

THE PHOENICIAN,  
A LUXURY COLLECTION RESORT

  
HOST  
HOTELS & RESORTS



# Supplemental Financial Information

MARCH 31, 2023

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# OVERVIEW

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SUPPLEMENTAL  
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INFORMATION



# ABOUT HOST HOTELS & RESORTS

## PREMIER US LODGING REIT

S&P  
500  
COMPANY

\$11.9  
BILLION  
MARKET CAP<sup>(1)</sup>

\$15.7  
BILLION  
ENTERPRISE VALUE<sup>(1)</sup>

## LUXURY & UPPER UPSCALE CONSOLIDATED HOTELS PORTFOLIO<sup>(2)</sup>

77  
HOTELS

41,900  
ROOMS

20  
TOP US MARKETS

(1) Based on market cap as of March 31, 2023. See Comparative Capitalization for calculation.

(2) At March 31, 2023.

# ANALYST COVERAGE

**BAIRD**

Mike Bellisario  
414-298-6130

[mbellisario@rwbaird.com](mailto:mbellisario@rwbaird.com)

**BoFA SECURITIES, INC.**

Shaun Kelley  
646-855-1005

[shaun.kelley@baml.com](mailto:shaun.kelley@baml.com)

**BARCLAYS CAPITAL**

Anthony Powell  
212-526-8768

[anthony.powell@barclays.com](mailto:anthony.powell@barclays.com)

**BMO CAPITAL MARKETS**

Ari Klein  
212-885-4103

[ari.klein@bmo.com](mailto:ari.klein@bmo.com)

**CITI INVESTMENT RESEARCH**

Smedes Rose  
212-816-6243

[smedes.rose@citi.com](mailto:smedes.rose@citi.com)

**COMPASS POINT RESEARCH & TRADING,  
LLC**

Floris van Dijkum  
646-757-2621

[fvandijkum@compasspointllc.com](mailto:fvandijkum@compasspointllc.com)

**DEUTSCHE BANK SECURITIES**

Chris Woronka  
212-250-9376

[chris.woronka@db.com](mailto:chris.woronka@db.com)

**EVERCORE ISI**

Duane Pfennigwerth  
212-497-0817

[duane.pfennigwerth@evercoreisi.com](mailto:duane.pfennigwerth@evercoreisi.com)

**GREEN STREET ADVISORS**

Chris Darling  
949-640-8780

[cdarling@greenst.com](mailto:cdarling@greenst.com)

**JEFFERIES**

David Katz  
212-323-3355

[dkatz@jefferies.com](mailto:dkatz@jefferies.com)

**J.P. MORGAN SECURITIES**

Joe Greff  
212-622-0548

[joseph.greff@jpmorgan.com](mailto:joseph.greff@jpmorgan.com)

**MORGAN STANLEY & CO.**

Stephen Grambling  
212-761-1010

[stephen.grambling@morganstanley.com](mailto:stephen.grambling@morganstanley.com)

**OPPENHEIMER & CO. INC.**

Tyler Batory  
212-667-7230

[tyler.batory@opco.com](mailto:tyler.batory@opco.com)

**RAYMOND JAMES & ASSOCIATES**

Bill Crow  
727-567-2594

[bill.crow@raymondjames.com](mailto:bill.crow@raymondjames.com)

**SMBC NIKKO SECURITIES AMERICA, INC.**

Richard Anderson  
646-521-2351

[randerson@smbcnikko-si.com](mailto:randerson@smbcnikko-si.com)

**STIFEL, NICOLAUS & CO.**

Simon Yarmak  
443-224-1345

[yarmaks@stifel.com](mailto:yarmaks@stifel.com)

**TRUIST**

C. Patrick Scholes  
212-319-3915

[patrick.scholes@suntrust.com](mailto:patrick.scholes@suntrust.com)

**UBS SECURITIES LLC**

Robin Farley  
212-713-2060

[robin.farley@ubs.com](mailto:robin.farley@ubs.com)

**WELLS FARGO SECURITIES LLC**

Dori Kesten  
617-603-4233

[dori.kestens@wellsfargo.com](mailto:dori.kestens@wellsfargo.com)

# OVERVIEW



## ABOUT HOST HOTELS & RESORTS

Host Hotels & Resorts, Inc., herein referred to as “we,” “Host Inc.,” or the “Company,” is a self-managed and self-administered real estate investment trust that owns hotel properties. We conduct our operations as an umbrella partnership REIT through an operating partnership, Host Hotels & Resorts, L.P. (“Host LP”), of which we are the sole general partner. When distinguishing between Host Inc. and Host LP, the primary difference is approximately 1% of the partnership interests in Host LP held by outside partners as of March 31, 2023, which are non-controlling interests in Host LP in our consolidated balance sheets and are included in net (income) loss attributable to non-controlling interests in our consolidated statements of operations. Readers are encouraged to find further detail regarding our organizational structure in our annual report on Form 10-K.

## FORWARD-LOOKING STATEMENTS

This supplemental information contains forward-looking statements within the meaning of federal securities regulations. These forward-looking statements which include, but may not be limited to, our expectations regarding the impact of the COVID-19 pandemic on our business, the recovery of travel and the lodging industry, the impact of Hurricane Ian and 2023 estimates with respect to our business, including our anticipated capital expenditures and financial and operating 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 those described in the Company's annual report on Form 10-K and other filings 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 supplemental presentation is as of May 3, 2023, 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.

# NON-GAAP FINANCIAL MEASURES



Included in this supplemental information are certain “non-GAAP financial measures,” which are measures of our historical or future financial performance that are not calculated and presented in accordance with GAAP (U.S. generally accepted accounting principles), within the meaning of applicable SEC rules. They are as follows: (i) Funds From Operations (“FFO”) and FFO per diluted share (both NAREIT and Adjusted), (ii) EBITDA (for both the Company and hotel level), (iii) EBITDAre and Adjusted EBITDAre, (iv) Net Operating Income (NOI) and (v) Comparable Hotel Operating Statistics and Results. Also included are reconciliations to the most directly comparable GAAP measures. See the Notes to Supplemental Financial Information for definitions of these measures, why we believe these measures are useful and limitations on their use.

Also included in this supplemental information is our leverage ratio, unsecured interest coverage ratio and fixed charge coverage ratio, calculated in accordance with our credit facility, along with our EBITDA to interest coverage ratio, indenture indebtedness test, indenture secured indebtedness test, and indenture unencumbered assets to unsecured indebtedness test, calculated in accordance with our senior notes indenture covenants. Included with these ratios are reconciliations calculated in accordance with GAAP. See the Notes to Supplemental Financial Information for information on how these supplemental measures are calculated, why we believe they are useful and limitations on their use.

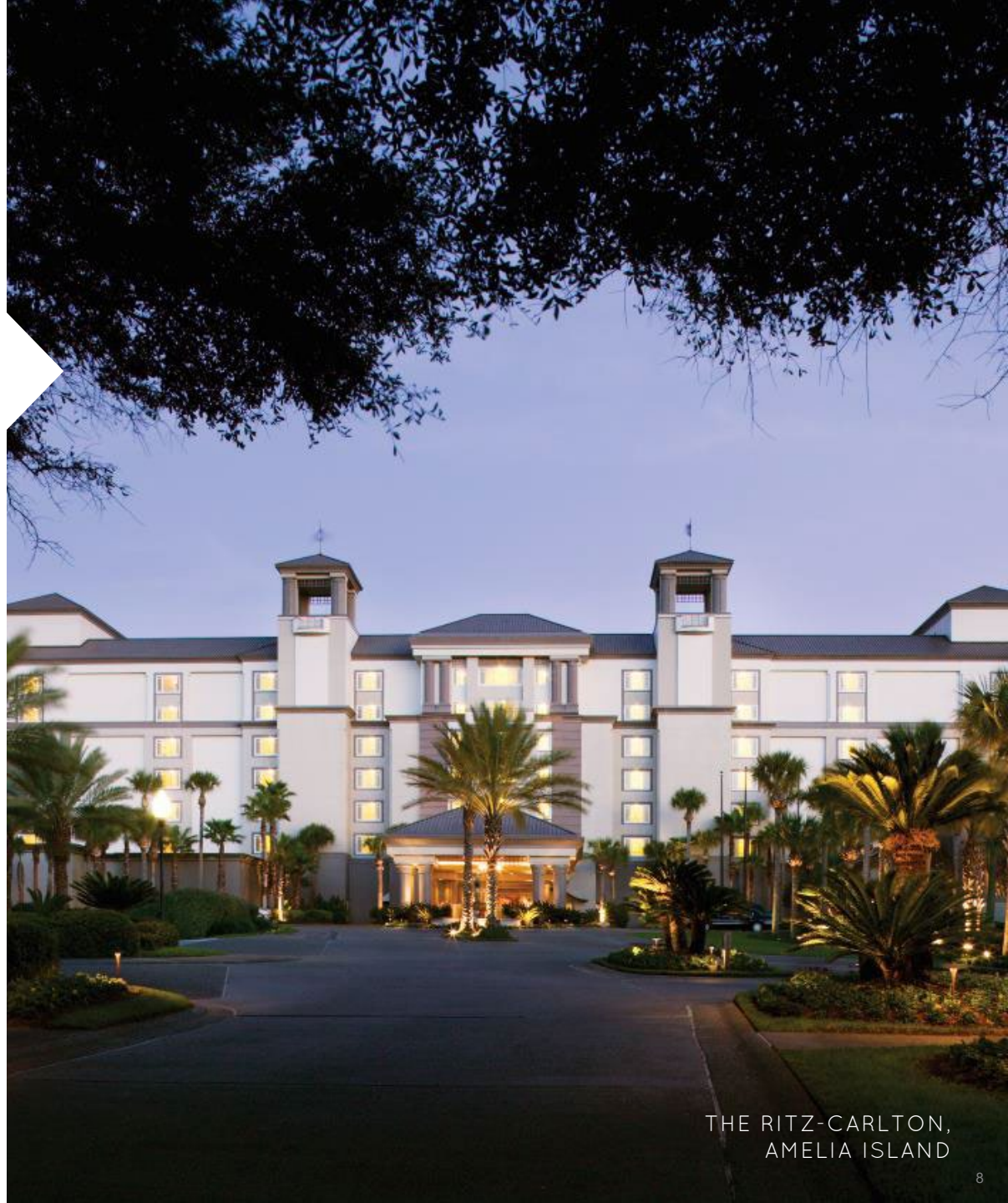
OVERVIEW

**PROPERTY  
LEVEL DATA**

CAPITALIZATION

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NOTES TO  
SUPPLEMENTAL  
FINANCIAL  
INFORMATION



THE RITZ-CARLTON,  
AMELIA ISLAND



# COMPARABLE HOTEL RESULTS BY LOCATION

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS AND PER ROOM BASIS)

Quarter ended March 31, 2023

Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR <sup>(2)</sup>	Total revenues	Total Revenues per Available Room <sup>(3)</sup>	Hotel Net Income	Hotel EBITDA
Miami	2	1,033	\$643.96	77.9%	\$501.89	\$82.7	\$862.22	\$26.7	\$33.9
Maui/Oahu	4	2,006	605.58	76.2	461.65	126.5	700.34	30.3	46.3
Phoenix	3	1,545	529.55	82.5	436.73	122.1	878.14	52.0	59.4
Florida Gulf Coast	3	941	475.65	84.1	400.16	74.7	882.27	27.6	33.1
Jacksonville	1	446	510.30	67.2	343.06	30.9	768.78	7.9	10.9
Orlando	2	2,448	427.60	76.0	325.11	141.4	641.80	41.0	54.1
Los Angeles/ Orange County	3	1,067	296.72	79.9	237.19	33.9	353.46	3.9	7.2
San Diego	3	3,294	282.93	76.9	217.70	125.0	422.03	27.9	43.2
New York	2	2,486	281.95	73.3	206.60	70.2	313.90	(3.6)	8.9
Austin	2	767	289.30	70.1	202.79	24.8	358.95	3.5	7.7
San Francisco/ San Jose	6	4,162	290.85	60.8	176.75	100.2	267.55	9.3	25.4
Washington, D.C. (CBD) <sup>(5)</sup>	5	3,238	270.57	64.2	173.81	76.1	261.11	15.0	23.2
San Antonio	2	1,512	238.60	70.1	167.19	36.2	266.21	8.3	12.3
New Orleans	1	1,333	221.98	73.0	161.94	28.6	238.77	8.7	10.9
Philadelphia	2	810	207.09	74.2	153.60	17.5	239.52	1.3	3.7
Houston	5	1,942	204.18	73.4	149.81	36.6	209.59	5.1	11.4
Northern Virginia	2	916	227.21	65.6	149.04	18.6	225.76	1.5	3.9
Boston	2	1,496	210.79	69.2	145.84	28.7	213.40	2.1	6.6
Atlanta	2	810	196.79	74.0	145.62	17.7	242.65	3.8	5.9
Seattle	2	1,315	197.72	53.1	105.09	18.5	156.16	(2.6)	0.6
Chicago	3	1,562	178.91	51.6	92.37	19.0	135.28	(3.2)	1.2
Denver	3	1,340	171.90	48.7	83.66	13.8	114.72	(1.1)	1.8
Other	10	3,061	357.65	58.2	208.18	89.5	321.87	13.0	23.6
Other property level <sup>(6)</sup>						0.2		(1.2)	(1.2)
Domestic	70	39,530	323.40	68.7	222.11	1,333.4	374.23	277.2	434.0
International	5	1,499	171.05	60.3	103.18	19.6	145.42	3.3	5.4
All Locations - comparable hotels <sup>(1)</sup>	75	41,029	\$318.49	68.4%	\$217.77	\$1,353.0	\$365.93	\$280.5	\$439.4
Non-comparable hotels	2	909				21.4		(1.9)	5.5
Property transaction adjustments <sup>(7)</sup>						6.8		—	2.9
Gain on sale of property and corporate level income/expense <sup>(4)</sup>						—		12.5	58.7
<b>Total</b>	<b>77</b>	<b>41,938</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$1,381.2</b>	<b>—</b>	<b>\$291.1</b>	<b>\$506.5</b>

(1) See the Notes to Supplemental Financial Information for a discussion of non-GAAP measures and the calculation of comparable hotel results.

