

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Commission File Number: 001-14625 (Host Hotels & Resorts, Inc.)

0-25087 (Host Hotels & Resorts, L.P.)

HOST HOTELS & RESORTS, INC.
HOST HOTELS & RESORTS, L.P.

(Exact name of registrant as specified in its charter)

Maryland (Host Hotels & Resorts, Inc.)
Delaware (Host Hotels & Resorts, L.P.)
(State or Other Jurisdiction of
Incorporation or Organization)

4747 Bethesda Ave, Suite 1300
Bethesda, Maryland
(Address of Principal Executive Offices)

53-0085950
52-2095412
(I.R.S. Employer
Identification No.)

20814
(Zip Code)

(240) 744-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

	Title of each class	Trading Symbol	Name of Each Exchange on Which Registered
Host Hotels & Resorts, Inc.	Common Stock, \$0.01 par value	HST	The Nasdaq Stock Market LLC
Host Hotels & Resorts, L.P.	None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Host Hotels & Resorts, Inc.

Yes No

Host Hotels & Resorts, L.P.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Host Hotels & Resorts, Inc.

Yes No

Host Hotels & Resorts, L.P.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Host Hotels & Resorts, Inc.

Large accelerated filer
Non-accelerated filer
Emerging growth company

Accelerated filer
Smaller reporting company

Host Hotels & Resorts, L.P.

Large accelerated filer
Non-accelerated filer
Emerging growth company

Accelerated filer
Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Host Hotels & Resorts, Inc.

Yes No

Host Hotels & Resorts, L.P.

Yes No

As of May 4, 2022, there were 714,777,128 shares of Host Hotels & Resorts, Inc.'s common stock, \$0.01 par value per share, outstanding.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q of Host Hotels & Resorts, Inc. and Host Hotels & Resorts, L.P. Unless stated otherwise or the context requires otherwise, references to “Host Inc.” mean Host Hotels & Resorts, Inc., a Maryland corporation, and references to “Host L.P.” mean Host Hotels & Resorts, L.P., a Delaware limited partnership, and its consolidated subsidiaries, in cases where it is important to distinguish between Host Inc. and Host L.P. We use the terms “we,” “our” or “the company” to refer to Host Inc. and Host L.P. together, unless the context indicates otherwise.

Host Inc. operates as a self-managed and self-administered real estate investment trust (“REIT”). Host Inc. owns properties and conducts operations through Host L.P., of which Host Inc. is the sole general partner and of which it holds approximately 99% of the partnership interests (“OP units”). The remaining OP units are owned by various unaffiliated limited partners. As the sole general partner of Host L.P., Host Inc. has the exclusive and complete responsibility for Host L.P.’s day-to-day management and control. Management operates Host Inc. and Host L.P. as one enterprise. The management of Host Inc. consists of the same persons who direct the management of Host L.P. As general partner with control of Host L.P., Host Inc. consolidates Host L.P. for financial reporting purposes, and Host Inc. does not have significant assets other than its investment in Host L.P. Therefore, the assets and liabilities of Host Inc. and Host L.P. are substantially the same on their respective condensed consolidated financial statements and the disclosures of Host Inc. and Host L.P. also are substantially similar. For these reasons, we believe that the combination into a single report of the quarterly reports on Form 10-Q of Host Inc. and Host L.P. results in benefits to management and investors.

The substantive difference between the filings of Host Inc. and Host L.P. is that Host Inc. is a REIT with public stock, while Host L.P. is a partnership with no publicly traded equity. In the condensed consolidated financial statements, this difference primarily is reflected in the equity (or partners’ capital for Host L.P.) section of the consolidated balance sheets and in the consolidated statements of equity (or partners’ capital for Host L.P.). Apart from the different equity treatment, the condensed consolidated financial statements of Host Inc. and Host L.P. are nearly identical.

This combined Form 10-Q for Host Inc. and Host L.P. includes, for each entity, separate interim financial statements (but combined footnotes), separate reports on disclosure controls and procedures and internal control over financial reporting and separate CEO/CFO certifications. In addition, with respect to any other financial and non-financial disclosure items required by Form 10-Q, any material differences between Host Inc. and Host L.P. are discussed separately herein. For a more detailed discussion of the substantive differences between Host Inc. and Host L.P. and why we believe the combined filing results in benefits to investors, see the discussion in the combined Annual Report on Form 10-K for the year ended December 31, 2021 under the heading “Explanatory Note.”

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HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2022 and December 31, 2021
(in millions, except share and per share amounts)

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	unaudited	
ASSETS		
Property and equipment, net	\$ 9,596	\$ 9,994
Right-of-use assets	563	551
Assets held for sale	411	270
Due from managers	125	113
Advances to and investments in affiliates	143	42
Furniture, fixtures and equipment replacement fund	163	144
Other	562	431
Cash and cash equivalents	266	807
Total assets	<u>\$ 11,829</u>	<u>\$ 12,352</u>
LIABILITIES, NON-CONTROLLING INTERESTS AND EQUITY		
Debt		
Senior notes	\$ 3,111	\$ 3,109
Credit facility, including the term loans of \$997	991	1,673
Mortgage and other debt	108	109
Total debt	4,210	4,891
Lease liabilities	575	564
Accounts payable and accrued expenses	97	85
Due to managers	47	42
Other	172	198
Total liabilities	5,101	5,780
Redeemable non-controlling interests - Host Hotels & Resorts, L.P.	203	126
Host Hotels & Resorts, Inc. stockholders' equity:		
Common stock, par value \$.01, 1,050 million shares authorized, 714.8 million shares and 714.1 million shares issued and outstanding, respectively	7	7
Additional paid-in capital	7,680	7,702
Accumulated other comprehensive loss	(69)	(76)
Deficit	(1,098)	(1,192)
Total equity of Host Hotels & Resorts, Inc. stockholders	6,520	6,441
Non-redeemable non-controlling interests—other consolidated partnerships	5	5
Total equity	6,525	6,446
Total liabilities, non-controlling interests and equity	<u>\$ 11,829</u>	<u>\$ 12,352</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Quarter ended March 31, 2022 and 2021
(unaudited, in millions, except per share amounts)

	Quarter ended March 31,	
	2022	2021
REVENUES		
Rooms	\$ 655	\$ 257
Food and beverage	297	77
Other	122	65
Total revenues	<u>1,074</u>	<u>399</u>
EXPENSES		
Rooms	160	65
Food and beverage	200	62
Other departmental and support expenses	273	160
Management fees	40	11
Other property-level expenses	84	78
Depreciation and amortization	172	165
Corporate and other expenses	23	24
Total operating costs and expenses	<u>952</u>	<u>565</u>
OPERATING PROFIT (LOSS)	122	(166)
Interest income	1	1
Interest expense	(36)	(42)
Other gains (losses)	13	(1)
Equity in earnings of affiliates	2	9
INCOME (LOSS) BEFORE INCOME TAXES	<u>102</u>	<u>(199)</u>
Benefit for income taxes	16	46
NET INCOME (LOSS)	<u>118</u>	<u>(153)</u>
Less: Net (income) loss attributable to non-controlling interests	(2)	1
NET INCOME (LOSS) ATTRIBUTABLE TO HOST HOTELS & RESORTS, INC.	<u>\$ 116</u>	<u>\$ (152)</u>
Basic earnings (loss) per common share	<u>\$ 0.16</u>	<u>\$ (0.22)</u>
Diluted earnings (loss) per common share	<u>\$ 0.16</u>	<u>\$ (0.22)</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Quarter ended March 31, 2022 and 2021
(unaudited, in millions)

	Quarter ended March 31,	
	2022	2021
NET INCOME (LOSS)	\$ 118	\$ (153)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Foreign currency translation and other comprehensive income of unconsolidated affiliates	7	(2)
Change in fair value of derivative instruments	—	(1)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	7	(3)
COMPREHENSIVE INCOME (LOSS)	125	(156)
Less: Comprehensive (income) loss attributable to non-controlling interests	(2)	1
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO HOST HOTELS & RESORTS, INC.	\$ 123	\$ (155)

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Quarter ended March 31, 2022 and 2021
(unaudited, in millions)

	Quarter ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net income (loss)	\$ 118	\$ (153)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:		
Depreciation and amortization	172	165
Amortization of finance costs, discounts and premiums, net	3	2
Stock compensation expense	5	4
Other (gains)/losses	(13)	1
Equity in earnings of affiliates	(2)	(9)
Change in due from/to managers	(5)	(13)
Distributions from investments in affiliates	2	—
Changes in other assets	(5)	(39)
Changes in other liabilities	(14)	(7)
Net cash provided by (used in) operating activities	<u>261</u>	<u>(49)</u>
INVESTING ACTIVITIES		
Proceeds from sales of assets, net	74	3
Proceeds from loan receivable	—	9
Advances to and investments in affiliates	(44)	(5)
Acquisitions	—	(189)
Capital expenditures:		
Renewals and replacements	(39)	(32)
Return on investment	(83)	(61)
Net cash used in investing activities	<u>(92)</u>	<u>(275)</u>
FINANCING ACTIVITIES		
Financing costs	—	(3)
Repayment of credit facility	(683)	—
Other financing activities	(10)	(8)
Net cash used in financing activities	<u>(693)</u>	<u>(11)</u>
Effects of exchange rate changes on cash held	1	—
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(523)	(335)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	953	2,476
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ <u>430</u>	\$ <u>2,141</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
Quarter ended March 31, 2022 and 2021
(unaudited)

Supplemental disclosure of cash flow information (in millions):

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet to the amount shown in the statements of cash flows:

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Cash and cash equivalents	\$ 266	\$ 2,008
Restricted cash (included in other assets)	1	2
Cash included in furniture, fixtures and equipment replacement fund	163	131
Total cash and cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 430</u>	<u>\$ 2,141</u>

The following table presents cash paid (received) for the following:

	<u>Quarter ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Total interest paid	\$ 28	\$ 35
Income tax refunds received	\$ (8)	\$ —

Supplemental schedule of noncash investing and financing activities:

On January 20, 2022, we entered into definitive agreements with Noble Investment Group, LLC, and certain other entities and persons related to Noble Investment Group, LLC, pursuant to which we made an investment in a joint venture with Noble Investment Group. In connection with the investment, Host Hotels & Resorts, L.P. issued approximately 3.2 million OP units valued at approximately \$56 million.

In connection with the sale of the Sheraton Boston Hotel in February 2022, we extended a \$163 million bridge loan to the buyer. The proceeds received from the sale are net of this loan.

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2022 and December 31, 2021
(in millions)

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>unaudited</u>	
ASSETS		
Property and equipment, net	\$ 9,596	\$ 9,994
Right-of-use assets	563	551
Assets held for sale	411	270
Due from managers	125	113
Advances to and investments in affiliates	143	42
Furniture, fixtures and equipment replacement fund	163	144
Other	562	431
Cash and cash equivalents	266	807
Total assets	<u>\$ 11,829</u>	<u>\$ 12,352</u>
LIABILITIES, LIMITED PARTNERSHIP INTERESTS OF THIRD PARTIES AND CAPITAL		
Debt		
Senior notes	\$ 3,111	\$ 3,109
Credit facility, including the term loans of \$997	991	1,673
Mortgage and other debt	108	109
Total debt	4,210	4,891
Lease liabilities	575	564
Accounts payable and accrued expenses	97	85
Due to managers	47	42
Other	172	198
Total liabilities	<u>5,101</u>	<u>5,780</u>
Limited partnership interests of third parties	203	126
Host Hotels & Resorts, L.P. capital:		
General partner	1	1
Limited partner	6,588	6,516
Accumulated other comprehensive loss	(69)	(76)
Total Host Hotels & Resorts, L.P. capital	6,520	6,441
Non-controlling interests—consolidated partnerships	5	5
Total capital	<u>6,525</u>	<u>6,446</u>
Total liabilities, limited partnership interests of third parties and capital	<u>\$ 11,829</u>	<u>\$ 12,352</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Quarter ended March 31, 2022 and 2021
(unaudited, in millions, except per unit amounts)

	Quarter ended March 31,	
	2022	2021
REVENUES		
Rooms	\$ 655	\$ 257
Food and beverage	297	77
Other	122	65
Total revenues	<u>1,074</u>	<u>399</u>
EXPENSES		
Rooms	160	65
Food and beverage	200	62
Other departmental and support expenses	273	160
Management fees	40	11
Other property-level expenses	84	78
Depreciation and amortization	172	165
Corporate and other expenses	23	24
Total operating costs and expenses	<u>952</u>	<u>565</u>
OPERATING PROFIT (LOSS)	122	(166)
Interest income	1	1
Interest expense	(36)	(42)
Other gains (losses)	13	(1)
Equity in earnings of affiliates	2	9
INCOME (LOSS) BEFORE INCOME TAXES	102	(199)
Benefit for income taxes	16	46
NET INCOME (LOSS)	118	(153)
Less: Net income attributable to non-controlling interests	(1)	—
NET INCOME (LOSS) ATTRIBUTABLE TO HOST HOTELS & RESORTS, L.P.	<u>\$ 117</u>	<u>\$ (153)</u>
Basic earnings (loss) per common unit	<u>\$ 0.17</u>	<u>\$ (0.22)</u>
Diluted earnings (loss) per common unit	<u>\$ 0.17</u>	<u>\$ (0.22)</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Quarter ended March 31, 2022 and 2021
(unaudited, in millions)

