Investor Presentation

APRIL 28, 2021

La Quinta Inn & Suites by Wyndham Dallas Plano - The Colony
Dallas, Texas, USA
## Introduction to Wyndham Hotels & Resorts

<table>
<thead>
<tr>
<th>Largest hotel franchisor by hotels worldwide</th>
<th>Leading economy &amp; midscale brands in attractive select-service space</th>
<th>Asset-light business model with significant cash generation capabilities</th>
<th>Primarily leisure-focused “drive to” portfolio of hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,900+ Hotels</td>
<td>797,000+ Current Rooms</td>
<td>95 Countries</td>
<td>187,000+ Rooms in the Pipeline</td>
</tr>
<tr>
<td>87M Loyalty Members</td>
<td>$621M (a) FY2019 Adjusted EBITDA</td>
<td>$360M (b) FY2019 Adjusted Free Cash Flow</td>
<td>~80% (c) FY2019 Franchising Margin</td>
</tr>
</tbody>
</table>

Data is approximated as of March 31, 2021. FY2019 metrics provided to illustrate normalized, pre COVID-19 results. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.  
(a) Recast to reflect exclusion of development advance notes amortization. Net income was $157 million for the year ended December 31, 2019.  
(b) Net cash provided by operating activities was $100 million for the year ended December 31, 2019.  
(c) Consistent with our peers, franchising margin excludes the effects of the marketing, reservation and loyalty funds from Hotel Franchising segment revenues and adjusted EBITDA, as well as license and other fees. Calculation can be found in the Appendix.
## Select-Service Segments Lead Recovery

<table>
<thead>
<tr>
<th>MTD April Economy segment occupancy &amp; RevPAR now surpassing 2019 levels</th>
<th>MTD April Midscale segment occupancy &amp; RevPAR within 90% of 2019 levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancelation rates returned to pre-pandemic levels</td>
<td>Website visits and booking volumes now at 2019 levels</td>
</tr>
<tr>
<td>Website visits and booking volumes now at 2019 levels</td>
<td>Call volumes within 90% of 2019 levels</td>
</tr>
<tr>
<td>Call volumes within 90% of 2019 levels</td>
<td>Franchisee collection rates within 95% of 2019 levels</td>
</tr>
</tbody>
</table>

Since onset of the pandemic, our brands have gained an average of nearly 500 bps of RevPAR Index

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Note: April month-to-date includes comparison through April 17th; all other data as of March 31, 2021.
Q1 2021 Performance Recap

CLEAR FOCUS & PRIORITIES TO DRIVE SHAREHOLDER VALUE
First Quarter 2021 Performance Recap

$97M
Adjusted EBITDA (a)

$59M
Free cash flow (b)

+17 pts
RevPAR outperformed the total industry (c)

112
New contracts signed; 90% of 2019 volume

>70%
Conversions as a % of openings

+120 bps
Growth in global pipeline

Data as of March 31, 2021. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.
(a) Net income was $24 million.
(b) Net cash provided by operating activities was $64 million.
(c) Domestic RevPAR compared to STR results versus 2019.
Occupyancy Declines Continue to Narrow

MONTHLY WH U.S. OCCUPANCY

2019
2020/2021

<table>
<thead>
<tr>
<th>Jan' 20</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan' 21</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr MTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>51%</td>
<td>39%</td>
<td>33%</td>
<td>25%</td>
<td>44%</td>
<td>45%</td>
<td>57%</td>
<td>47%</td>
<td>39%</td>
<td>35%</td>
<td>38%</td>
<td>42%</td>
<td>51%</td>
<td>51%</td>
<td>57%</td>
</tr>
<tr>
<td>50%</td>
<td>58%</td>
<td>58%</td>
<td>58%</td>
<td>63%</td>
<td>67%</td>
<td>67%</td>
<td>57%</td>
<td>58%</td>
<td>50%</td>
<td>44%</td>
<td>44%</td>
<td>58%</td>
<td>59%</td>
<td>59%</td>
<td>(2 points)</td>
</tr>
</tbody>
</table>

Note: April month-to-date includes occupancy comparison through April 17th.
ADR Continues to Improve

MONTHLY WH U.S. AVERAGE DAILY RATE

Note: April month-to-date includes ADR comparison through April 17th.
WH Select-Service Brands Continue to Outperform Higher-end Chainscales

