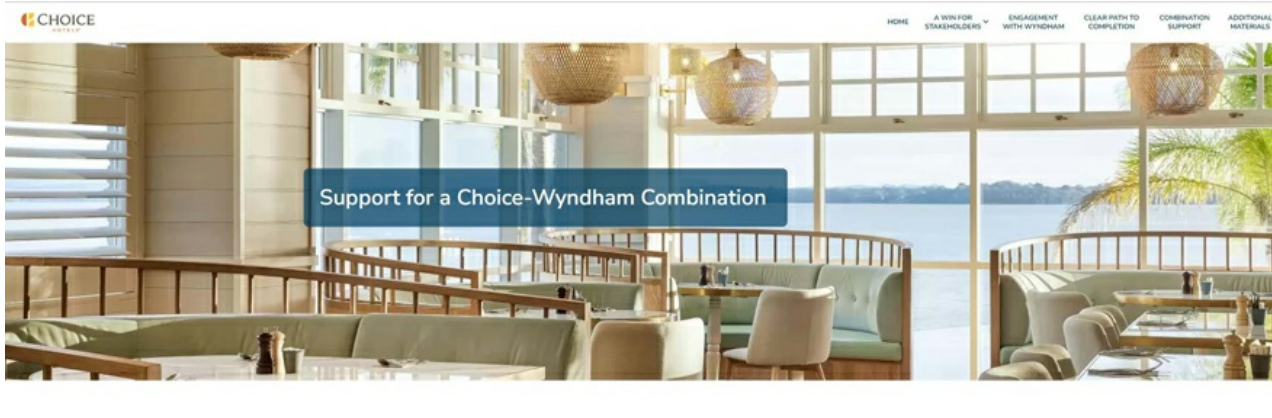


Choice Hotels International, Inc. (“Choice”) is using or making available the following communications through the website www.CreateValueWithChoice.com (the “microsite”), a website maintained by Choice providing information relating to the proposal Choice has made to acquire Wyndham Hotels & Resorts, Inc.:

- Exhibit 1: [Updated “Combination Support” page of the microsite](#)
- Exhibit 1.1: [Transcript of CNBC interview dated November 10, 2023, linked in the Combination Support page of the microsite](#)
- Exhibit 1.2: [Copy of *The Points Guy* article dated October 26, 2023, linked in the Combination Support page of the microsite](#)
- Exhibit 1.3: [Copy of *CTFN* article dated November 7, 2023, linked in the Combination Support page of the microsite](#)



October 17, 2023

CNBC
Choice Hotels CEO Patrick Pacious joined Becky Quick on CNBC to discuss our value-creating proposal to acquire Wyndham Hotels & Resorts and the compelling benefits for both companies' stakeholders.



[Click here to watch Choice Hotels CEO, Patrick Pacious on Squared Bin.](#)

October 18, 2023

Yahoo Finance
Choice Hotels CEO Patrick Pacious spoke with Brian Sozzi on Yahoo Finance about the shareholder- and franchisee-friendly proposal to combine with Wyndham Hotels & Resorts.



[Click here to watch Choice Hotels CEO, Patrick Pacious on Yahoo Finance.](#)

November 16, 2023

CNBC
Choice Hotels CEO Patrick Pacious, Choice Hotels Chairman Stewart Bairum and Baron Capital CEO Ron Baron sat down with Andrew Ross Sorkin on CNBC to touch on the pro-competitive and transformative proposal that is on the table for both Choice and Wyndham stakeholders.



Questions About the Combination?

Analysts

October 17, 2023
Michael J. Bellisario and Daniel Hogan
msb

"Strategically, we continue to believe a merger makes long-term sense..."
"The ball is in Wyndham's court now; management needs to outline a stand-alone path to ~\$90/share, in our opinion."

October 18, 2023
Shaun C. Kelley, Dany Asad and Julie Hoover
skw or asadca

"...[t]he math works and would be materially accretive to Choice at a premium above WH's current price."

October 17, 2023
Jamie Rallo, Stephen W Grambling, Ed Young and James S Harden
msbaw or msbaw

Historically, major transactions (e.g. Marriott-Starwood, Accor-RRH) have led to material SG&A savings as well as commission savings for owners from OTA renegotiations.

