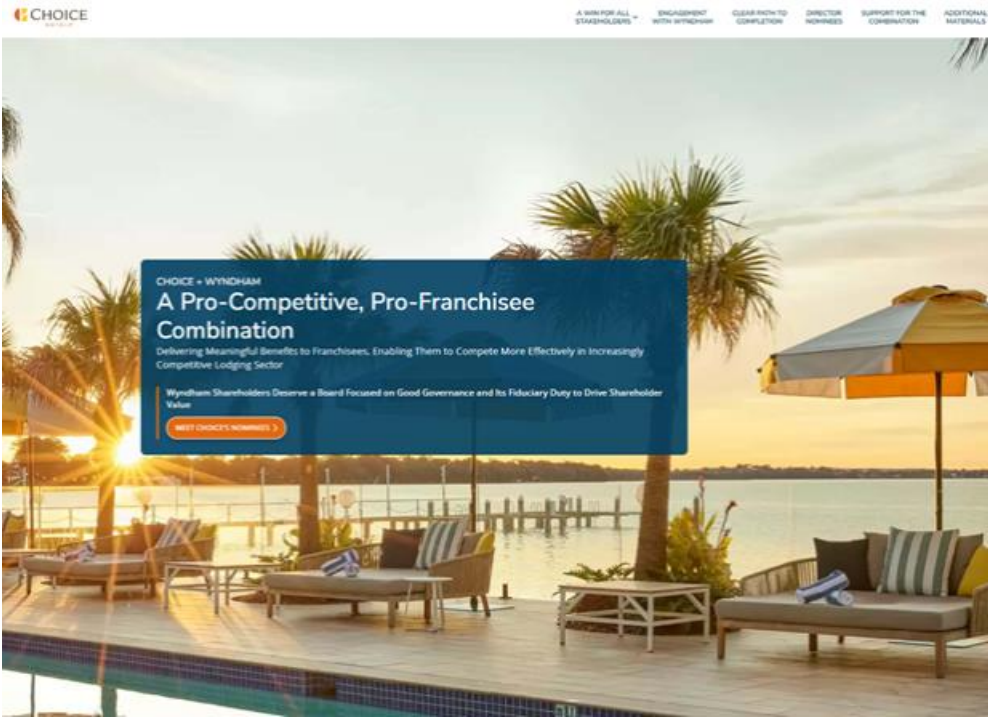


Choice Hotels International, Inc. ("Choice") is using or making available the following communications through the website [www.CreateValueWithChoice.com](http://www.CreateValueWithChoice.com) (the "microsite"), a website maintained by Choice providing information relating to the proposal Choice has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

- Exhibit 1: [Updated certain pages of the microsite.](#)
- Exhibit 1.1: [Media article titled "Choice Hotels nominates board directors in hostile Wyndham bid" dated January 22, 2024, linked in the Support for the Combination page of the microsite.](#)
- Exhibit 1.2: [Media article titled "Comfort Inn's owner doubles down on its hostile takeover bid for the company that owns Days Inn" dated December 12, 2023, linked in the Support for the Combination page of the microsite.](#)
- Exhibit 1.3: [Media article titled "Choice Hotels officially goes hostile in Wyndham takeover attempt" dated December 12, 2023, linked in the Support for the Combination page of the microsite.](#)



**CHOICE**  
WYNHAM

A WIN FOR ALL  
STAKEHOLDERS

ENGAGEMENT  
WITH WYNHAM

CLARITY TO  
COMPLETION

DIRECTOR  
NOMINEES

SUPPORT FOR THE  
COMBINATION

ADDITIONAL  
MATERIALS

**CHOICE + WYNHAM**  
**A Pro-Competitive, Pro-Franchisee  
Combination**  
Delivering Meaningful Benefits to Franchisees, Enabling Them to Compete More Effectively in Increasingly  
Competitive Lodging Sector

Wynham Shareholders Deserve a Board Focused on Good Governance and its Fiduciary Duty to Drive Shareholder  
Value

[MEET CHOICE'S NOMINEES >](#)

**A Win for All Stakeholders**

[LEARN MORE](#)

**Engagement with Wyndham**

[LEARN MORE](#)

**Clear Path to Completion**

[LEARN MORE](#)

**Director Nominees**

[LEARN MORE](#)

**Support for the Combination**

[LEARN MORE](#)

**Additional Materials**

[LEARN MORE](#)

**INVESTOR RELATIONS**

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

**SIGN UP FOR UPDATES**

Name

Email Address

[Submit](#)

