

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, 2023

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 3, 2023, there were 711,240,767 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, 2022 under the heading “Explanatory Note.”

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HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2023 and December 31, 2022
(in millions, except share and per share amounts)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>unaudited</u>	
ASSETS		
Property and equipment, net	\$ 9,720	\$ 9,748
Right-of-use assets	557	556
Due from managers	144	94
Advances to and investments in affiliates	150	132
Furniture, fixtures and equipment replacement fund	203	200
Notes receivable	485	413
Other	403	459
Cash and cash equivalents	563	667
Total assets	<u>\$ 12,225</u>	<u>\$ 12,269</u>
LIABILITIES, NON-CONTROLLING INTERESTS AND EQUITY		
Debt		
Senior notes	\$ 3,116	\$ 3,115
Credit facility, including the term loans of \$997 and \$998, respectively	986	994
Mortgage and other debt	106	106
Total debt	4,208	4,215
Lease liabilities	570	568
Accounts payable and accrued expenses	219	372
Due to managers	30	67
Other	168	168
Total liabilities	5,195	5,390
Redeemable non-controlling interests - Host Hotels & Resorts, L.P.	167	164
Host Hotels & Resorts, Inc. stockholders' equity:		
Common stock, par value \$.01, 1,050 million shares authorized, 711.2 million shares and 713.4 million shares issued and outstanding, respectively	7	7
Additional paid-in capital	7,663	7,717
Accumulated other comprehensive loss	(73)	(75)
Deficit	(739)	(939)
Total equity of Host Hotels & Resorts, Inc. stockholders	6,858	6,710
Non-redeemable non-controlling interests—other consolidated partnerships	5	5
Total equity	6,863	6,715
Total liabilities, non-controlling interests and equity	<u>\$ 12,225</u>	<u>\$ 12,269</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Quarter ended March 31, 2023 and 2022
(unaudited, in millions, except per share amounts)

	Quarter ended March 31,	
	2023	2022
REVENUES		
Rooms	\$ 820	\$ 655
Food and beverage	431	297
Other	130	122
Total revenues	1,381	1,074
EXPENSES		
Rooms	193	160
Food and beverage	269	200
Other departmental and support expenses	315	273
Management fees	65	40
Other property-level expenses	91	84
Depreciation and amortization	169	172
Corporate and other expenses	31	23
Total operating costs and expenses	1,133	952
OPERATING PROFIT	248	122
Interest income	14	1
Interest expense	(49)	(36)
Other gains	69	13
Equity in earnings of affiliates	7	2
INCOME BEFORE INCOME TAXES	289	102
Benefit for income taxes	2	16
NET INCOME	291	118
Less: Net income attributable to non-controlling interests	(4)	(2)
NET INCOME ATTRIBUTABLE TO HOST HOTELS & RESORTS, INC.	\$ 287	\$ 116
Basic earnings per common share	\$ 0.40	\$ 0.16
Diluted earnings per common share	\$ 0.40	\$ 0.16

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Quarter ended March 31, 2023 and 2022
(unaudited, in millions)

	Quarter ended March 31,	
	2023	2022
NET INCOME	\$ 291	\$ 118
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Foreign currency translation and other comprehensive income of unconsolidated affiliates	2	7
OTHER COMPREHENSIVE INCOME, NET OF TAX	2	7
COMPREHENSIVE INCOME	293	125
Less: Comprehensive income attributable to non-controlling interests	(4)	(2)
COMPREHENSIVE INCOME ATTRIBUTABLE TO HOST HOTELS & RESORTS, INC.	\$ 289	\$ 123

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Quarter ended March 31, 2023 and 2022
(unaudited, in millions)

	Quarter ended March 31,	
	2023	2022
OPERATING ACTIVITIES		
Net income	\$ 291	\$ 118
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	169	172
Amortization of finance costs, discounts and premiums, net	2	3
Loss on extinguishment of debt	4	—
Stock compensation expense	7	5
Other gains	(69)	(13)
Equity in earnings of affiliates	(7)	(2)
Change in due from/to managers	(88)	(5)
Distributions from investments in affiliates	7	2
Property insurance proceeds - remediation costs	31	—
Changes in other assets	3	(5)
Changes in other liabilities	(42)	(14)
Net cash provided by operating activities	<u>308</u>	<u>261</u>
INVESTING ACTIVITIES		
Proceeds from sales of assets, net	35	74
Advances to and investments in affiliates	(18)	(44)
Capital expenditures:		
Renewals and replacements	(95)	(39)
Return on investment	(51)	(83)
Property insurance proceeds	24	—
Net cash used in investing activities	<u>(105)</u>	<u>(92)</u>
FINANCING ACTIVITIES		
Financing costs	(10)	—
Repayment of credit facility	—	(683)
Debt extinguishment costs	(3)	—
Common stock repurchase	(50)	—
Dividends on common stock	(228)	—
Distributions and payments to non-controlling interests	(3)	—
Other financing activities	(14)	(10)
Net cash used in financing activities	<u>(308)</u>	<u>(693)</u>
Effects of exchange rate changes on cash held	1	1
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	<u>(104)</u>	<u>(523)</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	874	953
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	<u>\$ 770</u>	<u>\$ 430</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, 2023 and 2022
(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, 2023</u>	<u>March 31, 2022</u>
Cash and cash equivalents	\$ 563	\$ 266
Restricted cash (included in other assets)	4	1
Cash included in furniture, fixtures and equipment replacement fund	203	163
Total cash and cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 770</u>	<u>\$ 430</u>