(2) RevPAR is the product of the average daily room rate charged and the average daily occupancy achieved.

(3) Total Revenues per Available Room ("Total RevPAR") is a summary measure of hotel results calculated by dividing the sum of room, food and beverage and other ancillary service revenue by room nights available to guests for the period. It includes ancillary revenues not included within RevPAR.

(4) Certain Items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected in "gain on sale of property and corporate level income/expense." Refer to the table below for reconciliation of net income to EBITDA by location.

(5) CBD refers to the central business district.

(6) Other property level includes certain ancillary revenues and related expenses, as well as non-income taxes on TRS leases.

(7) Property transaction adjustments represent the following items: (i) the elimination of results of operations of our hotels sold or held-for-sale as of the reporting date, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations, and (ii) the addition of results for periods prior to our ownership for hotels acquired as of the reporting date.

# COMPARABLE HOTEL RESULTS BY LOCATION

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS AND PER ROOM BASIS)

Quarter ended March 31, 2023

Location	No. of Properties	No. of Rooms	Hotel Net Income	Plus: Depreciation	Plus: Interest Expense	Plus: Income Tax	Plus: Property Transaction Adjustments	Equals: Hotel EBITDA
Miami	2	1,033	\$26.7	\$7.2	\$ —	\$ —	\$ —	\$33.9
Maui/Oahu	4	2,006	30.3	16.0	—	—	—	46.3
Phoenix	3	1,545	52.0	10.3	—	—	(2.9)	59.4
Florida Gulf Coast	3	941	27.6	5.5	—	—	—	33.1
Jacksonville	1	446	7.9	3.0	—	—	—	10.9
Orlando	2	2,448	41.0	13.1	—	—	—	54.1
Los Angeles/ Orange County	3	1,067	3.9	3.3	—	—	—	7.2
San Diego	3	3,294	27.9	15.3	—	—	—	43.2
New York	2	2,486	(3.6)	12.5	—	—	—	8.9
Austin	2	767	3.5	3.2	1.0	—	—	7.7
San Francisco/ San Jose	6	4,162	9.3	16.1	—	—	—	25.4
Washington, D.C. (CBD)	5	3,238	15.0	8.2	—	—	—	23.2
San Antonio	2	1,512	8.3	4.0	—	—	—	12.3
New Orleans	1	1,333	8.7	2.2	—	—	—	10.9
Philadelphia	2	810	1.3	2.4	—	—	—	3.7
Houston	5	1,942	5.1	6.3	—	—	—	11.4
Northern Virginia	2	916	1.5	2.4	—	—	—	3.9
Boston	2	1,496	2.1	4.5	—	—	—	6.6
Atlanta	2	810	3.8	2.1	—	—	—	5.9
Seattle	2	1,315	(2.6)	3.2	—	—	—	0.6
Chicago	3	1,562	(3.2)	4.4	—	—	—	1.2
Denver	3	1,340	(1.1)	2.9	—	—	—	1.8
Other	10	3,061	13.0	10.6	—	—	—	23.6
Other property level <sup>(2)</sup>			(1.2)	—	—	—	—	(1.2)
Domestic	70	39,530	277.2	158.7	1.0	—	(2.9)	434.0
International	5	1,499	3.3	2.1	—	—	—	5.4
All Locations - comparable hotels	75	41,029	\$280.5	\$160.8	\$1.0	\$ —	\$(2.9)	\$439.4
Non-comparable hotels	2	909	(1.9)	7.4	—	—	—	5.5
Property transaction adjustments <sup>(3)</sup>			—	—	—	—	2.9	2.9
Gain on sale of property and corporate level income/expense <sup>(1)</sup>			12.5	0.5	48.1	(2.4)	—	58.7
Total	77	41,938	\$291.1	\$168.7	\$49.1	\$(2.4)	\$ —	\$506.5

- (1) Certain Items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected in "gain on sale of property and corporate level income/expense." Refer to the table below for reconciliation of net income to EBITDA by location.
- (2) Other property level includes certain ancillary revenues and related expenses, as well as non-income taxes on TRS leases.
- (3) Property transaction adjustments represent the following items: (i) the elimination of results of operations of our hotels sold or held-for-sale as of the reporting date, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations, and (ii) the addition of results for periods prior to our ownership for hotels acquired as of the reporting date.

# COMPARABLE HOTEL RESULTS BY LOCATION

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS AND PER ROOM BASIS)

Quarter ended March 31, 2022

Location	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total revenues	Total Revenues per Available Room	Hotel Net Income	Hotel EBITDA
Miami	2	1,033	\$733.63	70.9%	\$520.02	\$79.1	\$819.53	\$31.3	\$35.4
Maui/Oahu	4	2,006	544.76	76.4	416.04	115.8	640.84	28.3	42.5
Phoenix	3	1,545	493.50	73.7	363.49	103.2	742.24	45.2	52.8
Florida Gulf Coast	3	941	482.76	80.0	386.10	64.3	759.35	25.2	30.6
Jacksonville	1	446	532.17	60.5	321.85	28.8	718.05	8.1	11.3
Orlando	2	2,448	458.86	58.1	266.55	107.6	488.36	28.8	41.1
Los Angeles/ Orange County	3	1,067	287.84	64.9	186.70	25.6	266.13	1.7	4.8
San Diego	3	3,294	257.75	61.6	158.83	87.5	295.65	14.5	29.7
New York	2	2,486	258.15	41.4	106.99	34.1	152.56	(42.9)	(8.3)
Austin	2	767	278.59	61.8	172.23	19.7	285.80	3.6	7.8
San Francisco/ San Jose	6	4,162	197.28	45.0	88.73	52.0	138.84	(14.7)	1.9
Washington, D.C. (CBD)	5	3,238	236.46	38.5	91.13	38.2	131.17	(3.2)	5.6
San Antonio	2	1,512	188.39	67.3	126.82	26.9	197.62	4.8	9.1
New Orleans	1	1,333	203.99	55.9	113.96	20.1	167.80	4.6	7.2
Philadelphia	2	810	176.60	66.7	117.84	13.4	183.75	(0.1)	2.4
Houston	5	1,942	179.90	60.9	109.60	26.1	149.28	1.9	7.0
Northern Virginia	2	916	198.70	52.8	104.94	12.3	148.86	(1.1)	1.2
Boston	2	1,496	181.69	47.6	86.56	15.1	112.42	(3.7)	1.1
Atlanta	2	810	173.11	66.3	114.76	12.9	177.40	2.0	4.2
Seattle	2	1,315	174.78	35.4	61.83	10.4	87.48	(6.7)	(3.1)
Chicago	3	1,562	161.26	40.6	65.54	12.4	87.91	(10.5)	(5.3)
Denver	3	1,340	152.03	45.3	68.83	12.4	102.89	0.1	2.9
Other	10	3,061	389.78	51.8	201.81	83.9	302.03	4.6	23.5
Other property level <sup>(2)</sup>						0.2		(0.3)	(0.3)
Domestic	70	39,530	311.23	54.9	170.92	1,002.0	281.16	121.5	305.1
International	5	1,499	98.95	39.5	39.12	7.8	57.86	(2.0)	0.3
All Locations - comparable hotels	75	41,029	\$305.60	54.4%	\$166.12	\$1,009.8	\$273.06	\$119.5	\$305.4
Non-comparable hotels	2	909				66.4		25.7	32.5
Severance at hotel properties						—		—	(1.7)
Property transaction adjustments <sup>(3)</sup>						(2.0)		—	(18.8)
Gain on sale of property and corporate level income/expense <sup>(1)</sup>						—		(27.2)	(7.3)
<b>Total</b>	<b>77</b>	<b>41,938</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$1,074.2</b>	<b>—</b>	<b>\$118.0</b>	<b>\$310.1</b>

(1) Certain Items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected in "gain on sale of property and corporate level income/expense." Refer to the table below for reconciliation of net income to EBITDA by location.

(2) Other property level includes certain ancillary revenues and related expenses, as well as non-income taxes on TRS leases.

(3) Property transaction adjustments represent the following items: (i) the elimination of results of operations of our hotels sold or held-for-sale as of the reporting date, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations, and (ii) the addition of results for periods prior to our ownership for hotels acquired as of the reporting date.

# COMPARABLE HOTEL RESULTS BY LOCATION

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS AND PER ROOM BASIS)

Quarter ended March 31, 2022

Location	No. of Properties	No. of Rooms	Hotel Net Income	Plus: Depreciation	Plus: Interest Expense	Plus: Income Tax	Plus: Severance at hotel properties	Plus: Property Transaction Adjustments	Equals: Hotel EBITDA
Miami	2	1,033	\$31.3	\$5.7	\$ —	\$ —	\$ —	\$(1.6)	\$35.4
Maui/Oahu	4	2,006	28.3	14.1	—	—	0.1	—	42.5
Phoenix	3	1,545	45.2	10.9	—	—	—	(3.3)	52.8
Florida Gulf Coast	3	941	25.2	5.4	—	—	—	—	30.6
Jacksonville	1	446	8.1	3.2	—	—	—	—	11.3
Orlando	2	2,448	28.8	12.3	—	—	—	—	41.1
Los Angeles/ Orange County	3	1,067	1.7	3.1	—	—	—	—	4.8
San Diego	3	3,294	14.5	15.2	—	—	—	—	29.7
New York	2	2,486	(42.9)	22.3	—	—	1.6	10.7	(8.3)
Austin	2	767	3.6	3.1	1.1	—	—	—	7.8
San Francisco/ San Jose	6	4,162	(14.7)	16.6	—	—	—	—	1.9
Washington, D.C. (CBD)	5	3,238	(3.2)	8.8	—	—	—	—	5.6
San Antonio	2	1,512	4.8	4.3	—	—	—	—	9.1
New Orleans	1	1,333	4.6	2.6	—	—	—	—	7.2
Philadelphia	2	810	(0.1)	2.5	—	—	—	—	2.4
Houston	5	1,942	1.9	5.1	—	—	—	—	7.0
Northern Virginia	2	916	(1.1)	2.3	—	—	—	—	1.2
Boston	2	1,496	(3.7)	3.0	—	—	—	1.8	1.1
Atlanta	2	810	2.0	2.2	—	—	—	—	4.2
Seattle	2	1,315	(6.7)	3.6	—	—	—	—	(3.1)
Chicago	3	1,562	(10.5)	5.2	—	—	—	—	(5.3)
Denver	3	1,340	0.1	2.8	—	—	—	—	2.9
Other	10	3,061	4.6	7.7	—	—	—	11.2	23.5
Other property level <sup>(2)</sup>			(0.3)	—	—	—	—	—	(0.3)
Domestic	70	39,530	121.5	162.0	1.1	—	1.7	18.8	305.1
International	5	1,499	(2.0)	2.3	—	—	—	—	0.3
All Locations - comparable hotels	75	41,029	\$119.5	\$164.3	\$1.1	\$ —	\$1.7	\$18.8	\$305.4
Non-comparable hotels	2	909	25.7	6.8	—	—	—	—	32.5
Severance at hotel properties			—	—	—	—	(1.7)	—	(1.7)
Property transaction adjustments <sup>(3)</sup>			—	—	—	—	—	(18.8)	(18.8)
Gain on sale of property and corporate level income/expense <sup>(1)</sup>			(27.2)	0.4	35.2	(15.7)	—	—	(7.3)
Total	77	41,938	\$118.0	\$171.5	\$36.3	\$(15.7)	\$ —	\$ —	\$310.1

(1) Certain Items from our statement of operations are not allocated to individual properties, including interest on our senior notes, corporate and other expenses, and the provision for income taxes. These items are reflected in "gain on sale of property and corporate level income/expense." Refer to the table below for reconciliation of net income to EBITDA by location.