	Quarter ended March 31,	
	2022	2021
NET INCOME (LOSS)	\$ 118	\$ (153)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Foreign currency translation and other comprehensive income of unconsolidated affiliates	7	(2)
Change in fair value of derivative instruments	—	(1)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	7	(3)
COMPREHENSIVE INCOME (LOSS)	125	(156)
Less: Comprehensive income attributable to non-controlling interests	(1)	—
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO HOST HOTELS & RESORTS, L.P.	<u>\$ 124</u>	<u>\$ (156)</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Quarter ended March 31, 2022 and 2021
(unaudited, in millions)

	Quarter ended March 31,	
	2022	2021
OPERATING ACTIVITIES		
Net income (loss)	\$ 118	\$ (153)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:		
Depreciation and amortization	172	165
Amortization of finance costs, discounts and premiums, net	3	2
Stock compensation expense	5	4
Other (gains)/losses	(13)	1
Equity in earnings of affiliates	(2)	(9)
Change in due from/to managers	(5)	(13)
Distributions from investments in affiliates	2	—
Changes in other assets	(5)	(39)
Changes in other liabilities	(14)	(7)
Net cash provided by (used in) operating activities	<u>261</u>	<u>(49)</u>
INVESTING ACTIVITIES		
Proceeds from sales of assets, net	74	3
Proceeds from loan receivable	—	9
Advances to and investments in affiliates	(44)	(5)
Acquisitions	—	(189)
Capital expenditures:		
Renewals and replacements	(39)	(32)
Return on investment	(83)	(61)
Net cash used in investing activities	<u>(92)</u>	<u>(275)</u>
FINANCING ACTIVITIES		
Financing costs	—	(3)
Repayment of credit facility	(683)	—
Other financing activities	(10)	(8)
Net cash used in financing activities	<u>(693)</u>	<u>(11)</u>
Effects of exchange rate changes on cash held	1	—
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	<u>(523)</u>	<u>(335)</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	953	2,476
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	<u>\$ 430</u>	<u>\$ 2,141</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
Quarter ended March 31, 2022 and 2021
(unaudited)

Supplemental disclosure of cash flow information (in millions):

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet to the amount shown in the statements of cash flows:

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Total cash and cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 430</u>	<u>\$ 2,141</u>

The following table presents cash paid (received) for the following:

	Quarter ended March 31,	
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Total interest paid	\$ 28	\$ 35
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Supplemental schedule of noncash investing and financing activities:

On January 20, 2022, we entered into definitive agreements with Noble Investment Group, LLC, and certain other entities and persons related to Noble Investment Group, LLC, pursuant to which we made an investment in a joint venture with Noble Investment Group. In connection with the investment, Host Hotels & Resorts, L.P. issued approximately 3.2 million OP units valued at approximately \$56 million.

In connection with the sale of the Sheraton Boston Hotel in February 2022, we extended a \$163 million bridge loan to the buyer. The proceeds received from the sale are net of this loan.

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC., HOST HOTELS & RESORTS, L.P., AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization

Description of Business

Host Hotels & Resorts, Inc. operates as a self-managed and self-administered real estate investment trust (“REIT”), with its operations conducted solely through Host Hotels & Resorts, L.P. and its subsidiaries. Host Hotels & Resorts, L.P., a Delaware limited partnership, operates through an umbrella partnership structure, with Host Hotels & Resorts, Inc., a Maryland corporation, as its sole general partner. In the notes to these unaudited condensed consolidated financial statements, we use the terms “we” or “our” to refer to Host Hotels & Resorts, Inc. and Host Hotels & Resorts, L.P. together, unless the context indicates otherwise. We also use the term “Host Inc.” specifically to refer to Host Hotels & Resorts, Inc. and the term “Host L.P.” specifically to refer to Host Hotels & Resorts, L.P. in cases where it is important to distinguish between Host Inc. and Host L.P. As of March 31, 2022, Host Inc. holds approximately 99% of Host L.P.’s partnership interests.

COVID-19 Developments

The COVID-19 pandemic has had a significant adverse impact on U.S. and global economic activity and has contributed to significant volatility in financial markets beginning in the first quarter of 2020. While many of the restrictive measures put in place in jurisdictions where we own hotels have been lifted and the U.S. economic recovery is in progress, the COVID-19 pandemic continues to negatively impact the U.S. lodging industry generally and our company specifically. There remains a great deal of uncertainty surrounding the trends and duration of the COVID-19 pandemic, including the potential impact of new variants, and we are monitoring developments on an ongoing basis. We, and our hotel managers, may take additional actions in response to future developments.

Consolidated Portfolio

As of March 31, 2022, our consolidated portfolio, primarily consisting of luxury and upper upscale hotels, is located in the following countries:

	Hotels
United States	75
Brazil	3
Canada	2
Total	<u>80</u>

HOST HOTELS & RESORTS, INC., HOST HOTELS & RESORTS, L.P., AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

2. Summary of Significant Accounting Policies

We have condensed or omitted certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP in the accompanying unaudited condensed consolidated financial statements. We believe the disclosures made herein are adequate to prevent the information presented from being misleading. However, the financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In our opinion, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary to present fairly our financial position as of March 31, 2022, and the results of our operations and cash flows for the quarter ended March 31, 2022 and 2021, respectively. Interim results are not necessarily indicative of full year performance because of the effect of seasonal variations as well as the impact from the COVID-19 pandemic.

Three of the partnerships in which we own an interest are considered variable interest entities (VIEs) as the general partner maintains control over the decisions that most significantly impact such partnerships. These VIEs include the operating partnership, Host L.P., which is consolidated by Host Inc., of which Host Inc. is the sole general partner and holds approximately 99% of its partnership interests; the consolidated partnership that owns the Houston Airport Marriott at George Bush Intercontinental; and the unconsolidated partnership that owns the Philadelphia Marriott Downtown. Host Inc.'s sole significant asset is its investment in Host L.P. and, consequently, substantially all of Host Inc.'s assets and liabilities consists of the assets and liabilities of Host L.P. All of Host Inc.'s debt is an obligation of Host L.P. and may be repaid only with assets of Host L.P.

3. Earnings (Loss) Per Common Share (Unit)

Basic earnings (loss) per common share (unit) is computed by dividing net income (loss) attributable to common stockholders (unitholders) by the weighted average number of shares of Host Inc. common stock or Host L.P. common units outstanding. Diluted earnings (loss) per common share (unit) is computed by dividing net income (loss) attributable to common stockholders (unitholders), as adjusted for potentially dilutive securities, by the weighted average number of shares of Host Inc. common stock or Host L.P. common units outstanding plus other potentially dilutive securities. Dilutive securities may include shares granted under comprehensive stock plans or the Host L.P. common units distributed to Host Inc. to support such shares granted, and other non-controlling interests that have the option to convert their limited partner interests to Host L.P. common units. No effect is shown for any securities that are anti-dilutive. We have 10.2 million Host L.P. common units, which are convertible into 10.4 million Host Inc. common shares, that are not included in Host Inc.'s calculation of earnings (loss) per share as their effect is not dilutive. The calculation of Host Inc. basic and diluted earnings (loss) per common share is shown below (in millions, except per share amounts):

	Quarter ended March 31,	
	2022	2021
Net income (loss)	\$ 118	\$ (153)
Less: Net (income) loss attributable to non-controlling interests	(2)	1
Net income (loss) attributable to Host Inc.	<u>\$ 116</u>	<u>\$ (152)</u>
Basic weighted average shares outstanding	714.3	705.6
Assuming distribution of common shares granted under the comprehensive stock plans, less shares assumed purchased at market	1.8	—
Diluted weighted average shares outstanding	<u>716.1</u>	<u>705.6</u>
Basic earnings (loss) per common share	<u>\$ 0.16</u>	<u>\$ (0.22)</u>
Diluted earnings (loss) per common share	<u>\$ 0.16</u>	<u>\$ (0.22)</u>

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The calculation of Host L.P. basic and diluted earnings (loss) per unit is shown below (in millions, except per unit amounts):

	Quarter ended March 31,	
	2022	2021
Net income (loss)	\$ 118	\$ (153)
Less: Net income attributable to non-controlling interests	(1)	—
Net income (loss) attributable to Host L.P.	<u>\$ 117</u>	<u>\$ (153)</u>
Basic weighted average units outstanding	708.9	698.0
Assuming distribution of common units granted under the comprehensive stock plans, less units assumed purchased at market	1.7	—
Diluted weighted average units outstanding	<u>710.6</u>	<u>698.0</u>
Basic earnings (loss) per common unit	<u>\$ 0.17</u>	<u>\$ (0.22)</u>
Diluted earnings (loss) per common unit	<u>\$ 0.17</u>	<u>\$ (0.22)</u>

4. Revenue

Substantially all our operating results represent revenues and expenses generated by property-level operations. Payments are due from customers when services are provided to them. Due to the short-term nature of our contracts and the almost concurrent receipt of payment, we have no material unearned revenue at quarter end. We collect sales, use, occupancy and similar taxes from our customers, which we present on a net basis (excluded from revenues) on our statements of operations.

Disaggregation of Revenues. While we do not consider the following presentation of revenues by location to consist of reportable segments, we have disaggregated hotel revenues by market location. Our revenues also are presented by country in Note 11 – Geographic Information.

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By Location. The following table presents hotel revenues for each of the geographic locations in our consolidated hotel portfolio (in millions):

Location	Quarter ended March 31,	
	2022	2021
Florida Gulf Coast	\$ 131	\$ 81
Maui/Oahu	116	44
Phoenix	111	54
Orlando	108	9
San Diego	87	14
Miami	83	56
San Francisco/San Jose	52	11
New York	50	11
Washington, D.C. (Central Business District)	38	23
Jacksonville	29	14
San Antonio	27	7
Houston	26	13
Los Angeles/Orange County	25	10
Austin	20	1
New Orleans	20	3
Boston	18	3
Chicago	14	4
Atlanta	13	11
Philadelphia	13	5
Northern Virginia	12	7
Denver	12	3
Seattle	10	2
Other	51	11
Domestic	1,066	397
International	8	2
Total	<u>\$ 1,074</u>	<u>\$ 399</u>

5. Property and Equipment

Property and equipment consists of the following (in millions):

	March 31, 2022	December 31, 2021
Land and land improvements	\$ 1,967	\$ 2,310
Buildings and leasehold improvements	13,465	13,636
Furniture and equipment	2,172	2,225
Construction in progress	328	278
	<u>17,932</u>	<u>18,449</u>
Less accumulated depreciation and amortization	(8,336)	(8,455)
	<u>\$ 9,596</u>	<u>\$ 9,994</u>

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6. Investment in Affiliates

On January 20, 2022, we entered into definitive agreements with Noble Investment Group, LLC, and certain other entities and persons related to Noble Investment Group, LLC. We invested an aggregate of \$35 million of cash and issued approximately \$56 million of Host L.P. OP units to acquire a minority equity interest in Noble Management Holdings, LLC and Noble Investment Holdings, LLC representing 49% of (a) the net fee income of the Noble Investment Group business in respect of existing and future Noble Investment Group funds and other revenue-based activities, (b) 40% of the gross carried interest earned on the funds beginning as of closing, and (c) proceeds earned on general partner commitments to future funds. As part of our investment, we have made a \$150 million capital commitment to the next Noble fund.

Upon certain triggers being met, we have the ability to acquire up to an additional 51% (for a total of 100%) of Noble Management Holdings, LLC and Noble Investment Holdings, LLC. To the extent certain triggers are met and we have not exercised our call right, Noble Investment Group, LLC has a one-time ability, but not the obligation, to exercise its put right to cause us to purchase up to an additional 26% (for a total of 75%) of Noble Management Holdings, LLC and Noble Investment Holdings, LLC.

7. Debt

Credit Facility. In February 2022, we repaid the remaining \$683 million outstanding under the revolver portion of our credit facility. As of March 31, 2022, we have \$1.5 billion of available capacity under the revolver portion of our credit facility.

8. Equity of Host Inc. and Capital of Host L.P.

Equity of Host Inc.