[Privacy Policy](#)

[Questions About the Combination?](#)



## Franchisees Win with the 3 L's:

### Lower Costs

#### Helps Lower Total Cost of Hotel Operations for Franchisees

Nearly doubles the resources available to spend on marketing - a combined \$1.2 billion, helping drive more lower cost direct bookings to hotels

Delivers more business to franchisees through lower customer acquisition commissions and fees and lower hotel operating costs and technology-driven labor efficiencies

### Less Reliance on OTAs

#### Lessens Reliance on Online Travel Agencies (OTAs)

Top-line growth driven by increases in brand marketing spend and greater customer reach through expanded rewards program, which would be on par with the top two global programs in hospitality

Better equips franchisees to compete against well-capitalized hotel chains and OTAs, which represent over 50% of all online hotel bookings

Drives more guests through lower-cost direct channels, thus lowering operating costs and providing direct savings for franchisees

### Leveraging Technology

#### Delivers Best-in-Class Technology Platform

Accelerates development of award-winning technology, maximizing opportunities from AI, cloud computing and mobile, to help franchisees maximize profitability

Allows for additional investment and innovation in proprietary technology systems, processes and training at the hotel and corporate level

Creates more robust digital platform for the combined rewards program, with over 160 million members, that would be on par with the top two players in the industry



#### Choice Has a Proven Track Record of Successfully Integrating Hotel Brands

Completed Radisson integration in just 16 months, demonstrating Choice's expertise in acquiring and integrating hotel brands

Radisson franchisees are already seeing significant increases in total digital traffic, direct bookings and direct bookings revenue

Since completing the integration, total digital direct bookings for Radisson and Choice brands are up 54%, and total digital direct bookings for legacy Radisson brands are up 28%

Since acquiring WoodSpring, Choice has grown the brand's lead and solidified itself as a preeminent brand in extended stay

Confident in ability to successfully integrate Wyndham, much like successful and timely integrations of Radisson and WoodSpring



#### Builds on Choice's Commitment to Supporting Franchisees' Needs

Over the last decade, Choice has tripled the number of rewards program members and raised direct booking contribution to hotels by 50%

Combination helps lower operating costs at a time when franchisees are facing rising wages, interest rates, insurance premiums and taxes

Choice has industry-leading voluntary retention rate of 98%, which shows that our hotel owners and operators know the value of the Choice business delivery engine



A deal makes a lot of sense for both Wyndham and Choice from a franchisee perspective and an ownership standpoint. There are lots of financial synergies in this deal - the franchisees are going to get a significant amount of coordination between what can be done with the increase in the revenue capabilities



Mike Levern

CO-FOUNDER, THE ASIAN AMERICAN HOTEL OWNERS ASSOCIATION (AAHOA)

## Offers Wyndham Shareholders More Value and Flexibility



### Represents a Substantial Premium

Equals to a 30% premium to Wyndham's closing share price of \$69.10, as of October 16, 2023.

Reflects a 14.9x multiple, as of October 16, 2023, of Wyndham's consensus 2023 Adjusted EBITDA earnings, a forward multiple Wyndham has never achieved, absent COVID disruptions.



### Delivers Meaningful Benefits to Wyndham Shareholders

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 enabling Wyndham shareholders to choose between immediate upfront proceeds or long-term value creation, subject to a customary provision mechanism.

Potential future +\$2 billion of value creation expected from \$150 million run-rate synergies.



### Generates Predictable High Free Cash Flow

Asset-light, fee-for-service model provides resiliency through all economic cycles, enabling additional investments for future growth.



### Anticipates Meaningful Annual Run-Rate Synergies

Estimated at approximately \$150 million, through the rationalization of operational redundancies, duplicate public company costs and topline growth potential.



### Creates Additional Capacity to Further Support Choice's Revenue Increase Strategy

Ultimately helps drive growth across organic revenue levers.



### Additional Provisions Protect Wyndham Shareholders from Risk

In a proposal made privately to Wyndham on November 14, 2023, Choice offered to provide a reverse termination fee of \$425 million to shield shareholders from financial risk in the unlikely event required regulatory approval is not timely received.

In that same proposal, to further protect shareholders, Choice offered to implement a regulatory voting fee of 0.5% of the total equity purchase price per month, accruing daily after the one-year anniversary of the signing of definitive agreements.

## Guests Win with More Lodging Options and Value



### Creates Enhanced Guest Benefits and More Robust Rewards Program

Provides more opportunities to earn/redeem points through expanded benefits and rewards system -- on par with top-tier global hospitality rewards programs.