October 17, 2023
Dan Wassilek
dwas

"We think narrow-moat Choice's hostile bid for narrow-moat Wyndham would, if completed, make a combined entity more competitive than each of them is on a stand-alone basis as scale entices both third-party owners and travelers to join operator ecosystems in the hotel industry."
"From a regulatory standpoint, we think the deal is likely to clear. The combined company's 4% revenue share would still trail Hilton's 6% and Marriott's 9%. And while the merged entity would have the leading presence in budget hotels, it would just be on equal footing with Hilton and Marriott in midscale, and still in a nascent position in the upscale and luxury segments."

October 17, 2023
Ian Zaffino and Isaac Selthausen
msbaw

"In an offer we find attractive to WH shareholders, CHX announced a proposal to acquire WH for \$90/share (50% cash, 45% CHX stock)."
"While the size of the combined company could bring some regulatory scrutiny, we note the Marriott-Starwood deal faced few obstacles from US regulators under the Obama administration. Further, since then, the vacation rental industry has continued to grow and has increased what can be used to define the market size."

Media

Questions About
the Combination?

Media

October 17, 2023
[Choice Hotels Joins FT & Hilton Takeover Offer For Wyndham](#)
Lauren Thomas and Will Fower
THE WALL STREET JOURNAL

"Choice is no stranger to mergers and acquisitions."
"A merger of the two companies would also position the combined company to compete against much larger lodging rivals Marriott and Hilton, which cater more to higher-end travelers."

October 18, 2023
[Wyndham says it suspended its check-in just yet](#)
Jonathan Guilford
BISINESSINSIDER

"Combining the two companies makes strategic sense: both focus on the mid-tier to discount hotel segments, where occupancy rates were less brutally hit by the pandemic than more upscale peers. Each also serves similar types of franchisees and can unite to cut costs and possibly lift revenue."

October 26, 2023
[Wyndham comes out swinging against 'stakeout grab' takeover offer from Choice Hotels](#)
Cameron Sperance
THE POINTS GUY

"There are several aspects of the potential Wyndham and Choice marriage that make sense. It combines the two key players in the budget and midscale hotel sector, a segment that is beginning to catch the attention of heavy hitters like Marriott International, Hilton, IHG Hotels & Resorts and Hyatt."

Note: Permission to use quoted material neither sought nor obtained.

October 17, 2023
[Choice Hotels aims to acquire Wyndham in FT & Hilton hostile takeover](#)
Cameron Sperance
THE POINTS GUY

"Choice and Wyndham joining forces makes sense in a world where companies like Hilton, Marriott, Hyatt and IHG Hotels & Resorts are all signaling in various ways a need to compete in more affordably priced territory."

November 7, 2023
[Hilton's Bidder sees only financial offer not deemed best and final](#)
Jonathan Spitzer
CTA

"The buyer sees a path to completion — despite the targets' stated antitrust concerns and value arguments — and believes it has the tools to achieve a deal."

"Choice has a variety of tools at its disposal. It is understood, including not only a proxy fight but also a possible exchange offer. Despite an outpouring of public opposition from a large industry group, on which CTFN has reported share holders and franchisees have expressed views that are generally supportive of a combination."

"Choice has argued that not only is the market for franchisee business already competitive, with multiple offerings from existing players, but there is already new competition from higher-end, better-capitalized entities: Hilton, Marriott and IHG. These parties have moved down market specifically in an attempt to capture customers for their rewards programs sooner."

Questions About
the Combination?

Andrew Ross Sorkin, Co-Author, CNBC's "Squawk Box"

Welcome back to Squawk Box. Joining us right now is the CEO and Chairman of one of Ron Baron's longest investments, Patrick Pacious, Choice Hotels International President and CEO. Also, Stewart Bainum, Choice Hotels International Chairman. Also here of course, Ron Baron, the man himself. He's been an investor in Choice Hotels since 1996.

Ron Baron, Founder & CEO, Baron Capital

That was a spinout. But I actually bought Manor Care stock, which was the parent of Choice Hotels, then borrowed money in 1999 when I was in law school.

Stewart W. Bainum, Jr., Chairman of the Board of Directors, Choice Hotels

It was 1969.

Ron Baron, Founder & CEO, Baron Capital

1969.

Andrew Ross Sorkin, Co-Author, CNBC's "Squawk Box"

So, what was the thesis then? And you've held.