(2) Other property level includes certain ancillary revenues and related expenses, as well as non-income taxes on TRS leases.

(3) Property transaction adjustments represent the following items: (i) the elimination of results of operations of our hotels sold or held-for-sale as of the reporting date, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations, and (ii) the addition of results for periods prior to our ownership for hotels acquired as of the reporting date.

# HISTORICAL COMPARABLE HOTEL RESULTS

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS)



## Historical Comparable Hotel Metrics <sup>(1)</sup>

	Three Months Ended					Full Year	Three Months Ended				Full Year
	March 31, 2023	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31, 2022	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
Number of hotels	75	75	75	75	75	75	73	73	73	73	73
Number of rooms	41,029	41,029	41,029	41,029	41,029	41,029	40,641	40,641	40,641	40,641	40,641
Comparable hotel RevPAR	\$217.77	\$166.12	\$219.23	\$197.76	\$199.97	\$195.87	\$202.83	\$211.88	\$192.81	\$194.32	\$200.42
Comparable hotel occupancy	68.4%	54.4%	74.0%	70.3%	66.5%	66.3%	76.3%	81.9%	80.0%	75.6%	78.5%
Comparable hotel ADR	\$318.49	\$305.60	\$296.18	\$281.27	\$300.71	\$295.24	\$265.90	\$258.56	\$240.91	\$256.94	\$255.39

## Historical Comparable Hotel Revenues <sup>(1)(2)</sup>

	Three Months Ended					Full Year	Three Months Ended				Full Year
	March 31, 2023	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31, 2022	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
Total Revenues	\$1,381	\$1,074	\$1,381	\$1,189	\$1,263	\$4,907	\$1,390	\$1,483	\$1,262	\$1,334	\$5,469
Add: Revenues from asset acquisitions	-	34	4	30	4	72	128	91	90	92	401
Less: Revenues from asset dispositions	(7)	(32)	(15)	(6)	(7)	(60)	(230)	(251)	(205)	(180)	(866)
Less: Revenues from non-comparable hotels	(21)	(66)	(46)	(25)	(9)	(146)	(74)	(48)	(28)	(48)	(198)
<b>Comparable hotel revenues</b>	<b>\$1,353</b>	<b>\$1,010</b>	<b>\$1,324</b>	<b>\$1,188</b>	<b>\$1,251</b>	<b>\$4,773</b>	<b>\$1,214</b>	<b>\$1,275</b>	<b>\$1,119</b>	<b>\$1,198</b>	<b>\$4,806</b>

## Historical Comparable Hotel EBITDA <sup>(1)(2)</sup>

	Three Months Ended					Full Year	Three Months Ended				Full Year
	March 31, 2023	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31, 2022	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
<b>Net income</b>	\$291	\$118	\$260	\$116	\$149	\$643	\$189	\$290	\$372	\$81	\$932
Depreciation and amortization	169	172	162	164	166	664	170	166	165	175	676
Interest expense	49	36	37	40	43	156	43	43	46	90	222
Provision (benefit) for income taxes	(2)	(16)	39	6	(3)	26	2	16	4	8	30
Gain on sale of property and corporate level income/expense	(59)	7	10	15	18	51	11	(44)	(263)	13	(283)
Severance expense at hotel properties	-	2	-	-	-	2	-	-	-	-	-
Property transaction adjustments	(3)	19	(3)	8	(1)	23	(10)	(46)	(25)	(15)	(96)
Non-comparable hotel results, net	(6)	(33)	(15)	-	3	(45)	(32)	(13)	(2)	(15)	(62)
<b>Comparable hotel EBITDA<sup>(2)</sup></b>	<b>\$439</b>	<b>\$305</b>	<b>\$490</b>	<b>\$349</b>	<b>\$375</b>	<b>\$1,520</b>	<b>\$373</b>	<b>\$412</b>	<b>\$297</b>	<b>\$337</b>	<b>\$1,419</b>

(1) Comparable hotel results represent adjustments for the following items: (i) to remove the results of operations of our hotels sold or held-for-sale as of March 31, 2023, which operations are included in our condensed consolidated statements of operations as continuing operations, (ii) to include the results for periods prior to our ownership for hotels acquired as of March 31, 2023, and (iii) to remove the results of our non-comparable hotels. The AC Hotel Scottsdale North is a new development hotel that opened in January 2021 and The Laura Hotel in Houston re-opened under new management in November 2021. Therefore, no adjustments were made for results of these hotels for periods prior to their openings.

(2) Comparable hotel revenues and comparable hotel EBITDA are non-GAAP financial measures within the meaning of the rules of the Securities and Exchange commission. See the Notes to Supplemental Financial Information for discussion of these non-GAAP measures.

# COMPARABLE HOTEL RESULTS 2023 FORECAST

(UNAUDITED, IN MILLIONS, EXCEPT HOTEL STATISTICS)



	2023 Comparable Hotel Set		
	2023 Forecast <sup>(1)</sup>	2022	2019
Number of hotels	75	75	73
Number of rooms	41,029	41,029	40,641
Comparable hotel Total RevPAR	\$346.72	\$318.25	\$323.84
Comparable hotel RevPAR	213.55	195.87	200.42
Operating profit margin <sup>(4)</sup>	15.0%	15.8%	14.6%
Comparable hotel EBITDA margin <sup>(4)</sup>	30.2%	31.8%	29.55%
Food and beverage profit margin <sup>(4)</sup>	34.3%	34.6%	32.0%
Comparable hotel food and beverage profit margin <sup>(4)</sup>	34.9%	35.0%	33.4%
<b>Net income</b>	<b>\$753</b>	<b>\$643</b>	<b>\$932</b>
Depreciation and amortization	682	664	676
Interest expense	190	156	222
Provision for income taxes	15	26	30
Gain on sale of property and corporate level income/expense	(50)	51	(283)
Severance expense at hotel properties	—	2	—
Property transaction adjustments <sup>(2)</sup>	(3)	23	(96)
Non-comparable hotel results, net <sup>(3)</sup>	(17)	(45)	(62)
<b>Comparable hotel EBITDA</b>	<b>\$1,570</b>	<b>\$1,520</b>	<b>\$1,419</b>

- (1) See "Reconciliation of Net Income to EBITDA, EBITDAre and Adjusted EBITDAre and Diluted Earnings per Common Share to NAREIT and Adjusted Funds From Operations per Diluted Share for Full Year 2023 Forecasts" for other forecast assumptions. Forecast presented assumes the midpoint of our comparable hotel RevPAR guidance of a 9% increase to 2022. Forecast comparable hotel results include 75 hotels (of our 77 hotels owned at March 31, 2023) that we have assumed will be classified as comparable as of December 31, 2023. See "Comparable Hotel Operating Statistics and Results" in the Notes to Supplemental Financial Information. No assurances can be made as to the hotels that will be in the comparable hotel set for 2023.
- (2) Property transaction adjustments represent the following items: (i) the elimination of results of operations of our hotels sold or held-for-sale as of March 31, 2023, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations, and (ii) the addition of results for periods prior to our ownership for hotels acquired as of March 31, 2023. The AC Hotel Scottsdale North is a new development hotel that opened in January 2021 and The Laura Hotel in Houston re-opened under new management in November 2021. Therefore, no adjustments were made for results of these hotels for periods prior to their openings.
- (3) Non-comparable hotel results, net, includes the following items: (i) the results of operations of our non-comparable hotels, which operations are included in our consolidated statements of operations as continuing operations, and (ii) gains on business interruption proceeds relating to events that occurred while the hotels were classified as non-comparable. The following hotels are expected to be non-comparable for full year 2023:
- Hyatt Regency Coconut Point Resort & Spa (business disruption due to Hurricane Ian beginning in September 2022, closed until November 2022); and
  - The Ritz-Carlton, Naples (business disruption due to Hurricane Ian beginning in September 2022, remains closed).
- (4) Profit margins are calculated by dividing the applicable operating profit by the related revenue amount. GAAP profit margins are calculated using amounts presented in the unaudited condensed consolidated statements of operations. Comparable hotel margins are calculated using amounts presented in the following tables, which include reconciliations to the applicable GAAP results:

# COMPARABLE HOTEL RESULTS 2023 FORECAST CONT.

(UNAUDITED, IN MILLIONS)



	Forecast Year ended December 31, 2023					Year ended December 31, 2022					Year ended December 31, 2019				
	Adjustments					Adjustments					Adjustments				
	GAAP Results	Property transaction adjustments	Non- comparable hotel results, net <sup>(b)</sup>	Depreciation and corporate level items	Comparable hotel Results	GAAP Results	Property transaction adjustments	Non- comparable hotel results, net <sup>(b)</sup>	Hotel severance, Depreciation and corporate level items	Comparable hotel Results	GAAP Results	Property transaction adjustments	Non- comparable hotel results, net <sup>(b)</sup>	Depreciation and corporate level items	Comparable hotel Results
<b>Revenues</b>															
Room	\$3,270	\$(5)	\$(62)	\$-	\$3,203	\$3,014	\$-	\$(76)	\$-	\$2,938	\$3,431	\$(363)	(94)	\$-	\$2,974
Food and beverage	1,579	(2)	(48)	-	1,529	1,418	3	(54)	-	1,367	1,647	(95)	(82)	-	1,470
Other	480	-	(11)	-	469	475	9	(16)	-	468	391	(7)	(22)	-	362
Total revenues	5,329	(7)	(121)	-	5,201	4,907	12	(146)	-	4,773	5,469	(465)	(198)	-	4,806
<b>Expenses</b>															
Room	804	(1)	(14)	-	789	727	(10)	(14)	-	703	873	(125)	(19)	-	729
Food and beverage	1,037	(1)	(40)	-	996	928	(1)	(38)	-	889	1,120	(84)	(57)	-	979
Other	1,898	(2)	(50)	-	1,846	1,723	-	(49)	(2)	1,672	1,899	(160)	(60)	-	1,679
Depreciation and amortization	682	-	-	(682)	-	664	-	-	(664)	-	676	-	-	(676)	-
Corporate and other expenses	115	-	-	(115)	-	107	-	-	(107)	-	107	-	-	(107)	-
Gain on insurance and business interruption settlements <sup>(a)</sup>	(7)	-	-	7	-	(17)	-	-	6	(11)	(5)	-	-	5	-
Total expenses	4,529	(4)	(104)	(790)	3,631	4,132	(11)	(101)	(767)	3,253	4,670	(369)	(136)	(778)	3,387
<b>Operating Profit - Comparable hotel EBITDA</b>	<b>\$800</b>	<b>\$(3)</b>	<b>\$(17)</b>	<b>\$790</b>	<b>\$1,570</b>	<b>\$775</b>	<b>\$23</b>	<b>\$(45)</b>	<b>\$767</b>	<b>\$1,520</b>	<b>\$799</b>	<b>\$(96)</b>	<b>\$(62)</b>	<b>\$778</b>	<b>\$1,419</b>

- a) The insurance gain relates to proceeds in 2023 related to prior year insurance claims. 2023 Forecasts do not include any gains related to Hurricane Ian at this time, as timing of any recognition is uncertain.
- b) Forecast non-comparable hotel results, net includes the results of the Hyatt Regency Coconut Point Resort & Spa and The Ritz-Carlton, Naples, due to the closures caused by Hurricane Ian. The Ritz-Carlton, Naples had a development project in progress at the time the hurricane hit that was scheduled to be complete by the end of 2022. This project included an expansion of the property to include a new guest tower that would result in the addition of 24 net new keys. Due to the damage caused by the hurricane, the completion of the project was delayed and will not debut until the property has reopened. The following table reconciles net income (loss) to Hotel EBITDA for these non-comparable hotels based on the current forecast included in our Full Year 2023 forecast and based on the expected results of the properties had they not been affected by Hurricane Ian and the new guest tower opened as planned:

	Net Income (loss)	Plus: Depreciation	Plus: Interest Expense	Plus: Income Tax	Equals: Hotel EBITDA
Current Forecast	\$(13)	\$30	\$-	\$-	\$17
Forecast without Hurricane	56	32	-	-	88
Change in Forecast	\$(69)	\$(2)	\$-	\$-	\$(71)

# RECONCILIATION OF NET INCOME TO EBITDA, EBITDARE AND ADJUSTED EBITDARE AND DILUTED EARNINGS PER COMMON SHARE TO NAREIT AND ADJUSTED FUNDS FROM OPERATIONS PER DILUTED SHARE FOR FULL YEAR 2023 FORECASTS <sup>(1)</sup>