The components of the equity of Host Inc. are as follows (in millions):

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings / (Deficit)	Non-redeemable, non-controlling interests	Total equity	Redeemable, non-controlling interests
Balance, December 31, 2021	\$ 7	\$ 7,702	\$ (76)	\$ (1,192)	5	\$ 6,446	\$ 126
Net income	—	—	—	116	1	117	1
Issuance of common stock for comprehensive stock plans, net	—	(9)	—	—	—	(9)	—
Dividends declared on common stock	—	—	—	(22)	—	(22)	—
Issuance of common OP units	—	—	—	—	—	—	56
Changes in ownership and other	—	(13)	—	—	(1)	(14)	20
Other comprehensive income	—	—	7	—	—	7	—
Balance, March 31, 2022	<u>\$ 7</u>	<u>\$ 7,680</u>	<u>\$ (69)</u>	<u>\$ (1,098)</u>	<u>5</u>	<u>\$ 6,525</u>	<u>\$ 203</u>

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	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings / (Deficit)	Non-redeemable, non-controlling interests	Total equity	Redeemable, non-controlling interests
Balance, December 31, 2020	\$ 7	\$ 7,568	\$ (74)	\$ (1,180)	5	\$ 6,326	\$ 108
Net loss	—	—	—	(152)	—	(152)	(1)
Issuance of common stock for comprehensive stock plans, net	—	(4)	—	—	—	(4)	—
Changes in ownership and other	—	(17)	—	—	—	(17)	17
Other comprehensive loss	—	—	(3)	—	—	(3)	—
Balance, March 31, 2021	<u>\$ 7</u>	<u>\$ 7,547</u>	<u>\$ (77)</u>	<u>\$ (1,332)</u>	<u>5</u>	<u>\$ 6,150</u>	<u>\$ 124</u>

Capital of Host L.P.

As of March 31, 2022, Host Inc. is the owner of approximately 99% of Host L.P.'s common OP units. The remaining common OP units are owned by unaffiliated limited partners. Each common OP unit may be redeemed for cash or, at the election of Host Inc., Host Inc. common stock, based on the conversion ratio of 1.021494 shares of Host Inc. common stock for each common OP unit. Under the credit facility, all redemptions must be made with Host Inc. common stock if Host L.P.'s leverage ratio (as calculated under the credit facility) exceeds 7.25x.

In exchange for any shares issued by Host Inc., Host L.P. will issue common OP units to Host Inc. based on the applicable conversion ratio. Additionally, funds used by Host Inc. to pay dividends on its common stock are provided by distributions from Host L.P.

The components of the Capital of Host L.P. are as follows (in millions):

	General Partner	Limited Partner	Accumulated Other Comprehensive Income (Loss)	Non-controlling interests	Total capital	Limited partnership interests of third parties
Balance, December 31, 2021	\$ 1	\$ 6,516	\$ (76)	5	\$ 6,446	\$ 126
Net income	—	116	—	1	117	1
Issuance of common OP units to Host Inc. for comprehensive stock plans, net	—	(9)	—	—	(9)	—
Distributions declared on common OP units	—	(22)	—	—	(22)	—
Issuance of common OP units	—	—	—	—	—	56
Changes in ownership and other	—	(13)	—	(1)	(14)	20
Other comprehensive income	—	—	7	—	7	—
Balance, March 31, 2022	<u>\$ 1</u>	<u>\$ 6,588</u>	<u>\$ (69)</u>	<u>5</u>	<u>\$ 6,525</u>	<u>\$ 203</u>

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	General Partner	Limited Partner	Accumulated Other Comprehensive Income (Loss)	Non-controlling interests	Total capital	Limited partnership interests of third parties
Balance, December 31, 2020	\$ 1	\$ 6,394	\$ (74)	\$ 5	\$ 6,326	\$ 108
Net loss	—	(152)	—	—	(152)	(1)
Issuance of common OP units to Host Inc. for comprehensive stock plans, net	—	(4)	—	—	(4)	—
Changes in ownership and other	—	(17)	—	—	(17)	17
Other comprehensive loss	—	—	(3)	—	(3)	—
Balance, March 31, 2021	<u>\$ 1</u>	<u>\$ 6,221</u>	<u>\$ (77)</u>	<u>\$ 5</u>	<u>\$ 6,150</u>	<u>\$ 124</u>

Share Repurchases

As of March 31, 2022, we have \$371 million available for repurchase under our common share repurchase program. There have been no share repurchases in the first quarter of 2022.

Issuance of Common Stock

As of March 31, 2022, there was \$460 million of remaining capacity under the distribution agreement we entered into in 2021 with various investment banks to sell shares of Host Inc. common stock in "at-the-market" offerings. No shares were issued during the first quarter of 2022.

Dividends/Distributions

On February 16, 2022, Host Inc.'s Board of Directors announced a regular quarterly cash dividend of \$0.03 per share on Host Inc.'s common stock. The dividend was paid on April 15, 2022 to stockholders of record as of March 31, 2022. Accordingly, Host L.P. made a distribution of \$0.03064482 per unit on its common OP units based on the current conversion ratio.

Subsequent to quarter end, on May 4, 2022, Host Inc.'s Board of Directors announced a regular quarterly cash dividend of \$0.06 per share on Host Inc.'s common stock. The dividend is payable on July 15, 2022, to stockholders of record on June 30, 2022.

9. Dispositions

During the first quarter, we sold the Sheraton Boston Hotel for \$233 million, including a \$163 million bridge loan we provided to the buyer, and recorded a gain on sale of \$12 million. The bridge loan, which is included in other assets on our condensed consolidated balance sheets, has an initial interest rate of 4.5% and an initial scheduled maturity date of August 1, 2022, which date may be extended by up to a year by the exercise of two 6-month extensions, each which is subject to an increase in interest rate. The gain on sale is included in other gains (losses) on the consolidated statement of operations.

Subsequent to quarter end, we sold the Sheraton New York Times Square Hotel for \$373 million, including a \$250 million bridge loan we provided to the buyer, and YVE Hotel Miami for \$50 million, including \$1 million of FF&E funds retained by us. As of March 31, 2022, these two hotels were classified as held for sale.

10. Fair Value Measurements

We did not elect the fair value measurement option for any of our financial liabilities. The fair values of secured debt and our credit facility are determined based on the expected future payments discounted at risk-adjusted rates. Our senior notes are valued based on quoted market prices. The fair values of financial instruments not included in this table are estimated to be equal to their carrying amounts.

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The fair value of certain financial liabilities is shown below (in millions):

	March 31, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Senior notes (Level 1)	\$ 3,111	\$ 3,056	\$ 3,109	\$ 3,255
Credit facility (Level 2)	991	1,000	1,673	1,683
Mortgage debt (Level 2)	104	102	104	105

11. Geographic Information

We consider each one of our hotels to be an operating segment, as we allocate resources and assess operating performance based on individual hotels. All of our hotels meet the aggregation criteria for segment reporting and our other real estate investment activities (primarily our retail spaces and office buildings) are immaterial. As such, we report one segment: hotel ownership. Our consolidated foreign operations consist of hotels in two countries as of March 31, 2022. There were no intersegment sales during the periods presented.

The following table presents total revenues and property and equipment, net, for each of the geographical areas in which we operate (in millions):

	Total Revenues		Property and Equipment, net	
	Quarter ended March 31,		March 31,	December 31,
	2022	2021	2022	2021
United States	\$ 1,066	\$ 397	\$ 9,517	\$ 9,919
Brazil	4	1	36	30
Canada	4	1	43	45
Total	<u>\$ 1,074</u>	<u>\$ 399</u>	<u>\$ 9,596</u>	<u>\$ 9,994</u>

12. Non-controlling Interests

Host Inc.'s treatment of the non-controlling interests of Host L.P.: Host Inc. adjusts the amount of the non-controlling interests of Host L.P. each period so that the amount presented equals the greater of its carrying amount based on accumulated historical cost or its redemption value. The historical cost is based on the proportional relationship between the historical cost of equity held by our common stockholders relative to that of the common unitholders of Host L.P. The redemption value is based on the amount of cash or Host Inc. common stock, at our option, that would be paid to the non-controlling interests of Host L.P. if it were terminated. Therefore, the redemption value of the common OP units is equivalent to the number of common shares that would be issued upon conversion of the common OP units held by third parties valued at the market price of Host Inc. common stock at the balance sheet date. One common OP unit may be exchanged for 1.021494 shares of Host Inc. common stock. Redeemable non-controlling interests of Host L.P. are classified in the mezzanine section of our balance sheets as they do not meet the requirements for equity classification because the redemption feature requires the delivery of registered shares.

The table below details the historical cost and redemption values for the non-controlling interests of Host L.P.:

	March 31, 2022	December 31, 2021
Common OP units outstanding (millions)	10.2	7.1
Market price per Host Inc. common share	\$ 19.43	\$ 17.39
Shares issuable upon conversion of one common OP unit	1.021494	1.021494
Redemption value (millions)	\$ 203	\$ 126
Historical cost (millions)	97	66
Book value (millions) ⁽¹⁾	203	126

(1) The book value recorded is equal to the greater of redemption value or historical cost.

Other Consolidated Partnerships. As of March 31, 2022, we consolidate two majority-owned partnerships that have third-party, non-controlling ownership interests. The third-party limited partner interests are included in

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non-redeemable non-controlling interests — other consolidated partnerships on the balance sheets and totaled \$5 million as of both March 31, 2022 and December 31, 2021.

13. Legal Proceedings

We are involved in various legal proceedings in the ordinary course of business regarding the operation of our hotels and company matters. To the extent not covered by insurance, these legal proceedings generally fall into the following broad categories: disputes involving hotel-level contracts, employment litigation, compliance with laws such as the Americans with Disabilities Act, tax disputes and other general matters. Under our management agreements, our operators have broad latitude to resolve individual hotel-level claims for amounts generally less than \$150,000. However, for matters exceeding such threshold, our operators may not settle claims without our consent.

Based on our analysis of legal proceedings with which we are involved or of which we currently are aware and our experience in resolving similar claims in the past, we have recorded immaterial accruals as of March 31, 2022 related to such claims. We have estimated that, in the aggregate, our losses related to these proceedings will not be material. We are not aware of any matters with a reasonably possible unfavorable outcome for which disclosure of a loss contingency is required. No assurances can be given as to the outcome of any pending legal proceedings.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this report. Host Inc. operates as a self-managed and self-administered REIT. Host Inc. is the sole general partner of Host L.P. and holds approximately 99% of its partnership interests. Host L.P. is a limited partnership operating through an umbrella partnership structure. The remaining common OP units are owned by various unaffiliated limited partners.

Forward-Looking Statements

In this quarterly report on Form 10-Q, we make forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by their use of terms and phrases such as “anticipate,” “believe,” “could,” “expect,” “may,” “intend,” “predict,” “project,” “plan,” “will,” “estimate” and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are based on management’s current expectations and assumptions and are not guarantees of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results to differ materially from those anticipated at the time the forward-looking statements are made.

The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- 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 ability of our hotel managers to operate hotels in a way that facilitates social distancing, implement enhanced cleaning protocols and other COVID-19 pandemic mitigation practices; 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 as the COVID-19 pandemic subsides; general economic uncertainty in U.S. markets where we own hotels and the potential for low levels of economic growth in these markets; and the effects on hotel operations of steps that our hotel managers take to reduce operating costs in response to the COVID-19 pandemic;
- the effect on lodging demand of (i) changes in national and local economic and business conditions, including concerns about the duration and strength of U.S. economic growth, inflation, global economic prospects, consumer confidence and the value of the U.S. dollar, and (ii) factors that may shape public perception of travel to a particular location, such as natural disasters, weather events, pandemics and outbreaks of contagious diseases, such as the COVID-19 pandemic, and the occurrence or potential occurrence of terrorist attacks, all of which will affect occupancy rates at our hotels and the demand for hotel products and services;
- risks that U.S. immigration policies and border closings related to the COVID-19 pandemic will suppress international travel to the United States generally or decrease the labor pool;
- the impact of geopolitical developments outside the United States, such as the pace of economic growth in Europe, the effects of the United Kingdom’s withdrawal from the European Union, trade tensions and tariffs between the United States and its trading partners such as China, or conflicts in Eastern Europe and the Middle East, all of which could affect global travel and lodging demand within the United States;
- volatility in global financial and credit markets, and the impact of budget deficits and pending and future U.S. governmental action to address such deficits through reductions in spending and similar austerity measures, as well as the impact of potential U.S. government shutdowns, which could materially adversely affect U.S. and global economic conditions, business activity, credit availability, borrowing costs, and lodging demand;
- operating risks associated with the hotel business, including the effect of labor stoppages or strikes, increasing operating or labor costs or changes in workplace rules that affect labor costs, and risks relating to the response to the COVID-19 pandemic by our hotel managers, such as increased hotel costs for cleaning protocols and severance and furlough payments to hotel employees;
- the effect of rating agency downgrades of our debt securities on the cost and availability of new debt financings;
- the reduction in our operating flexibility and the limitation on our ability to incur debt, pay dividends and make distributions resulting from restrictive covenants in our debt agreements and other risks associated with the amount of our indebtedness or related to restrictive covenants in our debt agreements, including the risk that a default could occur as a result of a decline in operations due to the COVID-19 pandemic;

