

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 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 28, 2020**

**Wyndham Hotels & Resorts, Inc.**  
(Exact Name of Registrant as Specified in Charter)

**Delaware**

**001-38432**

**82-3356232**

(State or Other Jurisdiction  
of Incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

**22 Sylvan Way**

**Parsippany, New Jersey**

**07054**

(Address of Principal  
Executive Offices)

(Zip Code)

Registrant's telephone number, including area code **(973) 753-6000**

**None**

(Former Name or Former Address, if Changed Since Last Report)

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))

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

<i>Title of each class</i>	<i>Trading Symbol (s)</i>	<i>Name of each exchange on which registered</i>
<b>Common Stock, Par Value \$0.01 per share</b>	<b>WH</b>	<b>New York Stock Exchange</b>

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.**

Wyndham Hotels & Resorts, Inc. (Company) today issued a press release reporting financial results for the quarter ended June 30, 2020.

A copy of the Company's press release is furnished as Exhibit 99.1 and is incorporated by reference.

The information included in this Item 2.02, Item 7.01 below and Exhibit 99.1 included with this Current Report on Form 8-K shall not be deemed "filed" for the purposes of or otherwise subject to the liabilities under Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act). Unless expressly incorporated into a filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act made after the date hereof, the information contained in this Item 2.02, Item 7.01 below and Exhibit 99.1 hereto shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**Item 7.01. Regulation FD Disclosure.**

On July 28, 2020, the Company posted a new investor presentation on its investor relations website at [www.investor.wyndhamhotels.com](http://www.investor.wyndhamhotels.com).

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits. The following exhibit is furnished with this report:

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">Exhibit 99.1</a>	<a href="#">Press Release of Wyndham Hotels &amp; Resorts, Inc., dated July 28, 2020, reporting financial results for the quarter ended June 30, 2020.</a>
Exhibit 104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

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**SIGNATURE**

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.

**WYNDHAM HOTELS & RESORTS, INC.**

Date: July 28, 2020

By: /s/ Nicola Rossi

\_\_\_\_\_  
Nicola Rossi  
Chief Accounting Officer

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WYNDHAM HOTELS & RESORTS, INC.  
CURRENT REPORT ON FORM 8-K  
Report Dated July 28, 2020  
EXHIBIT INDEX

**Exhibit No.**

**Description**

[Exhibit 99.1](#)

[Press Release of Wyndham Hotels & Resorts, Inc., dated July 28, 2020, reporting financial results for the quarter ended June 30, 2020.](#)

Exhibit 104

Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.



## WYNDHAM HOTELS & RESORTS REPORTS SECOND QUARTER 2020 RESULTS

**PARSIPPANY, N.J., July 28, 2020** - Wyndham Hotels & Resorts (NYSE: WH) today announced results for the three months ended June 30, 2020. Highlights include:

- **Diluted loss per share was \$1.86, and adjusted diluted earnings per share was \$0.10.**
- **Net loss was \$174 million for the second quarter and adjusted net income was \$9 million.**
- **Adjusted EBITDA was \$63 million.**
- **System-wide rooms remained flat year-over-year.**
- **Global comparable RevPAR declined 54% year-over-year.**
- **Paid quarterly cash dividend of \$0.08 per share.**

"We generated positive adjusted EBITDA in the second quarter, driven by our drive-to and leisure-oriented franchise business model, along with our immediate and concerted cost savings initiatives," said Geoffrey A. Ballotti, president and chief executive officer. "We were pleased to see a steady improvement in Average Daily Rate, Occupancy and RevPAR over the past three months. Our select-service, small business owners are uniquely positioned to both remain open and capture emerging travel demand, whatever the shape of the recovery may be. Approximately 85% of our hotels have remained open globally throughout the pandemic, and over 99% of our domestic hotels are open today. Importantly, our economy and midscale brands continue to outperform versus their local markets. We remain committed to supporting our owners during this difficult period, while showing our guests and team members that they can "Count on Us" to put their safety first."

Revenues declined to \$258 million in the second quarter of 2020, compared with \$533 million in the second quarter of 2019. The decline includes lower pass-through cost-reimbursement revenues of \$94 million, which have no impact on adjusted EBITDA, in the Company's hotel management business. Excluding cost-reimbursement revenues, revenues declined \$181 million reflecting a 54% decline in comparable RevPAR and the impact from hotels temporarily closed due to COVID-19.

The Company generated a net loss of \$174 million, or \$1.86 per diluted share, in the second quarter of 2020, reflecting \$1.71 per diluted share in non-cash impairment charges related to certain intangible assets and \$0.18 per diluted share in restructuring and transaction-related costs. Net income in the second quarter of 2019 was \$26 million, or \$0.27 per diluted share, which included a non-cash impairment charge of \$0.34 per diluted share and \$0.16 per diluted share in transaction-related, separation-related and contract termination expenses. The decline in net income of \$200 million, or \$2.13 per diluted share, was primarily due to the impact of the non-cash impairment charges and the revenue declines, which were partially offset by lower volume-related expenses as well as cost containment initiatives, including restructuring actions. Full reconciliations of GAAP results to the Company's non-GAAP adjusted measures for all reported periods appear in the tables to this press release.

## **Business Segment Discussion**

The following discussion of second quarter operating results focuses on revenue and adjusted EBITDA for each of the Company's segments.

