



Host Hotels & Resorts Successfully Amends \$2.5 Billion Credit Agreement to Enhance Flexibility and Preserve Liquidity and Updates Investor Presentation

June 29, 2020

BETHESDA, Md., June 29, 2020 (GLOBE NEWSWIRE) -- Host Hotels & Resorts, Inc. (NYSE: HST), the nation's largest lodging real estate investment trust (the "Company"), announced today that it successfully amended the credit agreement governing its \$1.5 billion fully drawn revolving credit facility and two \$500 million term loans.

James F. Risoleo, President and Chief Executive Officer, said, "We obtained favorable waiver terms from our supportive bank group due to the Company's superior balance sheet and liquidity position as well as our disciplined capital allocation track record. We greatly appreciate the strong, longstanding partnership demonstrated by our banks and are pleased to have amended our revolving and term loan credit facilities in a manner that preserves our liquidity to withstand prolonged business disruption and enhances our flexibility to capitalize on investment opportunities that create long-term value for our stakeholders."

Key terms of the amended credit agreement include:

- Waiver of the existing quarterly-tested financial covenants for the period beginning July 1, 2020 through the second quarter of 2021, with testing resuming for the third quarter of 2021 (the "Covenant Relief Period"). The Company also has the option to terminate the Covenant Relief Period early;
- Modification of the quarterly-tested leverage covenant and EBITDA calculation to ease compliance in the first three quarters after the end of the Covenant Relief Period;
- Permission to finance encumbered or unencumbered acquisitions of up to \$1.5 billion with existing liquidity as long as the Company maintains total minimum liquidity of \$500 million;
- Ability to fund up to \$500 million in ROI capital expenditures during the Covenant Relief Period as well as complete capital expenditures incurred in connection with emergency repairs, life safety repairs or ordinary course maintenance repairs;
- Addition of a 15-basis points LIBOR floor for the life of the revolving credit facility and term loans and an interest rate increase of 40-basis points in the credit ratings-based interest rate grid during the Covenant Relief Period for the revolving credit facility and term loans;
- Addition of certain restrictions and covenants for the duration of the Covenant Relief Period, including restrictions on dividend and distribution payments (subject to REIT requirements), share repurchases and new covenants limiting the incurrence of additional indebtedness, asset sales, and investments (in each case subject to various exceptions);
- Maintenance of the revolving credit facility and one term loan's initial maturity date of January 2024 with options to extend to January 2025. Maintenance of the second term loan's final maturity date of January 2025.

Notably, the Company preserved the fully unsecured status of its 80 consolidated assets and maintained flexibility to sell assets in connection with like kind exchanges (up to \$750 million) as well as other asset sales up to \$350 million before triggering any mandatory prepayment obligations under the credit facility.

PJT Partners served as independent financial advisor to the Company on its credit facility amendment.

On June 30th, the Company plans to voluntarily repay approximately \$750 million of borrowings outstanding under its \$1.5 billion fully-drawn revolving credit facility. The Company will continually monitor its liquidity requirements and evaluate the need to draw on its revolver capacity.

Updated Investor Presentation

For additional information on terms of the amended credit agreement as well as an update on business performance, including preliminary May top line results, please refer to the pdf or interactive version of the July 2020 investor presentation located in the [investor section of the Company's website](#).

About Host Hotels & Resorts

Host Hotels & Resorts, Inc. is an S&P 500 company and is the largest lodging real estate investment trust and one of the largest owners of luxury and upper-upscale hotels. The Company currently owns 75 properties in the United States and five properties internationally totaling approximately 46,700 rooms. The Company also holds non-controlling interests in six domestic and one international joint ventures. Guided by a disciplined approach to capital allocation and aggressive asset management, the Company partners with premium brands such as Marriott®, Ritz-Carlton®, Westin®, Sheraton®, W®, St. Regis®, The Luxury Collection®, Hyatt®, Fairmont®, Hilton®, Swissôtel®, ibis® and Novotel®, as well as independent brands.

For additional information, please visit the Company's website at www.hosthotels.com.

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Note: This press release contains forward-looking statements within the meaning of federal securities regulations. These forward-looking statements include forecast results and are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "plan," "predict," "project," "will," "continue" and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks include, but are not limited to: the duration and scope of the COVID-19 pandemic and its short and longer-term impact on the demand for travel, transient and group business, and levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel; the impact of the pandemic and actions taken in response to the pandemic on global and regional economies, travel, and economic activity, including the duration and magnitude of its impact on unemployment rates, business investment and consumer discretionary spending; the pace of recovery when the COVID-19 pandemic subsides; general economic uncertainty in U.S. markets where we own hotels and a worsening of economic conditions or low levels of economic growth in these markets; the effects of steps we and our hotel managers take to reduce operating costs in response to the COVID-19 pandemic; other changes (apart from the COVID-19 pandemic) in national and local economic and business conditions and other factors such as natural disasters and weather that will affect occupancy rates at our hotels and the demand for hotel products and services; the impact of geopolitical developments outside the U.S. on lodging demand; volatility in global financial and credit markets; operating risks associated with the hotel business; risks and limitations in our operating flexibility associated with the level of our indebtedness and our ability to meet covenants in our debt agreements; risks associated with our relationships with property managers and joint venture partners; our ability to maintain our properties in a first-class manner, including meeting capital expenditure requirements; the effects of hotel renovations on our hotel occupancy and financial results; our ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; risks associated with our ability to complete acquisitions and dispositions and develop new properties and the risks that acquisitions and new developments may not perform in accordance with our expectations; our ability to continue to satisfy complex rules in order for us to remain a REIT for federal income tax purposes; risks associated with our ability to effectuate our dividend policy, including factors such as operating results and the economic outlook influencing our board's decision whether to pay further dividends at levels previously disclosed or to use available cash to make special dividends; and other risks and uncertainties associated with our business described in the Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this release is as of June 29, 2020 and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

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Source: Host Hotels & Resorts, Inc.