- our ability to maintain our hotels in a first-class manner, including meeting capital expenditures requirements, and the effect of renovations, including temporary closures, on our hotel occupancy and financial results;
- the ability of our hotels to compete effectively against other lodging businesses in the highly competitive markets in which we operate in terms of access, location, quality of accommodations and room rate structures;
- our ability to acquire or develop additional hotels and the risk that potential acquisitions or developments may not perform in accordance with our expectations;
- the ability to complete hotel renovations on schedule and under budget and the potential for increased costs and construction delays due to government restrictions on non-essential activities and shortages of supplies as a result of supply chain disruptions due to the COVID-19 pandemic;
- relationships with property managers and joint venture partners and our ability to realize the expected benefits of our joint ventures and other strategic relationships;
- risks associated with a single manager, Marriott International, managing a significant portion of our properties;
- changes in the desirability of the geographic regions of the hotels in our portfolio or in the travel patterns of hotel customers;
- the ability of third-party internet and other travel intermediaries to attract and retain customers;
- our ability to recover fully under our existing insurance policies for terrorist acts and our ability to maintain adequate or full replacement cost “all-risk” property insurance policies on our hotels on commercially reasonable terms;
- the effect of a data breach or significant disruption of hotel operator information technology networks as a result of cyber attacks;
- the effects of tax legislative action and other changes in laws and regulations, or the interpretation thereof, including the need for compliance with new environmental and safety requirements;
- the ability of Host Inc. and each of the REITs acquired, established or to be established by Host Inc. to continue to satisfy complex rules in order to qualify as REITs for U.S. federal income tax purposes and Host Inc.’s and Host L.P.’s ability and the ability of our subsidiaries, and similar entities to be acquired or established by us, to operate effectively within the limitations imposed by these rules; and
- risks associated with our ability to execute our dividend policy, including factors such as the need to preserve cash and financial flexibility in response to the COVID-19 pandemic, investment activity, operating results and the economic outlook, any or all of which may influence the decision of our board of directors as to whether to pay future dividends at levels previously disclosed or to use available cash to pay special dividends.

We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions, including those risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2021 and in other filings with the Securities and Exchange Commission (“SEC”). Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that we will attain these expectations or that any deviations will not be material.

Operating Results and Outlook

Operating Results

The following table reflects certain line items from our condensed consolidated statements of operations and significant operating statistics (in millions, except per share and hotel statistics):

Historical Income Statement Data:

	Quarter ended March 31,		Change
	2022	2021	
Total revenues	\$ 1,074	\$ 399	169.2 %
Net income (loss)	118	(153)	N/M
Operating profit (loss)	122	(166)	N/M
Operating profit (loss) margin under GAAP	11.4 %	(41.6)%	N/M
EBITDA ⁽¹⁾	\$ 306	\$ 5	6,020.0 %
Adjusted EBITDA ⁽¹⁾	306	3	10,100.0 %
Diluted earnings (loss) per common share	0.16	(0.22)	N/M
NAREIT FFO per diluted share ⁽¹⁾	0.39	0.01	3,800.0 %
Adjusted FFO per diluted share ⁽¹⁾	0.39	0.01	3,800.0 %

All Owned Hotel Data:

	Quarter ended March 31,		Change
	2022	2021	
All owned hotel revenues (pro forma) ⁽¹⁾	\$ 1,052	\$ 431	144.1 %
All owned hotel EBITDA (pro forma) ⁽¹⁾	330	49	573.5 %
All owned hotel EBITDA margin (pro forma) ⁽¹⁾	31.4 %	11.4 %	2,000 bps
Change in all owned hotel Total RevPAR	142.7 %		
Change in all owned hotel RevPAR	131.0 %		

(1) EBITDA⁽¹⁾, Adjusted EBITDA⁽¹⁾, NAREIT FFO per diluted share and Adjusted FFO per diluted share and all owned hotel data and operating results (including hotel revenues and hotel EBITDA and margins) are non-GAAP financial measures within the meaning of the rules of the SEC. See "Non-GAAP Financial Measures" and "All Owned Hotel Pro Forma Operating Statistics and Results" for more information on these measures, including why we believe these supplemental measures are useful, reconciliations to the most directly comparable GAAP measure, and the limitations on the use of these supplemental measures.

N/M = Not meaningful.

Operations

While still below pre-pandemic levels, total revenues increased \$675 million, or 169.2%, as compared to the first quarter of 2021, due to strong leisure demand at our resort hotels during the quarter and improved business and group travel. The recovery accelerated during the quarter as all owned hotel RevPAR in January of \$109.28 grew to \$221.08 in March. January operations were strongly impacted due to the increase in COVID-19 infections in the U.S. due to the Omicron variant, but quickly recovered in February and March as the surge in cases subsided and concerns around Omicron diminished. All owned hotel RevPAR and Total RevPAR for the first quarter increased 131.0% and 142.7%, respectively, compared to the first quarter of 2021 due to strong rate growth, which now has exceeded 2019 levels.

During the quarter, we continued to see wide disparities in results between our resort locations and our large urban properties that have greater reliance on business travel and groups; however, operations in all markets for the first quarter of 2022 exceeded 2021 levels. While Total RevPAR for the portfolio as a whole continues to lag 2019 operations, all owned hotel Total RevPAR in our Miami, Florida Gulf Coast and Maui/Oahu markets increased 36.8%, 6.8%, and 6.6%, respectively, compared to 2019, due to strong leisure demand. Our hotels in San Francisco/San Jose and Washington, D.C., two of our larger markets by room count, experienced all owned hotel Total RevPAR of \$138 and \$131, respectively, representing declines of 59.3% and 49.1%, respectively, compared to 2019, as operations at these hotels continue to ramp up following the lifting of many of the COVID-19 restrictions previously in place in these markets. Similarly, all owned hotel Total RevPAR was lowest for our Chicago market, at \$84, a decline of 34.8% compared to 2019.

Operating trends overall continue to be positive in the first quarter of 2022, as vaccine distribution has continued and many jurisdictions have lifted COVID-19 restrictions. In particular, hotels in Florida, Arizona and Hawaii continue to drive the portfolio, with RevPAR levels that are exceeding 2019 levels. At the same time, hotel-level operating costs are increasing at lower rates, as hiring continues to not keep pace with the improvement in operations at these resort destinations. The lag in hiring is due to the

challenging labor environment across the industry, coupled with improving occupancy, which has hindered our managers' ability to adjust staffing levels commensurate with the increase in demand.

Although operations remain below pre-pandemic levels, as a result of continued operational improvements at our hotels since the COVID-19 pandemic began in mid-March 2020, first quarter 2022 results improved when compared to 2021 as follows:

- net income increased \$271 million;
- diluted earnings per share increased \$0.38;
- Adjusted EBITDA increased \$303 million; and
- Adjusted FFO per diluted share increased \$0.38.

Our hotels also have benefited from the implementation of portfolio-wide cost reductions, resulting in a reduction of pro forma hotel operating costs across the portfolio by approximately 17% in the first quarter of 2022, compared to the first quarter of 2019. While we expect that certain initiatives, including modernized brand standards, streamlined operating departments and accelerated adoption of cost-saving technologies, may lead to long-term expense reductions, we also expect hotel-level operating costs to increase over time at a higher rate, more in line with total revenues, as hotels continue to transition from their contingency level operational plans to more normalized levels of operations.

Outlook

While the COVID-19 pandemic continues to impact macroeconomic and industry expectations, we experienced significant acceleration in the recovery of revenues and earnings through the first quarter. While January saw a sequential dip in RevPAR related to the Omicron variant, the impact of each successive wave of the virus has lessened as strategies to mitigate risks have improved, and the bounce back in February and March was stronger than anticipated. Further strength in the recovery will be dependent on our ability to maintain high-rated business in our resort markets and the pace of further group and business transient recovery, as well as the return of international inbound travel. The pace of economic growth for 2022 remains above the average for the last economic cycle, and Blue Chip Economic Indicators consensus currently estimates an increase in real U.S. GDP of 3.2% for 2022, while business investment is anticipated to increase 5.4%. While overall economic sentiment has improved, accelerating inflation, high energy prices and geopolitical uncertainty have led to increased risks in recent weeks and elevated concerns surrounding the federal reserve's ability to execute a soft landing for inflation and economic growth. The range of potential outcomes on the economy and the lodging industry specifically remains exceptionally wide, reflecting the unpredictability of the COVID-19 virus and varying analyst assumptions surrounding the impact of supply chain disruptions, labor shortages in key industries, geopolitical conflicts, inflation and interest rate expectations.

Hotel supply growth is anticipated to remain below the long-term historical average in 2022, as supply chain challenges have resulted in project delays across the U.S. We anticipate that many of these projects will continue to be delayed or cancelled, while the new project pipeline will remain suppressed until the industry surpasses prior-peak RevPAR levels. While the pandemic has had an outsized impact on our industry, leisure travel continues to outperform expectations due to pent-up demand, high personal savings and waning virus fears. Luxury and upper upscale hotels in top U.S. markets, where a majority of our hotels are located, have been most heavily affected by the pandemic, due in part to the sharp decline in air travel, particularly from international arrivals, and the slower recovery of corporate and group demand. However, we have seen improving trends across all location types and anticipate that the above factors that led to a decline in operations will continue to diminish through the remainder of 2022.

As a result of the significant uncertainties related to the impact of new virus variants and broader macroeconomic trends in 2022, the timing and trajectory of the recovery remains difficult to forecast. We believe that the continued recovery within the lodging industry is highly dependent on the strength of the economy, consumer confidence and the return of corporate and group travel now that leisure demand is exceeding pre-pandemic levels in many markets. Accordingly, we believe that the impact of the recovery on specific markets and industries will be uneven.

Based on these trends, we expect sequential RevPAR improvements relative to 2019 to continue throughout the year. Although we cannot provide full year RevPAR guidance at this time, we expect second quarter RevPAR between \$195 and \$205, representing an increase from 2021 of 76% to 85%, respectively, and a decrease from 2019 of 8% to 3%, respectively. However, seasonality and changing market and business mix are expected to lead to lower RevPAR in the second half of the year compared to the second quarter.

As noted above, the current outlook for the lodging industry remains highly uncertain. There can be no assurances as to the timing for a recovery in lodging demand for any number of reasons, including, but not limited to, slower than anticipated return of group and business travel or deteriorating macroeconomic expectations.

Strategic Initiatives

Investments. On January 20, 2022, we invested an aggregate of \$35 million of cash and issued approximately \$56 million of Host L.P. OP units to acquire a minority equity interest in Noble Management Holdings, LLC and Noble Investment Holdings, LLC representing 49% of (a) the net fee income of the Noble Investment Group in respect of existing and future Noble Investment Group funds and other revenue-based activities, (b) 40% of the gross carried interest earned on the funds beginning as of closing, and (c) proceeds earned on general partner commitments to future funds. As part of our investment, we have made a \$150 million capital commitment to the next Noble fund. We also have the opportunity to increase our investment in Noble's business. See Item 1 - "Business" in our Annual Report on Form 10-K for the year ended December 31, 2021.

Dispositions. During the first quarter, we sold the Sheraton Boston Hotel for \$233 million, including a \$163 million bridge loan we provided to the buyer, and recorded a gain on sale of \$12 million. Subsequent to quarter end, we sold the Sheraton New York Times Square Hotel for \$373 million, including a \$250 million bridge loan we provided to the buyer, and YVE Hotel Miami for \$50 million, including \$1 million of FF&E funds retained by us.

Financing transactions. In February 2022, we repaid the remaining \$683 million outstanding under the revolver portion of our credit facility.

Capital Projects. During the first quarter of 2022, we spent approximately \$83 million on ROI capital projects and \$39 million on renewal and replacement projects. For full year 2022, we expect total capital expenditures of \$500 million to \$600 million. This total amount consists of ROI projects of approximately \$325 million to \$375 million and renewal and replacement expenditures of \$175 million to \$225 million. ROI projects include approximately \$90 million to \$115 million for the Marriott transformational capital program discussed below.

During the first quarter of 2022, we completed the 2.3-acre waterpark at the Orlando World Center Marriott and substantially completed the 60,000 square-foot meeting space expansion, with the project completed ahead of schedule and under budget.

We have made substantial progress on the Marriott transformational capital program, which began in 2018 and is expected to be substantially complete by the end of 2022, and includes 16 of our hotels. We believe this program will position these hotels to be more competitive in their respective markets and will enhance long-term performance through increases in RevPAR and market yield index. We agreed to invest amounts in excess of the FF&E reserves required under our management agreements and, in exchange, Marriott has provided additional priority returns on the agreed upon investments and operating profit guarantees of up to \$83 million, before reductions for incentive management fees, to offset expected business disruption.