### **Hotel Franchising**

	2020	2019	% Change
System size	754,700	751,300	—
Global RevPAR	\$ 17.05	\$ 42.04	(59)
Revenue (millions)	\$ 182	\$ 331	(45)
Adjusted EBITDA (millions)	83	162	(49)

The Company's franchised system, which included 7,500 rooms transferred from the hotel management segment related to the CorePoint Lodging asset sales, remained flat globally. Excluding the transfer, franchised net rooms declined 50 basis points globally, reflecting the Company's removal of approximately 9,000 non-compliant master franchise rooms in China.

RevPAR declined 59% globally, or 53% on a comparable basis, due to the impact of COVID-19 on travel demand. In the U.S., RevPAR declined 52%, or 49% on a comparable basis, and internationally RevPAR declined 76%, or 66% on a comparable basis.

Revenues decreased \$149 million compared to second quarter 2019 reflecting the impact of COVID-19 on travel demand globally, while a decline in adjusted EBITDA of \$79 million was partially mitigated by lower volume-related expenses as well as cost containment initiatives.

### **Hotel Management**

	2020	2019	% Change
System size	58,200	65,200	(11)
Global RevPAR	\$ 20.67	\$ 66.67	(69)
Revenue (millions)	\$ 76	\$ 201	(62)
Adjusted EBITDA (millions)	(4)	16	N/A

The Company's managed system decreased 11% globally primarily reflecting the transfer of 7,500 rooms to the hotel franchising segment as a result of CorePoint Lodging asset sales. Excluding the transfer of rooms to the hotel franchising segment, the Company's managed system grew 1%, reflecting 13% growth internationally, partially offset by a 3% decline in the U.S. primarily due to the loss of rooms that were previously covered by unprofitable hotel management guarantees.

RevPAR declined 69% globally, or 63% on a comparable basis, primarily reflecting a 68% decline in the U.S., or 63% on a comparable basis, and a 72% decline internationally, or 60% on a comparable basis.

Revenues decreased \$125 million compared to the prior-year period primarily due to \$94 million of lower cost-reimbursement revenues, which have no impact on adjusted EBITDA. Absent cost-reimbursements, revenues declined \$31 million due to the unfavorable impact of COVID-19 on travel demand globally, while adjusted

EBITDA declined \$20 million as the RevPAR impacts were partially mitigated by lower volume-related expenses as well as cost containment initiatives.

### **Development**

As of June 30, 2020, the Company's hotel system of over 9,000 properties and 813,000 rooms remained flat year-over-year. During the second quarter of 2020, the Company opened 62 new hotels totaling 5,700 rooms, a year-over-year decline of 65% as new construction openings were delayed and conversion volumes were lower.

As expected, the Company's global retention rate over the last twelve months declined to 93.7% compared to 95.2% during the same period last year due to the Company's removal of approximately 9,000 non-compliant master franchise rooms in China, as previously disclosed.

The Company's development pipeline consisted of over 1,300 hotels and approximately 180,000 rooms, a 4% year-over-year room decline, or a 5% decline sequentially, as a result of softer sales activity in the second quarter due to travel restrictions, increased hurdle rates and a more conservative probability factor applied to projects in the pipeline which have not yet secured financing. Approximately 64% of the Company's development pipeline is international and 76% is new construction, of which 34% have broken ground.

### **Impairment Charge**

The continued disruption to the travel industry resulting from COVID-19 prompted the Company to perform an evaluation and comparison of the carrying value of its assets to their fair value. As a result of this evaluation, the Company recorded a net impairment charge of \$206 million (\$159 million, net of tax) during the second quarter of 2020 primarily related to the La Quinta tradename. The future cash flows expected to be generated from the La Quinta tradename have not changed materially; rather, the impairment charge was principally attributable to a higher discount rate primarily resulting from increased share price volatility, consistent with the lodging sector and broader equity markets.

### **Restructuring Charge**

In an effort to mitigate the revenue declines resulting from COVID-19 and to further position itself for growth during the recovery period, the Company undertook various restructuring actions that resulted in a charge of \$16 million (\$13 million, net of tax) during the second quarter. This charge is comprised of \$11 million for severance and related benefit costs resulting from the elimination of approximately 180 positions and \$5 million of lease-related costs. In combination with the Company's first quarter COVID-19 related restructuring charge, the Company has now reduced approximately 440 positions and expects to realize \$50 million to \$55 million of annual savings as a result of these actions.

### **Cash**

During the second quarter of 2020, the Company's cash balance decreased \$85 million to \$664 million. The impact of the Company's franchisee fee deferral program was approximately \$67 million during the second quarter. In addition, the Company made \$28 million of special-item cash outlays, including restructuring payments, during the second quarter.

## **Dividends**

The Company paid common stock dividends of \$8 million, or \$0.08 per share, in the second quarter of 2020.

## **Outlook**

The Company's ability to assess the impact of COVID-19 on its full-year financial results continues to be limited due to the uncertainty in travel demand during the remainder of 2020.