400 offer best-in-class program benefits through partnerships and competing hotel redemption options.



### Delivers More Personalized and Frictionless Shopping Experience

Improved data analytics would enable the combined company to personalize communications and tailor recommendations to best meet the needs of the up to 150 million combined rewards program members.

Increased investment in seamless reservation system that provides guests with a more effective and efficient booking and shopping experience.



### Continues to Meet the Needs of the Value-Driven Traveler

Combination would not impact room rates for guests as franchisees will continue to control pricing.

Provides travelers with more hotel options on one website to find a hotel in the right location at the right price point.

## 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



Continues best performance-driven cultures with a continued emphasis on associate development and growth

### INVESTOR RELATIONS

Choice Hotels International Inc.  
Investor Relations  
i@choicehotels.com

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Questions About the Combination?



A WIN FOR ALL STAKEHOLDERS

ENGAGEMENT WITH WYNDHAM

CLEAR PATH TO COMPLETION

DIRECTOR NOMINEES

SUPPORT FOR THE COMBINATION

ADDITIONAL MATERIALS



## Choice's Extensive Efforts to Engage with Wyndham in Good Faith

In October 2023, following nearly six months of attempts to work constructively with Wyndham towards a mutually acceptable agreement, Choice was left with no other option but to make its proposal public after Wyndham decided to disengage.

Since then, Choice has continued to take actions to address Wyndham's concerns. Despite these efforts, which included adding significant regulatory protections for Wyndham shareholders, Wyndham has continued to rebuff our efforts and refused to meaningfully engage.

We believe there is too much value for both companies' shareholders and other stakeholders to not continue pursuing this transaction, and are exercising all possible options to move forward with this compelling combination.

### JANUARY 23, 2024

Choice proposes a full slate of independent, highly qualified individuals to stand for election at Wyndham's 2024 Annual Shareholder meeting.

### JANUARY 11, 2024

Choice receives anticipated Request for Additional Information and Documentary Materials from the FTC. Choice expects to continue cooperating with the FTC during the Second Request process, and remains confident that it can complete the combination within a one-year customary timeframe.

### DECEMBER 20, 2023

Choice responds to Wyndham Board's recommendation that its shareholders reject the exchange offer, noting that Wyndham has sought to threaten shareholders' ability to realize value and their Board continues to not be forthcoming. Choice also shares that it has engaged with dozens of Wyndham shareholders, many of whom have consistently expressed support for the transaction.

**DECEMBER 17, 2023**

Despite representatives of Wyndham indicating that Choice's proposed construct for the reverse termination fee would be acceptable, representatives abruptly end discussions and Wyndham fails to disclose said discussions in its Schedule 14d-9 later filed on December 19.

**DECEMBER 12, 2023**

Choice launches an exchange offer to present its compelling offer directly to Wyndham shareholders and announces that it is filing the Hart-Scott-Rodino ("HSR") notification in order to begin the required regulatory review. Choice also discloses that it has already met with the FTC on a voluntary basis to discuss the pro-competitive nature of the transaction. Representatives of Wyndham then contact representatives of Choice to engage in discussions regarding a potential transaction and regulatory protections. Choice and its representatives engage in good faith discussions.

Representatives of Wyndham then contact representatives of Choice to engage in discussions regarding a potential transaction and regulatory protections. Choice and its representatives engage in good faith discussions.

**NOVEMBER 21, 2023**

Wyndham publicly rejects the proposed terms instead of discussing the terms of the proposal with Choice.

**NOVEMBER 14, 2023**

Choice makes a proposal privately to Wyndham, which includes certain additional protections for Wyndham shareholders, as Wyndham publicly stated they desired.

**OCTOBER 25, 2023**

Choice issues a press release calling on Wyndham to engage in discussions so that shareholders of both companies can benefit from the compelling combination.

**SEPTEMBER 2023**

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

In response, Choice proposes, and Wyndham agrees, to enter into a one-way, short-term nondisclosure agreement (NDA) to facilitate Choice providing information that would address Wyndham's concerns.

Choice provides 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.

During a follow-up call between the Chair of each company's Board and respective advisors, Wyndham makes clear its unwillingness to proceed with further discussions.

**JUNE – AUGUST 2023**

Choice and Wyndham Board Chairs and CEOs meet in person.