Approximately 89% of the total estimated costs of the program have been spent as of March 31, 2022. Of the 16 hotels included in the program, we have completed projects at the Coronado Island Marriott Resort & Spa, New York Marriott Downtown, San Francisco Marriott Marquis and Santa Clara Marriott in 2019; projects at the Minneapolis Marriott City Center, San Antonio Marriott Rivercenter and JW Marriott Atlanta Buckhead in 2020; and projects at The Ritz-Carlton Amelia Island, New York Marriott Marquis and Orlando World Center Marriott in 2021. During the first quarter of 2022, we completed projects at the Houston Marriott Medical Center and Marina del Rey Marriott. We also expect to substantially complete projects at Boston Marriott Copley Place, JW Marriott Houston by the Galleria, Marriott Marquis San Diego Marina and Washington Marriott at Metro Center during 2022.

Results of Operations

The following table reflects certain line items from our condensed consolidated statements of operations (in millions, except percentages):

	Quarter ended March 31,		Change
	2022	2021	
Total revenues	\$ 1,074	\$ 399	169.2 %
Operating costs and expenses:			
Property-level costs ⁽¹⁾	929	541	71.7
Corporate and other expenses	23	24	(4.2)
Operating profit (loss)	122	(166)	N/M
Interest expense	36	42	(14.3)
Other gains (losses)	13	(1)	N/M
Benefit for income taxes	16	46	(65.2)
Host Inc.:			
Net income (loss) attributable to non-controlling interests	2	(1)	N/M
Net income (loss) attributable to Host Inc.	116	(152)	N/M
Host L.P.:			
Net income attributable to non-controlling interests	1	—	N/M
Net income (loss) attributable to Host L.P.	117	(153)	N/M

(1) Amount represents total operating costs and expenses from our unaudited condensed consolidated statements of operations, less corporate and other expenses.

N/M=Not meaningful.

Statement of Operations Results and Trends

Although RevPAR experienced a sequential dip in January due to the Omicron variant, hotel operations experienced a significant recovery during the remainder of the quarter, with RevPAR increasing from \$109.28 in January 2022 to \$221.08 in March 2022. However, there can be no assurances that the RevPAR increases will continue.

Hotel Sales Overview

The following table presents total revenues in accordance with GAAP and includes all consolidated hotels (in millions, except percentages):

	Quarter ended March 31,		Change
	2022	2021	
Revenues:			
Rooms	\$ 655	\$ 257	154.9 %
Food and beverage	297	77	285.7
Other	122	65	87.7
Total revenues	\$ 1,074	\$ 399	169.2

Although still below pre-pandemic levels, operations have improved significantly in the first quarter of 2022 compared to 2021. While acquisitions that occurred in 2021 contributed \$109 million to revenues in the first quarter of 2022 and more than offset lost revenue from dispositions, the majority of the increase was due to the ongoing recovery of the lodging industry from the COVID-19 pandemic. This has impacted operations as follows:

Rooms. Total rooms revenues increased \$398 million, or 154.9%, for the quarter, as operations at our resort properties remain strong, and with average room rates for our portfolio exceeding pre-pandemic levels. While improvements were primarily driven by leisure travel, urban markets began to see improvement with an increase in group revenues compared to the fourth quarter of 2021.

Food and beverage. Total food and beverage (“F&B”) revenues increased \$220 million, or 285.7%, for the quarter, due to strong outlet, banquet and audio visual revenues. While group room nights continue to lag pre-pandemic levels, banquet and audio visual contribution per room night exceeded 2019 levels during the quarter.

Other revenues. Total other revenues increased \$57 million, or 87.7%, for the quarter, which was driven by an increase in attrition and cancellation fees in the first half of the quarter due to concerns with the Omicron variant, as well as strong golf, spa and other ancillary revenues.

Property-level Operating Expenses

The following table presents property-level operating expenses in accordance with GAAP and includes all consolidated hotels (in millions, except percentages):

	Quarter ended March 31,		Change
	2022	2021	
Expenses:			
Rooms	\$ 160	\$ 65	146.2%
Food and beverage	200	62	222.6
Other departmental and support expenses	273	160	70.6
Management fees	40	11	263.6
Other property-level expenses	84	78	7.7
Depreciation and amortization	172	165	4.2
Total property-level operating expenses	<u>\$ 929</u>	<u>\$ 541</u>	71.7

Our operating costs and expenses, which have both fixed and variable components, are affected by several factors. Rooms expenses are affected mainly by occupancy, which drives costs related to items such as housekeeping, reservation systems, room supplies, laundry services and front desk costs. Food and beverage expenses correlate closely with food and beverage revenues and are affected by occupancy and the mix of business between banquet, audio-visual and outlet sales. However, the most significant expense for the rooms, food and beverage, and other departmental and support expenses is wages and employee benefits, which comprise approximately 55% of these expenses. During the first quarter of 2022, these expenses increased 120% compared to 2021.

We anticipate wage compression will continue through 2022, particularly in markets that have led the lodging demand recovery due to the challenging labor market across the industry. In addition, hiring was temporarily paused in many areas due to the Omicron variant, as well as seasonality of the industry, at the beginning of the year. The significant acceleration in demand, particularly in our leisure markets during February and March, further challenged the ability of our hotel managers to increase hotel staffing commensurate with the increase in demand, which may continue for the remainder of 2022. In aggregate, wage and benefit cost inflation is expected to be in the 4% to 5% range in 2022.

Other property-level expenses consist of property taxes, the amounts and structure of which are highly dependent on local jurisdiction taxing authorities, and property and general liability insurance, all of which do not necessarily increase or decrease based on similar changes in revenues at our hotels.

The increase in expenses for the first quarter of 2022 compared to 2021 for rooms, food and beverage, other departmental and support, and management fees was generally due to the corresponding increase in revenues from improvements in occupancy and hotel operations, as follows:

Rooms. Rooms expenses increased \$95 million, or 146.2%, for the quarter, reflecting an increase in occupancy.

Food and beverage. F&B expenses increased \$138 million, or 222.6%, for the quarter. Overall, F&B costs as a percentage of revenues declined, benefitting from improved banquet revenues and ongoing productivity improvement.

Other departmental and support expenses. Other departmental and support expenses increased \$113 million, or 70.6%, for the quarter.

Management fees. Base management fees, which generally are calculated as a percentage of total revenues, increased \$19 million, or 172.7%, for the quarter. Incentive management fees, which generally are based on the amount of operating profit at each hotel after we receive a priority return on our investment, increased \$10 million for the quarter, due primarily to the improved operations at our resort properties.

Other property-level expenses. These expenses generally do not vary significantly based on occupancy and include expenses such as property taxes and insurance. Other property level expenses increased \$6 million, or 7.7%, for the quarter due to increases in hotel sales and general excise taxes, and rent on a portion of our ground leases that are based on a percentage of sales. Other property-level expenses partially were offset by the receipt of operating profit guarantees received from Marriott under the transformational capital program in both 2022 and 2021.

Other Income and Expense

Corporate and other expenses. The following table details our corporate and other expenses for the quarter (in millions):

	Quarter ended March 31,	
	2022	2021
General and administrative costs	\$ 18	\$ 20
Non-cash stock-based compensation expense	5	4
Total	<u>\$ 23</u>	<u>\$ 24</u>

Interest expense. Interest expense decreased for the quarter due to the repayment of the revolver portion of the credit facility. The following table details our interest expense for the quarter (in millions):

	Quarter ended March 31,	
	2022	2021
Cash interest expense ⁽¹⁾	\$ 33	\$ 40
Non-cash interest expense	3	2
Total interest expense	<u>\$ 36</u>	<u>\$ 42</u>

(1) Including the change in accrued interest, total cash interest paid was \$28 million and \$35 million for the first quarters ended 2022 and 2021, respectively.

Other gains (losses). Other gains increased \$14 million for the quarter, representing the sale of the Sheraton Boston Hotel in the first quarter of 2022.

Equity in earnings of affiliates. Equity in earnings of affiliates decreased \$7 million for the quarter, primarily due to unrealized gains on our investment in Fifth Wall Ventures, L.P. in 2021.

Benefit for income taxes. We lease substantially all our properties to consolidated subsidiaries designated as taxable REIT subsidiaries (“TRS”) for U.S. federal income tax purposes. Taxable income or loss generated/incurred by the TRS primarily represents hotel-level operations and the aggregate rent paid to Host L.P. by the TRS, on which we record an income tax provision or benefit. For the first quarter, we recorded an income tax benefit of \$16 million, due primarily to the domestic net operating loss incurred by our TRS. Any domestic net operating loss incurred by our TRS in 2022 may be carried forward indefinitely, its use in future years being subject to a limit of 80% of annual taxable income.

Hotel RevPAR Overview

To facilitate a quarter-to-quarter comparison of our operations, we typically present certain operating statistics for the periods included in this presentation on a comparable hotel basis. However, due to the COVID-19 pandemic and its effects on operations, there is little comparability between periods. For this reason, we are revising our presentation to instead present pro forma hotel operating results for all hotels. See “All Owned Hotel Pro Forma Hotel Operating Statistics and Results” for a complete description of our methodology. We also discuss our Hotel RevPAR results by geographic location and mix of business (i.e., transient, group, or contract).

Hotel Operating Data by Location

The following tables set forth performance information for our hotels by geographic location for the quarter ended March 31, 2022 compared to 2021 and to 2019, respectively, to provide a comparison of hotel statistics in the current period to last year as well as pre-pandemic levels:

All Owned Hotels (pro forma) by Location

Location	As of March 31, 2022		Quarter ended March 31, 2022				Quarter ended March 31, 2021				Percent Change in RevPAR	Percent Change in Total RevPAR
	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR		
Miami	2	1,033	\$ 733.63	70.9 %	\$ 520.02	\$ 819.53	\$ 667.52	54.4 %	\$ 363.25	\$ 558.76	43.2 %	46.7 %
Mauï/Oahu	4	2,007	544.76	76.4	416.04	640.58	404.89	40.0	162.15	257.24	156.6	149.0
Florida Gulf Coast	5	1,850	555.52	74.0	411.06	779.69	521.91	52.8	275.67	489.52	49.1	59.3
Phoenix	4	1,822	458.96	73.8	338.92	674.47	355.31	49.9	177.15	335.19	91.3	101.2
Jacksonville	1	446	532.17	60.5	321.85	718.05	484.86	35.5	171.97	345.82	87.2	107.6
Orlando	2	2,448	458.86	58.1	266.55	488.36	497.39	17.4	86.51	155.07	208.1	214.9
Los Angeles/ Orange County	3	1,067	287.84	64.9	186.70	266.13	197.29	21.7	42.81	58.31	336.1	356.4
Austin	2	767	278.59	61.8	172.23	285.80	144.70	40.5	58.58	94.12	194.0	203.7
San Diego	3	3,288	257.75	61.6	158.83	295.65	156.29	17.1	26.69	48.42	495.2	510.6
San Antonio	2	1,512	188.39	67.3	126.82	197.62	126.00	27.1	34.11	48.10	271.8	310.9
Philadelphia	2	810	176.60	66.7	117.84	183.75	135.04	36.9	49.89	70.10	136.2	162.1
Atlanta	2	810	173.11	66.3	114.76	177.40	134.42	43.1	57.96	74.95	98.0	136.7
New Orleans	1	1,333	203.99	55.9	113.96	167.80	107.71	13.3	14.30	27.41	697.0	512.3
Houston	5	1,942	179.90	60.9	109.60	149.28	125.89	50.9	64.05	86.95	71.1	71.7
New York	2	2,486	258.15	41.4	106.99	152.56	147.04	19.6	28.87	36.81	270.6	314.5
Northern Virginia	2	916	198.70	52.8	104.94	148.86	161.02	34.7	55.90	79.84	87.7	86.4
Washington, D.C. (CBD)	5	3,238	236.46	38.5	91.13	131.17	152.00	49.3	74.98	78.49	21.5	67.1
San Francisco/ San Jose	6	4,162	197.28	45.0	88.73	138.45	139.20	13.2	18.37	24.13	383.1	473.8
Boston	2	1,495	181.69	47.6	86.56	112.42	117.71	14.5	17.08	22.05	406.9	409.8
Denver	3	1,340	152.03	45.3	68.83	102.89	112.49	17.2	19.34	23.70	255.9	334.0
Chicago	4	1,816	156.81	40.1	62.93	84.05	115.21	16.2	18.62	22.77	238.0	269.1
Seattle	2	1,315	174.78	35.4	61.83	87.48	149.63	7.2	10.84	14.53	470.3	502.2
Other	9	2,932	272.54	50.8	138.46	193.54	220.69	32.7	72.18	101.44	91.8	90.8
Domestic	73	40,835	311.06	55.2	171.62	283.53	256.57	29.0	74.51	117.18	130.3	142.0
International	5	1,499	98.95	39.5	39.12	57.86	89.36	13.0	11.62	15.46	236.5	274.2
All Locations	78	42,334	305.63	54.6	166.93	275.55	253.85	28.5	72.27	113.55	131.0	142.7