## **Conference Call Information**

Wyndham Hotels will hold a conference call with investors to discuss the Company's results and outlook on Wednesday, July 29, 2020 at 8:30 a.m. ET. Listeners can access the webcast live through the Company's website at [www.investor.wyndhamhotels.com](http://www.investor.wyndhamhotels.com). The conference call may also be accessed by dialing 866 342-8591 and providing the passcode "Wyndham". Listeners are urged to call at least five minutes prior to the scheduled start time. An archive of this webcast will be available on the website for approximately 90 days beginning at noon ET on July 29, 2020. A telephone replay will be available for approximately ten days beginning at noon ET on July 29, 2020 at 800 839-5484.

## **Presentation of Financial Information**

Financial information discussed in this press release includes non-GAAP measures, which include or exclude certain items. These non-GAAP measures differ from reported GAAP results and are intended to illustrate what management believes are relevant period-over-period comparisons and are helpful to investors as an additional tool for further understanding and assessing the Company's ongoing operating performance. The Company uses these measures internally to assess its operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of selected compensation decisions. Exclusion of items in the Company's non-GAAP presentation should not be considered an inference that these items are unusual, infrequent or non-recurring. Full reconciliations of GAAP results to the comparable non-GAAP measures for the reported periods appear in the financial tables section of this press release.

## **About Wyndham Hotels & Resorts**

Wyndham Hotels & Resorts (NYSE: WH) is the world's largest hotel franchising company by the number of properties, with over 9,000 hotels across approximately 90 countries on six continents. Through its network of 813,000 rooms appealing to the everyday traveler, Wyndham commands a leading presence in the economy and midscale segments of the lodging industry. The Company operates a portfolio of 20 hotel brands, including Super 8®, Days Inn®, Ramada®, Microtel®, La Quinta®, Baymont®, Wingate®, AmericInn®, Hawthorn Suites®, Trademark Collection® and Wyndham®. Wyndham Hotels & Resorts is also a leading provider of hotel management services. The Company's award-winning Wyndham Rewards loyalty program offers 84 million enrolled members the opportunity to redeem points at thousands of hotels, vacation club resorts and vacation rentals globally. For more information, visit [www.wyndhamhotels.com](http://www.wyndhamhotels.com). The Company may use its website as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. Disclosures of this nature will be included on the Company's website in the Investors section, which can currently be accessed at [www.investor.wyndhamhotels.com](http://www.investor.wyndhamhotels.com). Accordingly, investors should monitor this section of the Company's website in addition to following the Company's press



releases, filings submitted with the Securities and Exchange Commission and any public conference calls or webcasts.

### **Forward-Looking Statements**

*This press release contains “forward-looking statements” within the meaning of federal securities laws, including statements related to Wyndham Hotels’ current views and expectations with respect to its future performance and operations, including revenues, earnings, cash flow and other financial and operating measures and dividends, restructuring charges and statements related to the COVID-19 pandemic. Forward-looking statements include those that convey management’s expectations as to the future based on plans, estimates and projections at the time Wyndham Hotels makes the statements and may be identified by words such as “will,” “expect,” “believe,” “plan,” “anticipate,” “intend,” “goal,” “future,” “outlook,” “guidance,” “target,” “estimate,” “projection” and similar words or expressions, including the negative version of such words and expressions. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Wyndham Hotels to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release.*

*Factors that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, general economic conditions; the continuation or worsening of the effects from the COVID-19 pandemic, its scope, duration and impact on the Company’s business operations, financial results, cash flows and liquidity, as well as the impact on the Company’s franchisees and property owners, guests and team members, the hospitality industry and overall demand for travel; the success of the Company’s mitigation efforts in response to the COVID-19 pandemic; the Company’s performance in any recovery from the COVID-19 pandemic; the performance of financial and credit markets; the economic environment for the hospitality industry; operating risks associated with the hotel franchising and management businesses; the Company’s relationships with franchisees and property owners; the impact of war, terrorist activity or political strife; concerns with or threats of pandemics, contagious diseases or health epidemics, including the effects of the COVID-19 pandemic and any resurgence of the virus and actions governments, businesses and individuals take in response to the pandemic, including stay-in-place directives and other travel restrictions; risks related to the acquisition of La Quinta and the Company’s relationship with CorePoint Lodging; the Company’s ability to satisfy obligations and agreements under its outstanding indebtedness, including the payment of principal and interest and compliance with covenants thereunder; risks related to the Company’s ability to obtain financing and the terms of such financing, including access to liquidity and capital as a result of COVID-19; and the restrictions on share repurchases or the Company’s ability and plans to pay dividends including the timing and amount of any future dividends, as well as the risks described in the Company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and any subsequent reports filed with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, subsequent events or otherwise.*