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

	<u>Quarter ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Total interest paid	<u>\$ 40</u>	<u>\$ 28</u>
Income taxes paid (refunds received)	<u>\$ (1)</u>	<u>\$ (8)</u>

Supplemental schedule of noncash investing and financing activities:

In connection with the sales of The Camby, Autograph Collection in March 2023 and the Sheraton Boston Hotel in February 2022, we issued loans to the buyers for \$72 million and \$163 million, respectively. The proceeds received from the sales are net of the loans.

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.

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2023 and December 31, 2022
(in millions)

	March 31, 2023	December 31, 2022
	unaudited	
ASSETS		
Property and equipment, net	\$ 9,720	\$ 9,748
Right-of-use assets	557	556
Due from managers	144	94
Advances to and investments in affiliates	150	132
Furniture, fixtures and equipment replacement fund	203	200
Notes receivable	485	413
Other	403	459
Cash and cash equivalents	563	667
Total assets	<u>\$ 12,225</u>	<u>\$ 12,269</u>
LIABILITIES, LIMITED PARTNERSHIP INTERESTS OF THIRD PARTIES AND CAPITAL		
Debt		
Senior notes	\$ 3,116	\$ 3,115
Credit facility, including the term loans of \$997 and \$998, respectively	986	994
Mortgage and other debt	106	106
Total debt	<u>4,208</u>	<u>4,215</u>
Lease liabilities	570	568
Accounts payable and accrued expenses	219	372
Due to managers	30	67
Other	168	168
Total liabilities	<u>5,195</u>	<u>5,390</u>
Limited partnership interests of third parties	167	164
Host Hotels & Resorts, L.P. capital:		
General partner	1	1
Limited partner	6,930	6,784
Accumulated other comprehensive loss	(73)	(75)
Total Host Hotels & Resorts, L.P. capital	<u>6,858</u>	<u>6,710</u>
Non-controlling interests—consolidated partnerships	5	5
Total capital	<u>6,863</u>	<u>6,715</u>
Total liabilities, limited partnership interests of third parties and capital	<u>\$ 12,225</u>	<u>\$ 12,269</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Quarter ended March 31, 2023 and 2022
(unaudited, in millions, except per unit amounts)

	Quarter ended March 31,	
	2023	2022
REVENUES		
Rooms	\$ 820	\$ 655
Food and beverage	431	297
Other	130	122
Total revenues	1,381	1,074
EXPENSES		
Rooms	193	160
Food and beverage	269	200
Other departmental and support expenses	315	273
Management fees	65	40
Other property-level expenses	91	84
Depreciation and amortization	169	172
Corporate and other expenses	31	23
Total operating costs and expenses	1,133	952
OPERATING PROFIT	248	122
Interest income	14	1
Interest expense	(49)	(36)
Other gains	69	13
Equity in earnings of affiliates	7	2
INCOME BEFORE INCOME TAXES	289	102
Benefit for income taxes	2	16
NET INCOME	291	118
Less: Net income attributable to non-controlling interests	—	(1)
NET INCOME ATTRIBUTABLE TO HOST HOTELS & RESORTS, L.P.	\$ 291	\$ 117
Basic earnings per common unit	\$ 0.41	\$ 0.17
Diluted earnings per common unit	\$ 0.41	\$ 0.17

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, 2023 and 2022
(unaudited, in millions)

	Quarter ended March 31,	
	2023	2022
NET INCOME	\$ 291	\$ 118
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Foreign currency translation and other comprehensive income of unconsolidated affiliates	2	7
OTHER COMPREHENSIVE INCOME, NET OF TAX	2	7
COMPREHENSIVE INCOME	293	125
Less: Comprehensive income attributable to non-controlling interests	—	(1)
COMPREHENSIVE INCOME ATTRIBUTABLE TO HOST HOTELS & RESORTS, L.P.	\$ 293	\$ 124