Location	As of March 31, 2022		Quarter ended March 31, 2022				Quarter ended March 31, 2019				Percent Change in RevPAR	Percent Change in Total RevPAR
	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR		
Miami	2	1,033	\$ 733.63	70.9 %	\$ 520.02	\$ 819.53	\$ 462.17	85.4 %	\$ 394.58	\$ 599.20	31.8 %	36.8 %
Mauï/Oahu	4	2,007	544.76	76.4	416.04	640.58	437.66	89.0	389.36	601.06	6.9	6.6
Florida Gulf Coast	5	1,850	555.52	74.0	411.06	779.69	439.30	83.1	364.98	729.85	12.6	6.8
Phoenix	4	1,822	458.96	73.8	338.92	674.47	373.48	82.7	308.80	644.54	9.8	4.6
Jacksonville	1	446	532.17	60.5	321.85	718.05	367.78	78.6	289.04	690.11	11.4	4.0
Orlando	2	2,448	458.86	58.1	266.55	488.36	318.30	79.1	251.68	511.48	5.9	(4.5)
Los Angeles/ Orange County	3	1,067	287.84	64.9	186.70	266.13	259.82	82.9	215.39	334.75	(13.3)	(20.5)
Austin	2	767	278.59	61.8	172.23	285.80	278.33	84.3	234.59	399.89	(26.6)	(28.5)
San Diego	3	3,288	257.75	61.6	158.83	295.65	252.91	76.9	194.59	349.55	(18.4)	(15.4)
San Antonio	2	1,512	188.39	67.3	126.82	197.62	196.01	77.4	151.75	229.98	(16.4)	(14.1)
Philadelphia	2	810	176.60	66.7	117.84	183.75	190.16	78.1	148.48	242.24	(20.6)	(24.1)
Atlanta	2	810	173.11	66.3	114.76	177.40	215.83	85.8	185.09	304.09	(38.0)	(41.7)
New Orleans	1	1,333	203.99	55.9	113.96	167.80	209.79	81.6	171.18	249.87	(33.4)	(32.8)
Houston	5	1,942	179.90	60.9	109.60	149.28	182.60	75.8	138.36	201.04	(20.8)	(25.7)
New York	2	2,486	258.15	41.4	106.99	152.56	258.82	71.9	186.02	305.05	(42.5)	(50.0)
Northern Virginia	2	916	198.70	52.8	104.94	148.86	221.89	72.2	160.11	258.83	(34.5)	(42.5)
Washington, D.C. (CBD)	5	3,238	236.46	38.5	91.13	131.17	247.89	73.3	181.79	257.64	(49.9)	(49.1)
San Francisco/ San Jose	6	4,162	197.28	45.0	88.73	138.45	311.75	78.2	243.92	340.35	(63.6)	(59.3)
Boston	2	1,495	181.69	47.6	86.56	112.42	195.31	73.5	143.63	222.97	(39.7)	(49.6)
Denver	3	1,340	152.03	45.3	68.83	102.89	161.82	64.7	104.75	158.27	(34.3)	(35.0)
Chicago	4	1,816	156.81	40.1	62.93	84.05	148.27	60.4	89.50	128.94	(29.7)	(34.8)
Seattle	2	1,315	174.78	35.4	61.83	87.48	194.12	77.4	150.15	203.91	(58.8)	(57.1)
Other	9	2,932	272.54	50.8	138.46	193.54	184.67	68.8	127.08	186.06	9.0	4.0
Domestic	73	40,835	311.06	55.2	171.62	283.53	272.38	76.6	208.68	344.39	(17.8)	(17.7)
International	5	1,499	98.95	39.5	39.12	57.86	143.88	67.6	97.32	140.81	(59.8)	(58.9)
All Locations	78	42,334	305.63	54.6	166.93	275.55	268.31	76.3	204.70	337.11	(18.5)	(18.3)

Hotel Business Mix

Our customers fall into three broad categories: transient, group, and contract business, which accounted for approximately 61%, 35%, and 4%, respectively, of our full year 2019 room sales. The information below is derived from business mix data for the 78 hotels that we owned as of March 31, 2022, excluding hotels that were held-for-sale. For additional detail on our business mix, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K.

The following are the results of our consolidated portfolio transient, group and contract business:

	Quarter ended March 31, 2022			Quarter ended March 31, 2021		
	Transient business	Group business	Contract business	Transient business	Group business	Contract business
Room nights (in thousands)	1,278	682	123	739	265	74
Percentage change in room nights vs. same period in 2019	(19.1)%	(42.0)%	(1.4)%			
Rooms Revenues (in millions)	\$ 432	\$ 184	\$ 21	\$ 221	\$ 43	\$ 10
Percentage change in revenues vs. same period in 2019	(3.2)%	(39.2)%	(12.7)%			

Liquidity and Capital Resources

Liquidity and Capital Resources of Host Inc. and Host L.P. The liquidity and capital resources of Host Inc. and Host L.P. are derived primarily from the activities of Host L.P., which generates the capital required by our business from hotel operations, the incurrence of debt, the issuance of OP units or the sale of hotels. Host Inc. is a REIT and its only significant asset is the ownership of general and limited partner interests of Host L.P.; therefore, its financing and investing activities are conducted through Host L.P., except for the issuance of its common and preferred stock. Proceeds from common and preferred stock issuances by Host Inc. are contributed to Host L.P. in exchange for common and preferred OP units. Additionally, funds used by Host Inc. to pay dividends or to repurchase its stock are provided by Host L.P. Therefore, while we have noted those areas in which it is important to distinguish between Host Inc. and Host L.P., we have not included a separate discussion of liquidity and capital resources as the discussion below applies to both Host Inc. and Host L.P.

Overview. We look to maintain a capital structure and liquidity profile with an appropriate balance of cash, debt, and equity to provide financial flexibility given the inherent volatility of the lodging industry. We believe this strategy has resulted in a better cost of debt capital, allowing us to complete opportunistic investments and acquisitions and it positions us to manage potential declines in operations throughout the lodging cycle. We have structured our debt profile to maintain a balanced maturity schedule and to minimize the number of hotels that are encumbered by mortgage debt. Currently, only one of our consolidated hotels is encumbered by mortgage debt. Over the past several years leading up to the COVID-19 pandemic, we had decreased our leverage as measured by our net debt-to-EBITDA ratio and reduced our debt service obligations, leading to an increase in our fixed charge coverage ratio. As a result, we were well positioned at the onset of the COVID-19 pandemic with sufficient liquidity and financial flexibility to withstand the severe slowdown in U.S. economic activity and lodging demand brought on by the pandemic.

As hotel operations have returned to cash flow positive, we believe that we have sufficient liquidity to fund corporate expenses, capital expenditures, hotel acquisitions and remaining hotels with negative operations and have reinstated our quarterly dividend. We remain well positioned to execute additional transactions to the extent opportunities arise.

Cash Requirements. We use cash for acquisitions, capital expenditures, debt payments, operating costs, and corporate and other expenses, as well as for dividends and distributions to stockholders and to OP unitholders, respectively, and stock and OP unit repurchases. We have no significant debt maturities until 2024. As a REIT, Host Inc. is required to distribute to its stockholders at least 90% of its taxable income, excluding net capital gain, on an annual basis.

Capital Resources. As of March 31, 2022, we had \$266 million of cash and cash equivalents, \$163 million in our FF&E escrow reserves and \$1.5 billion available under the revolver portion of our credit facility. We depend primarily on external sources of capital to finance future growth, including acquisitions. As a result, the liquidity and debt capacity provided by our credit facility and the ability to issue senior unsecured debt are key components of our capital structure. Our financial flexibility, including our ability to incur debt, pay dividends, make distributions and make investments, is contingent on our ability to maintain compliance with the financial covenants of our credit facility and senior notes indentures, which include, among other things, the allowable amounts of leverage, interest coverage and fixed charges.

We currently have a distribution agreement in place with various investment banks, through which Host Inc. may issue and sell, from time-to-time, shares of its common stock having an aggregate offering price of up to \$600 million. The shares can be offered and sold through sales agents in transactions that are deemed to be “at the market” offerings at then-current market prices. We are not obligated to issue any shares and may do so when we believe conditions are advantageous and there is a compelling use of proceeds, including to fund future acquisitions. No shares were issued in the first quarter of 2022. As of March 31, 2022, there was \$460 million of remaining capacity under the agreement.

Additionally, we currently have \$371 million available under our share repurchase program. There have been no share repurchases during 2022.

Given the total amount of our debt and our maturity schedule, we may continue to redeem or repurchase senior notes from time to time, taking advantage of favorable market conditions. In February 2021, Host Inc.’s Board of Directors authorized repurchases of up to \$1.0 billion of senior notes other than in accordance with their respective terms, of which the entire amount remains available under this authority. We may purchase senior notes with cash through open market purchases, privately negotiated transactions, a tender offer, or through the early redemption of such securities pursuant to their terms. Repurchases of debt will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. Any retirement before the maturity date will affect earnings and NAREIT FFO per diluted share as a result of the payment of any applicable call premiums and the accelerated expensing of previously deferred and capitalized financing costs. Accordingly, considering our priorities in managing our capital structure and liquidity profile, and given prevailing conditions and relative pricing in the capital markets, we may, at any time, subject to applicable securities laws and the requirements under our credit facility and senior notes, be considering, or be in discussions with

respect to, the repurchase or issuance of exchangeable debentures and/or senior notes or the repurchase or sale of our common stock. Any such transactions may, subject to applicable securities laws, occur simultaneously.

We continue to explore potential acquisitions and dispositions. We anticipate that any such future acquisitions will be funded by proceeds from sales of hotels, equity offerings of Host Inc., issuances of OP units by Host L.P., or available cash. Given the nature of these transactions, we can make no assurances that we will be successful in acquiring any one or more hotels that we may review, bid on or negotiate to purchase or that we will be successful in disposing of any one or more of our hotels. We may acquire additional hotels or dispose of hotels through various structures, including transactions involving single assets, portfolios, joint ventures, acquisitions of the securities or assets of other REITs or distributions of hotels to our stockholders.

Sources and Uses of Cash. Our sources of cash generally include cash from operations, proceeds from debt and equity issuances, and proceeds from hotel sales. Uses of cash include acquisitions, capital expenditures, operating costs, debt repayments, and repurchases of shares and distributions to equity holders.

Cash Provided by/Used in Operating Activities. In the first quarter of 2022, net cash provided by operating activities was \$261 million compared to net cash used in operating activities of \$49 million for 2021. Cash provided by operating activities in 2022 was driven by improved operations at our hotels compared to 2021. Cash used in operating activities in 2021 was primarily to fund operating shortfalls at certain of our hotels.

Cash Used in Investing Activities. Net cash used in investing activities was \$92 million during the first quarter of 2022 compared to \$275 million for 2021. Cash used in investing activities during the first quarter of 2022 primarily related to \$122 million of capital expenditures and an investment in a joint venture. Cash used in investing activities during the first quarter of 2021 primarily related to \$93 million of capital expenditures and the acquisition of one hotel. Cash provided by investing activities in 2022 includes the sale of one hotel.

The following tables summarize significant acquisitions/return of investments in affiliates and dispositions that have been completed as of May 4, 2022:

Transaction Date		Description of Transaction	Investment
Acquisitions/Investments			
January	2022	Investment in non-controlling interest of a joint venture with Noble Investment Group ⁽¹⁾	\$ (91)
		Total acquisitions/investments	<u>\$ (91)</u>

(1) Investment consisted of \$35 million of cash, and the issuance of approximately \$56 million of Host L.P. OP units.

Transaction Date		Description of Transaction	Net Proceeds ⁽¹⁾	Sales Price
Dispositions				
April	2022	Disposition of Sheraton New York Times Square Hotel ⁽²⁾	\$ 102	\$ 373
April	2022	Disposition of YVE Hotel Miami	49	50
January	2022	Disposition of Sheraton Boston ⁽³⁾	66	233
		Total dispositions	<u>\$ 217</u>	<u>\$ 656</u>

(1) Proceeds are net of transfer taxes, other sales costs and FF&E replacement funds deposited directly to the property or hotel manager by the buyer.

(2) In connection with the sale of the Sheraton New York Times Square Hotel, we extended a \$250 million bridge loan to the buyer. The disposition proceeds are net of the bridge loan.

(3) In connection with the sale of the Sheraton Boston Hotel, we extended a \$163 million bridge loan to the buyer. The disposition proceeds are net of the bridge loan.