Ron Baron, Founder & CEO, Baron Capital

So, 1969, my idea was that 1965 they passed the Medicare bill and that's the nursing home company that was coming public. I thought they would be a beneficiary. They had a \$12 million book value when they came public, that's million. They came public and the premium came at \$18 million. 1970, I bought the stock. 1970s, we were a big investor on behalf of our institutional clients. 1980s, we became one of the largest shareholders in Manor Care, and Choice was spun out. Ultimately, Manor Care was sold to Carlyle Hotel for \$4.5 billion. So, this guy, unbelievable stuff.

Andrew Ross Sorkin, Co-Author, CNBC's "Squawk Box"

Well, the next generation of this might be with Wyndham. How important is that to the future of this company?

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

It's a natural fit between the two companies. And, we really believe where the industry is headed and where our franchisees are headed, putting those two companies together is really creating a lot of value for our shareholders, creating a lot of value for our franchisees, and it's actually pro-competitive when you look at the changing landscape in the hotel industry.

Andrew Ross Sorkin, Co-Anchor, CNBC's "Squawk Box"

And where does this whole thing sit at this point, given the back and forth?

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

So I think we made our proposal public about three weeks ago when I spoke to you. And, you know, where we've been able over the last three weeks is really be able to engage with their shareholders and understand what their shareholders are looking for in a transaction. So, we're still having the right sort of conversations.

Andrew Ross Sorkin, Co-Anchor, CNBC's "Squawk Box"

But there are real talks going on?

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

Not between us and their Board. Their Board effectively disengaged with us at the end of September.

Andrew Ross Sorkin, Co-Anchor, CNBC's "Squawk Box"

Completely? And is there a back channel or something?

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

We're hoping to reopen those channels. Everything that's the difference between the two companies is everything that can be resolved at the negotiating table. So, we really feel confident we can get back to a conversation and get a transaction done.

Stewart W. Bainum Jr., Chairman of the Board of Directors, Choice Hotels

This is a transformative transaction for both companies. They have a great company. Steve and Geoff have done a great job of leading that organization. We've got a great company. Putting both together is a blockbuster opportunity, for their franchisees, our franchisees, our shareholders, their shareholders. There's a couple million dollars' worth of value that can be created just from the synergies.

Andrew Ross Sorkin, Co-Anchor, CNBC's "Squawk Box"

But you think the objection is simply a money story? Meaning, they're trying to get you just to come back with more money, were you thinking there's something else to this?

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

I think it's really about the execution of it, and protecting their shareholders, which is something we were engaged in a conversation with them with, and we want to begin that conversation again

Ron Baron, Founder & CEO, Baron Capital

But it's also very good for franchisees of both companies.

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

Absolutely.

Stewart W. Bainum Jr., Chairman of the Board of Directors, Choice Hotels

It's a win-win.

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

Yeah. Our franchisees and theirs – franchisees own both brands, both ours and theirs. They really are looking at their costs are going up, wages are going up, interest rates are going up, insurance premiums are going up. We have the ability to lower their costs by bringing them more direct business, and having a much larger rewards program. And our franchisees instantly grasped the strategic benefit this would bring to their hotels.

Ron Baron, Founder & CEO, Baron Capital

It's good for investors, also, the franchisees, and our customers.

Stewart W. Bainum Jr., Chairman of the Board of Directors, Choice Hotels

The Bainum family, and the Board of Directors – the Bainum family owns over 40% of Choice Hotels. We had a comparable stake in Manor Care, and what we did there was what we've done at Choice, and that is build talent – muscle-build the organization at each level with talent, and then leverage that talent to look for and selectively do transformative acquisitions. Twice our size, one time – a company, Cenco, that really helped us grow, and we're doing the same thing at Choice. This is the best management team, led by Pat, that we've ever had.

Andrew Ross Sorkin, Co-Author, CNBC's "Squawk Box"

Speak to this, just as a barometer of consumer confidence in America given the different hotels that you have and the access to data that you have – where do you think we really are right now? We keep talking about whether we're going to be having a —

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

Well, a lot of our —

Andrew Ross Sorkin, Co-Author, CNBC's "Squawk Box"

Recession, a soft landing, this or that, and inflation turning people YOLO, what's going on?