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Quarter ended March 31, 2023 and 2022
(unaudited, in millions)

	Quarter ended March 31,	
	2023	2022
OPERATING ACTIVITIES		
Net income	\$ 291	\$ 118
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	169	172
Amortization of finance costs, discounts and premiums, net	2	3
Loss on extinguishment of debt	4	—
Stock compensation expense	7	5
Other gains	(69)	(13)
Equity in earnings of affiliates	(7)	(2)
Change in due from/to managers	(88)	(5)
Distributions from investments in affiliates	7	2
Property insurance proceeds - remediation costs	31	—
Changes in other assets	3	(5)
Changes in other liabilities	(42)	(14)
Net cash provided by operating activities	<u>308</u>	<u>261</u>
INVESTING ACTIVITIES		
Proceeds from sales of assets, net	35	74
Advances to and investments in affiliates	(18)	(44)
Capital expenditures:		
Renewals and replacements	(95)	(39)
Return on investment	(51)	(83)
Property insurance proceeds	24	—
Net cash used in investing activities	<u>(105)</u>	<u>(92)</u>
FINANCING ACTIVITIES		
Financing costs	(10)	—
Repayment of credit facility	—	(683)
Debt extinguishment costs	(3)	—
Repurchase of common OP units	(50)	—
Distributions on common OP units	(231)	—
Other financing activities	(14)	(10)
Net cash used in financing activities	<u>(308)</u>	<u>(693)</u>
Effects of exchange rate changes on cash held	1	1
NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(104)	(523)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	874	953
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ <u>770</u>	\$ <u>430</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, 2023 and 2022
(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, 2023</u>	<u>March 31, 2022</u>
Cash and cash equivalents	\$ 563	\$ 266
Restricted cash (included in other assets)	4	1
Cash included in furniture, fixtures and equipment replacement fund	203	163
Total cash and cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 770</u>	<u>\$ 430</u>

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

	<u>Quarter ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Total interest paid	\$ 40	\$ 28
Income taxes paid (refunds received)	\$ (1)	\$ (8)

Supplemental schedule of noncash investing and financing activities:

In connection with the sales of The Camby, Autograph Collection in March 2023 and the Sheraton Boston Hotel in February 2022, we issued loans to the buyers for \$72 million and \$163 million, respectively. The proceeds received from the sales are net of the loans.

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.

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, 2023, Host Inc. holds approximately 99% of Host L.P.’s partnership interests.

Consolidated Portfolio

As of March 31, 2023, our consolidated portfolio, primarily consisting of luxury and upper upscale hotels, is located in the following countries:

	Hotels
United States	72
Brazil	3
Canada	2
Total	<u>77</u>

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 U.S. generally accepted accounting principles, or 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, 2022.

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, 2023, and the results of our operations and cash flows for the quarter ended March 31, 2023 and 2022, respectively. Interim results are not necessarily indicative of full year performance because of the effect of seasonal variations.

Four of the partnerships in which we own an interest are considered variable interest entities (VIEs), as the general partner of these partnerships 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 the limited partner interests; the consolidated partnership that owns the Houston Airport Marriott at George Bush Intercontinental; and two unconsolidated partnerships that own hotel properties, of which we hold limited partner interests ranging from 11% - 19%. 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 settled only with assets of Host L.P.

3. Earnings 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

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

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 granted shares, 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 9.9 million Host L.P. common units, which are convertible into 10.1 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,	
	2023	2022
Net income	\$ 291	\$ 118
Less: Net income attributable to non-controlling interests	(4)	(2)
Net income attributable to Host Inc.	<u>\$ 287</u>	<u>\$ 116</u>
Basic weighted average shares outstanding	713.4	714.3
Assuming distribution of common shares granted under the comprehensive stock plans, less shares assumed purchased at market	1.5	1.8
Diluted weighted average shares outstanding	<u>714.9</u>	<u>716.1</u>
Basic earnings per common share	<u>\$ 0.40</u>	<u>\$ 0.16</u>
Diluted earnings per common share	<u>\$ 0.40</u>	<u>\$ 0.16</u>