Choice responds to concerns raised by Wyndham and sends a final letter to its Board of Directors, increasing the per-share consideration to \$90.00, comprising 55% cash and 45% Choice stock. Choice also includes an election mechanism for Wyndham shareholders, 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 proration mechanism.

**MAY 2023**

Wyndham rejects the proposal, leading Choice to submit another proposal increasing the per-share consideration to \$85.00, with 55% cash and 45% Choice stock.

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

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

Choice continues to seek engagement with Wyndham, explaining that further discussions could clarify Wyndham's hesitation to proceed.

**APRIL 28, 2023**

Choice sends its initial letter to Wyndham regarding a potential transaction, proposing to acquire Wyndham for \$80.00 per share, comprising 40% cash and 60% Choice stock. The proposal represented a 20% premium to the closing price of Wyndham common stock on April 27, 2023, and a 19% premium over Wyndham's 30-day volume-weighted average share price as of such date.



## Choice's previous correspondence with Wyndham:

November 14, 2023 Letter

[Download PDF](#)

August 21, 2023 Letter

[Download PDF](#)

May 31, 2023 Letter

[Download PDF](#)

May 15, 2023 Letter

[Download PDF](#)

April 28, 2023 Letter

[Download PDF](#)



A WIN FOR ALL  
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MATERIALS



Choice remains confident in its ability to obtain all required regulatory approvals for this pro-competitive combination within a one-year customary timeframe

*Choice continues to make progress on the regulatory approval process with the U.S. Federal Trade Commission.*

### Wyndham's Antitrust Campaign is Based on Misinformation

#### Wyndham has Claimed to Tell the "Real Antitrust Story" but Instead has Wrongly:

- ❑ Narrowed and manipulated "relevant markets"
- ❑ Ignored all independent hotels
- ❑ Asserted that the biggest three hotel companies cannot hope to compete for franchisees
- ❑ Downplayed key new competitive brands
- ❑ Claimed a two-year timeframe for FTC clearance

#### But Wyndham's "Antitrust Story" is Just That: A Story. The Fact-Based Truth is:

- ❑ Antitrust enforcers have **already rejected Wyndham's purported relevant market** in approving the Marriott-Starwood combination
- ❑ **Independents are ~45% of hotels** in the U.S., and the most common switching is back and forth between a franchise brand and being independent
- ❑ There are **9+ competitors** in Wyndham's supposed relevant market, and Marriott, Hilton and IHG have fully committed to competing in that market
- ❑ Combining Choice and Wyndham would help **hotels counteract market power** and high commissions extracted by **dominant OTAs: Expedia and Booking**
- ❑ FTC reviews of domestic deals don't typically last two years — and it is **Wyndham's intransigence that could delay the already underway FTC process** beyond one year

Despite Wyndham's disinformation campaign and blatant mischaracterization of the lodging industry, we maintain that this combination would bring more competition to the marketplace.

#### Wyndham is hinging its argument on a manipulated version of the lodging industry, fabricated to drive unsubstantiated antitrust concerns

Overlooks that Choice and Wyndham account for only 10% of U.S. room revenue

Ignores intense competition between hotel brands for guests and franchisees and the fact that existing brands regularly move up and down STR chain scales

Further ignores independent hotels, which comprise approximately 45% of the market

Overly narrow definition of the market is contradicted by clear legal and regulatory precedent and has already been rejected by antitrust enforcers in their approval of the Marriott-Starwood combination

#### Wyndham's improperly constrained market definition still includes nine other major competitors, including Marriott, Hilton and IHG

Implies that even the biggest hotel companies would be unable to compete with the combined company for franchisees even though these companies' brands are already competing in the market

Ignores the many new and legacy competing brands that are rapidly growing in the STR, midscale and economy segments









Combination would leave the combined company well-positioned to compete in increasingly competitive landscape



### Independent, Highly Qualified Individuals Standing for Election at Wyndham's 2024 Annual Meeting

Wyndham shareholders have the opportunity to send a clear message to the Wyndham Board by supporting these nominees.

This slate comprises proven business leaders with extensive experience across multiple sectors and expertise in corporate governance. Wyndham shareholders deserve independent directors who will make decisions with shareholders' best interests in mind.