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

A lot of our customers are middle class, and middle class wages are rising faster than prices are today. So, they've gotten a raise, which is allowing them to travel more. Remote work is driving more leisure travel, which is where our sweet spot is, and we're seeing the reshoring of American manufacturing, which drives the type of business traveler that comes to mid-scale hotels that we're seeing.

Andrew Ross Sorkin, Co-Ancor, CNBC's "Squawk Box"

Do you think that middle class wages are doing better than inflation at this point? Because part of the narrative around the country is that wages are not keeping up and that's why people are so frustrated with what's going on in the country.

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

If you look at the Atlanta Fed, the middle class has had about an 8.7% pay raise year over year which is higher than where inflation is going today. You look at what the autoworkers are doing, you look at what a UPS driver is getting – we're seeing those types of travelers traveling to our hotels, they've gotten a pay raise, and they're spending that money on travel.

Andrew Ross Sorkin, Co-Ancor, CNBC's "Squawk Box"

It's so interesting. So, it could be a good cycle?

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

I believe so and the other thing, Andrew, is retirement – were seeing a huge number of people retire every year, about 3.5 million people in the country reach that age every year. And by 2030, about 1 in every 5 Americans is going to be retired. Those people have the leisure time and net worth to go out and travel so that's again a long-term tailwind for us.

Andrew Ross Sorkin, Co-Ancor, CNBC's "Squawk Box"

Do you see people trading up, trading down? Is there a —

Patrick Pacious, President & Chief Executive Officer, Choice Hotels

Normally when you see softening in the economy, they trade down to our brands. We haven't seen that yet, were still seeing that wealth effect that was created during the pandemic showing up in travelers showing up in our hotels.

Andrew Ross Sorkin, Co-Ancor, CNBC's "Squawk Box"

We gotta jump. We're running out of time, I apologize.

Stewart W. Bainum, Jr., Chairman of the Board of Directors, Choice Hotels

Can I just say one thing?

Andrew Ross Sorkin, Co-Ancor, CNBC's "Squawk Box"

Please.

Stewart W. Bainum, Jr., Chairman of the Board of Directors, Choice Hotels

Ron Baron has been a big key to our success over the years. I mean this is really true. I've never meant an investor like Ron. Not only does he think in terms of decades instead of quarters, but he comes to a meeting with his unbridled, intellectual curiosity and just asks one penetrating question after another. And it makes you think your business in different ways and gives you ideas that you wouldn't have had otherwise.

Andrew Ross Sorkin, Co-Author, CNBC's "Squawk Box"

Ok, so —

Stewart W. Bainum, Jr., Chairman of the Board of Directors, Choice Hotels

No no no — I'll take it. You start to wonder if the guy knows your business better than you do?

Andrew Ross Sorkin, Co-Author, CNBC's "Squawk Box"

How much was in there? In that wad of cash?

Stewart W. Bainum, Jr., Chairman of the Board of Directors, Choice Hotels

It's mine now!

Andrew Ross Sorkin, Co-Author, CNBC's "Squawk Box"

Patrick and Stewart, we want to thank you. Ron, don't go anywhere. Melissa, I'm going to send it back to you.

The Points Guy
Wyndham comes out swinging against 'desperate grab' takeover offer from Choice Hotels
By Cameron Sperance
26 October 2023

When you grow up in the South like I did, you learn there's a difference between mad and spittin' mad.

Wyndham Hotels & Resorts leadership appeared to be the latter in response to repeated advances by Choice Hotels for a nearly \$8 billion takeover.

Don't try to buy us just because you need to distract from yours sub-standard organic growth, Wyndham leaders conveyed about Choice Hotels on a third-quarter investor call Thursday.

"With no organic growth, a less vibrant loyalty program, and virtually no international capabilities in Choice's platform, we are frankly not surprised," Stephen Holmes, chairman of the board of directors at Wyndham, said at the top of the call. "Our business offers a medicine cabinet full of remedies."

The chairman's comments followed an early morning memo Wyndham sent rebuffing what it labeled Choice's unsolicited offer. Choice leadership issued multiple public releases this month defending their proposed \$7.8 billion takeover. Wyndham leadership claims they are uninterested in a deal for a variety of reasons, including an uncertain regulatory timeline for approval, Choice undervaluing Wyndham and what it claims is a slower-growing business on Choice's end.