MONTHLY U.S. REVPAR CHANGE VS. 2019

Note: April month-to-date includes RevPAR change through April 17th.
(a) Includes WH brands in the economy, midscale and upper midscale segments.
(b) Includes STR performance for upscale, upper upscale and luxury segments.
Net Room Growth Tracking in Line with Expectations

2019 QUARTERLY CONTRIBUTION TO ANNUAL NET ROOM GROWTH

Q1: 10%
Q2: 21%
Q3: 25%
Q4: 44%

FIRST QUARTER 2021 TRENDS IN LINE WITH 2019 PACE

2019: 10%
2021: 11%

FIRST QUARTER 2021 NOTABLE ADDITIONS

Conversion
- Origin Westminster, a Wyndham Hotel
- Hotel Origin Morgantown, a Wyndham Hotel
- Viana Hotel & Spa by Trademark
- Kunuku Resort All Inclusive Curacao, Trademark by Wyndham
- Turtle Island Beach Resort, Trademark Collection by Wyndham
- Wyndham XinYang Downtown
- Hotel Avenue Louise Brussels Trademark Collection by Wyndham

New Build
- Microtel Inn & Suites by Wyndham Lac-Mégantic Canada
- Comwell Copenhagen Portside Dolce by Wyndham
- Microtel by Wyndham Tianjin
Diversified Pipeline Provides Runway for Growth

TOTAL PIPELINE @ 3/31/21

- ~187K Global rooms
- ~1,400 Global hotels

+120bps Global sequential growth
+70bps Domestic sequential growth

+90bps Sequential growth in conversion pipeline

23% of current system

COMPOSITION

- 75% New Construction
- 25% Conversion

34% in the Ground

GEOGRAPHICAL MIX

- 64% U.S.
- 36% International

PIPELINE BY CHAINSCALE (000s)

- Economy: 32
- Midscale: 107
- Upscale: 48

INTERNATIONAL MIX

- China
- SEAPR
- EMEA
- Other

100%
Asset-Light, Franchised Model Generates Strong Free Cash Flow

Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix.

(a) Net cash provided by operating activities was $64 million.
(b) Net income was $24 million.
(c) Primarily consists of required quarterly payments on our term loan.
2021 Focus

CLEAR FOCUS & PRIORITIES TO DRIVE SHAREHOLDER VALUE
2021 Key Priorities

NET ROOM GROWTH
Deliver 1-2% net room growth in 2021 and return to 2-4% post COVID-19
Targeting 3-5% long-term net room growth through investments in business, return of new construction and improvement in domestic retention rate to 96%

FRANCHISEE SUPPORT
Modified brand standards and enhanced sourcing programs drive hotel-level cost savings
Enhanced sales, marketing and revenue strategies drive lower-cost direct bookings, higher ADR and greater market share
NextGen property level technology drives higher ADR and operational efficiencies

GUEST EXPERIENCE
Best-in-class digital eco-system, mobile app evolution and suite of Wyndham Business products streamlines travel planning
“Count on Us to Put Safety First” initiative, flexible booking/cancellation policies & dynamic personalized offers meet rising guest expectations
Compelling Value Proposition for Franchisees...

LOYAL & GROWING CUSTOMER BASE DRIVES LOWER COST BOOKINGS

- Trusted, iconic brands endorsed by the world’s largest hotel franchise company\(^{(a)}\) reassure travelers that they can book with confidence.
- Over 70\(^{(b)}\)% of hotel room revenue in the U.S. is generated through Wyndham’s central channels.
- Award winning rewards program with 87 million enrolled members drives >40% of U.S. hotel stays.
- Wyndham’s award winning marketing and dedicated team of sellers drive global and regional business to hotels.
- Best-in-class digital eco-system, drives guest engagement and loyalty.

BUYING POWER DRIVES BOTTOM-LINE SAVINGS & EFFICIENCIES

- Strong negotiated rates on key OTA partnerships drive significant savings.
- Best-in-class pricing on FF&E, OS&E, F&B and PMS.
- Efficient design & operations maximize owner returns.
- Shared expert services reduce labor costs.