	<b>Full Year 2023</b>
	<b>Mid-point</b>
<b>Net income</b>	\$753
Interest expense	190
Depreciation and amortization	682
Income taxes	15
<b>EBITDA</b>	<b>1,640</b>
Gain on dispositions	(69)
Equity investment adjustments:	
Equity in earnings of affiliates	(23)
Pro rata EBITDARE of equity investments	44
<b>EBITDARE</b>	<b>1,592</b>
Adjustments to EBITDARE:	
Gain on property insurance settlement <sup>(2)</sup>	(7)
<b>Adjusted EBITDARE</b>	<b>\$1,585</b>

	<b>Full Year 2023</b>
	<b>Mid-point</b>
<b>Net income</b>	\$753
Less: Net income attributable to non-controlling interests	(12)
<b>Net income attributable to Host Inc.</b>	<b>741</b>
Adjustments:	
Gain on dispositions	(69)
Gain on property insurance settlement <sup>(2)</sup>	(7)
Depreciation and amortization	681
Equity investment adjustments:	
Equity in earnings of affiliates	(23)
Pro rata FFO of equity investments	32
Consolidated partnership adjustments:	
FFO adjustment for non-controlling partnerships	(1)
FFO adjustment for non-controlling interests of Host LP	(8)
<b>NAREIT FFO</b>	<b>1,346</b>
Adjustments to NAREIT FFO:	
Loss on extinguishment of debt	4
<b>Adjusted FFO</b>	<b>\$1,350</b>

<b>Diluted weighted average shares outstanding - EPS, NAREIT FFO and Adjusted FFO</b>	713.3
<b>Diluted earnings per common share</b>	\$1.04
<b>NAREIT FFO per diluted share</b>	\$1.89
<b>Adjusted FFO per diluted share</b>	\$1.89

(1) The Forecasts are based on the below assumptions:

- Comparable Hotel RevPAR will increase at the midpoint of our guidance of 9%, compared to 2022.
- Comparable Hotel EBITDA margins will decrease 160 basis points compared to 2022.
- We expect to spend approximately \$600 million to \$725 million on capital expenditures.
- Assumes no acquisitions and no additional dispositions during the year.
- The Ritz-Carlton, Naples will remain closed due to Hurricane Ian through the second quarter.

For a discussion of items that may affect forecast results, see the Notes to Supplemental Financial Information.

(2) The insurance gain relates to proceeds in 2023 related to prior year insurance claims. 2023 Forecasts do not include any gains related to Hurricane Ian at this time, as timing of any recognition is uncertain.



# GROUND LEASE SUMMARY AS OF DECEMBER 31, 2022



As of December 31, 2022

	No. of rooms	Lessor Institution		Current expiration	Expiration after all potential options <sup>(1)</sup>
		Type	Minimum rent		
1 Boston Marriott Copley Place	1,145	Public	N/A <sup>(2)</sup>	12/13/2077	12/13/2077
2 Coronado Island Marriott Resort & Spa	300	Public	1,378,850	10/31/2062	10/31/2078
3 Denver Marriott West	305	Private	160,000	12/28/2028	12/28/2058
4 Houston Airport Marriott at George Bush Intercontinental	573	Public	1,560,000	10/31/2053	10/31/2053
5 Houston Marriott Medical Center/Museum District	398	Non-Profit	160,000	12/28/2029	12/28/2059
6 Manchester Grand Hyatt San Diego	1,628	Public	6,600,000	5/31/2067	5/31/2083
7 Marina del Rey Marriott	370	Public	1,991,076	3/31/2043	3/31/2043
8 Marriott Downtown at CF Toronto Eaton Centre	461	Non-Profit	368,900	9/20/2082	9/20/2082
9 Marriott Marquis San Diego Marina	1,366	Public	7,650,541	11/30/2061	11/30/2083
10 Newark Liberty International Airport Marriott	591	Public	2,576,119	12/31/2055	12/31/2055
11 Philadelphia Airport Marriott	419	Public	1,411,563	6/29/2045	6/29/2045
12 San Antonio Marriott Rivercenter	1,000	Private	700,000	12/31/2033	12/31/2063
13 San Francisco Marriott Marquis	1,500	Public	1,500,000	8/25/2046	8/25/2076
14 Santa Clara Marriott	766	Private	90,932	11/30/2028	11/30/2058
15 Tampa Airport Marriott	298	Public	1,463,770	12/31/2043	12/31/2043
16 The Ritz-Carlton, Marina del Rey	304	Public	2,078,916	7/29/2067	7/29/2067
17 The Ritz-Carlton, Tysons Corner	398	Private	1,043,459	6/30/2112	6/30/2112
18 The Westin Cincinnati	456	Public	100,000	6/30/2045	6/30/2075 <sup>(3)</sup>
19 The Westin South Coast Plaza, Costa Mesa	393	Private	178,160	9/30/2025	9/30/2025
<b>Weighted average remaining lease term (assuming all extension options)</b>				51 years	
<b>Percentage of leases (based on room count) with Public/Private/Non-Profit lessors</b>				71%/22%/7%	

(1) Exercise of Host's option to extend is subject to certain conditions, including the existence of no defaults and subject to any applicable rent escalation or rent re-negotiation provisions.

(2) All rental payments have been previously paid and no further rental payments are required for the remainder of the lease term.

(3) No renewal term in the event the Lessor determines to discontinue use of building as a hotel.

OVERVIEW

PROPERTY  
LEVEL DATA

**CAPITALIZATION**

FINANCIAL  
COVENANTS

NOTES TO  
SUPPLEMENTAL  
FINANCIAL  
INFORMATION



1 HOTEL SOUTH BEACH

# COMPARATIVE CAPITALIZATION

(IN MILLIONS, EXCEPT SECURITY PRICING AND PER SHARE AMOUNTS)

	As of March 31, 2023	As of December 31, 2022	As of September 30, 2022	As of June 30, 2022	As of March 31, 2022
<b>Shares/Units</b>					
Common shares outstanding	711.2	713.4	714.9	714.9	714.8
Common shares outstanding assuming conversion of OP Units <sup>(1)</sup>	721.3	723.6	725.3	725.3	725.2
Preferred OP Units outstanding	0.01	0.01	0.01	0.01	0.01
<b>Security pricing</b>					
Common stock at end of quarter <sup>(2)</sup>	\$16.49	\$16.05	\$15.88	\$15.68	\$19.43
High during quarter	19.23	18.94	19.55	21.24	19.93
Low during quarter	14.86	15.81	15.47	15.40	16.57
<b>Capitalization</b>					
Market value of common equity <sup>(3)</sup>	\$11,894	\$11,614	\$11,518	\$11,373	\$14,091
Consolidated debt	4,208	4,215	4,214	4,212	4,210
Less: Cash	(563)	(667)	(883)	(699)	(266)
Consolidated total capitalization	15,539	15,162	14,849	14,886	18,035
Plus: Share of debt in unconsolidated investments	199	205	156	143	143
Pro rata total capitalization <sup>(4)</sup>	\$15,738	\$15,367	\$15,005	\$15,029	\$18,178
	Quarter ended March 31, 2023	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended June 30, 2022	Quarter ended March 31, 2022
<b>Dividends declared per common share</b>	\$0.12	\$0.32	\$0.12	\$0.06	\$0.03

(1) Each OP Unit is redeemable for cash or, at our option, for 1.021494 common shares of Host Inc. At March 31, 2023, December 31, 2022, September 30, 2022, June 30, 2022, and March 31, 2022, there were 9.9 million, 10.0 million, 10.1 million, 10.2 million, and 10.2 million in common OP Units, respectively, held by non-controlling interests.

(2) Share prices are the closing price as reported by the NASDAQ.

(3) Market value of common equity is calculated as the number of common shares outstanding including assumption of conversion of OP units multiplied the closing share price on that day.

(4) Based on pro rata total capitalization at March 31, 2023, Host's net income multiple is 20.9x calculated based on the ratio between our pro rata total capitalization and our full year 2023 forecast net income at the midpoint. Host's EBITDA multiple is 9.9x calculated based on the ratio between our pro rata total capitalization at March 31, 2023 and our full year 2023 forecast Adjusted EBITDAre at the midpoint. See Reconciliation of Net Income to EBITDA, EBITDAre and Adjusted EBITDAre and Diluted Earnings per Common Share to NAREIT and Adjusted Funds From Operations per Diluted Share for Full Year 2023 Forecasts.

# CONSOLIDATED DEBT SUMMARY

(IN MILLIONS)

<b>Debt</b>	<b>Rate</b>	<b>Maturity date</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Senior debt</b>				
Series E	4%	6/2025	\$499	\$499
Series F	4 1/2%	2/2026	399	399
Series G	3 7/8%	4/2024	399	399
Series H	3 3/8%	12/2029	642	642
Series I	3 1/2%	9/2030	737	736
Series J	2.9%	12/2031	440	440
2027 Credit facility term loan	6%	1/2027	499	499
2028 Credit facility term loan	6%	1/2028	498	499
Credit facility revolver <sup>(1)</sup>	-	1/2027	(11)	(4)
			<u>4,102</u>	<u>4,109</u>
<b>Mortgage and other debt</b>				
		2/2024 -		
Mortgage and other debt	4.9%	11/2027	106	106
Total debt <sup>(2)(3)</sup>			<u>\$4,208</u>	<u>\$4,215</u>
Percentage of fixed rate debt			76%	76%
Weighted average interest rate			4.5%	4.4%
Weighted average debt maturity			5 years	5.2 years
<b>Credit Facility</b>				
Total capacity			\$1,500	
Available capacity			1,495	

## Assets encumbered by mortgage debt

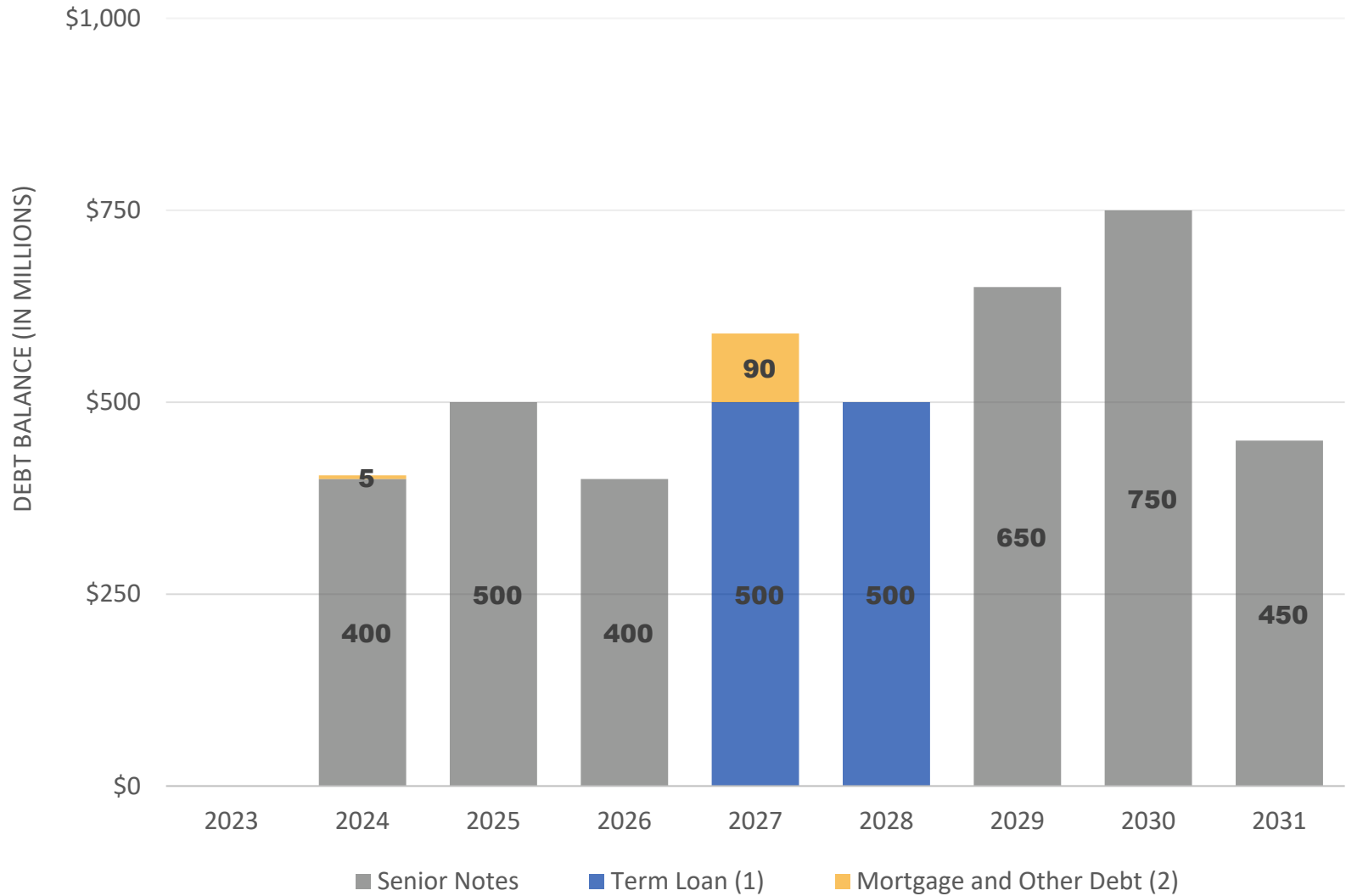
1

(1) There are no outstanding credit facility borrowings at March 31, 2023. Amount shown represents deferred financing costs related to the credit facility revolver.