"I used to always say ... that I don't comment on [mergers and acquisitions] rumors because that used to be what always came up. But this one is not a rumor, and it also is not really M&A," Holmes told an investor analyst on the call. "It seems like a desperate grab to try to solve problems that [Choice Hotels] has."

Wyndham previously tried to buy Choice Hotels

Holmes noted capital markets and Wyndham franchisees don't like the idea of a deal passing the finish line. As of early Thursday afternoon, Wyndham's stock price was up nearly 4% for the month.

However, the Wyndham chairman indicated a prior deal attempt — with Wyndham in the acquirer's chair two decades ago — might be guiding the antipathy for Choice.

"I never talked about it because it's not appropriate, but we negotiated a deal. The capital markets turned on us, and the credit was not available to make an all-cash offer, which is what was desired from the other side," Holmes said. "We disengaged ... I've never walked away from a deal before. I've done 40-plus deals, but this one just isn't going to work because the capital markets aren't attractive."

The pros and cons of making a deal

There are several aspects of the potential Wyndham and Choice marriage that make sense. It combines the two key players in the budget and midscale hotel sector, a segment that is beginning to catch the attention of heavy hitters like Marriott International, Hilton, IHG Hotels & Resorts and Hyatt.

A combined juggernaut like Choice-Wyndham could better compete against the growing competition with a sizable loyalty program, buying power for hotel owners and network reach. However, Wyndham CEO Geoff Ballotti indicated Choice Hotels, which acquired Radisson's Americas operation last year, has no interest in the economy hotel segment and instead wants to focus on higher tier segments of the market.

This has owners of Wyndham's new Echo Suites brand concerned.

"Certainly, questions and concerns come up longer term as developers who have not yet broken ground are wondering are they building an Echo Suites by Wyndham extended-stay economy brand for Wyndham, or are they building it for Choice," Ballotti said on the call. "That's certainly what we're concerned about."

If hotel owners start peeling away from the combined company, what's the point of a takeover? It certainly wouldn't leave loyal customers with the greater number of hotel options touted by Choice.

CTFN

WH/CHH: Bidder sees path forward, offer not deemed best and final

By Jonathan Spitzer

7 November 2023

Choice Hotels intends to see its unsolicited offer for Wyndham Hotels & Resorts through to a successful completion, notwithstanding current resistance from Wyndham's management and board, CTFN has learned.

The buyer sees a path to completion — despite the target's stated antitrust concerns and value arguments — and believes it has the tools to achieve a deal, it is understood.

On the question of price, the current headline offer of \$90 per share is not best and final, it is understood. Were there an opportunity to discover more value by accessing due diligence, there could be an opportunity for additional consideration, CTFN has learned.

Despite Wyndham's bylaws not allowing shareholders to call an EGM or take action through written consents, the nominating period for Wyndham's next AGM will open soon. Choice intends to follow the target's bylaws and formally request the necessary questionnaire to be in a position to present a slate at the AGM, it is understood.

Choice's actions are intended to demonstrate its commitment to the idea of merging the two franchisors and effect the strategic combination that it has laid out. While the two companies have engaged since the spring, Wyndham asked for Choice to sign an 18-month standstill in order to engage in due diligence.

This length of a standstill was viewed as off-market and not acceptable to Choice, it is further understood.

Choice has a variety of tools at its disposal, it is understood, including not only a proxy fight but also a possible exchange offer.

Despite an outpouring of public opposition from a large industry group, on which CTFN has reported, shareholders and franchisees have expressed views that are generally supportive of a combination, it is understood.

CTFN previously reported that antitrust questions such as the direct competition between the two for new and existing hotel owners for franchise business, along with the complaints of the Asian American Hotel Owners Association (AAHOA) about Choice's business conduct could portend a lengthy antitrust review.

A long review could be particularly damaging to Wyndham, as reported, given its rate of new-business wins from Choice and the notion that encumbering the target for a lengthy review could challenge its ability to secure those long-term contracts.

Choice has argued that not only is the market for franchisee business already competitive, with multiple offerings from existing players, but there is already new competition from higher-end, better-capitalized entities: Hilton, Marriott and IHG. These parties have moved down market specifically in an attempt to capture customers for their rewards programs sooner.