 <b>Barbara Bennett</b> FOUNDER AND PRINCIPAL EXECUTIVE OF BENNETT WEST LLC <a href="#">Read Bio</a>	 <b>Emanuel Pearlman</b> FOUNDER, CHAIR AND CEO, LIBERATION INVESTMENT GROUP <a href="#">Read Bio</a>	 <b>Fiona P. Dias</b> FOUNDER, CHIEF STRATEGIC OFFICER, SHOPRUBBER <a href="#">Read Bio</a>	 <b>James Nelson</b> CEO, GLOBAL NET US&C, INC. / JPI&C (NYSE:GHL) <a href="#">Read Bio</a>
 <b>Jay Shah</b> EXECUTIVE CHAIR OF THE BOARD OF TRUSTEES OF NERDIA HOSPITALITY TRUST <a href="#">Read Bio</a>	 <b>Nana Mensah</b> FOUNDER, CHAIR AND CEO, SPORTS INC. <a href="#">Read Bio</a>	 <b>Susan Schnabel</b> CO-MANAGING PARTNER OF AMERON CAPITAL PARTNERS <a href="#">Read Bio</a>	 <b>William Grounds</b> PRINCIPAL, BURKHARDT CAPITAL ADVISORS <a href="#">Read Bio</a>



December 12, 2022

View

Choice Hotels CEO Patrick Paccous and CNBC's David Faber discussed how Choice's exchange offer is empowering Wyndham shareholders to voice their support for the transaction.



Questions About  
the Combination?

December 12, 2023

Market News

Choice Hotels CEO Patrick Pacious spoke with Brian Scopp and Madison Mills on Yahoo! Finance about Choice's exchange offer to acquire all outstanding shares of Wyndham Hotels & Resorts.



Click here to watch Choice Hotels CEO Patrick Pacious on Yahoo! Finance

November 16, 2023

IRIS

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



Click here to watch Choice Hotels CEO Patrick Pacious on Squawk Box

October 19, 2023

Market News

Choice Hotels CEO Patrick Pacious spoke with Brian Scopp 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

October 17, 2023

IRIS

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 Squawk Box

## Analysts

January 21, 2024

Michael J. Bellarino  
analyst

"A Choice-Wyndham merger makes strategic sense. We continue to see the merits of a combined company - bigger is better in the hotel franchising business."

October 17, 2023

Michael J. Bellarino and Daniel Hogan  
analyst

"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 17, 2023

Ian Zaffino and Isaac Sellhausen  
analyst

"In an offer we find attractive to WH shareholders, CHH announced a proposal to acquire WH for \$90/share (55% cash, 45% CHH 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."

October 18, 2023

Shaun C. Kelley, Dany Aaad and Julie Hoover  
analyst or assistant

"...[I]f the math works and would be materially accretive to Choice at a premium above WH's current price."

October 17, 2023

Dan Wasiolek  
analyst

"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

Janice Rolfo, Stephen W. Grambling, Ed Young and James S. Harden  
MORGAN STANLEY

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

## Media

January 22, 2024

[Choice Hotels nominates board structure in hostile Wyndham bid](#)

Anirban Sen  
MOTUS

"A deal makes a lot of sense for both Wyndham and Choice from a franchisee perspective and an ownership standpoint. There are lots of financial synergies in this deal - the franchisees are going to get a significant amount of coordination between what can be done with the increase in the revenue capabilities," said Mike Leven, who co-founded the Asian American Hotel Owners Association (AAHOA)."

December 13, 2023

[Comfort 2023 owner stability down on its hostile takeover bid for the company that owns Days Inn](#)

Jordan Valinsky  
USA

"If a deal is reached, the merger still needs regulatory approval. A combined company could help it compete against its larger rivals, like Hilton and Marriott."

October 26, 2023

[Wyndham comes out jumping against takeover plan, takeover offer from Choice Hotels](#)

Cameron Sperance  
HSR POWER OUT

"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."

October 17, 2023

[Choice Hotels Leads F.T. & Billion Takeover Offer For Wyndham](#)

Lauren Thomas and Will Feuer  
HSR NEWS JOURNALISM

"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 17, 2023

[Choice Hotels aims to acquire Wyndham in \\$7.8 billion hostile takeover](#)

Cameron Sperance  
HSR POWER OUT

"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."

December 12, 2023

[Choice Hotels officially goes hostile in Wyndham takeover attempt](#)

Cameron Sperance  
HSR POWER OUT

"A Choice-Wyndham marriage makes sense as far as offering a compelling low-cost juggernaut against Marriott, Hilton and IHG."

November 7, 2023

[IHG/HHL buyer sees path forward, offer not deemed best and final](#)

Jonathan Spitzer  
USA

"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."

"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 CFFH has reported, shareholders 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."