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**Contacts**

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**Table 1**  
**WYNDHAM HOTELS & RESORTS**  
**INCOME (LOSS) STATEMENT**  
(In millions, except per share data)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>Net revenues</b>				
Royalties and franchise fees	\$ 61	\$ 126	\$ 154	\$ 228
Marketing, reservation and loyalty	82	140	188	254
Management and other fees	6	36	38	75
License and other fees	21	33	42	61
Cost reimbursements	66	160	192	315
Other	22	38	53	68
Net revenues	<u>258</u>	<u>533</u>	<u>667</u>	<u>1,001</u>
<b>Expenses</b>				
Marketing, reservation and loyalty	85	149	204	278
Operating	23	38	57	81
General and administrative	26	31	54	65
Cost reimbursements	66	160	192	315
Depreciation and amortization	25	27	49	56
Impairments, net	206	45	206	45
Restructuring	16	—	29	—
Transaction-related, net	5	11	13	18
Separation-related	—	1	1	22
Contract termination	—	9	—	9
Total expenses	<u>452</u>	<u>471</u>	<u>805</u>	<u>889</u>
<b>Operating (loss)/income</b>	<u>(194)</u>	<u>62</u>	<u>(138)</u>	<u>112</u>
Interest expense, net	28	26	54	50
<b>(Loss)/income before income taxes</b>	<u>(222)</u>	<u>36</u>	<u>(192)</u>	<u>62</u>
(Benefit)/provision for income taxes	(48)	10	(40)	15
<b>Net (loss)/income</b>	<u>\$ (174)</u>	<u>\$ 26</u>	<u>\$ (152)</u>	<u>\$ 47</u>
<b>(Loss)/earnings per share</b>				
Basic	\$ (1.86)	\$ 0.27	\$ (1.63)	\$ 0.49
Diluted	(1.86)	0.27	(1.63)	0.49
<b>Weighted average shares outstanding</b>				
Basic	93.3	97.1	93.5	97.5
Diluted	93.3	97.4	93.5	97.8

**Table 2**  
**WYNDHAM HOTELS & RESORTS**  
**HISTORICAL REVENUE AND ADJUSTED EBITDA BY SEGMENT**

The reportable segments presented below represent our operating segments for which separate financial information is available and is utilized on a regular basis by our chief operating decision maker to assess performance and allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon net revenues and adjusted EBITDA. We believe that adjusted EBITDA is a useful measure of performance for our segments which, when considered with GAAP measures, allows a more complete understanding of our operating performance. We use these measures internally to assess operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of selected compensation decisions. Our presentation of adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<b>Hotel Franchising</b>					
<b>Net revenues</b>					
2020	\$ 243	\$ 182	n/a	n/a	n/a
2019	269	331	379	300	1,279
2018	203	289	348	295	1,135
<b>Adjusted EBITDA</b>					
2020	\$ 108	\$ 83	n/a	n/a	n/a
2019	113	162	195	151	622
2018	86	129	178	122	515
<b>Hotel Management</b>					
<b>Net revenues</b>					
2020	\$ 167	\$ 76	n/a	n/a	n/a
2019	197	201	180	190	768
2018	99	146	252	229	726
<b>Adjusted EBITDA</b>					
2020	\$ 17	\$ (4)	n/a	n/a	n/a
2019	16	16	13	21	66
2018	16	8	5	18	47
<b>Corporate and Other</b>					
<b>Net revenues</b>					
2020	\$ —	\$ —	n/a	n/a	n/a
2019	2	1	1	2	6
2018	—	—	4	3	7
<b>Adjusted EBITDA</b>					
2020	\$ (18)	\$ (16)	n/a	n/a	n/a
2019	(18)	(19)	(18)	(19)	(75)
2018	(10)	(12)	(17)	(15)	(55)
<b>Total Company</b>					
<b>Net revenues</b>					
2020	\$ 410	\$ 258	n/a	n/a	n/a
2019	468	533	560	492	2,053
2018	302	435	604	527	1,868
<b>Net income/(loss)</b>					
2020	\$ 22	\$ (174)	n/a	n/a	n/a
2019	21	26	45	64	157
2018	39	21	58	43	162
<b>Adjusted EBITDA</b>					
2020	\$ 107	\$ 63	n/a	n/a	n/a
2019	111	159	190	153	613
2018	92	125	166	125	507

**NOTE:** Amounts may not add across due to rounding.  
See Table 7 for definitions and Table 8 for reconciliations of Total Company non-GAAP measures.

**Table 3**  
**WYNDHAM HOTELS & RESORTS**  
**CASH FLOWS**  
(In millions)  
(Unaudited)

	Six Months Ended June 30,	
	2020	2019
<b>Operating activities</b>		
Net (loss)/income	\$ (152)	\$ 47
Depreciation and amortization	49	56
Impairment <sup>(a)</sup>	209	45
Payment of tax liability assumed in La Quinta acquisition	—	(188)
Other, net	(146)	(97)
<b>Net cash used in operating activities</b>	<b>(40)</b>	<b>(137)</b>
<b>Investing activities</b>		
Property and equipment additions	(18)	(25)
Issuance of loans, net	(1)	(2)
<b>Net cash used in investing activities</b>	<b>(19)</b>	<b>(27)</b>
<b>Financing activities</b>		
Proceeds from borrowings	744	—
Principal payments on long-term debt	(18)	(8)
Capital contribution from former Parent	—	68
Dividends to shareholders	(38)	(56)
Repurchases of common stock	(50)	(95)
Other, net	(8)	(5)
<b>Net cash provided by/(used in) financing activities</b>	<b>630</b>	<b>(96)</b>
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(1)	1
<b>Net increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>570</b>	<b>(259)</b>
Cash, cash equivalents and restricted cash, beginning of period	94	366
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 664</b>	<b>\$ 107</b>

**Free Cash Flow:**

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

	Six Months Ended June 30,	
	2020	2019
Net cash used in operating activities <sup>(b)</sup>	\$ (40)	\$ (137)
Less: Property and equipment additions	(18)	(25)
<b>Free cash flow</b>	<b>\$ (58)</b>	<b>\$ (162)</b>

<sup>(a)</sup> 2020 excludes \$3 million of cash proceeds from a previously impaired asset.