DEDICATED SUPPORT & PERFORMANCE TOOLS SIMPLIFY OPERATIONS

- Dedicated, local support -- from construction, opening and training to operations, marketing and revenue management.
- Industry leading PMS and CRS systems simplify operations and enable seamless access to >100 distribution channels.
- Experienced revenue management professionals optimize property rates and inventory, delivering double-digit RevPAR premiums.
- Comprehensive health, safety and cleanliness program instill guests’ trust.
- Wyndham Green Toolbox aids owners globally in tracking, measuring and reporting energy, emissions, water and waste diversion performance.
...That Has Historically Delivered Strong Returns

Cost per room: $-75,000
Loan-to-value: ~70%
Franchisee Investment: $1,575,000
RevPAR: $53.00
Revenues: $1,355,000
Operating expenses: $705,000
Brand fees: $115,000
Interest expense: $220,000
Hotel EBTDA: $315,000

Cash-on-Cash Return of ~20%

Data is not brand specific. RevPAR and revenue results are indicative for a 70-room new construction Wyndham-branded economy hotel in the United States on a full year stabilized pre-COVID basis. Cost per room also includes average land costs for economy hotels across the United States. Operating expenses are based on normalized pre-COVID HOST select-service industry data and are not based on individual hotel performance. Return on invested capital assumes a loan interest rate of 6%.
Strong Financial Profile

CLEAR FOCUS & PRIORITIES TO DRIVE SHAREHOLDER VALUE
Strong Balance Sheet & Substantial Cash Reserves

**BALANCE SHEET**

- Total liquidity at March 31, 2021: $1,265M
  (Before giving effect to 2026 Notes redemption)
- Major maturities due prior to 2023: None
- First lien leverage ratio of 5.0x testing waived until: June 30, 2021
- First lien net leverage at March 31, 2021: 3.4x
- Financial and operating liabilities: Limited

**CURRENT DEBT MATURITIES**

- $750 Million Revolver Maturity – May 2023

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No Further Credit Agreement Waivers Expected*

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*The first lien leverage ratio is subject to the annualization of EBITDA beginning in the second quarter 2021, as well as in the third and fourth quarters. At the trough EBITDA and RevPAR levels of second quarter 2020, our first lien leverage ratio would not have exceeded the 5.0x limitation.
Maximizing Capital Allocation For All Stakeholders

<table>
<thead>
<tr>
<th>MAINTAIN STRONG BALANCE SHEET</th>
<th>INVEST IN BUSINESS</th>
<th>RETURN EXCESS CAPITAL TO SHAREHOLDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repaid all revolving credit facility borrowings through 3/31/21</td>
<td>Support franchisees’ health and recovery</td>
<td>Increased first quarter 2021 dividend by 100%</td>
</tr>
<tr>
<td>Redeemed $500 million 2026 Notes on 4/15/21</td>
<td>Increase deployment of capital to accelerate system growth</td>
<td>Share repurchase restrictions under credit agreement expired in April 2021</td>
</tr>
<tr>
<td>Approx. $750 million of liquidity (post notes redemption)</td>
<td>Continued investment in guest facing technology, customer data platform and business traveler technology</td>
<td>Gradually increase total return as adjusted EBITDA increases and leverage ratio declines</td>
</tr>
<tr>
<td>No near-term debt maturities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3-4x Leverage Target  
~25% of Pre-Covid Capital Allocation  
~75% of Pre-Covid Capital Allocation
ESG Efforts Ongoing; Continued Investment & Focus Despite Pandemic

**A CULTURE OF DIVERSITY, EQUITY & INCLUSION**
- Pledged CEO Action for Diversity, Equity & Inclusion
- Executive-level sponsorship of all Diversity, Equity & Inclusion Associate Business Groups
- Perfect score of 100 on Human Rights Campaign 2021 Corporate Equality Index for 3rd consecutive year
- ~55% of global corporate workforce is female

**LEADERSHIP IN SUSTAINABILITY**
- Certifying hotels with Wyndham Green Certification
  - Wyndham Deerfield Beach Resort
  - Wyndham Grand Clearwater Beach Resort
  - Ramada by Wyndham The Hague Scheveningen
- Maintaining LEED® Gold certification at corporate headquarters
- Received A- on CDP Response for Climate Change 2nd year in a row

**PROTECTING HUMAN RIGHTS**
- Enhanced training to support hotel (b) workers through AHLA’s “5-Star Promise”
- Employee safety devices deployed to owned and managed hotels
- Human trafficking training mandated across all (b) hotels
- Supplier Code of Conduct prohibits forced and child labor
- Signatory to ECPAT Code to combat trafficking since 2011
- Continuing to strengthen partnerships with ECPAT, Polaris, Sustainable Hospitality Alliance and BEST