October 18, 2023

[Wyndham author of opposition to choice is out yet](#)

Jonathan Gullford  
BENEFICIAL

"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 17, 2023

[Wyndham rejects Choice offers \\$7.8 billion takeover bid](#)

Priyavada C and Shivashri Theeray  
MOTUS

"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."

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

Questions About  
the Combination?



### Press Releases

January 22, 2024

Choice Hotels Proposes a Full Slate of Independent, Highly Qualified Individuals for Election at the 2024 Annual Meeting of Wyndham Hotels & Resorts

[Download](#)

January 17, 2024

Choice Hotels International Celebrates Year of Accelerating Growth

[Download](#)

January 16, 2024

Choice Hotels Sets the Record Straight on Item 19 Regulatory Approval of Combination with Wyndham Hotels & Resorts

[Download](#)

[Questions About  
the Combination?](#)



<p><b>December 20, 2023</b> Wyndham Hotels &amp; Resorts' Latest Release Shows How Divergent Their Board's Interests Are From Their Shareholders'; Their Arguments Seek to Undermine the Value-Creating Possibility of M&amp;A.</p>	Download
<p><b>December 13, 2023</b> Choice Hotels Completes Radisson Hotels Americas Integration Just 18 Months After Acquisition</p>	Download
<p><b>December 12, 2023</b> Choice Hotels Launches Exchange Offer to Acquire All Outstanding Shares of Wyndham Hotels &amp; Resorts</p>	Download
<p><b>October 26, 2023</b> Choice Hotels Calls on Wyndham Hotels &amp; Resorts to Engage in Discussions</p>	Download
<p><b>October 17, 2023</b> Choice Hotels Proposes to Acquire Wyndham Hotels &amp; Resorts for \$50.00 per Share in Cash-and-Stock Transaction</p>	Download
<b>Letters</b>	
<p><b>December 12, 2023</b> Letter to Franchisees from Pat Falouts</p>	Download
<p><b>October 31, 2023</b> Letter to Franchisees from Pat Falouts</p>	Download
<b>Investor Presentations</b>	
<p><b>January 16, 2024</b> Aristocrat Investor Presentation</p>	Download
<p><b>December 12, 2023</b> Exchange Offer Launch Investor Presentation</p>	Download
<p><b>October 17, 2023</b> Choice Hotels Investor Presentation</p>	Download
<b>Infographics</b>	
<p><b>January 22, 2024</b> Nominations Infographic</p>	Download
<p><b>January 17, 2024</b> Net Unit Growth Infographic</p>	Download
<p><b>January 16, 2024</b> Aristocrat Infographic</p>	Download
<p><b>December 12, 2023</b> Exchange Offer Launch Infographic</p>	Download
<p><b>October 17, 2023</b> Choice Hotels Infographic</p>	Download
<b>Q3 2023 Earnings</b>	
<p><b>November 7, 2023</b> Q3 2023 Earnings Presentation</p>	Download
<p><b>November 7, 2023</b> Q3 2023 Earnings Press Release</p>	Download
<b>SEC Filings</b>	
SEC Filings	View

Questions About the Combination?

**Reuters**  
**Choice Hotels nominates board directors in hostile Wyndham bid**  
**By Anirban Sen**  
**22 January 2024**

Choice Hotels International (CHH.N) pressed ahead with its \$8 billion hostile bid for Wyndham Hotels & Resorts (WH.N), on Monday by nominating a slate of directors to replace Wyndham's eight-member board.

It is Choice's latest attempt to break a stalemate after trying for most of the last year to negotiate a deal with Wyndham, which has rebuffed the bid as low-premium and fraught with antitrust risk. Wyndham has also raised concerns about the combined company carrying too much debt and a slowdown in Choice's business.

Choice said its slate of nominees includes hospitality industry veteran Jay Shah, who currently serves on the board of private equity-backed HHM Hotels; Susan Schnabel, founder of aPriori Capital Partners which advises private equity on leveraged buyouts; James Nelson, CEO of real estate investment trust Global Net Lease (GNL.N); and Fiona Dias, who served on Choice's board from 2004 to 2012.

"The current Wyndham board continues to refuse to engage in meaningful negotiations regarding a combination with Choice that would create extraordinary value. By supporting these nominees and participating in our exchange offer, Wyndham shareholders can send a clear message to the Wyndham board," said Patrick Pacious, CEO of Choice.

