

This communication is neither a solicitation of a proxy nor a substitute for any proxy statement or other filing that may be made with the SEC hereunder. Choice and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. You can find information about Choice's executive officers and directors in the Annual Report on Form 10-K for the year ended December 31, 2012 filed by Choice with the SEC on March 1, 2013. Additional information regarding the interests of such persons participants will be included in one or more registration statements, proxy statements, tender or exchange offer documents or other documents that with the SEC if and when they become available. These documents of and when available may be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) or by visiting Choice's investor relations site at [www.investor.choicehotels.com](http://www.investor.choicehotels.com).

I AGREE



A Combination to Benefit All Stakeholders

Need Help?

**A Win for Both  
Companies'  
Stakeholders**

LEARN MORE

**Choice's Good-Faith  
Engagement with  
Wyndham**

LEARN MORE

**Clear Path to  
Transaction Completion**

LEARN MORE

**Additional Materials**

Press releases, presentations,  
infographics, and other documents.

LEARN MORE

INVESTOR RELATIONS  
Choice Hotels International Inc.  
Investor Relations  
78ChoiceHotels.com

SIGN UP FOR UPDATES

Name

Email Address

Submit

Privacy Policy

Need Help?



### Franchisees Win with Lower Total Cost of Ownership and Increased Hotel Profitability

- Capitalizes on Choice's Proven Franchise Success System**
  - Lowers total cost of hotel operations
  - Dedicated to driving incremental top-line reservation delivery to hotel parent properties
- Nearly Doubles Available Resources**
  - Nearly doubles the resources available to spend on marketing
  - This would drive direct bookings to franchisee hotels and lower the cost of customer acquisition
- Establishes an Even Larger Rewards Member Base**
  - Member base would be on par with the top two global programs in hospitality
  - Drives more business to franchisees through lower cost direct booking channels, lower customer acquisition commissions and fees, and lower hotel operating costs and technology-driven labor efficiencies
  - Enables franchisees to continue to determine their own commercial and pricing strategy
- Improves the Value of Franchisees' Real Estate Assets**
  - Would enhance applicable cap rates and cash flows resulting from affiliation with the proforma company
- Offers Guests a Broad Portfolio of Brands Across Segments**
  - Reduces friction
- Promotes Increased Investment and Innovation...**
  - ...in proprietary technology systems, processes, and training at the hotel and corporate level
  - This would drive returns for franchisees
- Creates an Opportunity to Replicate the Tremendous Success of Choice's Recent Acquisition Of Radisson**
  - During the integration of the nearly 600 Radisson American hotels into the Choice platform, Radisson franchisees have already meaningfully benefited from increased guest traffic to direct and digital channels, improvement in conversion rates, and access to more corporate accounts, among other benefits

Need Help?

### Shareholders Win with Superior Value Creation

- Represents a Substantial Premium**
  - 26% premium to Wyndham's 30-day volume-weighted average closing price ending on October 18, 2023
  - 11% premium to the 52-week high
  - 30% premium to Wyndham's latest closing price
- Anticipates Meaningful Annual Run-Rate Synergies**
  - Estimated at approximately \$150 million, through the rationalization of operational redundancies, duplicate public company costs, and top-line growth potential
- Enables Wyndham Shareholders to Benefit From:**
  - Choice's historically 3x higher EBITDA multiple on a go-forward basis and receive deferred tax treatment on their stock consideration
  - Two seats on the combined company's board and the opportunity to participate in the significant upside potential
  - Cash / stock consideration mechanism enables Wyndham shareholders to choose between immediate upfront proceeds or long-term value creation, subject to a customary provision mechanism
- Creates Additional Capacity to Further Support Choice's Revenue Intense Strategy**
  - Ultimately helping drive growth across organic revenue levers
- Generates Predictable High Free Cash Flow**
  - Asset light, fee-for-service model provides resiliency through all economic cycles, enabling additional investments for future growth



Need Help?



## Guests Win with More Lodging Options and Value

### Creates a Combined Rewards Program

- On par with the top two global programs in hospitality
- Will offer best-in-class program benefits through partnerships and compelling hotel redemption options

### Builds a Global Network of Brands And Hotels that Meets the Needs of the Value-Driven Traveler Across Geographies, Stay Occasions, and Price Points

- Supported by a seamless reservation system that provides guests with a more effective and efficient booking and shopping experience

### More Tailored Recommendations

- Improved data analytics would enable the combined company to personalize communications and tailor recommendations to best meet the needs of the up to 160 million combined rewards program members

## Associates Win with Expanded Opportunities and Increased Stability

- Offers the ability to retain and attract best-in-class talent to one of the world's premier hotel companies focused on employee well-being, bringing together a wide range of experience and deep industry expertise

- Provides more opportunities for advancement and career growth as part of a larger, more diversified organization

- Combines two performance-driven cultures with a continued emphasis on associate development and growth





Following nearly six months of dialogue, Wyndham has decided to disengage from further discussions with Choice.

While we would have preferred to continue engaging with Wyndham in private, we believe there is too much value for both companies' shareholders and other stakeholders to not continue pursuing this transaction.