(2) In accordance with GAAP, total debt includes the debt of entities that we consolidate, but of which we do not own 100%, and excludes the debt of entities that we do not consolidate, but of which we have a non-controlling ownership interest and record our investment therein under the equity method of accounting. As of March 31, 2023, our share of debt in unconsolidated investments is \$199 million and none of our debt is attributable to non-controlling interests.

(3) Total debt as of March 31, 2023 and December 31, 2022, includes net discounts and deferred financing costs of \$46 million and \$40 million, respectively.

# CONSOLIDATED DEBT MATURITY AS OF MARCH 31, 2023



(1) The first term loan under our credit facility that is due in 2027 has an extension option that would extend maturity of the instrument to 2028, subject to meeting certain conditions, including payment of a fee. The second term loan tranche that is due in 2028 does not have an extension option.

(2) Mortgage and other debt excludes principal amortization of \$2 million each year from 2023-2027 for the mortgage loan that matures in 2027.

# PROPERTY TRANSACTIONS

	Disposition Transaction Metrics				
	Sales Price (in millions)	Net income Cap Rate <sup>(6)</sup>	Cap Rate <sup>(4)</sup>	Net income multiple <sup>(6)</sup>	EBITDA multiple <sup>(5)</sup>
<b>2021-2022 completed sales</b>	\$1,420	2.8%	4.5%	35.5x	17.7x
The Camby, Autograph Collection	\$110	5.2%	6.5%	19.5x	14.3x
<b>2021-2023 completed sales <sup>(1)</sup></b>	\$1,530	3.0%	4.7%	33.5x	17.5x

	Acquisition Transaction Metrics at Underwriting				
	Sales Price (in millions)	Net income Cap Rate <sup>(6)</sup>	Cap Rate <sup>(4)</sup>	Net income multiple <sup>(6)</sup>	EBITDA multiple <sup>(5)</sup>
<b>2021-2022 completed acquisitions <sup>(2)</sup></b>	\$1,874	4.4%	6.6%	22.6x	13.1x

	Acquired Hotel Metrics - 2023 Forecast <sup>(3)</sup>				
	Sales Price (in millions)	Net income Cap Rate <sup>(6)</sup>	Cap Rate <sup>(4)</sup>	Net income multiple <sup>(6)</sup>	EBITDA multiple <sup>(5)</sup>
<b>2021-2022 completed acquisitions</b>	\$1,874	5.5%	7.8%	18.1x	11.1x

The following tables reconcile net income to hotel EBITDA for the 2021-2023 dispositions and acquisitions (in millions, except RevPAR):

	Disposition Transaction Metrics							
	Total Revenues	RevPAR	Total RevPAR	Hotel Net Income	Plus: Depreciation	Equals: Hotel EBITDA	Renewal & Replacement funding	Hotel Net Operating Income
	<b>2021-2022 completed sales</b>	\$542.6	\$171.18	\$242.71	\$40.0	\$65.4	\$105.4	(\$25.3)
The Camby, Autograph Collection	\$26.4	\$170.61	\$261.11	\$5.7	\$3.7	\$9.4	(\$1.1)	\$8.3
<b>2021-2023 completed sales <sup>(1)</sup></b>	\$569.0	\$171.16	\$243.51	\$45.7	\$69.1	\$114.8	(\$26.4)	\$88.4

	Acquisition Transaction Metrics at Underwriting							
	Total Revenues	RevPAR	Total RevPAR	Hotel Net Income	Plus: Depreciation/ Interest <sup>(7)</sup>	Equals: Hotel EBITDA	Renewal & Replacement funding	Hotel Net Operating Income
	<b>2021-2022 completed acquisitions</b>	\$460.7	\$376.81	\$624.65	\$83.0	\$59.9	\$142.9	(\$18.5)

	Acquired Hotel Metrics – 2023 Forecast <sup>(3)</sup>							
	Total Revenues	RevPAR	Total RevPAR	Hotel Net Income	Plus: Depreciation/ Interest <sup>(7)</sup>	Equals: Hotel EBITDA	Renewal & Replacement funding	Hotel Net Operating Income
	<b>2021-2022 completed acquisitions</b>	\$531.9	\$440.24	\$721.94	\$103.7	\$65.2	\$168.9	(\$21.9)

- (1) 2021-2023 dispositions include the sale of eleven properties through May 3, 2023. The 2021-2022 dispositions use 2019 full year results as the trailing twelve months (“TTM”) is not representative of normalized operations. TTM results have been used for the 2023 disposition.
- (2) 2021-2022 acquisitions include seven properties and two golf courses acquired in 2021 and one property acquired in 2022. The Hyatt Regency Austin, Four Seasons Resort Orlando at Walt Disney World® Resort and Hotel Van Zandt use full year 2019 results. Baker’s Cay Resort Key Largo and Alila Ventana Big Sur are based on 2021 forecast operations at acquisition, as the hotels experienced renovation disruption and closures in 2019. The Laura Hotel is based on estimated normalized results, which assumes results are in-line with the 2019 results of comparable Houston properties, as the property was re-opened with a new manager and brand in 2021. The Alida, Savannah is based on estimated normalized 2019 results, adjusting for construction disruption to the surrounding Plant Riverside District and for initial ramp-up of hotel operations. The Four Seasons Resort and Residences Jackson Hole is based on 2022 forecast operations at acquisition. Due to the impact of COVID-19, actual results in 2020 and 2021 are not reflective of normal operations of the hotels. Any forecast incremental increases to net income compared to net income at underwriting would be equal to the incremental increases in Hotel EBITDA.
- (3) 2023 forecast results as of March 31, 2023.
- (4) The cap rate is calculated as the ratio between net operating income (NOI) and the sales price (plus avoided capital expenditures for dispositions). Avoided capital expenditures for 2021-2023 sales represents \$363 million, of which \$18 million relates to The Camby, of estimated capital expenditure spend requirements for the properties in excess of escrow funding over the next 5 years.
- (5) The EBITDA multiple is calculated as the ratio between the sales price (plus avoided capital expenditures for dispositions) and Hotel EBITDA. Avoided capital expenditures for 2021-2023 sales represents \$473 million, of which \$23 million relates to The Camby, of estimated capital expenditure spend requirements for the properties including escrow funding over the next 5 years.
- (6) Net income cap rate is calculated as the ratio between net income and the sales price. Net income multiple is calculated as the ratio between the sales price and Hotel net income. The reconciliations from net income to Hotel EBITDA and NOI appear above.
- (7) Includes interest expense of approximately \$5 million related to Hotel Van Zandt; remaining amount represents depreciation.

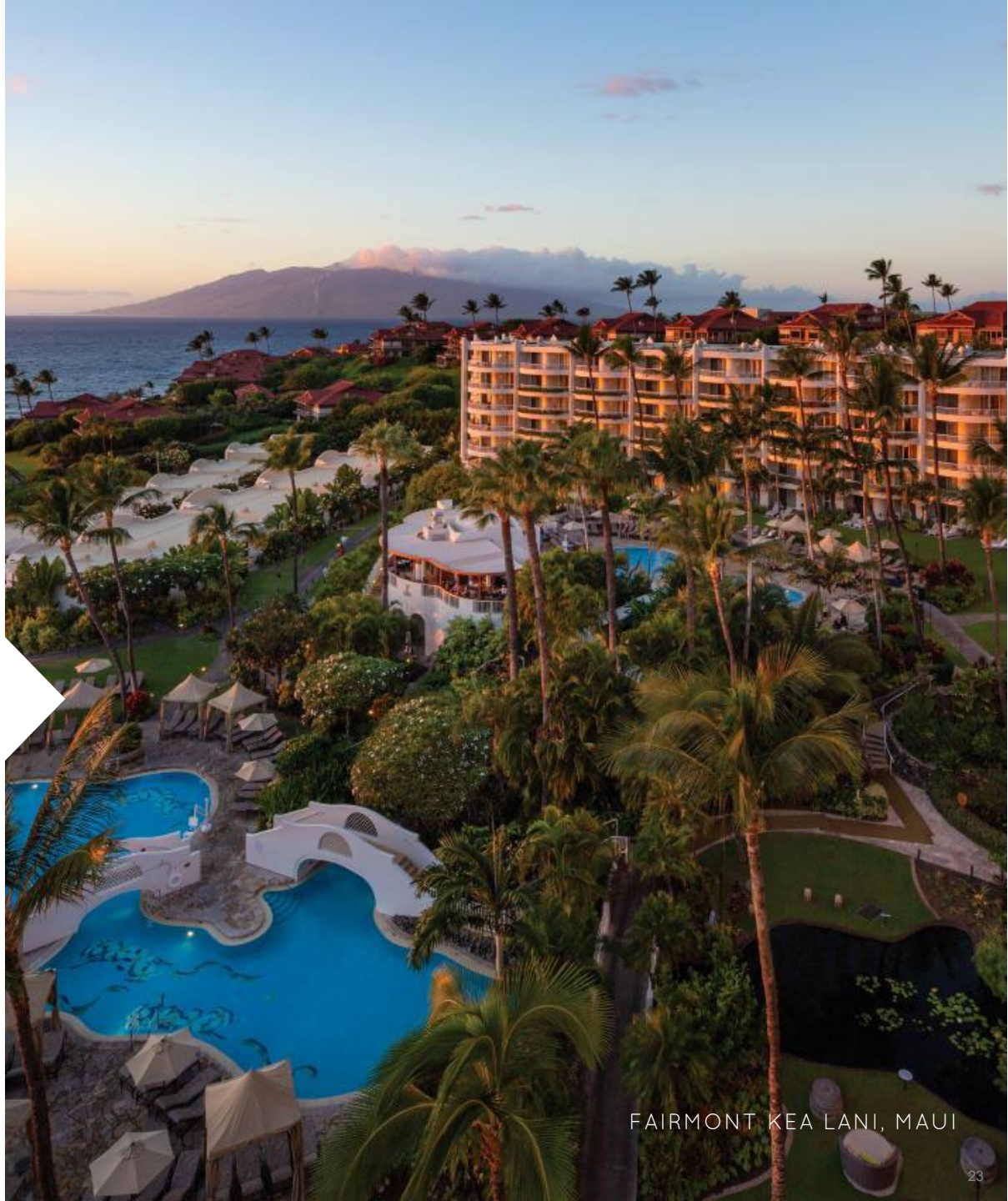
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# FINANCIAL COVENANTS: CREDIT FACILITY AND SENIOR NOTES FINANCIAL PERFORMANCE TESTS



(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

On January 4, 2023, we amended our Credit Facility agreement. The covenant requirements are consistent with previous amendment covenant levels:

Leverage Ratio	Maximum 7.25x
Fixed Charge Coverage Ratio	Minimum 1.25x
Unsecured Interest Coverage Ratio	Minimum 1.75x <sup>(1)</sup>

Covenant ratios are calculated using Host's credit facility and senior notes definitions. See the subsequent pages for a reconciliation of the equivalent GAAP measure. The GAAP ratio is not relevant for the purpose of the financial covenants.

The following tables present the financial performance tests for our credit facility and senior notes:

Credit Facility Financial Performance Tests	Permitted	At March 31, 2023	
		GAAP Ratio	Covenant Ratio
Leverage Ratio	Maximum 7.25x	5.2x	2.2x
Unsecured Interest Coverage Ratio	Minimum 1.75x <sup>(1)</sup>	4.8x	10.2x
Consolidated Fixed Charge Coverage Ratio	Minimum 1.25x	4.8x	9.0x

Bond Compliance Financial Performance Tests	Permitted	At March 31, 2023	
		GAAP Ratio	Covenant Ratio
Indebtedness Test	Maximum 65%	34%	21%
Secured Indebtedness Test	Maximum 40%	1%	1%
EBITDA-to-interest Coverage ratio <sup>(2)</sup>	Minimum 1.5x	4.8x	10.0x
Ratio of Unencumbered Assets to Unsecured Indebtedness	Minimum 150%	291%	483%

(1) If the leverage ratio is greater than 7.0x, then the unsecured interest coverage ratio minimum will decrease to 1.50x.