Choice's board nominees also include Barbara Bennett, founder of consulting firm Bennett West and a former Discovery Communications executive; Emanuel Pearlman, who serves on several public-company boards including Diebold Nixdorf (DBD.N), and Network-1 Technologies (NTIP.A); Nana Mensah, who serves on the board of Darden Restaurants (DRI.N), that operates brands such as Olive Garden and Longhorn Steakhouse; and William Grounds, a veteran of the real estate and hospitality industries, who serves on the board of PointsBet Holdings (PBH.AX).

Reuters first reported about the slate of nominees earlier on Monday and was also first to report on Nov. 27 that Choice was preparing to nominate directors to the board of Wyndham. The move gives Wyndham shareholders a way to push for the deal by turning the vote on board directors in the spring into a referendum on whether the company should open negotiations with Choice.

Last month, Choice unveiled an exchange offer for Wyndham's stock, appealing directly to its shareholders, after disclosing a stake worth more than \$110 million. While that offer cannot become effective—even if a majority of Wyndham shareholders take it up—without the backing of Wyndham's board, it is aimed at adding to pressure on Wyndham to engage.

In a statement on Monday, Wyndham said it would evaluate Choice's nominees and make a formal recommendation to Wyndham shareholders in due course, adding that the company remains open to negotiating a proposal that addresses all its concerns about a tie-up between the two sides.

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## HIGH-STAKES BATTLE

Rockville, Maryland-based Choice operates nearly 7,500 hotels in 46 countries in the upper-midscale and upscale segments, including brands such as Radisson, Country Inn & Suites, and Cambria Hotels.

Parsippany, New Jersey-based Wyndham, which franchises about 9,100 hotels across more than 95 countries, operates brands such as Travelodge, Ramada, Days Inn and Microtel.

Choice has said it has made four offers to Wyndham, with its latest cash-and-stock bid currently worth about \$87 per share. This represents a 26% premium to Wyndham's closing share price on Oct. 16, the last trading day before Choice made its offer public.

Wyndham has said it can achieve a higher valuation on its own, projecting compounded annual growth in adjusted earnings before interest, taxes, depreciation and amortization of between 7% to 10% through 2026. It has said that its adjusted EBITDA growth recently reached 6%.

Wyndham has also argued that the combined company would have market share of more than 55% market share in the economy and midscale hotel sectors, triggering a potential 24-month review by antitrust regulators that could result in the deal being shot down. It also says that the potential deal has now attracted scrutiny from four state attorneys general and that some upset franchisees could flee if there was a deal.

Choice has said it is confident it can secure antitrust clearance for the deal, arguing that the two companies together account for only 10% of U.S. room revenue, and has projected that the combined company would generate about \$1 billion of free cash flow in 2024, allowing it to quickly pay down debt and invest in its business.

Choice has offered to pay Wyndham a break-up fee of \$435 million were regulators to shoot down the deal, as well as a ticking fee payable to Wyndham for every day the deal has not been completed, starting one year after the companies agree a merger. This ticking fee would be worth \$38 million per month.

"A deal makes a lot of sense for both Wyndham and Choice from a franchisee perspective and an ownership standpoint. There are lots of financial synergies in this deal—the franchisees are going to get a significant amount of coordination between what can be done with the increase in the revenue capabilities," said Mike Leven, who co-founded the Asian American Hotel Owners Association (AAHOA).

**CNN Business**

**Comfort Inn's owner doubles down on its hostile takeover bid for the company that owns Days Inn**

**By Jordan Valinsky**

**12 December 2023**

Choice Hotels, which owns a number of budget lodging brands, including Comfort Inn, is getting more aggressive in its attempt to acquire its rival Wyndham Hotels.

On Tuesday, Choice said it will expand its several monthslong hostile takeover bid of the Days Inn owner by taking its offer directly to shareholders. In October, Choice offered to buy Wyndham's stock for around \$8 billion.

To further pressure Wyndham into accepting the bid, Choice said it plans to nominate a slate of directors to Wyndham's board.

Choice said in a press release that a merger with Wyndham is "pro-competitive and would generate value for both Wyndham and Choice shareholders as well as deliver significant benefits to franchisees, guests and associates of both companies."

But Wyndham has refused to engage with Choice thus far.

"While we would have preferred to come to a negotiated agreement, the Wyndham board's refusal to explore a transaction has left us with no choice but to take our proposal directly to Wyndham's shareholders," Choice CEO Patrick Pacious said in a statement.

Shares of Wyndham (WH) and Choice (CHH) were flat in early trading.