<sup>(b)</sup> Includes special-item cash outlays of \$48 million and \$45 million in 2020 and 2019, respectively, primarily relating to transaction-related and separation-related cash payments, as well as our restructuring initiatives. Additionally, 2020 includes an estimated impact of \$67 million from the Company's franchisee fee deferral program and 2019 includes \$188 million of payments to tax authorities related to the La Quinta acquisition.

**Table 4**  
**WYNDHAM HOTELS & RESORTS**  
**DEBT**  
(In millions)  
(Unaudited)

	As of June 30, 2020	As of December 31, 2019
\$750 million revolving credit facility (due May 2023)	\$ 734	\$ —
Term loan (due May 2025)	1,561	1,568
5.375% senior unsecured notes (due April 2026)	495	494
Finance leases	57	60
<b>Total debt</b>	<b>2,847</b>	<b>2,122</b>
Cash and cash equivalents	664	94
<b>Net debt</b>	<b>\$ 2,183</b>	<b>\$ 2,028</b>

**Our outstanding debt as of June 30, 2020 matures as follows:**

	Amount
Within 1 year	\$ 21
Between 1 and 2 years	21
Between 2 and 3 years	755
Between 3 and 4 years	22
Between 4 and 5 years	1,503
Thereafter	525
<b>Total</b>	<b>\$ 2,847</b>

**Table 5**  
**WYNDHAM HOTELS & RESORTS**  
**REVENUE DRIVERS**

	Six Months Ended June 30,				
	2020	2019	Change	% Change	
<b>Beginning Room Count (January 1)</b>					
United States	510,200	506,100	4,100	1%	
International	320,800	303,800	17,000	6	
<b>Total</b>	<b>831,000</b>	<b>809,900</b>	<b>21,100</b>	<b>3</b>	
<b>Additions</b>					
United States	5,400	13,400	(8,000)	(60)	
International	6,500	14,400	(7,900)	(55)	
<b>Total</b>	<b>11,900</b>	<b>27,800</b>	<b>(15,900)</b>	<b>(57)</b>	
<b>Deletions</b>					
United States	(13,600)	(11,200)	(2,400)	(21)	
International	(16,400)	(9,900)	(6,500)	(66)	
<b>Total</b>	<b>(30,000)</b>	<b>(21,100)</b>	<b>(8,900)</b>	<b>(42)</b>	
<b>Ending Room Count (June 30)</b>					
United States	502,000	508,300	(6,300)	(1)	
International	310,900	308,300	2,600	1	
<b>Total</b>	<b>812,900</b>	<b>816,600</b>	<b>(3,700)</b>	<b>—%</b>	
<b>As of June 30,</b>					
	2020	2019	Change	% Change	FY 2019 Royalty Contribution
<b>System Size</b>					
<b>United States</b>					
Economy	254,300	263,300	(9,000)	(3%)	
Midscale and Upper Midscale	206,800	205,800	1,000	—	
Extended Stay/Lifestyle	24,200	20,800	3,400	16	
Upscale	16,700	18,400	(1,700)	(9)	
<b>Total United States</b>	<b>502,000</b>	<b>508,300</b>	<b>(6,300)</b>	<b>(1)</b>	<b>86%</b>
<b>International</b>					
Greater China	144,300	149,300	(5,000)	(3)	3
Rest of Asia Pacific	27,800	24,500	3,300	13	1
Europe, the Middle East and Africa	69,000	66,500	2,500	4	4
Canada	40,600	39,900	700	2	5
Latin America	29,200	28,100	1,100	4	1
<b>Total International</b>	<b>310,900</b>	<b>308,300</b>	<b>2,600</b>	<b>1</b>	<b>14</b>
<b>Global</b>	<b>812,900</b>	<b>816,600</b>	<b>(3,700)</b>	<b>—%</b>	<b>100%</b>