(2) The GAAP ratio is based on net income, while the covenant ratio is based on EBITDA. See subsequent pages for a reconciliation of net income to EBITDA.



# FINANCIAL COVENANTS: RECONCILIATION OF GAAP LEVERAGE RATIO TO CREDIT FACILITY LEVERAGE RATIO



(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following table presents the calculation of our leverage ratio using GAAP measures:

	<u>GAAP Leverage Ratio</u>
	Trailing Twelve Months
	March 31, 2023
Debt	\$4,208
Net income	816
<b>GAAP Leverage Ratio</b>	<b>5.2x</b>

The following table presents the calculation of our leverage ratio as used in the financial covenants of the credit facility:

	<u>Leverage Ratio per</u>
	<u>Credit Facility</u>
	Trailing Twelve Months
	March 31, 2023
Net debt <sup>(1)</sup>	\$3,746
Adjusted Credit Facility EBITDA <sup>(2)</sup>	1,668
<b>Leverage Ratio</b>	<b>2.2x</b>

(1) The following presents the reconciliation of debt to net debt per our credit facility definition:

	March 31, 2023
Debt	\$4,208
Less: Unrestricted cash over \$100 million	(462)
<b>Net debt per credit facility definition</b>	<b>\$3,746</b>

(2) The following presents the reconciliation of net income to EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted EBITDA per our credit facility definition in determining leverage ratio:

	Trailing Twelve Months
	March 31, 2023
Net income	\$816
Interest expense	169
Depreciation and amortization	661
Income taxes	40
<b>EBITDA</b>	<b>1,686</b>
Gain on dispositions	(73)
Equity in earnings of affiliates	(8)
Pro rata EBITDAre of equity investments	37
<b>EBITDAre</b>	<b>1,642</b>
Gain on property insurance settlement	(6)
<b>Adjusted EBITDAre</b>	<b>1,636</b>
Pro forma EBITDA - Acquisitions	9
Pro forma EBITDA - Dispositions	(1)
Restricted stock expense and other non-cash items	29
Non-cash partnership adjustments	(5)
<b>Adjusted Credit Facility EBITDA</b>	<b>1,668</b>

# FINANCIAL COVENANTS: RECONCILIATION OF GAAP INTEREST COVERAGE RATIO TO CREDIT FACILITY UNSECURED INTEREST COVERAGE RATIO



(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our unsecured interest coverage ratio using GAAP measures and as used in the financial covenants of the credit facility:

	<b>GAAP Interest Coverage Ratio</b>		<b>Unsecured Interest Coverage per Credit Facility Ratio</b>
	Trailing Twelve Months March 31, 2023		Trailing Twelve Months March 31, 2023
Net income	\$816	Unencumbered consolidated EBITDA per credit facility definition <sup>(1)</sup>	\$1,654
Interest expense	169	Adjusted Credit Facility unsecured interest expense <sup>(2)</sup>	162
<b>GAAP Interest Coverage Ratio</b>	<b>4.8x</b>	<b>Unsecured Interest Coverage Ratio</b>	<b>10.2x</b>

(1) The following reconciles Adjusted Credit Facility EBITDA to Unencumbered Consolidated EBITDA per our credit facility definition. See Reconciliation of GAAP Leverage Ratio to Credit Facility Leverage Ratio for calculation and reconciliation of net income to Adjusted Credit Facility EBITDA:

	Trailing Twelve Months March 31, 2023
Adjusted Credit Facility EBITDA	\$1,668
Less: Encumbered EBITDA	(15)
Corporate overhead allocated to encumbered assets	1
<b>Unencumbered Consolidated EBITDA per credit facility definition</b>	<b>\$1,654</b>

(2) The following reconciles GAAP interest expense to unsecured interest expense per our credit facility definition:

	Trailing Twelve Months March 31, 2023
GAAP Interest expense	\$169
Interest on secured debt	(5)
Debt extinguishment costs	(4)
Deferred financing cost amortization	(7)
Capitalized interest	11
Pro forma interest adjustments	(2)
<b>Adjusted Credit Facility Unsecured Interest Expense</b>	<b>\$162</b>

# FINANCIAL COVENANTS: RECONCILIATION OF GAAP INTEREST COVERAGE RATIO TO CREDIT FACILITY FIXED CHARGE COVERAGE RATIO



(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our GAAP Interest coverage ratio and our fixed charge coverage ratio as used in the financial covenants of the credit facility:

	<b>GAAP Fixed Charge Coverage Ratio</b>		<b>Credit Facility Fixed Charge Coverage Ratio</b>
	Trailing Twelve Months March 31, 2023		Trailing Twelve Months March 31, 2023
Net income	\$816	Credit Facility Fixed Charge Coverage Ratio EBITDA <sup>(1)</sup>	\$1,408
Interest expense	169	Fixed charges <sup>(2)</sup>	157
<b>GAAP Fixed Charge Coverage Ratio</b>	<b>4.8x</b>	<b>Credit Facility Fixed Charge Coverage Ratio</b>	<b>9.0x</b>

(1) The following reconciles Adjusted Credit Facility EBITDA to Credit Facility Fixed Charge Coverage Ratio EBITDA. See Reconciliation of GAAP Leverage Ratio to Credit Facility Leverage Ratio for calculation and reconciliation of Adjusted Credit Facility EBITDA:

	Trailing Twelve Months March 31, 2023
Adjusted Credit Facility EBITDA	\$1,668
Less: 5% of hotel property gross revenue	(259)
Less: 3% of revenues from other real estate	(1)
<b>Credit Facility Fixed Charge Coverage Ratio EBITDA</b>	<b>\$1,408</b>

(2) The following table calculates the fixed charges per our credit facility definition. See Reconciliation of GAAP Interest Coverage Ratio to Credit Facility Unsecured Interest Coverage Ratio for reconciliation of GAAP interest expense to adjusted unsecured interest expense per our credit facility definition:

	Trailing Twelve Months March 31, 2023
Adjusted Credit Facility Unsecured Interest Expense	\$162
Interest on secured debt	5
<b>Adjusted Credit Facility Interest Expense</b>	<b>\$167</b>
Scheduled principal payments	2
Cash taxes on ordinary income	(12)
<b>Fixed Charges</b>	<b>\$157</b>

# FINANCIAL COVENANTS: RECONCILIATION OF GAAP INDEBTEDNESS TEST TO SENIOR NOTES INDENTURE INDEBTEDNESS TEST



(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our total indebtedness to total assets using GAAP measures and as used in the financial covenants of our senior notes indenture:

	<b>GAAP Total Indebtedness to Total Assets</b>	
	March 31, 2023	
Debt		\$4,208
Total assets		12,225
<b>GAAP Total Indebtedness to Total Assets</b>		<b>34%</b>

	<b>Total Indebtedness to Total Assets per Senior Notes Indenture</b>	
	March 31, 2023	
Adjusted indebtedness <sup>(1)</sup>		\$4,236
Adjusted total assets <sup>(2)</sup>		20,376
<b>Total Indebtedness to Total Assets</b>		<b>21%</b>

(1) The following reconciles our GAAP total indebtedness to our total indebtedness per our senior notes indenture:

	March 31, 2023	
Debt		\$4,208
Add: Deferred financing costs		31
Less: Mark-to-market on assumed mortgage		(3)
<b>Adjusted Indebtedness per Senior Notes Indenture</b>		<b>\$4,236</b>

(2) The following presents the reconciliation of total assets to adjusted total assets per the financial covenants of our senior notes indenture definition:

	March 31, 2023	
Total assets		\$12,225
Add: Accumulated depreciation		8,693
Add: Prior impairment of assets held		11
Add: Prior inventory impairment at unconsolidated investment		14
Less: Intangibles		(10)
Less: Right-of-use assets		(557)
<b>Adjusted Total Assets per Senior Notes Indenture</b>		<b>\$20,376</b>

# FINANCIAL COVENANTS: RECONCILIATION OF GAAP SECURED INDEBTEDNESS TEST TO SENIOR NOTES INDENTURE SECURED INDEBTEDNESS TEST



(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following table presents the calculation of our secured indebtedness using GAAP measures and as used in the financial covenants of our senior notes indenture:

	<b>GAAP Secured Indebtedness</b>	
	March 31, 2023	
Mortgage and other secured debt		\$106
Total assets		12,225
<b>GAAP Secured Indebtedness to Total Assets</b>		<b>1%</b>

	<b>Secured Indebtedness per Senior Notes Indenture</b>	
	March 31, 2023	
Secured indebtedness (1)		\$104
Adjusted total assets (2)		20,376
<b>Secured Indebtedness to Total Assets</b>		<b>1%</b>

(1) The following presents the reconciliation of mortgage debt to secured indebtedness per the financial covenants of our senior notes indenture definition:

	March 31, 2023	
Mortgage and other secured debt		\$106
Add: Deferred financing costs on secured debt		1
Less: Mark-to-market on assumed mortgage		(3)
<b>Secured Indebtedness</b>		<b>\$104</b>

(2) See Reconciliation of GAAP Indebtedness Test to Senior Notes Indenture Indebtedness Test for reconciliation of GAAP Total Assets to Adjusted Total Assets per our senior notes indenture.

# FINANCIAL COVENANTS: RECONCILIATION OF GAAP INTEREST COVERAGE RATIO TO SENIOR NOTES INDENTURE EBITDA-TO-INTEREST COVERAGE RATIO



(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our interest coverage ratio using our GAAP measures and as used in the financial covenants of the senior notes indenture:

	<b>GAAP Interest Coverage Ratio</b>
	Trailing Twelve Months March 31, 2023
Net income	\$816
Interest expense	169
<b>GAAP Interest Coverage Ratio</b>	<b>4.8x</b>

	<b>EBITDA to Interest Coverage Ratio</b>
	Trailing Twelve Months March 31, 2023
Adjusted Credit Facility EBITDA <sup>(1)</sup>	\$1,668
Non-controlling interest adjustment	2
<b>Adjusted Senior Notes EBITDA</b>	<b>\$1,670</b>
<b>Adjusted Credit Facility and Senior Notes Interest Expense <sup>(2)</sup></b>	<b>\$167</b>
<b>EBITDA to Interest Coverage Ratio</b>	<b>10.0x</b>

(1) See Reconciliation of GAAP Leverage Ratio to Credit Facility Leverage Ratio for the calculation of Adjusted Credit Facility EBITDA and reconciliation to net income.

(2) See Reconciliation of GAAP Interest Coverage Ratio to Credit Facility Fixed Charge Coverage Ratio for the calculation of Adjusted Credit Facility interest expense and reconciliation to GAAP interest expense.

# FINANCIAL COVENANTS: RECONCILIATION OF GAAP ASSETS TO INDEBTEDNESS TEST TO SENIOR NOTES UNENCUMBERED ASSETS TO UNSECURED INDEBTEDNESS TEST



(UNAUDITED, IN MILLIONS, EXCEPT RATIOS)

The following tables present the calculation of our total assets to total debt using GAAP measures and unencumbered assets to unsecured debt as used in the financial covenants of our senior notes indenture:

	<b>GAAP Assets / Debt</b>	
	March 31, 2023	
Total assets	\$12,225	
Total debt	4,208	
<b>GAAP Total Assets / Total Debt</b>	<b>291%</b>	

	<b>Unencumbered Assets / Unsecured Debt per Senior Notes Indenture</b>	
	March 31, 2023	
Unencumbered Assets <sup>(1)</sup>	\$19,957	
Unsecured Debt <sup>(2)</sup>	4,132	
<b>Unencumbered Assets / Unsecured Debt</b>	<b>483%</b>	

(1) The following presents the reconciliation of adjusted total assets to unencumbered assets per the financial covenants of our senior notes indenture definition:

	March 31, 2023	
Adjusted total assets <sup>(a)</sup>	\$20,376	
Less: Partnership adjustments	(150)	
Less: Prior inventory impairment at unconsolidated investment	(14)	
Less: Encumbered Assets	(255)	
<b>Unencumbered Assets</b>	<b>\$19,957</b>	

(a) See reconciliation of GAAP Indebtedness Test to Senior Notes Indenture Indebtedness Test for reconciliation of GAAP Total Assets to Adjusted Total Assets per our senior notes indenture.

(2) The following presents the reconciliation of total debt to unsecured debt per the financial covenants of our senior notes indenture definition:

	March 31, 2023	
Adjusted indebtedness <sup>(b)</sup>	\$4,236	
Less: Secured indebtedness <sup>(c)</sup>	(104)	
<b>Unsecured Debt</b>	<b>\$4,132</b>	

(b) See reconciliation of GAAP Indebtedness Test to Senior Notes Indenture Indebtedness Test for reconciliation of GAAP Total Debt to Adjusted Indebtedness per our senior notes indenture.

