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Host Hotels & Resorts Acquires The Alida, Savannah and Disposes of W Hollywood

BETHESDA, MD; December 20, 2021 – Host Hotels & Resorts, Inc. (NASDAQ: HST), the nation's largest lodging real estate investment trust (the "Company"), today announced that it has acquired the fee simple interest in The Alida, Savannah, a 173-room boutique hotel, for approximately \$103 million in cash.

This newly constructed hotel opened in October 2018 and benefits from soft branding in Marriott's Tribute Portfolio. Rooms average 371 square feet with high ceilings, hardwood floors, built-in window seats and marble bathrooms. The hotel offers 11,570 square feet of meeting space (5,170 indoor), four F&B outlets including a rooftop bar with panoramic views, an outdoor pool, and street-front retail space.

Stabilization for The Alida is expected in the 2024-2025 timeframe at approximately 11-12x EBITDA¹ with RevPAR of approximately \$240. The stabilized EBITDA for the property is consistent with the Company's estimate of normalized 2019 operations, which adjusts for construction disruption to the surrounding Plant Riverside District and the initial ramp-up of the hotel operations.

The Alida is located in Savannah's historic district just one block from the Savannah River, directly adjacent to a newly developed entertainment district, including the Plant Riverside District. A strong tourism industry has contributed to favorable market dynamics over the past several years – 2019 marked 10 consecutive years of record visitation, nine consecutive years of record visitor spending, and a five-year RevPAR CAGR more than 100 basis points higher than the broader U.S. We expect future growth to be buoyed by multiple leisure demand drivers including the fact that Savannah is a drive-to leisure destination for fast-growing feeder markets in the Southeast and there is increasing air traffic through the Savannah/Hilton Head International Airport. The hotel also benefits from both in-house and out-of-house group demand, which are likely to be bolstered by the \$271 million convention center expansion expected to be completed in 2024.

In addition to The Alida acquisition, the Company also announced that it has sold the leasehold interest in the 305-room W Hollywood for a total sales price of approximately \$197 million, including \$3 million for the FF&E replacement funds. The sale price represents a 25.0x EBITDA multiple² on 2019 EBITDA including approximately \$33 million of estimated foregone capital expenditures over the next five years.

James F. Risoleo, President and Chief Executive Officer, said, "We are pleased to further diversify our portfolio with the acquisition of The Alida, Savannah. The hotel is like new with no expected near-term capex in a market with favorable operating costs, multiple demand drivers, and a history of strong RevPAR growth while the sale of the W Hollywood reduces our ground lease exposure and obviates the need for major capital investment and associated disruption. We continue to be very active on the capital allocation front as we target new markets. Year-to-date, we have invested \$1.3 billion in early-cycle acquisitions. The

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. The ratio of the purchase price to stabilized net income for The Alida, Savannah, which is expected to occur in the 2024-2025 timeframe, is 18.2x based on forecast stabilized net income of \$6 million. The difference between net income and EBITDA is depreciation expense of \$3 million. Stabilized results are illustrative only. Our ability to achieve the 2024-2025 results is subject to various uncertainties and actual results may be materially different.

² 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 income for the W Hollywood is 142x. The W Hollywood 2019 net income is \$1 million and the difference between net income and EBITDA is depreciation expense of \$8 million. The ratio of the purchase price to net income for the combined 2021 dispositions is 27x and estimated avoided capital expenditures over the five years following disposition date totaled \$155 million. The combined net income of the 2021 dispositions is \$27 million and the difference between net income and EBITDA is depreciation expense of \$29 million.



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blended EBITDA multiple on our six hotel acquisitions in 2021 is $12.9x^3$, which compares favorably to the nearly \$750 million generated from our six hotel dispositions at a $16.0x^2$ EBITDA multiple, including foregone capital expenditures.”

ABOUT HOST HOTELS & RESORTS

Host Hotels & Resorts, Inc. is an S&P 500 company and is the largest lodging real estate investment trust and one of the largest owners of luxury and upper-upscale hotels. The Company currently owns 75 properties in the United States and five properties internationally totaling approximately 45,300 rooms. The Company also holds non-controlling interests in six domestic and one international joint ventures.

³ The blended EBITDA multiple is based on 2019 operations for the Hyatt Regency Austin and Four Seasons Resort Orlando at Walt Disney World® Resort and the 2021 forecast at acquisition for Baker's Cay Resort 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, assuming a new manager and brand, 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 the 2021 acquisitions is $20.8x$, using net income of \$62 million. The difference between combined net income and EBITDA is depreciation expense of \$38 million. In addition, EBITDA includes an adjustment of \$13 million to reflect normalized operations for both The Laura Hotel and The Alida, Savannah.



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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.