**SUPPORTING OUR COMMUNITIES**
- Helping over 2,800 impacted Team Members through Wyndham Relief Fund
- Continuing to strengthen Wyndham’s Count on Us health and safety efforts
- Wyndham Rewards and its members donated 113 million points to non-profits
- Instant complimentary Wyndham Rewards GOLD membership upgrade and special rates to all essential workers fighting the front lines of COVID-19

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(a) As of April 1, 2021.
(b) Represents owned, managed and franchised hotels.
Business Model & Core Strengths

CLEAR FOCUS & PRIORITIES TO DRIVE SHAREHOLDER VALUE
Core Strengths

1. Primarily leisure-focused
2. Predominately “drive to” locations
3. Select-service leader
4. Powerful growth engine
5. Low risk business model
Leisure Guests Power Our Business

NEARLY 70% LEISURE FOCUS

- Leisure Travel: 69%
- "Everyday" Business Travel: 27%
- Corporate Transient: 3%
- Group Business: 1%
“Drive to” Destinations Not Reliant on Air Travel or International Travelers

87% U.S. HOTELS IN “DRIVE TO” LOCATIONS

- Suburban: 35%
- Interstate: 23%
- Small Metro: 29%
- Airport: 5%
- Urban: 5%
- Resorts: 3%

All data based on STR census March 2021.

96% OF U.S. GUESTS ORIGINATE DOMESTICALLY

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>96%</td>
</tr>
<tr>
<td>Europe</td>
<td>1%</td>
</tr>
<tr>
<td>Canada</td>
<td>1%</td>
</tr>
<tr>
<td>Latin America</td>
<td>1%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>1%</td>
</tr>
</tbody>
</table>

Based on FY2019 data.
Leader in the Attractive Select-Service Space

PERCENT OF U.S. HOTELS IN SELECT SERVICE VS. FULL SERVICE

<table>
<thead>
<tr>
<th>Hotels</th>
<th>Wyndham</th>
<th>Choice</th>
<th>IHG</th>
<th>Hilton</th>
<th>Marriott</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>99%</td>
<td>96%</td>
<td>14%</td>
<td>43%</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>1%</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All data based on STR census March 2021.

ADVANTAGEOUS FEATURES OF SELECT-SERVICE HOTELS

- Less labor-intensive and lower operating costs
- Higher operating margins
- Lower construction costs and manageable debt service
- Can breakeven at ~30% occupancy
- Predominately small business owners, eligible for government stimulus and/or SBA debt relief
**Reason 4**

**Significant Growth Opportunity in Large Conversion Market**

**Unique Value Proposition in Today’s Market**

Our brands outperformed their competition in the U.S. by ~500 bps since onset of the pandemic.

Our franchisees leverage Wyndham’s purchasing power to significantly lower operating expenses and third-party booking costs.

Our owner-first approach compels us to support and invest in our franchisees’ health and recovery.

**Significant Addressable Market in the Economy & Midscale Segments**

![Graph showing hotel profit comparison between Wyndham and Independent hotels.](chart)

Independent data based on STR census December 2020.
World’s Largest Hotel Franchisor with Minimal Exposure to Asset Risk

NUMBER OF HOTELS WORLDWIDE

<table>
<thead>
<tr>
<th>Brand</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>IHG</td>
<td>5,959</td>
</tr>
<tr>
<td>Hilton</td>
<td>6,567</td>
</tr>
<tr>
<td>Choice</td>
<td>7,138</td>
</tr>
<tr>
<td>IHG</td>
<td>7,662</td>
</tr>
<tr>
<td>Wyndham</td>
<td>8,932</td>
</tr>
</tbody>
</table>

PERCENT OF FRANCHISED HOTELS

- Wyndham: 97%
- Choice: 100%
- Hilton: 88%
- IHG: 84%
- Marriott: 72%

Limited exposure to operating costs and capital requirements associated with owned assets
Asset-light requiring less than $50 million in annual capital expenditure spend
Minimal exposure to incentive fees

