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Host Hotels & Resorts Disposes of Sheraton New York Times Square Hotel

BETHESDA, MD; April 20, 2022 – Host Hotels & Resorts, Inc. (NASDAQ: HST), the nation's largest lodging real estate investment trust (the "Company"), today announced that it has sold the 1,780-room Sheraton New York Times Square Hotel for approximately \$373 million, which represents a 28.0x EBITDA multiple¹ on 2019 EBITDA. The EBITDA multiple includes approximately \$136 million of estimated foregone capital expenditures over the next five years. In connection with the sale, the Company is providing a \$250 million bridge loan to the purchaser.

James F. Risoleo, president and chief executive officer, said, "The sale of the Sheraton New York Times Square Hotel represents another important step in the transformation of our portfolio as we look to deploy capital into assets that will bolster our EBITDA growth profile. Since the beginning of 2021, we have invested \$1.6 billion in early-cycle acquisitions, and we have disposed of eight hotels at a value of \$1.4 billion, including amounts due under seller financing. The blended EBITDA multiple on our seven hotel acquisitions is 13.0x², which compares favorably to the 17.7x¹ EBITDA multiple, including estimated foregone capital expenditures, on our eight hotel dispositions."

¹ Consistent with industry practice, we calculate the EBITDA multiple as the ratio of the purchase price to the property's EBITDA. EBITDA is a non-GAAP measure. The comparable GAAP metric to EBITDA multiple is the ratio of the purchase price to net income (loss). Disposition multiples are calculated as the ratio between the sales price (plus estimated avoided capital expenditures) and 2019 EBITDA. The ratio of the purchase price to 2019 net loss for the Sheraton New York Times Square Hotel is (429.9)x. The Sheraton New York Times Square Hotel 2019 net loss is \$(1) million and the difference between net loss and EBITDA is depreciation expense of \$19 million. The ratio of the purchase price to net income for the combined 2021 and 2022 dispositions is 34.5x and estimated avoided capital expenditures over the five years following disposition date totaled \$426 million. The combined net income of the 2021 and 2022 dispositions is \$39 million and the difference between net income and EBITDA is depreciation expense of \$61 million.

² The blended acquisition EBITDA multiple is based on 2019 operations for Hyatt Regency Austin, Four Seasons Resort Orlando at Walt Disney World® Resort, and Kimpton Hotel Van Zandt and the 2021 forecast at acquisition for Baker's Cay Resort Key Largo and Alila Ventana Big Sur, as these hotels experienced renovation disruption and closures in 2019. Estimated normalized 2019 operations were used for The Laura Hotel, as the hotel was re-opened with a new manager and brand in 2021, and for The Alida, Savannah, adjusting for construction disruption to the surrounding Plant Riverside District and for initial ramp-up of hotel operations. The blended ratio of the purchase price to net income for these acquisitions is 21.1x, using net income of \$74 million. The difference between combined net income and EBITDA is depreciation expense of \$46 million. In addition, EBITDA includes an upward adjustment of \$13 million to reflect normalized operations for both The Laura Hotel and The Alida, Savannah.



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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 74 properties in the United States and five properties internationally totaling approximately 42,600 rooms. The Company also holds non-controlling interests in seven domestic and one international joint ventures.

FORWARD LOOKING STATEMENTS

Note: This press release contains forward-looking statements within the meaning of federal securities regulations. These forward-looking statements 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; 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 real estate investment trust for federal income tax purposes; 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 the date of this release 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.