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,	
	2023	2022
Net income	\$ 291	\$ 118
Less: Net income attributable to non-controlling interests	—	(1)
Net income attributable to Host L.P.	<u>\$ 291</u>	<u>\$ 117</u>
Basic weighted average units outstanding	708.3	708.9
Assuming distribution of common units granted under the comprehensive stock plans, less units assumed purchased at market	1.5	1.7
Diluted weighted average units outstanding	<u>709.8</u>	<u>710.6</u>
Basic earnings per common unit	<u>\$ 0.41</u>	<u>\$ 0.17</u>
Diluted earnings per common unit	<u>\$ 0.41</u>	<u>\$ 0.17</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 disclosure of hotel 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 10 – 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,	
	2023	2022
Orlando	\$ 141	\$ 108
Phoenix	129	111
Maui/Oahu	126	116
San Diego	125	87
San Francisco/San Jose	100	52
Florida Gulf Coast	96	131
Miami	83	83
Washington, D.C. (Central Business District)	76	38
New York	70	50
Houston	37	26
San Antonio	36	27
Los Angeles/Orange County	34	25
Jacksonville	31	29
Boston	29	18
New Orleans	29	20
Austin	25	20
Chicago	19	14
Northern Virginia	19	12
Seattle	18	10
Atlanta	18	13
Philadelphia	17	13
Denver	14	12
Other	90	51
Domestic	1,362	1,066
International	19	8
Total	<u>\$ 1,381</u>	<u>\$ 1,074</u>

5. Property and Equipment

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

	March 31, 2023	December 31, 2022
Land and land improvements	\$ 2,011	\$ 2,020
Buildings and leasehold improvements	13,797	13,849
Furniture and equipment	2,217	2,249
Construction in progress	388	313
	<u>18,413</u>	<u>18,431</u>
Less accumulated depreciation and amortization	(8,693)	(8,683)
	<u>\$ 9,720</u>	<u>\$ 9,748</u>

6. Debt

Credit Facility. As of March 31, 2023, we have \$1.5 billion of available capacity under the revolver portion of our credit facility.

During the first quarter, we entered into the sixth amended and restated senior revolving credit and term loan facility, with Bank of America, N.A., as administrative agent, Wells Fargo Bank, N.A. and JPMorgan Chase Bank, N.A. as co-syndication agents, and certain other agents and lenders. The credit facility allows for revolving borrowings in an aggregate principal amount of up to \$1.5 billion. The credit facility also provides for a term loan facility of \$1 billion (which is fully utilized), a subfacility of up to \$100 million for swingline borrowings in currencies other than U.S. dollars and a subfacility of up to \$100 million for issuances of letters of credit. Host L.P. also has the option to add in the future \$500 million of commitments which may be used for additional revolving credit facility borrowings and/or term loans,

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subject to obtaining additional loan commitments (which we have not currently obtained) and the satisfaction of certain conditions. The revolving credit facility has an initial scheduled maturity date of January 4, 2027, which date may be extended by up to a year by the exercise of either a 1-year extension option or two 6-month extension options, each of which is subject to certain conditions, including the payment of an extension fee and the accuracy of representations and warranties. One \$500 million term loan tranche has an initial maturity date of January 4, 2027, which date may be extended up to a year by the exercise of one 1-year extension option, which is subject to certain conditions, including the payment of an extension fee; and the second \$500 million term loan tranche has a maturity date of January 4, 2028, which date may not be extended. The amendment also converted the underlying reference rate from LIBOR to SOFR plus a credit spread adjustment of 10 basis points.

7. 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, 2022	\$ 7	\$ 7,717	\$ (75)	\$ (939)	\$ 5	\$ 6,715	\$ 164
Net income	—	—	—	287	—	287	4
Issuance of common stock for comprehensive stock plans, net	—	(4)	—	—	—	(4)	—
Repurchase of common stock	—	(50)	—	—	—	(50)	—
Dividends declared on common stock	—	—	—	(87)	—	(87)	—
Distributions to non- controlling interests	—	—	—	—	—	—	(1)
Other comprehensive income	—	—	2	—	—	2	—
Balance, March 31, 2023	<u>\$ 7</u>	<u>\$ 7,663</u>	<u>\$ (73)</u>	<u>\$ (739)</u>	<u>\$ 5</u>	<u>\$ 6,863</u>	<u>\$ 167</u>
	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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Capital of Host L.P.

As of March 31, 2023, 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.

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, 2022	\$ 1	\$ 6,784	\$ (75)	\$ 5	\$ 6,715	\$ 164
Net income	—	287	—	—	287	4
Issuance of common OP units to Host Inc. for comprehensive stock plans, net	—	(4)	—	—	(4)	—
Repurchase of common OP units	—	(50)	—	—	(50)	—
Distributions declared on common OP units	—	(87)	—	—	(87)	(1)
Other comprehensive income	—	—	2	—	2	—
Balance, March 31, 2023	<u>\$ 1</u>	<u>\$ 6,930</u>	<u>\$ (73)</u>	<u>\$ 5</u>	<u>\$ 6,863</u>	<u>\$ 167</u>

	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>

Share Repurchases

During the first quarter of 2023, we repurchased 3.2 million shares at an average price of \$15.65 per share, exclusive of commissions, through our common share repurchase program for a total of \$50 million. As of March 31, 2023, there was \$923 million available for repurchase under our common share repurchase program.