Data as of March 31, 2021.
### Strong Leadership Navigating Through the Storm

<table>
<thead>
<tr>
<th>Individual</th>
<th>Title</th>
<th>Years of Industry Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEOFF BALLOTTI</td>
<td>CHIEF EXECUTIVE OFFICER</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Served as President and Chief Executive Officer of Wyndham Hotel Group (2014 – 2018)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Served as Chief Executive Officer of Wyndham Destination Network (2008 – 2014)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Held leadership positions of increasing responsibility at Starwood Hotels and Resorts Worldwide including President of Starwood North America, Executive Vice President, Operations, Senior Vice President, Southern Europe and Managing Director, Ciga Spa, Italy (1989 – 2008)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Served as Banking Officer in the Commercial Real Estate Group at the Bank of New England</td>
</tr>
<tr>
<td>MICHLE ALLEN</td>
<td>CHIEF FINANCIAL OFFICER</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Served as Executive Vice President and Treasurer of Wyndham Hotels &amp; Resorts (2018 – 2019)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Served as Senior Vice President of Finance for Wyndham Worldwide responsible for budgeting, capital allocation, financial analysis and strategy (2015 – 2018)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Held varied financial leadership positions of increasing responsibility within Wyndham Hotel Group and Wyndham Worldwide’s predecessor (1999 – 2015)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Began her career as an independent auditor with Deloitte where she earned a CPA</td>
</tr>
</tbody>
</table>

### Team Members

<table>
<thead>
<tr>
<th>Individual</th>
<th>Title</th>
<th>Years of Industry Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAUL CASH</td>
<td>GENERAL COUNSEL</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16 Years of Industry Experience</td>
</tr>
<tr>
<td>LISA CHECCHIO</td>
<td>CHIEF MARKETING OFFICER</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18 Years of Industry Experience</td>
</tr>
<tr>
<td>SCOTT LEPAGE</td>
<td>PRESIDENT, AMERICAS</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 Years of Industry Experience</td>
</tr>
<tr>
<td>DIMITRIS MANIKIS</td>
<td>PRESIDENT, EMEA</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30 Years of Industry Experience</td>
</tr>
<tr>
<td>MONICA MELANCON</td>
<td>CHIEF HUMAN RESOURCE OFFICER</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>23 Years of Human Resource Experience</td>
</tr>
<tr>
<td>CHIP OHLSSON</td>
<td>CHIEF DEVELOPMENT OFFICER</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27 Years of Industry Experience</td>
</tr>
<tr>
<td>JOON AUN OOI</td>
<td>PRESIDENT, APAC</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18 Years of Industry Experience</td>
</tr>
<tr>
<td>KRISHNA PALIWAL</td>
<td>PRESIDENT, LA QUINTA, HEAD OF DESIGN &amp; CONSTRUCTION</td>
<td>15</td>
</tr>
<tr>
<td>SCOTT STRICKLAND</td>
<td>CHIEF INFORMATION OFFICER</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 Years of IT Experience</td>
</tr>
</tbody>
</table>
The Wyndham Family of Brands

Wherever people go, Wyndham will be there to welcome them.

ECONOMY

MICROTEL® BY WYNDHAM

Days Inn® BY WYNDHAM

Super 8®

Howard Johnson® BY WYNDHAM

Travelodge® BY WYNDHAM

MIDSCALE

RAMADA® BY WYNDHAM

WINGATE® BY WYNDHAM

HAWTHORN® SUITES BY WYNDHAM

AmeriInn® BY WYNDHAM

BAYMONT® BY WYNDHAM

UPPER MIDSCALE

LA QUINTA® BY WYNDHAM

LA QUINTA® TRADMARK COLLECTION BY WYNDHAM

TRYP® BY WYNDHAM

WYNDHAM GARDEN

UPSCALE

WYNDHAM

DAZZLER® BY WYNDHAM

esplendor® BY WYNDHAM

UPPER U.PSCALE

WYNDHAM GRAND®
## 2021 RevPAR Sensitivity, Illustrative EBITDA Example & Reconciliation to 2019 Performance

### Illustrative Example vs. 2020

<table>
<thead>
<tr>
<th>($ Millions)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020 Adjusted EBITDA</strong></td>
<td>$327</td>
</tr>
<tr>
<td>EBITDA impact per point of RevPAR change</td>
<td>-$2.8</td>
</tr>
<tr>
<td>Hypothetical RevPAR increase (a)</td>
<td>-35%</td>
</tr>
<tr>
<td>Hypothetical RevPAR change</td>
<td>-$98</td>
</tr>
<tr>
<td>License fees (b)</td>
<td>--</td>
</tr>
<tr>
<td>Absence of excess marketing fund spend (c)</td>
<td>49</td>
</tr>
<tr>
<td>Subtotal</td>
<td>-$474</td>
</tr>
<tr>
<td>DAN amortization expense addback (d)</td>
<td>9</td>
</tr>
<tr>
<td><strong>2021 Hypothetical Adjusted EBITDA (a)</strong></td>
<td>-$483</td>
</tr>
</tbody>
</table>