Cash Used in Financing Activities. For the first quarter of 2022, net cash used in financing activities was \$693 million compared to \$11 million for the first quarter of 2021. Cash used in financing activities in 2022 included the repayment of the credit facility revolver.

Debt

As of March 31, 2022, our total debt was \$4.2 billion, with a weighted average interest rate of 3.4% and a weighted average maturity of 5.3 years. Additionally, 76% of our debt has a fixed rate of interest and only one of our consolidated hotels is encumbered by mortgage debt.

Financial Covenants

Credit Facility Covenants. Our credit facility contains certain important financial covenants concerning allowable leverage, unsecured interest coverage, and required fixed charge coverage. Total debt used in the calculation of our ratio of consolidated total debt to consolidated EBITDA (our "Leverage Ratio") is based on a "net debt" concept, pursuant to which cash and cash equivalents in excess of \$100 million are deducted from our total debt balance for purposes of measuring compliance.

On June 26, 2020, we entered into an amendment to the credit facility and on February 9, 2021, we entered into a second amendment to the credit facility (collectively, the "Amendments"). The Amendments suspended requirements to comply with all existing financial maintenance covenants under the credit facility for the period which began on July 1, 2020 and ended when we exited the covenant waiver period after reporting results for the third quarter of 2021. Upon reinstatement, instead of using the prior four calendar quarters' results in the calculations of the required financial maintenance covenants, only results for the exit quarter and thereafter are used during a phase in period. In addition, for the first testing quarter after the covenant waiver period (i.e., the quarter ended September 30, 2021), the only financial covenant that was required to be satisfied was a minimum fixed charge coverage ratio of 1.00:1.00 as of the end of the quarter. For the fiscal quarters ending after the covenant waiver period (i.e., after September 30, 2021), the financial covenant requirements set forth in the credit facility before the Amendments apply, except that the maximum leverage ratio requirement will be amended to be (a) 8.50:1.00 as at the end of the first and second fiscal quarters ending after the covenant waiver period, (b) 8.00:1.00 as at the end of the third and fourth fiscal quarters ending after the covenant waiver period, (c) 7.50:1.00 as at the end of the fifth fiscal quarter ending after the covenant waiver period, and (d) 7.25:1.00 at all times thereafter.

At March 31, 2022, the following table summarizes the results of the financial tests required by the credit facility, which are calculated on a trailing twelve month basis, for informational purposes only, as the covenant levels are currently calculated using the phase in period and the modified covenant levels described above:

	Actual Ratio	Covenant Requirement for all years
Leverage ratio	4.6 x	Maximum ratio of 7.25x
Fixed charge coverage ratio	6.8 x	Minimum ratio of 1.25x
Unsecured interest coverage ratio ⁽¹⁾	6.8 x	Minimum ratio of 1.75x

(1) If, at any time, our leverage ratio is above 7.0x, our minimum unsecured interest coverage ratio will decrease to 1.50x.

At March 31, 2022, the following table summarizes the results of the financial tests required under the credit facility utilizing annualized third and fourth quarter 2021 and first quarter 2022 results applicable for the phase-in period (in contrast to the ratios calculated above, which are based on the trailing twelve months) and using the modified covenant levels set forth in the Amendments and as described above:

	Actual Ratio	Covenant Requirement for most recent quarter
Leverage ratio	4.1 x	Maximum ratio of 8.50x
Fixed charge coverage ratio	7.8 x	Minimum ratio of 1.25x
Unsecured interest coverage ratio ⁽¹⁾	7.7 x	Minimum ratio of 1.75x

(1) If, at any time, our leverage ratio is above 7.0x, our minimum unsecured interest coverage ratio will decrease to 1.50x.

Senior Notes Indenture Covenants

The following table summarizes the results of the financial tests required by the indentures for our senior notes and our actual credit ratios as of March 31, 2022:

	Actual Ratio	Covenant Requirement
Unencumbered assets tests	480 %	Minimum ratio of 150%
Total indebtedness to total assets	21 %	Maximum ratio of 65%
Secured indebtedness to total assets	1 %	Maximum ratio of 40%
EBITDA-to-interest coverage ratio	6.1 x	Minimum ratio of 1.5x

For additional details on our credit facility and senior notes, including the terms of the Amendments, see our Annual Report on Form 10-K for the year ended December 31, 2021.

Dividend Policy

Host Inc. is required to distribute at least 90% of its annual taxable income, excluding net capital gains, to its stockholders in order to maintain its qualification as a REIT. Funds used by Host Inc. to pay dividends on its common stock are provided by distributions from Host L.P. As of March 31, 2022, Host Inc. is the owner of approximately 99% of the Host L.P. common OP units. The remaining common OP units are owned by unaffiliated limited partners. Each Host L.P. common OP unit may be redeemed for cash or, at the election of Host Inc., Host Inc. common stock based on the conversion ratio. The conversion ratio is 1.021494 shares of Host Inc. common stock for each Host L.P. common OP unit. Under the credit facility, as amended, all redemptions must be made with Host Inc. common stock if Host L.P.'s leverage ratio exceeds 7.25x calculated using the prior twelve-month result.

Investors should consider the non-controlling interests in the Host L.P. common OP units when analyzing dividend payments by Host Inc. to its stockholders, as these Host L.P. common OP unitholders share in cash distributed by Host L.P. to all of its common OP unitholders, on a pro rata basis. For example, if Host Inc. paid a \$1 per share dividend on its common stock, it would be based on the payment of a \$1.021494 per common OP unit distribution by Host L.P. to Host Inc., as well as to the other unaffiliated Host L.P. common OP unitholders.

Host Inc.'s policy on common dividends generally is to distribute, over time, 100% of its taxable income, which primarily is dependent on Host Inc.'s results of operations, as well as tax gains and losses on hotel sales. On February 16, 2022, Host Inc.'s Board of Directors announced a regular quarterly cash dividend of \$0.03 on Host Inc.'s common stock. The dividend was paid on April 15, 2022 to stockholders of record on March 31, 2022. Subsequent to quarter end, on May 4, 2022, the Board of Directors announced a regular quarterly cash dividend of \$0.06 per share on our common stock. The dividend will be paid on July 15, 2022 to stockholders of record on June 30, 2022. All future dividends are subject to Board approval.

Critical Accounting Policies

Our unaudited condensed consolidated financial statements have been prepared in conformity with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. While we do not believe that the reported amounts would be materially different, application of these policies involves the exercise of judgment and the use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on experience and on various other assumptions that we believe are reasonable under the circumstances. All of our significant accounting policies, including certain critical accounting policies, are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

All Owned Hotel Pro Forma Operating Statistics and Results

To facilitate a quarter-to-quarter comparison of our operations, we typically 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 this presentation on a comparable hotel basis in order to enable our investors to better evaluate our operating performance (discussed in "Hotel Property Level Operating Results" below). However, due to the COVID-19 pandemic and its effects on operations, there is little comparability between periods. For this reason, we temporarily suspended our comparable hotel presentation and instead present hotel operating results for all consolidated hotels and, to facilitate comparisons between periods, we are presenting results on a pro forma basis, including the following adjustments: (1) operating results are presented for all consolidated hotels owned as of March 31, 2022, but do not include the results of operations for properties sold or held-for-sale at the reporting date; and (2) operating results for acquisitions as of March 31, 2022 are reflected for full calendar years,

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. At March 31, 2022, the Sheraton New York Times Square Hotel and YVE Hotel Miami are classified as held-for-sale. Therefore, the results of these hotels are excluded from all owned hotel pro forma operating statistics and results.

Foreign Currency Translation

Operating results denominated in foreign currencies are translated using the prevailing exchange rates on the date of the transaction, or monthly based on the weighted average exchange rate for the period. Therefore, hotel statistics and results for non-U.S. properties include the effect of currency fluctuations, consistent with our financial statement presentation.

Non-GAAP Financial Measures

We use 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. These measures include the following:

- Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization (“EBITDA”), Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization for real estate (“EBITDAre”) and Adjusted EBITDAre, as a measure of performance for Host Inc. and Host L.P.,
- Funds From Operations (“FFO”) and FFO per diluted share, both calculated in accordance with National Association of Real Estate Investment Trusts (“NAREIT”) guidelines and with certain adjustments from those guidelines, as a measure of performance for Host Inc., and
- All owned hotel pro forma operating statistics and results, as a measure of performance for Host Inc. and Host L.P.

The discussion below defines these measures and presents why we believe they are useful supplemental measures of our performance.

Set forth below for each such non-GAAP financial measure is a reconciliation of the measure with the financial measure calculated and presented in accordance with GAAP that we consider most directly comparable thereto. We also have included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures” in our Annual Report on Form 10-K for the year ended December 31, 2021 further explanations of the adjustments being made, a statement disclosing the reasons why we believe the presentation of each of the non-GAAP financial measures provide useful information to investors regarding our financial condition and results of operations, the additional purposes for which we use the non-GAAP financial measures and limitations on their use.

EBITDA, EBITDAre and Adjusted EBITDAre

EBITDA

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 our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization). Management also believes the use of EBITDA facilitates comparisons between us and other lodging REITs, hotel owners who are not REITs and other capital-intensive companies. Management uses EBITDA to evaluate property-level results and as one measure in determining the value of acquisitions and dispositions and, like FFO and Adjusted FFO per diluted share, it is widely used by management in the annual budget process and for compensation programs.

EBITDAre and Adjusted EBITDAre

We present EBITDAre 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 our results with other REITs. NAREIT defines EBITDAre 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 EBITDAre of unconsolidated affiliates.

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 what is used in calculating 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 condensed 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.

The following table provides a reconciliation of EBITDA, EBITDAre, and Adjusted EBITDAre to net income (loss), the financial measure calculated and presented in accordance with GAAP that we consider the most directly comparable:

Reconciliation of Net Income (Loss) to EBITDA, EBITDAre and Adjusted EBITDAre for Host Inc. and Host L.P.
(in millions)

	Quarter ended March 31,	
	2022	2021
Net income (loss)	\$ 118	\$ (153)
Interest expense	36	42
Depreciation and amortization	172	165
Income taxes	(16)	(46)
EBITDA	310	8
Gain on dispositions ⁽¹⁾	(12)	—
Equity investment adjustments:		
Equity in earnings of affiliates	(2)	(9)
Pro rata EBITDAre of equity investments ⁽²⁾	10	6
EBITDAre	306	5
Adjustments to EBITDAre:		
Severance expense (reversal) at hotel properties	—	(2)
Adjusted EBITDAre	\$ 306	\$ 3

(1) Reflects the sale of one hotel in 2022.

(2) Unrealized gains of our unconsolidated investments are not recognized in our EBITDAre, Adjusted EBITDAre, NAREIT FFO or Adjusted FFO until they have been realized by the unconsolidated partnership.

FFO Measures

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 real estate, 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.

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.
- *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 our 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.

The following table provides a reconciliation of the differences between our non-GAAP financial measures, NAREIT FFO and Adjusted FFO (separately and on a per diluted share basis), and net income (loss), the financial measure calculated and presented in accordance with GAAP that we consider most directly comparable:

**Host Inc. Reconciliation of Diluted Earnings (Loss) per Common Share to
NAREIT and Adjusted Funds From Operations per Diluted Share
(in millions, except per share amount)**

	Quarter ended March 31,	
	2022	2021
Net income (loss)	\$ 118	\$ (153)
Less: Net (income) loss attributable to non-controlling interests	(2)	1
Net income (loss) attributable to Host Inc.	116	(152)
Adjustments:		
Gain on dispositions ⁽¹⁾	(12)	—
Depreciation and amortization	171	165
Equity investment adjustments:		
Equity in earnings of affiliates	(2)	(9)
Pro rata FFO of equity investments ⁽²⁾	9	4
Consolidated partnership adjustments:		
FFO adjustments for non-controlling interests of Host L.P.	(3)	(2)
NAREIT FFO	279	6
Adjustments to NAREIT FFO:		
Severance expense (reversal) at hotel properties	—	(2)
Adjusted FFO	\$ 279	\$ 4
For calculation on a per share basis:⁽³⁾		
Diluted weighted average shares outstanding - EPS	716.1	705.6
Assuming issuance of common shares granted under the comprehensive stock plans	—	0.9
Diluted weighted average shares outstanding - NAREIT FFO and Adjusted FFO	716.1	706.5
Diluted earnings (loss) per common share	\$ 0.16	\$ (0.22)
NAREIT FFO per diluted share	\$ 0.39	\$ 0.01
Adjusted FFO per diluted share	\$ 0.39	\$ 0.01

(1-2) Refer to the corresponding footnote on the Reconciliation of Net Income (Loss) to EBITDA, EBITDAre and Adjusted EBITDAre for Host Inc. and Host L.P.