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Issuance of Common Stock

As of March 31, 2023, 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 2023.

Dividends/Distributions

On February 15, 2023, Host Inc.'s Board of Directors announced a regular quarterly cash dividend of \$0.12 per share on its common stock. The dividend was paid on April 17, 2023 to stockholders of record as of March 31, 2023. Accordingly, Host L.P. made a distribution of \$0.12257928 per unit on its common OP units based on the current conversion ratio.

8. Dispositions

During the first quarter, we sold The Camby, Autograph Collection for \$110 million, including a \$72 million loan we provided to the buyer. We recorded a gain on sale of \$69 million, which is included in other gains on the unaudited condensed consolidated statement of operations. The loan, which is included in notes receivable on our unaudited condensed consolidated balance sheet, has an initial interest rate equal to Term SOFR plus 425 basis points and an initial scheduled maturity date of June 10, 2025, which date may be extended to March 10, 2026. Up to an additional \$12 million in funding is available to the buyer under the loan for property improvement plan financing not to exceed a 65% loan to cost ratio.

9. Fair Value Measurements

We did not elect the fair value measurement option for any of our financial assets or liabilities. The fair values of notes receivable, 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.

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

	March 31, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Notes receivable (Level 2)	\$ 485	\$ 480	\$ 413	\$ 404
Financial liabilities				
Senior notes (Level 1)	3,116	2,806	3,115	2,768
Credit facility (Level 2)	986	1,000	994	1,000
Mortgage debt (Level 2)	101	92	102	95

10. 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, 2023. There were no intersegment sales during the periods presented.

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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,
	2023	2022	2023	2022
United States	\$ 1,362	\$ 1,066	\$ 9,650	\$ 9,678
Brazil	6	4	34	33
Canada	13	4	36	37
Total	<u>\$ 1,381</u>	<u>\$ 1,074</u>	<u>\$ 9,720</u>	<u>\$ 9,748</u>

11. 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. We have estimated that the redemption value of the common OP units is equivalent to the number of common shares issuable 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, 2023	December 31, 2022
Common OP units outstanding (millions)	9.9	10.0
Market price per Host Inc. common share	\$ 16.49	\$ 16.05
Shares issuable upon conversion of one common OP unit	1.021494	1.021494
Redemption value (millions)	\$ 167	\$ 164
Historical cost (millions)	99	97
Book value (millions) ⁽¹⁾	167	164

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

Other Consolidated Partnerships. As of March 31, 2023, we consolidate two majority-owned partnerships that have third-party, non-controlling ownership interests. The third-party limited partner interests are included in non-redeemable non-controlling interests — other consolidated partnerships on the balance sheets and totaled \$5 million as of both March 31, 2023 and December 31, 2022.

12. Contingencies

While the majority of our hotels in Florida were affected by Hurricane Ian, which made landfall on September 28, 2022, the most significant damage sustained during the storm occurred at The Ritz-Carlton, Naples and Hyatt Regency Coconut Point Resort and Spa. The Hyatt Regency Coconut Point is open to guests, and the final phase of reconstruction, the resort's waterpark, is scheduled to reopen mid-June 2023. As of March 31, 2023, The Ritz-Carlton, Naples remains closed, and the reopening of the guestrooms, suites and amenities, including the new tower expansion, is targeted for July 2023.

We are still evaluating the complete property and business interruption impacts of the storm. However, our current estimate of the book value of the property and equipment written off and remediation costs is approximately \$105 million, for which we have recorded a corresponding insurance receivable of \$105 million. Provided planned reopening dates can be maintained, we believe our insurance coverage should be sufficient to cover substantially all of the property remediation and reconstruction costs and the near-term loss of business; however, there can be no assurances that this coverage will be sufficient to cover the entirety of the business interruption impact from the storm, especially if the hotel is unable to open as currently anticipated. As of March 31, 2023, we have received \$55 million of property insurance

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proceeds related to these claims, reducing the receivable to \$50 million. Subsequent to quarter end, we received an additional \$43 million of property insurance proceeds.