(c) See reconciliation of GAAP Secured Indebtedness Test to Senior Notes Indenture Secured Indebtedness Test for the reconciliation of mortgage and other secured debt to senior notes secured indebtedness.

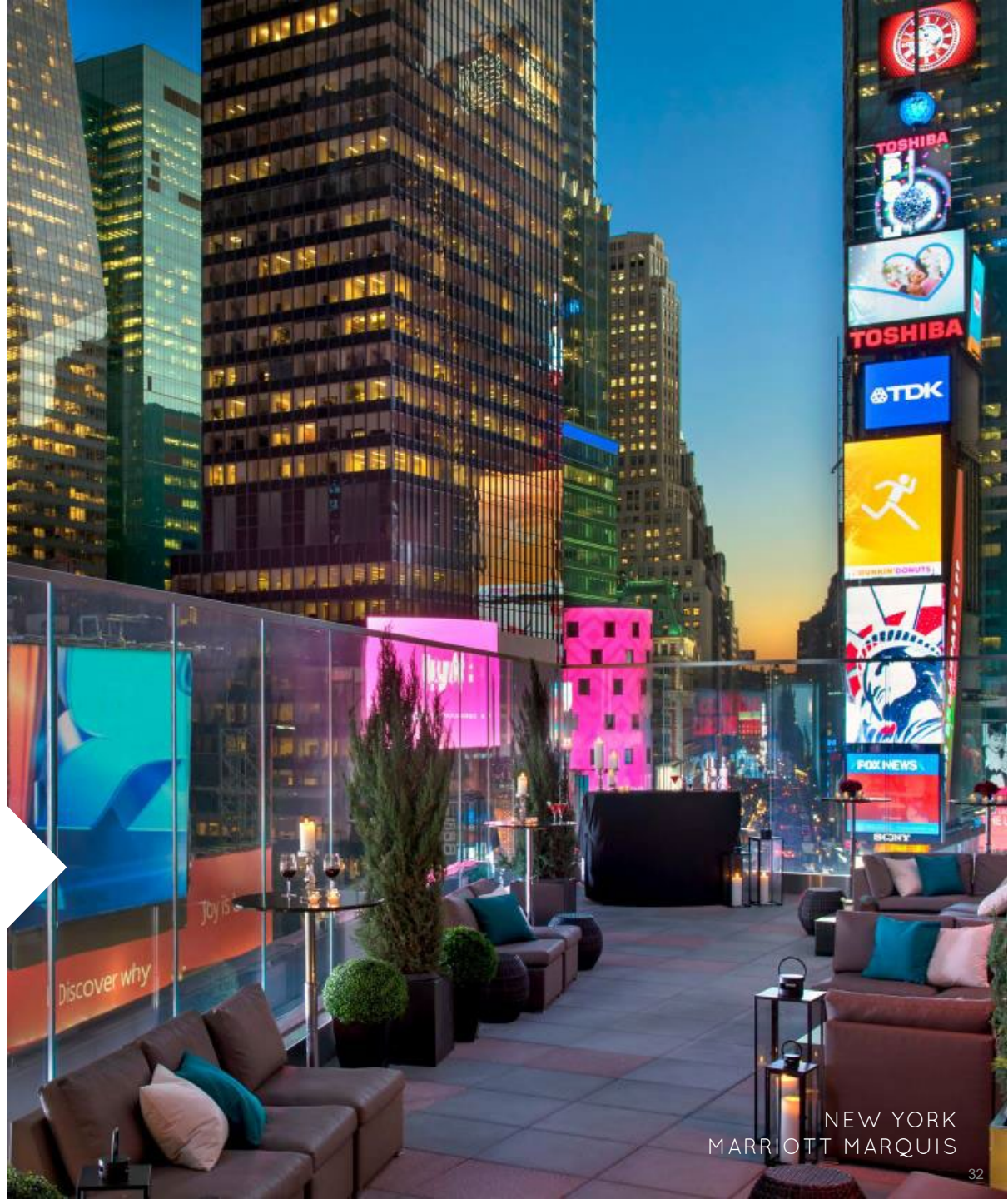
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# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION



## FORECASTS

Our forecast of net income, earnings per diluted share, NAREIT and Adjusted FFO per diluted share, EBITDA, EBITDAre, Adjusted EBITDAre and comparable hotel results are forward-looking statements and are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause actual results and performance to differ materially from those expressed or implied by these forecasts. Although we believe the expectations reflected in the forecasts are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that the results will not be materially different. Risks that may affect these assumptions and forecasts include the following: potential changes in overall economic outlook make it inherently difficult to forecast the level of RevPAR; the amount and timing of debt payments may change significantly based on market conditions, which will directly affect the level of interest expense and net income; the amount and timing of transactions involving shares of our common stock may change based on market conditions; and other risks and uncertainties associated with our business described herein and in our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC.

## COMPARABLE HOTEL OPERATING STATISTICS AND RESULTS

Effective January 1, 2023, the Company ceased presentation of All Owned Hotel results and returned to a comparable hotel presentation for its hotel level results. Management believes this provides investors with a better understanding of underlying growth trends for the Company's current portfolio, without impact from properties that experienced closures due to renovations or property damage sustained.

To facilitate a year-to-year comparison of our operations, we present certain operating statistics (i.e., Total RevPAR, RevPAR, average daily rate and average occupancy) and operating results (revenues, expenses, hotel EBITDA and associated margins) for the periods included in our reports on a comparable hotel basis in order to enable our investors to better evaluate our operating performance. We define our comparable hotels as those that: (i) are owned or leased by us as of the reporting date and are not classified as held-for-sale; and (ii) have not sustained substantial property damage or business interruption, or undergone large-scale capital projects in each case requiring closures lasting one month or longer (as further defined below) during the reporting periods being compared.

We make adjustments to include recent acquisitions to include results for periods prior to our ownership. For these hotels, since the year-over-year comparison includes periods prior to our ownership, the changes will not necessarily correspond to changes in our actual results. Additionally, operating results of hotels that we sell are excluded from the comparable hotel set once the transaction has closed or the hotel is classified as held-for-sale.

The hotel business is capital-intensive and renovations are a regular part of the business. Generally, hotels under renovation remain comparable hotels. A large-scale capital project would cause a hotel to be excluded from our comparable hotel set if it requires the entire property to be closed to hotel guests for one month or longer.

# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

## COMPARABLE HOTEL OPERATING STATISTICS AND RESULTS (continued)

Similarly, hotels are excluded from our comparable hotel set from the date that they sustain substantial property damage or business interruption if it requires the property to be closed to hotel guests for one month or longer. In each case, these hotels are returned to the comparable hotel set when the operations of the hotel have been included in our consolidated results for one full calendar year after the hotel has reopened. Often, related to events that cause property damage and the closure of a hotel, we will collect business interruption insurance proceeds for the near-term loss of business. These proceeds are included in gain on property insurance and business interruption settlements on our consolidated statements of operations. Business interruption insurance gains related to a hotel that was excluded from our comparable hotel set also will be excluded from the comparable hotel results.

Of the 77 hotels that we owned as of March 31, 2023, 75 have been classified as comparable hotels. The operating results of the following hotels that we owned as of March 31, 2023 are excluded from comparable hotel results for these periods, due to closure of the property:

- Hyatt Regency Coconut Point Resort & Spa (business disruption due to Hurricane Ian beginning in September 2022, closed until November 2022); and
- The Ritz-Carlton, Naples (business disruption due to Hurricane Ian beginning in September 2022, remains closed).

## NON-GAAP FINANCIAL MEASURES

Included in this supplemental information are certain “non-GAAP financial measures,” which are measures of our historical or future financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. They are as follows: (i) FFO and FFO per diluted share (both NAREIT and Adjusted), (ii) EBITDA, (iii) EBITDA<sub>re</sub> and Adjusted EBITDA<sub>re</sub>, (iv) NOI, (v) Comparable Hotel Operating Statistics and Results, (vi) Credit Facility Financial Performance Tests, and (vii) Senior Notes Financial Performance Tests. The following discussion defines these measures and presents why we believe they are useful supplemental measures of our performance.

### NAREIT FFO AND NAREIT FFO PER DILUTED SHARE

We present NAREIT FFO and NAREIT FFO per diluted share as non-GAAP measures of our performance in addition to our earnings per share (calculated in accordance with GAAP). We calculate NAREIT FFO per diluted share as our NAREIT FFO (defined as set forth below) for a given operating period, as adjusted for the effect of dilutive securities, divided by the number of fully diluted shares outstanding during such period, in accordance with NAREIT guidelines. Effective January 1, 2019, we adopted NAREIT’s definition of FFO included in NAREIT’s Funds From Operations White Paper – 2018 Restatement. NAREIT defines FFO as net income (calculated in accordance with GAAP) excluding depreciation and amortization related to certain real estate assets, gains and losses from the sale of certain real estate assets, gains and losses from change in control, impairment expense of certain real estate assets and investments and adjustments for consolidated partially-owned entities and unconsolidated affiliates. Adjustments for consolidated partially-owned entities and unconsolidated affiliates are calculated to reflect our pro rata share of the FFO of those entities on the same basis.

# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION



## NON-GAAP FINANCIAL MEASURES (continued)

We believe that NAREIT FFO per diluted share is a useful supplemental measure of our operating performance and that the presentation of NAREIT FFO per diluted share, when combined with the primary GAAP presentation of earnings per share, provides beneficial information to investors. By excluding the effect of real estate depreciation, amortization, impairment expense and gains and losses from sales of depreciable real estate, all of which are based on historical cost accounting and which may be of lesser significance in evaluating current performance, we believe that such measures can facilitate comparisons of operating performance between periods and with other REITs, even though NAREIT FFO per diluted share does not represent an amount that accrues directly to holders of our common stock. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. As noted by NAREIT in its Funds From Operations White Paper – 2018 Restatement, the primary purpose for including FFO as a supplemental measure of operating performance of a REIT is to address the artificial nature of historical cost depreciation and amortization of real estate and real estate-related assets mandated by GAAP. For these reasons, NAREIT adopted the FFO metric in order to promote a uniform industry-wide measure of REIT operating performance.

### Adjusted FFO per Diluted Share

We also present Adjusted FFO per diluted share when evaluating our performance because management believes that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. Management historically has made the adjustments detailed below in evaluating our performance, in our annual budget process and for our compensation programs. We believe that the presentation of Adjusted FFO per diluted share, when combined with both the primary GAAP presentation of diluted earnings per share and FFO per diluted share as defined by NAREIT, provides useful supplemental information that is beneficial to an investor's understanding of our operating performance. We adjust NAREIT FFO per diluted share for the following items, which may occur in any period, and refer to this measure as Adjusted FFO per diluted share:

**Gains and Losses on the Extinguishment of Debt** – We exclude the effect of finance charges and premiums associated with the extinguishment of debt, including the acceleration of the write-off of deferred financing costs from the original issuance of the debt being redeemed or retired and incremental interest expense incurred during the refinancing period. We also exclude the gains on debt repurchases and the original issuance costs associated with the retirement of preferred stock. We believe that these items are not reflective of our ongoing finance costs.

**Acquisition Costs** – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.

**Litigation Gains and Losses** – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.

# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION



## NON-GAAP FINANCIAL MEASURES (continued)

Severance Expense – In certain circumstances, we will add back hotel-level severance expenses when we do not believe that such expenses are reflective of the ongoing operation of our properties. Situations that would result in a severance add-back include, but are not limited to, (i) costs incurred as part of a broad-based reconfiguration of the operating model with the specific hotel operator for a portfolio of hotels and (ii) costs incurred at a specific hotel due to a broad-based and significant reconfiguration of a hotel and/or its workforce. We do not add back corporate-level severance costs or severance costs at an individual hotel that we consider to be incurred in the normal course of business.

In unusual circumstances, we also may adjust NAREIT FFO for gains or losses that management believes are not representative of the Company's current operating performance. For example, in 2017, as a result of the reduction of the U.S. federal corporate income tax rate from 35% to 21% by the Tax Cuts and Jobs Act, we remeasured our domestic deferred tax assets as of December 31, 2017 and recorded a one-time adjustment to reduce our deferred tax assets and to increase the provision for income taxes by approximately \$11 million. We do not consider this adjustment to be reflective of our on-going operating performance and, therefore, we excluded this item from Adjusted FFO.