(3) Diluted loss per common share, NAREIT FFO per diluted share and Adjusted FFO per diluted share are adjusted for the effects of dilutive securities. Dilutive securities may include shares granted under comprehensive stock plans, preferred OP units held by non-controlling partners and other non-controlling interests that have the option to convert their limited partner interests to common OP units. No effect is shown for securities if they are anti-dilutive.

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 hotel-level pro forma basis as supplemental information for our investors. Our hotel results reflect the operating results of our hotels as discussed in “All Owned Hotel Pro Forma Operating Statistics and Results” above. We present all owned hotel pro forma EBITDA to help us and our investors evaluate the ongoing operating performance of our hotels after removing the impact of our capital structure (primarily interest expense) and our 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 hotels. All owned hotel pro forma results are presented both by location and for our properties in the aggregate. While severance expense is not uncommon at the individual property level in the normal course of business, we eliminate from our 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 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.

While management believes that presentation of all owned 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 all owned hotel results in the aggregate. For these reasons, we believe all owned hotel operating results, when combined with the presentation of GAAP operating profit, revenues and expenses, provide useful information to investors and management.

The following tables present certain operating results and statistics for our hotels for the periods presented herein and a reconciliation of the differences between all owned hotel pro forma EBITDA, a non-GAAP financial measure, and net income (loss), the financial measure calculated and presented in accordance with GAAP that we consider most directly comparable. Similar reconciliations of the differences between (i) hotel revenues and (ii) our revenues as calculated and presented in accordance with GAAP (each of which is used in the applicable margin calculation), and between (iii) hotel expenses and (iv) operating costs and expenses as calculated and presented in accordance with GAAP, also are included in the reconciliation:

All Owned Hotel Pro Forma Results for Host Inc. and Host L.P.
(in millions, except hotel statistics)

	Quarter ended March 31,	
	2022	2021
Number of hotels	78	77
Number of rooms	42,334	42,111
Change in hotel Total RevPAR	142.7 %	—
Change in hotel RevPAR	131.0 %	—
Operating profit (loss) margin ⁽¹⁾	11.4 %	(41.6) %
All Owned Hotel Pro Forma EBITDA margin ⁽¹⁾	31.4 %	11.4 %
Food and beverage profit margin ⁽¹⁾	32.7 %	19.5 %
All Owned Hotel Pro Forma food and beverage profit margin ⁽¹⁾	34.4 %	18.6 %
Net income (loss)	\$ 118	\$ (153)
Depreciation and amortization	172	165
Interest expense	36	42
Benefit for income taxes	(16)	(46)
Gain on sale of property and corporate level income/expense	7	15
Severance expense (reversal) at hotel properties	2	(2)
Pro forma adjustments ⁽²⁾	11	28
All Owned Hotel Pro Forma EBITDA	\$ 330	\$ 49

	Quarter ended March 31, 2022					Quarter ended March 31, 2021				
	GAAP Results	Adjustments			All Owned Hotel Pro Forma Results ⁽³⁾	GAAP Results	Adjustments			All Owned Hotel Pro Forma Results ⁽³⁾
		Severance at hotel properties	Pro forma adjustments ⁽²⁾	Depreciation and corporate level items			Severance at hotel properties	Pro forma adjustments ⁽²⁾	Depreciation and corporate level items	
Revenues										
Room	\$ 655	\$ —	\$ (18)	\$ —	\$ 637	\$ 257	\$ —	\$ 17	\$ —	\$ 274
Food and beverage	297	—	(3)	—	294	77	—	9	—	86
Other	122	—	(1)	—	121	65	—	6	—	71
Total revenues	1,074	—	(22)	—	1,052	399	—	32	—	431
Expenses										
Room	160	—	(11)	—	149	65	1	(1)	—	65
Food and beverage	200	—	(7)	—	193	62	—	8	—	70
Other	397	(2)	(15)	—	380	249	1	(3)	—	247
Depreciation and amortization	172	—	—	(172)	—	165	—	—	(165)	—
Corporate and other expenses	23	—	—	(23)	—	24	—	—	(24)	—
Total expenses	952	(2)	(33)	(195)	722	565	2	4	(189)	382
Operating Profit - All Owned Hotel Pro Forma EBITDA⁽³⁾	\$ 122	\$ 2	\$ 11	\$ 195	\$ 330	\$ (166)	\$ (2)	\$ 28	\$ 189	\$ 49

- 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. Hotel margins are calculated using amounts presented in the above tables.
- Pro forma adjustments represent the following items: (i) the elimination of results of operations of hotels sold or held-for-sale as of March 31, 2022, 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, 2022. All owned hotel pro forma results also include the results of our leased office buildings and other non-hotel revenue and expense items.
- 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.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

All information in this section applies to Host Inc. and Host L.P.

Interest Rate Sensitivity

As of March 31, 2022 and December 31, 2021, 76% and 66%, respectively, of our outstanding debt bore interest at fixed rates. To manage interest rate risk applicable to our debt, we may enter into interest rate swaps or caps. The interest rate derivatives into which we may enter are strictly to hedge interest rate risk, and are not for trading purposes. As of March 31, 2022, we do not have any interest rate derivatives outstanding. See Item 7A of our most recent Annual Report on Form 10-K.

Exchange Rate Sensitivity

As we have operations outside of the United States (specifically, the ownership of hotels in Brazil and Canada and a minority investment in a joint venture in India), currency exchange risks arise in the normal course of our business. To manage the currency exchange risk, we may enter into forward or option contracts or hedge our investment through the issuance of foreign currency denominated debt. During the first quarter of 2022, three foreign currency forward purchase contracts matured, with a total notional amount of CAD 99 million (\$79 million), and we received \$0.2 million in the aggregate upon settlement of these contracts. To replace the maturing contracts, we entered into three new foreign currency forward purchase contracts with a total notional amount of CAD 99 million (\$79 million), which contracts mature between August and September 2022. The foreign currency exchange agreements into which we have entered are strictly to hedge foreign currency risk and are not for trading purposes.

See Item 7A of our most recent Annual Report on Form 10-K.

Item 4. Controls and Procedures

Controls and Procedures (Host Hotels & Resorts, Inc.)

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes to Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Controls and Procedures (Host Hotels & Resorts, L.P.)

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including Host Inc.'s Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, Host Inc.'s Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes to Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities (Host Hotels & Resorts, Inc.)

On August 5, 2019, Host Inc. announced an increase from \$500 million to \$1 billion in the amount authorized under its share repurchase program. The common stock may be purchased from time to time depending upon market conditions and repurchases may be made in the open market or through private transactions or by other means, including principal transactions with various financial institutions, accelerated share repurchases, forwards, options and similar transactions, and through one or more trading plans designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The program does not obligate us to repurchase any specific number of shares or any specific dollar amount, and may be suspended at any time at our discretion.

<u>Period</u>	<u>Total Number of Host Inc. Common Shares Purchased</u>	<u>Average Price Paid per Common Share</u>	<u>Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Common Shares that May Yet Be Purchased Under the Plans or Programs (in millions)</u>
January 1, 2022 – January 31, 2022	—	\$ —	—	\$ 371
February 1, 2022 – February 28, 2022	—	—	—	371
March 1, 2022 – March 31, 2022	—	—	—	371
Total	<u>—</u>	\$ —	—	\$ 371

Issuer Sales of Equity Securities (Host Hotels & Resorts, L.P.)

On January 20, 2022, Host L.P. issued OP Units to the entities and in the amounts listed below as part of the consideration for Host L.P.'s investment in Noble Investment Group. All units were issued in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended. See Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information on this investment.

Noble Investment Group, LLC - 327,468 OP Units; and

Noble Fund Sponsor, LLC - 2,872,530 OP Units.

Issuer Purchases of Equity Securities (Host Hotels & Resorts, L.P.)

<u>Period</u>	<u>Total Number of Host L.P. Common OP Units Purchased</u>	<u>Average Price Paid per Common OP Unit</u>	<u>Total Number of OP Units Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Units that May Yet Be Purchased Under the Plans or Programs (in millions)</u>
January 1, 2022 – January 31, 2022	86,930 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
February 1, 2022 – February 28, 2022	379 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
March 1, 2022 – March 31, 2022	379 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
Total	<u>87,688</u>	—	—	—

* Reflects common OP units offered for redemption by limited partners in exchange for shares of Host Inc.'s common stock.

Item 6. Exhibits

In reviewing the agreements included as exhibits to this report, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the company, its subsidiaries or other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to other parties in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or date as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representation and warranties may not describe the actual state of affairs as the date they were made or at any other time.

The exhibits listed on the accompanying Exhibit Index are filed as part of this report and such Exhibit Index is incorporated herein by reference.

Exhibit No.	Description
31	Rule 13a-14(a)/15d-14(a) Certifications
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Host Hotels & Resorts, Inc.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Host Hotels & Resorts, Inc.
31.3*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Host Hotels & Resorts, L.P.
31.4*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Host Hotels & Resorts, L.P.
32	Section 1350 Certifications
32.1†*	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Host Hotels & Resorts, Inc.
32.2†*	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Host Hotels & Resorts, L.P.
101	XBRL
101.SCH	Inline XBRL Taxonomy Extension Schema Document. <i>Submitted electronically with this report.</i>
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document. <i>Submitted electronically with this report.</i>
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document. <i>Submitted electronically with this report.</i>
101.LAB	Inline XBRL Taxonomy Label Linkbase Document. <i>Submitted electronically with this report.</i>
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document. <i>Submitted electronically with this report.</i>
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

The following materials, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations for the Quarter ended March 31, 2022 and 2021, respectively, for Host Hotels & Resorts, Inc.; (ii) the Condensed Consolidated Balance Sheets at March 31, 2022 and December 31, 2021, respectively, for Host Hotels & Resorts, Inc.; (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the Quarter ended March 31, 2022 and 2021,

respectively, for Host Hotels & Resorts, Inc.; (iv) the Condensed Consolidated Statements of Cash Flows for the Quarter ended March 31, 2022 and 2021, respectively, for Host Hotels & Resorts, Inc.; (v) the Condensed Consolidated Statements of Operations for the Quarter ended March 31, 2022 and 2021, respectively, for Host Hotels & Resorts, L.P.; (vi) the Condensed Consolidated Balance Sheets at March 31, 2022 and December 31, 2021, respectively, for Host Hotels & Resorts, L.P.; (vii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the Quarter ended March 31, 2022 and 2021, respectively, for Host Hotels & Resorts, L.P.; (viii) the Condensed Consolidated Statements of Cash Flows for the Quarter ended March 31, 2022 and 2021, respectively, for Host Hotels & Resorts, L.P.; and (ix) Notes to Condensed Consolidated Financial Statements.

* Filed herewith.

† This certificate is being furnished solely to accompany the report pursuant to 18 U.S.C. 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOST HOTELS & RESORTS, INC.

May 6, 2022

/s/ Joseph C. Ottinger
Joseph C. Ottinger
Senior Vice President,
Corporate Controller

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOST HOTELS & RESORTS, L.P.
By: HOST HOTELS & RESORTS, INC., its general partner

May 6, 2022

/s/ Joseph C. Ottinger

Joseph C. Ottinger
Senior Vice President,
Corporate Controller of Host Hotels & Resorts, Inc.,
general partner of Host Hotels & Resorts, L.P.

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James F. Risoleo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Host Hotels & Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2022

/s/ JAMES F. RISOLEO

James F. Risoleo
President, Chief Executive Officer

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Sourav Ghosh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Host Hotels & Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2022

/s/ SOURAV GHOSH

Sourav Ghosh
Chief Financial Officer

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James F. Risoleo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Host Hotels & Resorts, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2022

By: /s/ JAMES F. RISOLEO

James F. Risoleo
President, Chief Executive Officer of
Host Hotels & Resorts, Inc.,
general partner of Host Hotels & Resorts, L.P.

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Sourav Ghosh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Host Hotels & Resorts, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2022

/s/ SOURAV GHOSH

Sourav Ghosh
Chief Financial Officer of
Host Hotels & Resorts, Inc.,
general partner of Host Hotels & Resorts, L.P.

Section 906 Certification

Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. § 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, updated pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Host Hotels & Resorts, Inc. (the “Company”) hereby certify, to such officers’ knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 6, 2022

/s/ JAMES F. RISOLEO

James F. Risoleo
Chief Executive Officer

/s/ SOURAV GHOSH

Sourav Ghosh
Chief Financial Officer

Section 906 Certification

Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. § 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, updated pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Host Hotels & Resorts, Inc., the general partner of Host Hotels & Resorts, L.P., hereby certify, to such officers' knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of Host Hotels & Resorts, L.P. for the period ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Host Hotels & Resorts, L.P.

Dated: May 6, 2022

/s/ JAMES F. RISOLEO

James F. Risoleo
Chief Executive Officer of Host Hotels & Resorts, Inc.

/s/ SOURAV GHOSH

Sourav Ghosh
Chief Financial Officer of Host Hotels & Resorts, Inc.