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, 2023 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 effect on lodging demand of (i) changes in national and local economic and business conditions, including concerns about U.S. economic growth and the potential for an economic recession in the United States or globally, the current high level of inflation, rising interest rates, 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 (including Hurricane Ian in 2022), pandemics and other public health crises, 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;
- the impact of geopolitical developments outside the United States, such as large-scale wars or international conflicts, slowing global growth, or trade tensions and tariffs between the United States and its trading partners such as China, all of which could affect global travel and lodging demand within the United States;
- volatility in global financial and credit markets, including volatility caused by recent failures of several financial institutions and liquidity concerns at other financial institutions, which could materially adversely affect U.S. and global economic conditions, business activity, and lodging demand as well as negatively impact our ability to obtain financing and increase our borrowing costs;
- pending and future U.S. governmental action to address the U.S. debt ceiling and the potential for a United States default on its debt obligations, the impact of budget deficits generally 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, all of which could materially adversely affect U.S. economic conditions, business activity, credit availability and borrowing costs;
- operating risks associated with the hotel business, including the effect of labor stoppages or strikes, increasing operating or labor costs, including increased labor costs in the current inflationary environment, the ability of our managers to adequately staff our hotels as a result of shortages in labor, severance and furlough payments to hotel employees or changes in workplace rules that affect labor costs, and risks relating to the continued response to the COVID-19 pandemic by our hotel managers, such as increased hotel costs for cleaning protocols;
- the effect of rating agency downgrades of our debt securities or 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;
- 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 areas such as 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 on, or under, budget and the potential for increased costs and construction delays due to shortages of supplies as a result of supply chain disruptions;
- 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 percentage of our hotels;
- 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 natural disasters 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 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, 2022 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 unaudited 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
	2023	2022	
Total revenues	\$ 1,381	\$ 1,074	28.6%
Net income	291	118	146.6%
Operating profit	248	122	103.3%
Operating profit margin under GAAP	18.0%	11.4%	660 bps
EBITDA _{re} and Adjusted EBITDA _{re} ⁽¹⁾	\$ 444	\$ 306	45.1%
Diluted earnings per common share	0.40	0.16	150.0%
NAREIT FFO per diluted share ⁽¹⁾	0.54	0.39	38.5%
Adjusted FFO per diluted share ⁽¹⁾	0.55	0.39	41.0%

Comparable Hotel Data:

	Quarter ended March 31,		Change
	2023	2022	
Comparable hotel revenues ⁽¹⁾	\$ 1,353	\$ 1,010	34.0 %
Comparable hotel EBITDA ⁽¹⁾	439	305	43.9 %
Comparable hotel EBITDA margin ⁽¹⁾	32.5 %	30.3 %	220 bps
Comparable hotel Total RevPAR ⁽¹⁾	\$ 365.93	\$ 273.06	34.0 %
Comparable hotel RevPAR ⁽¹⁾	217.77	166.12	31.1 %

(1) EBITDAre, Adjusted EBITDAre, NAREIT FFO per diluted share and Adjusted FFO per diluted share and comparable hotel 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 "Comparable Hotel 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. Additionally, comparable hotel results and statistics are based on 75 comparable hotels as of March 31, 2023 and include adjustments for non-comparable hotels, dispositions and acquisitions. See Comparable Hotel RevPAR Overview for results of the portfolio based on our ownership period, without these adjustments.

Operations

Total revenues increased \$307 million, or 28.6%, as compared to the first quarter of 2022, due to strong leisure demand at our resort hotels and the recovery of group travel at our convention hotels, although group and business transient room nights have not yet returned to pre-pandemic levels. Comparable hotel RevPAR and Total RevPAR for the first quarter increased 31.1% and 34.0%, respectively, compared to the first quarter of 2022 due to both rate and occupancy growth. The significant improvement was anticipated, as the Omicron variant of COVID-19 significantly impaired travel during January and the first part of February in 2022. In addition, resorts continued to show leisure strength, with an increase in comparable hotel RevPAR of 4.9% driven by occupancy. At the same time, the recovery at our city-center properties allowed for significant improvements at some of the markets lagging in 2022.

Comparable hotel Total RevPAR for all markets exceeded first quarter 2022 levels. The recovery at our city-center properties led the portfolio, as comparable hotel Total RevPAR in our New York, Washington, D.C. and San Francisco/San Jose markets, some of our larger markets by room count, increased by 105.8%, 99.1% and 92.7%, respectively, as these hotels were slower to ramp up in 2022 following the lifting of many of the COVID-19 restrictions. Despite the outsized growth in San Francisco during the first quarter, it remains below 2019 levels. Hotels in Florida and Hawaii recovered from the pandemic quicker than many of our other markets in 2022; therefore, while we still saw Total RevPAR improvements in these markets year-over-year, the increases were less substantial. For example, comparable hotel RevPAR in our Miami market led the portfolio at \$501.89; however, this market had the smallest increase in comparable hotel Total RevPAR compared to 2022 with a 5.2% increase. Our Maui/Oahu and Jacksonville markets also experienced smaller growth, with increases in comparable hotel Total RevPAR of 9.3% and 7.1%, respectively.