Choice first approached Wyndham with the bid in April with a cash and stock offer and has made numerous bids since. Most recently in October, Wyndham rejected and blasted Choice's bid as "underwhelming" and "opportunistic" because it "undervalues Wyndham's future growth potential."

Pacious said the company will meet with Wyndham's shareholders "in the days and weeks ahead."

Wyndham commented that it will "carefully review and evaluate the offer to determine the course of action that it believes is in the best interests of Wyndham and its shareholders."

Both hotel companies target budget-minded travelers, with the duo owning a number of well-known brands. Choice also owns Econo Lodge, Sleep Inn and Rodeway Inn amounting to about 7,000 hotels worldwide. Wyndham owns several brands including its namesake hotel brand as well as Days Inn and Super 8, amounting to about 9,000 hotels globally.

If a deal is reached, the merger still needs regulatory approval. A combined company could help it compete against its larger rivals, like Hilton and Marriott.

**The Points Guy**  
**Choice Hotels officially goes hostile in Wyndham takeover attempt**  
**By Cameron Sperance**  
**12 December 2023**

The budget hotel brouhaha boiled over Tuesday morning as Choice Hotels launched a hostile bid for Wyndham Hotels & Resorts.

Choice, the owner of brands like Comfort Inn and Radisson's Americas operation, launched a \$7.8 billion offer for Wyndham earlier this year. But Wyndham repeatedly rebuffed Choice's advances. Wyndham owns a variety of budget brands like Days Inn and Super 8 but also higher-end options like the Registry Collection, Wyndham Grand and the Alltra all-inclusive resort brand.

It appears Choice is done playing nice and is now going the hostile route, planning on appealing directly to Wyndham shareholders.

"While we would have preferred to come to a negotiated agreement, the Wyndham Board's refusal to explore a transaction has left us with no choice but to take our proposal directly to Wyndham's shareholders," Choice CEO Patrick Pacious said in a statement. "Wyndham chose to publicly reject our last proposal without any engagement even after we addressed their concerns, including adding significant regulatory protections for their shareholders."

Wyndham leadership has portrayed any Choice takeover as too drawn out, peppered with risk and too much of a lowball offer. That sentiment continued later Tuesday.

Wyndham noted it would "carefully review and evaluate the offer to determine the course of action that it believes is in the best interests of Wyndham and its shareholders" but that "the offer looks to be unchanged from Choice's previous highly conditional offer the Board reviewed and rejected, which failed to address the serious concerns repeatedly expressed by Wyndham."

**Why is everyone so hot for Wyndham?**

Choice Hotels leadership previously indicated talks with Wyndham took place over six months earlier in the year before breaking down. Depending on who you talk to, there could be other suitors out there, like financial firm Blackstone.

The budget hotel segment is widely seen as the future of the industry, both in terms of where a bulk of development and guest demand will come from. Hilton's new premium economy Spark brand is slated to grow on the premise of owners of existing hotels converting to that brand. The first Spark hotel was previously associated with a Wyndham brand, and it's highly likely the brand will continue to feed off existing Wyndham and Choice hotels.

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Marriott entered the space with its acquisition of Mexico-based City Express and the launch of Four Points Express by Sheraton overseas. Hyatt is similarly entering a more affordable segment of the market with its Hyatt Studios extended-stay brand.

There was chatter in the hotel industry that IHG Hotels & Resorts might also be interested in Wyndham, but that would go against IHG's recent focus on the luxury and lifestyle segment of the market with its expansion of brands like Regent and Six Senses. IHG has previously been mentioned in rumored mergers with Accor and was reported as the original buyer for Starwood before Marriott swooped in at the end of 2015.

Today, Holiday Inn Express is seen as IHG's affordable brand cash cow, so it's unlikely a company like that would want to saddle its portfolio with more budget brands.

#### **Why you should care**

Owning a budget brand, if not several, is a must these days to cater to travelers for a variety of reasons. At a time when the cost of living is high, it makes sense to have lower-cost options so as to not drive any business away.

Further, it's a smart way to bring younger travelers into a loyalty program ecosystem. Have them when they can afford a Spark or a Four Points Express, and you'll keep them all the way to when they're able to pay for Waldorf Astoria or St. Regis.

A Choice-Wyndham marriage makes sense as far as offering a compelling low-cost juggernaut against Marriott, Hilton and IHG. At the end of the day, there is a sizable segment of the traveling public that just wants an affordable place to stay and doesn't care about the bells and whistles of a loyalty program.

It's now just a matter of whether the hostility abates and Wyndham eventually walks down the aisle — or if it becomes a runaway bride.