**Table 5 (continued)**  
**WYNDHAM HOTELS & RESORTS**  
**REVENUE DRIVERS**

	Three Months Ended June 30,			
	2020	2019	% Change	Constant Currency % Change <sup>(a)</sup>
<b>Regional RevPAR Growth</b>				
<b>United States</b>				
Economy	\$ 23.00	\$ 41.16	(44%)	
Midscale and Upper Midscale	23.85	56.62	(58)	
Extended Stay/Lifestyle	21.46	73.90	(71)	
Upscale	19.75	111.45	(82)	
<b>Total United States</b>	<b>\$ 23.19</b>	<b>\$ 50.98</b>	<b>(55)</b>	
<b>International</b>				
Greater China	\$ 8.42	\$ 18.74	(55)	(53%)
Rest of Asia Pacific	8.43	34.13	(75)	(74)
Europe, the Middle East and Africa	5.37	53.21	(90)	(90)
Canada	13.71	46.51	(71)	(70)
Latin America	2.71	34.07	(92)	(90)
<b>Total International</b>	<b>\$ 7.96</b>	<b>\$ 32.47</b>	<b>(75)</b>	<b>(75)</b>
<b>Global</b>	<b>\$ 17.31</b>	<b>\$ 44.06</b>	<b>(61%)</b>	<b>(60%)</b>
<b>Average Royalty Rate</b>				
United States	4.6%	4.5%	10 bps	
International	2.4%	2.0%	40 bps	
Global	4.2%	3.8%	40 bps	
<b>Six Months Ended June 30,</b>				
	2020	2019	% Change	Constant Currency % Change <sup>(a)</sup>
<b>Regional RevPAR Growth</b>				
<b>United States</b>				
Economy	\$ 24.88	\$ 36.36	(32%)	
Midscale and Upper Midscale	30.65	51.77	(41)	
Extended Stay/Lifestyle	33.99	66.22	(49)	
Upscale	47.49	101.72	(53)	
<b>Total United States</b>	<b>\$ 28.33</b>	<b>\$ 45.83</b>	<b>(38)</b>	
<b>International</b>				
Greater China	\$ 6.88	\$ 18.17	(62)	(61%)
Rest of Asia Pacific	17.50	35.71	(51)	(49)
Europe, the Middle East and Africa	19.69	49.50	(60)	(59)
Canada	21.39	40.41	(47)	(46)
Latin America	15.89	34.33	(54)	(46)
<b>Total International</b>	<b>\$ 13.20</b>	<b>\$ 30.71</b>	<b>(57)</b>	<b>(55)</b>
<b>Global</b>	<b>\$ 22.50</b>	<b>\$ 40.17</b>	<b>(44%)</b>	<b>(43%)</b>
<b>Average Royalty Rate</b>				
United States	4.6%	4.5%	10 bps	
International	2.3%	2.0%	30 bps	
Global	4.1%	3.8%	30 bps	

<sup>(a)</sup> Excludes the impact of currency exchange movements.



**Table 6**  
**WYNDHAM HOTELS & RESORTS**  
**HISTORICAL REVPAR AND ROOMS**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<b>Hotel Franchising</b>					
<b>Global RevPAR</b>					
2020	\$ 25.90	\$ 17.05	n/a	n/a	n/a
2019	\$ 33.76	\$ 42.04	\$ 45.23	\$ 34.51	\$ 38.91
2018	\$ 32.34	\$ 41.07	\$ 46.34	\$ 35.39	\$ 38.86
<b>U.S. RevPAR</b>					
2020	\$ 31.43	\$ 23.19	n/a	n/a	n/a
2019	\$ 37.69	\$ 48.65	\$ 51.93	\$ 37.96	\$ 44.09
2018	\$ 34.20	\$ 46.17	\$ 52.36	\$ 38.92	\$ 43.04
<b>International RevPAR</b>					
2020	\$ 17.39	\$ 7.66	n/a	n/a	n/a
2019	\$ 27.56	\$ 31.59	\$ 34.79	\$ 29.15	\$ 30.80
2018	\$ 29.39	\$ 32.85	\$ 36.42	\$ 29.68	\$ 32.09
<b>Global Rooms <sup>(a)</sup></b>					
2020	769,000	754,700	n/a	n/a	n/a
2019	745,300	751,300	758,400	770,200	770,200
2018	697,300	725,700	731,200	742,800	742,800
<b>U.S. Rooms <sup>(a)</sup></b>					
2020	463,900	460,200	n/a	n/a	n/a
2019	454,900	457,600	460,100	464,600	464,600
2018	424,500	450,900	451,100	453,900	453,900
<b>International Rooms <sup>(a)</sup></b>					
2020	305,100	294,500	n/a	n/a	n/a
2019	290,400	293,700	298,300	305,600	305,600
2018	272,800	274,700	280,100	288,900	288,900
<b>Hotel Management</b>					
<b>Global RevPAR</b>					
2020	\$ 50.00	\$ 20.67	n/a	n/a	n/a
2019	\$ 63.25	\$ 66.67	\$ 66.65	\$ 59.19	\$ 64.01
2018	\$ 77.61	\$ 76.52	\$ 68.53	\$ 61.00	\$ 68.72
<b>U.S. RevPAR</b>					
2020	\$ 54.35	\$ 23.21	n/a	n/a	n/a
2019	\$ 65.58	\$ 71.61	\$ 70.75	\$ 60.89	\$ 67.32
2018	\$ 94.28	\$ 87.43	\$ 71.95	\$ 61.43	\$ 72.76
<b>International RevPAR</b>					
2020	\$ 38.07	\$ 13.78	n/a	n/a	n/a
2019	\$ 55.12	\$ 49.53	\$ 52.49	\$ 53.67	\$ 52.69
2018	\$ 61.82	\$ 55.08	\$ 55.19	\$ 59.36	\$ 57.84
<b>Global Rooms <sup>(b)</sup></b>					
2020	59,300	58,200	n/a	n/a	n/a
2019	66,800	65,200	63,400	60,800	60,800
2018	25,700	66,700	67,000	67,200	67,200
<b>U.S. Rooms <sup>(b)</sup></b>					
2020	42,900	41,800	n/a	n/a	n/a
2019	51,700	50,700	49,100	45,600	45,600
2018	12,800	53,400	53,300	52,200	52,200
<b>International Rooms</b>					
2020	16,400	16,400	n/a	n/a	n/a
2019	15,100	14,500	14,300	15,200	15,200
2018	12,900	13,300	13,700	15,000	15,000