Our first quarter 2023 results improved when compared to 2022 as follows:

- Net income increased \$173 million;
- Diluted earnings per share increased \$0.24;
- Adjusted EBITDAre increased \$138 million; and
- Adjusted FFO per diluted share increased \$0.16.

For the first quarter of 2023, operating profit margin under GAAP was 18.0% and comparable hotel EBITDA margin was 32.5%, an improvement of 660 basis points and 220 basis points, respectively, benefiting from improvements in rates and occupancy, compared to first quarter of 2022. Margins also benefited from more favorable comparisons to the first quarter of 2022, when hotel operators were still ramping up operations, in addition to improvements in food and beverage profits due to strong group contribution, and continued elevated levels of attrition and cancellation fees.

Outlook

We have continued to experience a significant improvement in revenues and earnings through the first quarter of 2023 and, to date, we have not experienced signs of a weakening in the overall lodging industry. However, current macroeconomic headwinds and concerns surrounding the potential for an economic slowdown have created a great deal of uncertainty surrounding operating results for the remainder of 2023. Further improvement in operations will be dependent on the broader macroeconomic environment, which will affect our ability to maintain high-rated business in our resort markets, as well as the continued improvement of group, business transient and international inbound travel. Accordingly, we believe that operations in specific markets and asset types will continue to be uneven.

Blue Chip Economic Indicators consensus currently estimates an increase in real U.S. GDP of 1.2% for 2023, with slight declines in the second and third quarters, while business investment is anticipated to increase 1.4%. The Federal Reserve's current rate hiking monetary policy, aimed at combating persistently high inflation, geopolitical uncertainty, and the recent regional bank failures and liquidity concerns at other financial institutions have led to increased risks and elevated concerns surrounding a potential economic slowdown. The range of potential outcomes on the economy and the lodging industry specifically remains exceptionally wide, reflecting varying analyst assumptions surrounding the impact of higher interest rates, inflation, ongoing labor shortages in key industries, and geopolitical conflicts.

Hotel supply growth is anticipated to remain below the long-term historical average in 2023. Supply chain challenges have resulted in project delays across the U.S., and recent regional banking stress may create construction financing challenges for future projects. We anticipate that the new project pipeline will remain suppressed until macroeconomic concerns abate. While the pandemic had an outsized impact on our industry, particularly in luxury and upper upscale hotels in top U.S. markets, where a majority of our hotels are located, leisure travel continues to outperform expectations due to pent-up demand, high personal savings and waning virus fears. We also have seen a significant acceleration in group and business transient demand, leading to improving trends in our city-center markets.

Based on the trends noted and an improved outlook for the remainder of the year, we expect comparable hotel RevPAR growth for the full year 2023 will be between 7.5% and 10.5%. We note that performance in the first quarter of 2022 was negatively impacted by the Omicron variant, resulting in easier comparisons for the first quarter of 2023. We expect performance in the second half of the year will be heavily influenced by the overall macroeconomic environment. Additionally, margins are expected to decline in comparison to 2022 driven by closer to stable staffing levels, higher wages, insurance and utility expenses, lower attrition and cancellation fees, and occupancy below 2019 levels.

As noted above, the current outlook for the lodging industry remains highly uncertain; therefore, there can be no assurances as to the continued 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 conditions.

Strategic Initiatives

Dispositions. During the first quarter, we sold The Camby, Autograph Collection for \$110 million and recorded a gain on sale of \$69 million. In connection with the sale, we provided seller financing of \$72 million with up to an additional \$12 million available for property improvement plan financing not to exceed a 65% loan to cost ratio.

Capital Projects. During the first quarter of 2023, we spent approximately \$51 million on return on investment ("ROI") capital projects, \$65 million on renewal and replacement projects, and \$30 million on hurricane restoration work. Significant projects completed during the quarter include guestrooms, public space and meeting space renovations at The Westin Georgetown, Washington D.C. and the final phase of guestroom renovations at Marriott Marquis San Diego Marina. In addition, we continued our restoration efforts following Hurricane Ian, for which we estimated the total property damage and remediation costs to be approximately \$200 million to \$220 million, of which approximately 40% relates to remediation costs. The Hyatt Regency Coconut Point is open to guests, and the final phase of reconstruction, the resort's waterpark, is on-track to reopen mid-June 2023. The Ritz-Carlton, Naples remains closed, and reopening of the guestrooms, suites and amenities, including the new tower expansion, is targeted for July 2023.