### Reconciliation to 2019

<table>
<thead>
<tr>
<th>($ Millions)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020 Adjusted EBITDA (incl. $40m COVID savings)</strong></td>
<td>$327</td>
</tr>
<tr>
<td>Absence of excess marketing fund spend (c)</td>
<td>49</td>
</tr>
<tr>
<td>67% RevPAR growth (to 2019 levels) @ $2.8m/point (e)</td>
<td>188</td>
</tr>
<tr>
<td><strong>Not in the RevPAR per point estimate (f):</strong></td>
<td></td>
</tr>
<tr>
<td>License fee improvement (b)</td>
<td>43</td>
</tr>
<tr>
<td>Owned hotel improvement (g)</td>
<td>15</td>
</tr>
<tr>
<td>Ancillary fee stream improvement (h)</td>
<td>20</td>
</tr>
<tr>
<td>Bad debt expense improvement (i)</td>
<td>10</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>-$650</td>
</tr>
<tr>
<td>DAN amortization expense addback (d)</td>
<td>9</td>
</tr>
<tr>
<td><strong>2019 Hypothetical Adjusted EBITDA Scenario</strong></td>
<td>-$659</td>
</tr>
</tbody>
</table>

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(a) Not outlook.
(b) License fees are not linear to RevPAR (but are sensitive to travel demand) and therefore not included in the RevPAR per point sensitivity; expected to be $70 million in 2021 reflecting the minimum levels outlined in the underlying agreements, which is consistent with the 2020 amount and $43 million lower than the 2019 amount.
(c) Marketing, reservation & loyalty funds projected to break even in 2021.
(d) We modified the definition of adjusted EBITDA during the first quarter to exclude the amortization of development advance notes, which is now consistent with our peers.
(e) 67% growth reflects full return to 2019 RevPAR levels (from $24.5 in 2020 to $40.92 achieved in 2019). Not outlook.
(f) In a full recovery environment, these amounts would be incremental Adjusted EBITDA above the $2.8 million per point sensitivity.
(g) Adjusted EBITDA for our two owned hotels will not improve linear with RevPAR due to the fixed nature of the cost base.
(h) Ancillary fee streams are not expected to fully recover in 2021 as they are tied to either revenue recognition deferral accounting, franchisee spend or franchisee relief programs in effect during 2021.
(i) Bad debt expense is currently elevated due to the impact of the pandemic. In a full recovery environment, bad debt would normalize to 2019 levels.
Non-GAAP Reconciliations

The following tables 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 provides useful information to investors about us and our financial condition and results of operations because adjusted EBITDA is among the measures used by our management team to evaluate our operating performance and make day-to-day operating decisions and because 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. During the first quarter of 2021, we modified the definition of adjusted EBITDA to exclude the amortization of development advance notes to reflect how our chief operating decision maker reviews operating performance beginning in 2021. We have applied the modified definition of adjusted EBITDA to all periods presented. Explanations for adjustments within the reconciliations can be found in our fourth quarter 2019 and subsequent Earnings Releases at investor.wyndhamhotels.com.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31, 2021</th>
<th>Year Ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$ 24</td>
<td>$ 157</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>11</td>
<td>50</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>24</td>
<td>109</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>28</td>
<td>100</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Development advance notes amortization</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Impairment, net</td>
<td>-</td>
<td>45</td>
</tr>
<tr>
<td>Contract termination costs</td>
<td>-</td>
<td>42</td>
</tr>
<tr>
<td>Transaction-related expenses, net</td>
<td>-</td>
<td>40</td>
</tr>
<tr>
<td>Separation-related expenses</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>Transaction-related item</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Foreign currency impact of highly inflationary countries</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 97</td>
<td>$ 621</td>
</tr>
</tbody>
</table>
The following tables reconcile certain non-GAAP financial measures. We define free cash flow to be net cash provided by operating activities less property and equipment additions, which we also refer to as capital expenditures, and adjusted free cash flow as free cash flow less special-item cash outlays. We believe free cash flow and adjusted free cash flow to be useful operating performance measures to us and investors to evaluate the ability of our operations to generate cash for uses other than capital expenditures and special-item cash outlays 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, to the extent permitted. These non-GAAP measures are not necessarily a representation of how we will use excess cash. A limitation of using free cash flow and adjusted free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating Wyndham Hotels is that free cash flow and adjusted free cash flow do not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31, 2021</th>
<th>Year Ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$ 64</td>
<td>$ 100</td>
</tr>
<tr>
<td>Less: Property and equipment additions</td>
<td>(5)</td>
<td>(50)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$ 59</td>
<td>50</td>
</tr>
<tr>
<td>Payments to tax authorities related to the La Quinta acquisition</td>
<td>195</td>
<td></td>
</tr>
<tr>
<td>Transaction-related and separation-related cash outlays</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>Restructuring payments</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Payment to terminate an unprofitable hotel-management arrangement</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures at owned hotel in Puerto Rico, all of which were reimbursed by insurance proceeds in 2018</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Adjusted free cash flow</td>
<td>$ 360</td>
<td></td>
</tr>
</tbody>
</table>
Calculation of Franchising Margin