**Table 6 (continued)**  
**WYNDHAM HOTELS & RESORTS**  
**HISTORICAL REVPAR AND ROOMS**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<b>Total System</b>					
<b>Global RevPAR</b>					
2020	\$ 27.68	\$ 17.31	n/a	n/a	n/a
2019	\$ 36.21	\$ 44.06	\$ 46.94	\$ 36.36	\$ 40.92
2018	\$ 33.95	\$ 42.95	\$ 48.21	\$ 37.54	\$ 40.80
<b>U.S. RevPAR</b>					
2020	\$ 33.45	\$ 23.19	n/a	n/a	n/a
2019	\$ 40.56	\$ 50.98	\$ 53.79	\$ 40.09	\$ 46.39
2018	\$ 35.91	\$ 48.50	\$ 54.42	\$ 41.28	\$ 45.30
<b>International RevPAR</b>					
2020	\$ 18.45	\$ 7.96	n/a	n/a	n/a
2019	\$ 28.92	\$ 32.47	\$ 35.63	\$ 30.29	\$ 31.85
2018	\$ 30.90	\$ 33.89	\$ 37.31	\$ 31.08	\$ 33.31
<b>Global Rooms</b>					
2020	828,300	812,900	n/a	n/a	n/a
2019	812,100	816,600	821,800	831,000	831,000
2018	723,000	792,300	798,300	809,900	809,900
<b>U.S. Rooms</b>					
2020	506,800	502,000	n/a	n/a	n/a
2019	506,600	508,300	509,200	510,200	510,200
2018	437,200	504,300	504,500	506,100	506,100
<b>International Rooms</b>					
2020	321,500	310,900	n/a	n/a	n/a
2019	305,500	308,300	312,600	320,800	320,800
2018	285,800	288,000	293,800	303,800	303,800

**NOTE:** Amounts may not foot due to rounding. Beginning with the second quarter of 2018, results reflect the reclassification of rooms from the Hotel Management segment to the Hotel Franchising segment related to the CorePoint Lodging asset sales.

- (a) Second quarter 2018 reflects the addition of 48,200 La Quinta rooms (46,300 U.S. and 1,900 international) acquired in May 2018 and the deletion of 21,300 Knights Inn rooms (20,100 U.S. and 1,200 international) divested in May 2018.
- (b) Second quarter 2018 reflects the addition of 40,400 La Quinta rooms in the U.S. acquired in May 2018.

**Table 7**  
**WYNDHAM HOTELS & RESORTS**  
**DEFINITIONS**

**Adjusted Net Income and Adjusted Diluted EPS:** Represents net income (loss) and diluted earnings (loss) per share excluding acquisition-related amortization, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition-, or separation-related) and foreign currency impacts of highly inflationary countries. We calculate the income tax effect of the adjustments using an estimated effective tax rate applicable to each adjustment.

**Adjusted EBITDA:** Represents net income (loss) excluding interest expense, depreciation and amortization, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition-, or separation-related), foreign currency impacts of highly inflationary countries, stock-based compensation expense and income taxes. Adjusted EBITDA is a financial measure that is not recognized under U.S. GAAP and should not be considered as an alternative to net income (loss) or other measures of financial performance or liquidity derived in accordance with U.S. GAAP. In addition, our definition of adjusted EBITDA may not be comparable to similarly titled measures of other companies.

**Average Daily Rate (ADR):** Represents the average rate charged for renting a lodging room for one day.

**Average Occupancy Rate:** Represents the percentage of available rooms occupied during the period.

**Comparable RevPAR:** Represents RevPAR in constant currency and excluding hotels temporarily closed due to COVID-19 for the period closed and the comparable prior-year period. The use of the term "comparable" herein in connection with RevPAR refers to the defined term Comparable RevPAR.

**Constant Currency:** Represents a comparison eliminating the effects of foreign exchange rate fluctuations between periods (foreign currency translation) and the impact caused by any foreign exchange related activities (i.e., hedges, balance sheet remeasurements and/or adjustments).

**Number of Rooms:** Represents the number of rooms at the end of the period which are (i) either under franchise and/or management agreements or Company-owned and (ii) properties under affiliation agreements for which we receive a fee for reservation and/or other services provided.

**RevPAR:** Represents revenue per available room and is calculated by multiplying average occupancy rate by ADR.

**Royalty Rate:** Represents the average royalty rate earned on our franchised properties and is calculated by dividing total royalties, excluding the impact of amortization of development advance notes, by total room revenues.

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**Table 8**  
**WYNDHAM HOTELS & RESORTS**  
**NON-GAAP RECONCILIATIONS**  
(In millions)

The tables below reconcile certain non-GAAP financial measures. The presentation of these adjustments is intended to permit the comparison of particular adjustments as they appear in the income statement in order to assist investors' understanding of the overall impact of such adjustments. We believe that adjusted EBITDA, adjusted net income and adjusted EPS financial measures provide useful information to investors about us and our financial condition and results of operations because these measures are used by our management team to evaluate our operating performance and make day-to-day operating decisions and adjusted EBITDA is frequently used by securities analysts, investors and other interested parties as a common performance measure to compare results or estimate valuations across companies in our industry. These measures also assist our investors in evaluating our ongoing operating performance for the current reporting period and, where provided, over different reporting periods, by adjusting for certain items which may be recurring or non-recurring and which in our view do not necessarily reflect ongoing performance. We also internally use these measures to assess our operating performance, both absolutely and in comparison to other companies, and in evaluating or making selected compensation decisions. These supplemental disclosures are in addition to GAAP reported measures. These non-GAAP reconciliation tables should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with GAAP.