**Nearly Six Months of Engagement**

- APRIL 28, 2023**

Choice sent its initial letter to Wyndham regarding a potential transaction, proposing to acquire Wyndham for \$62.00 per share, comprising 45% cash and 55% Choice stock. The proposal represented a 22% premium to the closing price of Wyndham common stock on April 27, 2023, and a 17% premium over Wyndham's 30-day volume-weighted average share price as of such date.
- MAY 2023**

Wyndham rejected the proposal, leading Choice to submit another proposal increasing the per-share consideration to \$65.00, with 55% cash and 45% Choice stock.

Choice also offered Wyndham an opportunity to participate in the combined company's board by appointing two mutually agreed upon Wyndham-designated independent directors.

Wyndham rejected the updated proposal and refused to engage in further discussions after which Choice sent another letter refuting inaccurate assertions in their response.

Choice continued to seek engagement with Wyndham, explaining that further discussions could clarify Wyndham's hesitation to proceed.
- JUNE - AUGUST 2023**

Choice and Wyndham Board Chairs and CEOs meet in person.

Choice responded to concerns raised by Wyndham and sent a final letter to its Board of Directors, increasing the per-share consideration to \$65.00, comprising 55% cash and 45% Choice stock. Choice also included an election mechanism for Wyndham pre-emptively, which would enable them to choose either all cash, all Choice stock or a combination of cash and Choice stock consideration, subject to a customary provision mechanism.
- SEPTEMBER 2023**

Choice and Wyndham Board Chairs continue engagement, along with each of their respective financial and legal advisors. Wyndham acknowledged the strategic rationale of the proposed combination and that terms were within a regulatory range but raised concerns regarding the need to confirm the value of Choice stock and regarding the potential timing for obtaining regulatory approvals.

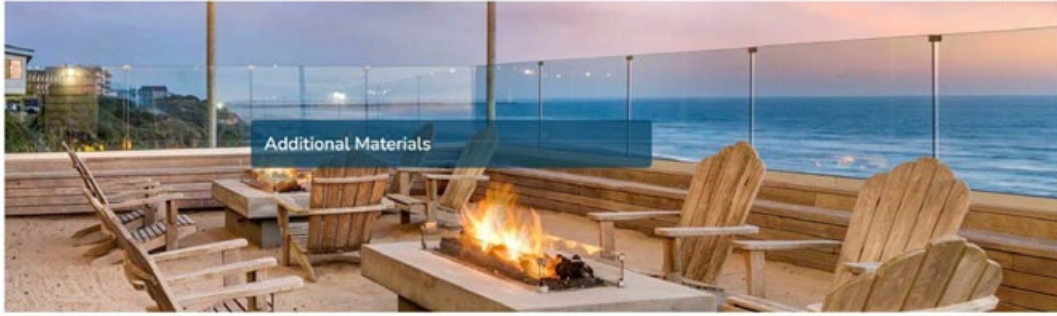
In response, Choice proposed, and Wyndham agreed, to enter into a pre-emptive, short-term non-disclosure agreement (NDA) to facilitate Choice providing information that would address Wyndham's concerns.

Choice provided Wyndham with a draft one-way, short-term NDA on September 8, 2023, made its external counsel available for several discussions, and indicated its willingness to agree to a regulatory risk allocation mechanism on market terms.

On September 27, 2023, during a follow-up call between the Chair of each company's Board and respective advisors, Wyndham made clear its unwillingness to proceed with further discussions.

**Choice's previous correspondence with Wyndham:**

- August 21, 2023 Letter [Download PDF](#)
- May 31, 2023 Letter [Download PDF](#)
- May 15, 2023 Letter [Download PDF](#)
- April 28, 2023 Letter [Download PDF](#)



### Press Releases

SEPTEMBER 01, 2023

Choice Hotels Proposes to Acquire Wyndham Hotels & Resorts for \$92.50 per Share in Cash-and-Stock Transaction

[Download](#)

### Investor Presentation

SEPTEMBER 01, 2023

Choice Hotels Investor Presentation

[Download](#)

### Infographic

SEPTEMBER 01, 2023

Choice Hotels Infographic

[Download](#)

### SEC Filings

SEC Filings

[View](#)





We remain convinced of both the many benefits of the combination and our ability to complete it.



We are highly confident in our ability to obtain fully committed financing based on indications from two separate bulge bracket global banks for the entire cash portion of our proposal.



Choice would not make this offer if it was not confident that its franchisees and guests would embrace the proposed combination and that the transaction would receive applicable regulatory approvals in due course.



The cash portion of the purchase price is expected to be funded with a combination of cash on hand, as well as proceeds from the issuance of debt.



Closing of the contemplated transaction would be subject to satisfaction of customary closing conditions, including receipt of required shareholder and regulatory approvals.

We remain convinced of both the many benefits of the combination and our ability to complete it.



We are highly confident in our ability to obtain fully committed financing based on indications from two separate bulge bracket global banks for the entire cash portion of our proposal.



Choice would not make this offer if it was not confident that its franchisees and guests would embrace the proposed combination and that the transaction would receive applicable regulatory approvals in due course.



The cash portion of the purchase price is expected to be funded with a combination of cash on hand, as well as proceeds from the issuance of debt.



Closing of the contemplated transaction would be subject to satisfaction of customary closing conditions, including receipt of required shareholder and regulatory approvals.

**Contact Us** ✕

Name

Email Address

Message

[Submit](#)

INVESTOR RELATIONS  
Choice Hotels International Inc.  
Investor Relations  
[ir@choicehotels.com](mailto:ir@choicehotels.com)

Email Address

[Submit](#)

Privacy Policy

Need Help?