## EBITDA AND NOI

Earnings before Interest Expense, Income Taxes, Depreciation and Amortization ("EBITDA") is a commonly used measure of performance in many industries. Management believes EBITDA provides useful information to investors regarding our results of operations because it helps us and our investors evaluate the ongoing operating performance of our properties after removing the impact of the Company's capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization). Management also believes the use of EBITDA facilitates comparisons between us and other lodging REITs, hotel owners that are not REITs and other capital-intensive companies. Management uses EBITDA to evaluate property-level results and EBITDA multiples (calculated as sales price divided by EBITDA) as one measure in determining the value of acquisitions and dispositions and, like Funds From Operations ("FFO") and Adjusted FFO per diluted share, it is widely used by management in the annual budget process and for our compensation programs. Management also uses NOI when calculating capitalization rates ("Cap Rates") to evaluate acquisitions and dispositions. For a specific hotel, NOI is calculated as the hotel or entity level EBITDA less an estimate for the annual contractual reserve requirements for renewal and replacement expenditures. Cap Rates are calculated as NOI divided by sales price. Management believes using Cap Rates allows for a consistent valuation method in comparing the purchase or sale value of properties.

## EBITDA<sub>re</sub> AND ADJUSTED EBITDA<sub>re</sub>

We present EBITDA<sub>re</sub> in accordance with NAREIT guidelines, as defined in its September 2017 white paper "Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate," to provide an additional performance measure to facilitate the evaluation and comparison of the Company's results with other REITs. NAREIT defines EBITDA<sub>re</sub> as net income (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control), impairment expense for depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's pro rata share of EBITDA<sub>re</sub> of unconsolidated affiliates.

# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION



## NON-GAAP FINANCIAL MEASURES (continued)

We make additional adjustments to EBITDAre when evaluating our performance because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. We believe that the presentation of Adjusted EBITDAre, when combined with the primary GAAP presentation of net income, is beneficial to an investor's understanding of our operating performance. Adjusted EBITDAre also is similar to the measure used to calculate certain credit ratios for our credit facility and senior notes. We adjust EBITDAre for the following items, which may occur in any period, and refer to this measure as Adjusted EBITDAre:

- Property Insurance Gains – We exclude the effect of property insurance gains reflected in our consolidated statements of operations because we believe that including them in Adjusted EBITDAre is not consistent with reflecting the ongoing performance of our assets. In addition, property insurance gains could be less important to investors given that the depreciated asset book value written off in connection with the calculation of the property insurance gain often does not reflect the market value of real estate assets.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.
- Severance Expense – In certain circumstances, we will add back hotel-level severance expenses when we do not believe that such expenses are reflective of the ongoing operation of our properties. Situations that would result in a severance add-back include, but are not limited to, (i) costs incurred as part of a broad-based reconfiguration of the operating model with the specific hotel operator for a portfolio of hotels and (ii) costs incurred at a specific hotel due to a broad-based and significant reconfiguration of a hotel and/or its workforce. We do not add back corporate-level severance costs or severance costs at an individual hotel that we consider to be incurred in the normal course of business.

In unusual circumstances, we also may adjust EBITDAre for gains or losses that management believes are not representative of the Company's current operating performance. The last adjustment of this nature was a 2013 exclusion of a gain from an eminent domain claim.

# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION



## NON-GAAP FINANCIAL MEASURES (continued)

### LIMITATIONS ON THE USE OF NAREIT FFO PER DILUTED SHARE, ADJUSTED FFO PER DILUTED SHARE, EBITDA, EBITDARE AND ADJUSTED EBITDARE

We calculate EBITDARE and NAREIT FFO per diluted share in accordance with standards established by NAREIT, which may not be comparable to measures calculated by other companies that do not use the NAREIT definition of EBITDARE and FFO or do not calculate FFO per diluted share in accordance with NAREIT guidance. In addition, although EBITDARE and FFO per diluted share are useful measures when comparing our results to other REITs, they may not be helpful to investors when comparing us to non-REITs. We also calculate Adjusted FFO per diluted share and Adjusted EBITDARE, which are not in accordance with NAREIT guidance and may not be comparable to measures calculated by other REITs or by other companies. This information should not be considered as an alternative to net income, operating profit, cash from operations or any other operating performance measure calculated in accordance with GAAP. Cash expenditures for various long-term assets (such as renewal and replacement capital expenditures, with the exception of NOI), interest expense (for EBITDA, EBITDARE, Adjusted EBITDARE, and NOI purposes only), severance expense related to significant property-level reconfiguration and other items have been, and will be, made and are not reflected in the EBITDA, EBITDARE, Adjusted EBITDARE, NAREIT FFO per diluted share, Adjusted FFO per diluted share and NOI presentations. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance.

Our consolidated statements of operations and consolidated statements of cash flows in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures. Additionally, NAREIT FFO per diluted share, Adjusted FFO per diluted share, EBITDA, EBITDARE, Adjusted EBITDARE and NOI should not be considered as a measure of our liquidity or indicative of funds available to fund our cash needs, including our ability to make cash distributions. In addition, NAREIT FFO per diluted share and Adjusted FFO per diluted share do not measure, and should not be used as a measure of, amounts that accrue directly to stockholders' benefit.

Similarly, EBITDARE, Adjusted EBITDARE, NAREIT FFO and Adjusted FFO per diluted share include adjustments for the pro rata share of our equity investments and NAREIT FFO and Adjusted FFO per diluted share include adjustments for the pro rata share of non-controlling partners in consolidated partnerships. Our equity investments consist of interests ranging from 11% to 67% in eight domestic and international partnerships that own a total of 23 properties and a vacation ownership development. Due to the voting rights of the outside owners, we do not control and, therefore, do not consolidate these entities. The non-controlling partners in consolidated partnerships primarily consist of the approximate 1% interest in Host LP held by outside partners, and a 15% interest held by outside partners in a partnership owning one hotel for which we do control the entity and, therefore, consolidate its operations. These pro rata results for NAREIT FFO and Adjusted FFO per diluted share, EBITDARE and Adjusted EBITDARE were calculated as set forth in the definitions above. Readers should be cautioned that the pro rata results presented in these measures for consolidated partnerships (for NAREIT FFO and Adjusted FFO per diluted share) and equity investments may not accurately depict the legal and economic implications of our investments in these entities.

# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION



## NON-GAAP FINANCIAL MEASURES (continued)

### COMPARABLE HOTEL PROPERTY LEVEL OPERATING RESULTS

We present certain operating results for our hotels, such as hotel revenues, expenses, food and beverage profit, and EBITDA (and the related margins), on a comparable hotel, or “same store,” basis as supplemental information for our investors. Our comparable hotel results present operating results for our hotels without giving effect to dispositions or properties that experienced closures due to renovations or property damage, as discussed in “Comparable Hotel Operating Statistics and Results” above. We present comparable hotel EBITDA to help us and our investors evaluate the ongoing operating performance of our comparable hotels after removing the impact of the Company’s capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization expense). Corporate-level costs and expenses also are removed to arrive at property-level results. We believe these property-level results provide investors with supplemental information about the ongoing operating performance of our comparable hotels. Comparable hotel results are presented both by location and for the Company’s properties in the aggregate. We eliminate from our comparable hotel level operating results severance costs related to broad-based and significant property-level reconfiguration that is not considered to be within the normal course of business, as we believe this elimination provides useful supplemental information that is beneficial to an investor’s understanding of our ongoing operating performance. We also eliminate depreciation and amortization expense because, even though depreciation and amortization expense are property-level expenses, these non-cash expenses, which are based on historical cost accounting for real estate assets, implicitly assume that the value of real estate assets diminishes predictably over time. As noted earlier, because real estate values historically have risen or fallen with market conditions, many real estate industry investors have considered presentation of historical cost accounting for operating results to be insufficient.

Because of the elimination of corporate-level costs and expenses, gains or losses on disposition, certain severance expenses and depreciation and amortization expense, the comparable hotel operating results we present do not represent our total revenues, expenses, operating profit or net income and should not be used to evaluate our performance as a whole. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our consolidated statements of operations include such amounts, all of which should be considered by investors when evaluating our performance.

We present these hotel operating results on a comparable hotel basis because we believe that doing so provides investors and management with useful information for evaluating the period-to-period performance of our hotels and facilitates comparisons with other hotel REITs and hotel owners. In particular, these measures assist management and investors in distinguishing whether increases or decreases in revenues and/or expenses are due to growth or decline of operations at comparable hotels (which represent the vast majority of our portfolio) or from other factors. While management believes that presentation of comparable hotel results is a supplemental measure that provides useful information in evaluating our ongoing performance, this measure is not used to allocate resources or to assess the operating performance of each of our hotels, as these decisions are based on data for individual hotels and are not based on comparable hotel results in the aggregate. For these reasons, we believe comparable hotel operating results, when combined with the presentation of GAAP operating profit, revenues and expenses, provide useful information to investors and management.

# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION

## NON-GAAP FINANCIAL MEASURES (continued)

### CREDIT FACILITY – LEVERAGE, UNSECURED INTEREST COVERAGE AND CONSOLIDATED FIXED CHARGE COVERAGE RATIOS

Host's credit facility contains certain financial covenants, including allowable leverage, unsecured interest coverage and fixed charge ratios, which are determined using EBITDA as calculated under the terms of our credit facility ("Adjusted Credit Facility EBITDA"). The leverage ratio is defined as net debt plus preferred equity to Adjusted Credit Facility EBITDA. The unsecured interest coverage ratio is defined as unencumbered Adjusted Credit Facility EBITDA to unsecured consolidated interest expense. The fixed charge coverage ratio is defined as Adjusted Credit Facility EBITDA divided by fixed charges, which include interest expense, required debt amortization payments, cash taxes and preferred stock payments. These calculations are based on pro forma results for the prior four fiscal quarters giving effect to transactions such as acquisitions, dispositions and financings as if they occurred at the beginning of the period. The credit facility also incorporates by reference the ratio of unencumbered assets to unsecured indebtedness test from our senior notes indentures, calculated in the same manner, and the covenant is discussed below with the senior notes covenants.

Additionally, total debt used in the calculation of our leverage ratio is based on a "net debt" concept, under which cash and cash equivalents in excess of \$100 million are deducted from our total debt balance. Management believes these financial ratios provide useful information to investors regarding our compliance with the covenants in our credit facility and our ability to access the capital markets, in particular debt financing.

### SENIOR NOTES INDENTURE – INDEBTEDNESS TEST, SECURED INDEBTEDNESS TO TOTAL ASSETS TEST, EBITDA-TO-INTEREST COVERAGE RATIO AND RATIO OF UNENCUMBERED ASSETS TO UNSECURED INDEBTEDNESS

Host's senior notes indentures contains certain financial covenants, including allowable indebtedness, secured indebtedness to total assets, EBITDA-to-interest coverage and unencumbered assets to unsecured indebtedness. The indebtedness test is defined as adjusted indebtedness, which includes total debt adjusted for deferred financing costs, divided by adjusted total assets, which includes undepreciated real estate book values ("Adjusted Total Assets"). The secured indebtedness to total assets is defined as secured indebtedness, which includes mortgage debt and finance leases, divided by Adjusted Total Assets. The EBITDA-to-interest coverage ratio is defined as EBITDA as calculated under our senior notes indenture ("Adjusted Senior Notes EBITDA") to interest expense as defined by our senior notes indenture. The ratio of unencumbered assets to unsecured indebtedness is defined as unencumbered adjusted assets, which includes Adjusted Total Assets less encumbered assets, divided by unsecured debt, which includes the aggregate principal amount of outstanding unsecured indebtedness plus contingent obligations.

Under the terms of the senior notes indentures, interest expense excludes items such as the gains and losses on the extinguishment of debt, deferred financing charges related to the senior notes or the credit facility, amortization of debt premiums or discounts that were recorded at issuance of a loan to establish its fair value and non-cash interest expense, all of which are included in interest expense on our consolidated statement of operations. As with the credit facility covenants, management believes these financial ratios provide useful information to investors regarding our compliance with the covenants in our senior notes indentures and our ability to access the capital markets, in particular debt financing.



# NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION



## NON-GAAP FINANCIAL MEASURES (continued)

### LIMITATIONS ON CREDIT FACILITY AND SENIOR NOTES CREDIT RATIOS

These metrics are useful in evaluating the Company's compliance with the covenants contained in its credit facility and senior notes indentures. However, because of the various adjustments taken to the ratio components as a result of negotiations with the Company's lenders and noteholders they should not be considered as an alternative to the same ratios determined in accordance with GAAP. For instance, interest expense as calculated under the credit facility and senior notes indenture excludes the items noted above such as deferred financing charges and amortization of debt premiums or discounts, all of which are included in interest expense on our consolidated statement of operations. Management compensates for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of performance. In addition, because the credit facility and indenture ratio components are also based on pro forma results for the prior four fiscal quarters, giving effect to transactions such as acquisitions, dispositions and financings as if they occurred at the beginning of the period, they are not reflective of actual performance over the same period calculated in accordance with GAAP.