Consistent with our peers, franchising margin excludes the effects of the marketing, reservation and loyalty funds from Hotel Franchising segment revenues and adjusted EBITDA, as well as license and other fees. Management evaluates the operating results of each of its reportable segments based upon net revenues and “adjusted EBITDA”. During the first quarter of 2021, we modified the definition of adjusted EBITDA to exclude the amortization of development advance notes and have applied the modified definition of adjusted EBITDA to all periods presented.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Franchising segment revenues</td>
<td>$ 1,279</td>
</tr>
<tr>
<td>Hotel Franchising segment adjusted EBITDA</td>
<td>629</td>
</tr>
<tr>
<td>Segment margin</td>
<td>49%</td>
</tr>
<tr>
<td>Effect of license fees</td>
<td>(6%)</td>
</tr>
<tr>
<td>Effect of marketing, reservation and loyalty funds</td>
<td>37%</td>
</tr>
<tr>
<td>Franchising margin</td>
<td>80%</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions & Disclaimer

Definitions:
Adjusted EBITDA: Represents net income excluding net 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, income taxes and development advance notes amortization. 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 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. Adjusted EBITDA also assists our investors in evaluating our ongoing operating performance 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. During the first quarter of 2021, we modified the definition of adjusted EBITDA to exclude the amortization of development advance notes to reflect how our chief operating decision maker reviews operating performance beginning in 2021. We have applied the modified definition of adjusted EBITDA to all periods presented.

Adjusted Free Cash Flow: Adjusted free cash flow represents net cash provided by operating activities less property and equipment additions, which we also refer to as capital expenditures, and special-item cash outlays. We believe adjusted 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 special-item outlays 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, to the extent permitted. This non-GAAP measure is not necessarily a representation of how we will use excess cash. A limitation of using adjusted free cash flow versus the GAAP measure of net cash provided by operating activities as a means for evaluating Wyndham Hotels is that adjusted free cash flow does not represent the total cash movement for the period as detailed in the consolidated statement of cash flows.

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Forward-Looking Statements
Certain statements in this presentation constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements. Such forward-looking statements include projections, which were not prepared in accordance with public guidelines of the American Institute of Certified Public Accountants (AICPA) in the United States. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those contained therein, including those identified in the section “Risk Factors” of Wyndham Hotels & Resorts’ Form 10-K filed with the SEC and subsequent reports filed with the SEC.

Non-GAAP Financial Measures
Financial information contained in this presentation includes certain financial measures that are calculated and presented on the basis of methodologies other than in accordance with U.S. generally accepted accounting principles (GAAP), such as adjusted EBITDA, free cash flow and adjusted free cash flow, which include or exclude certain items from the most directly comparable GAAP financial measure. Any non-GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by GAAP, have no standardized meaning prescribed by GAAP and may not be comparable to the calculation of similar measures of other companies. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix. In some instances, we have provided certain non-GAAP measures only because we are unable to predict with reasonable certainty the occurrence or amount of potential adjustments that may arise in the future. The Company is providing certain financial metrics only on a non-GAAP basis because, without unreasonable efforts, it is unable to predict with reasonable certainty the occurrence or amount of potential adjustments that may arise in the future during the forward-looking period, which can be dependent on future events that may not be reliably predicted. Based on past reported results, where one or more of these items have been applicable, such excluded items could be material, individually or in the aggregate, to the reported results.