**Reconciliation of Net Income (Loss) to Adjusted EBITDA:**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<b>2020</b>					
Net income/(loss)	\$ 22	\$ (174)			
Provision/(benefit) for income taxes	9	(48)			
Depreciation and amortization	25	25			
Interest expense, net	25	28			
Stock-based compensation expense	4	5			
Impairments, net <sup>(a)</sup>	—	206			
Restructuring costs <sup>(b)</sup>	13	16			
Transaction-related expenses, net <sup>(c)</sup>	8	5			
Separation-related expenses <sup>(d)</sup>	1	—			
Adjusted EBITDA	<u>\$ 107</u>	<u>\$ 63</u>			
<b>2019</b>					
Net income	\$ 21	\$ 26	\$ 45	\$ 64	\$ 157
Provision for income taxes	5	10	21	14	50
Depreciation and amortization	29	27	26	28	109
Interest expense, net	24	26	25	25	100
Stock-based compensation expense	3	4	4	4	15
Impairment, net <sup>(e)</sup>	—	45	—	—	45
Contract termination costs <sup>(f)</sup>	—	9	34	(1)	42
Restructuring costs <sup>(g)</sup>	—	—	—	8	8
Transaction-related expenses, net <sup>(c)</sup>	7	11	12	10	40
Separation-related expenses <sup>(d)</sup>	21	1	—	—	22
Transaction-related item <sup>(h)</sup>	—	—	20	—	20
Foreign currency impact of highly inflationary countries <sup>(i)</sup>	1	—	3	1	5
Adjusted EBITDA	<u>\$ 111</u>	<u>\$ 159</u>	<u>\$ 190</u>	<u>\$ 153</u>	<u>\$ 613</u>
<b>2018</b>					
Net income	\$ 39	\$ 21	\$ 58	\$ 43	\$ 162
Provision for income taxes	16	8	23	14	61
Depreciation and amortization	19	22	30	29	99
Interest expense, net	1	10	24	25	60
Stock-based compensation expense	3	1	3	2	9
Transaction-related expenses, net <sup>(c)</sup>	2	28	7	(1)	36
Separation-related expenses <sup>(d)</sup>	12	35	17	14	77
Foreign currency impact of highly inflationary countries <sup>(i)</sup>	—	—	4	(1)	3
Adjusted EBITDA	<u>\$ 92</u>	<u>\$ 125</u>	<u>\$ 166</u>	<u>\$ 125</u>	<u>\$ 507</u>

**NOTE:** Amounts may not add across due to rounding.

- (a) Represents a non-cash charge to reduce the carrying values of certain intangible assets to their fair values principally attributable to higher discount rates primarily resulting from increased share price volatility, partially offset by \$3 million of cash proceeds from a previously impaired asset.
  - (b) Represents charges associated with restructuring initiatives implemented in response to the effects on travel demand as a result of COVID-19.
  - (c) Primarily relates to integration costs incurred in connection with our acquisition of La Quinta.
  - (d) Represents costs associated with our spin-off from Wyndham Worldwide.
  - (e) Represents a non-cash charge associated with the termination of certain hotel-management arrangements.
  - (f) Represents costs associated with the termination of certain hotel-management arrangements.
  - (g) Represents a charge focused on enhancing our organizational efficiency and rationalizing our operations.
  - (h) Represents the one-time fee credit related to our agreement with CorePoint Lodging, which is reflected as a reduction to hotel management revenues on the income statement.
  - (i) Relates to the foreign currency impact from hyper-inflation in Argentina, which is reflected in operating expenses on the income statement.
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**Table 8 (continued)**  
**WYNDHAM HOTELS & RESORTS**  
**NON-GAAP RECONCILIATIONS**  
(In millions, except per share data)

**Reconciliation of Net Income (Loss) and Diluted EPS to Adjusted Net Income and Adjusted Diluted EPS:**

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Diluted EPS</b>	\$ (1.86)	\$ 0.27	\$ (1.63)	\$ 0.49
<b>Net (loss)/income</b>	\$ (174)	\$ 26	\$ (152)	\$ 47
<b>Adjustments:</b>				
Impairments, net	206	45	206	45
Restructuring costs	16	—	29	—
Transaction-related expenses, net	5	11	13	18
Separation-related expenses	—	1	1	22
Contract termination costs	—	9	—	9
Foreign currency impact of highly inflationary countries	—	—	1	1
Acquisition-related amortization expense <sup>(a)</sup>	9	10	19	19
<b>Total adjustments before tax</b>	<b>236</b>	<b>76</b>	<b>269</b>	<b>114</b>
Income tax provision <sup>(b)</sup>	53	20	61	28
<b>Total adjustments after tax</b>	<b>183</b>	<b>56</b>	<b>208</b>	<b>86</b>
Adjusted net income	\$ 9	\$ 82	\$ 56	\$ 133
Adjustments - EPS impact	1.96	0.57	2.22	0.87
Adjusted diluted EPS	\$ 0.10	\$ 0.84	\$ 0.59	\$ 1.36
<b>Diluted weighted average shares outstanding</b>	<b>93.3</b>	<b>97.4</b>	<b>93.6</b>	<b>97.8</b>

(a) Reflected in depreciation and amortization on the income (loss) statement.

(b) Reflects the estimated tax effects of the adjustments.