We are nearing completion on the Marriott transformational capital program, which began in 2018. 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 furniture fixture and equipment ("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 \$83 million, before reductions for incentive management fees, to offset expected business disruption.

Approximately 98% of the total estimated costs of the program have been spent as of March 31, 2023. 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; projects at The Ritz-Carlton Amelia Island, New York Marriott Marquis and Orlando World Center Marriott in 2021; projects at Boston Marriott Copley Place, the Houston Marriott Medical Center, JW Marriott Houston by the Galleria, and Marina del Rey Marriott in 2022; and projects at the Marriott Marquis San Diego Marina in the first quarter of 2023. We expect the final hotel, Washington Marriott at Metro Center, to be completed in the second quarter of 2023.

For full year 2023, we expect total capital expenditures of \$600 million to \$725 million, consisting of ROI projects of approximately \$250 million to \$300 million, renewal and replacement expenditures of \$250 million to \$300 million, and restoration

work for the damage caused by Hurricane Ian of \$100 million to \$125 million. The ROI projects include approximately \$25 million to \$35 million for the Marriott transformational capital program discussed above.

Results of Operations

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

	Quarter ended March 31,		Change
	2023	2022	
Total revenues	\$ 1,381	\$ 1,074	28.6%
Operating costs and expenses:			
Property-level costs ⁽¹⁾	1,102	929	18.6
Corporate and other expenses	31	23	34.8
Operating profit	248	122	103.3
Interest expense	49	36	36.1
Other gains	69	13	430.8
Benefit for income taxes	2	16	(87.5)
Host Inc.:			
Net income attributable to non-controlling interests	4	2	100.0
Net income attributable to Host Inc.	287	116	147.4
Host L.P.:			
Net income attributable to non-controlling interests	—	1	(100.0)
Net income attributable to Host L.P.	291	117	148.7

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

Statement of Operations Results and Trends

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
	2023	2022	
Revenues:			
Rooms	\$ 820	\$ 655	25.2%
Food and beverage	431	297	45.1
Other	130	122	6.6
Total revenues	<u>\$ 1,381</u>	<u>\$ 1,074</u>	28.6

Operations have improved significantly in the first quarter of 2023 compared to 2022 due to the ongoing recovery of the lodging industry from the COVID-19 pandemic, including the impact of the Omicron variant during the first quarter of 2022. With operations normalizing from the effects of the pandemic, results were also impacted by shifting business and market mix, as well as lost revenues due to the continued closure of The Ritz-Carlton, Naples caused by Hurricane Ian. In addition, the Four Seasons Resort and Residences Jackson Hole, which we acquired in November 2022, contributed \$31 million to the growth in revenues in the first quarter of 2023, compared to the negative impact on revenues of \$24 million resulting from 2022 and 2023 dispositions.

Rooms. Total rooms revenues increased \$165 million, or 25.2%, for the first quarter compared to 2022. Rooms revenues at our comparable hotels increased \$191 million, or 31.1%, for the quarter. These increases were due to increases in both average room rates and occupancy.

Food and beverage. Total food and beverage ("F&B") revenues increased \$134 million, or 45.1%, for the quarter compared to 2022. Comparable hotel F&B revenues increased \$144 million, or 52.2%, for the quarter. These increases were primarily due to strong group contribution with improvements in outlet, banquet and audio-visual revenues as convention hotels continued to recover from the pandemic.

Other revenues. Total other revenues increased \$8 million, or 6.6%, for the quarter compared to 2022. At our comparable hotels, other revenues increased \$8 million, or 6.7%, for the quarter. These increases were primarily due to an increase in ancillary revenues, including strong golf and spa revenues, driven by improved occupancy levels.

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
	2023	2022	
Expenses:			
Rooms	\$ 193	\$ 160	20.6%
Food and beverage	269	200	34.5
Other departmental and support expenses	315	273	15.4
Management fees	65	40	62.5
Other property-level expenses	91	84	8.3
Depreciation and amortization	169	172	(1.7)
Total property-level operating expenses	<u>\$ 1,102</u>	<u>\$ 929</u>	18.6

Our operating costs and expenses, which consist of 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 56% of these expenses. During the first quarter of 2023, these expenses increased 33% compared to 2022, reflecting an increase in hiring as operations have recovered. In addition, early in 2022, hiring was temporarily paused in many areas due to the Omicron variant, as well as seasonality in certain markets. Hiring pace has since improved, and managers at the majority of our hotels now are operating at desired staffing levels. Wage and benefit rate inflation is expected to be approximately 5% in 2023.

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 2023 compared to 2022 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 \$33 million, or 20.6%, for the quarter. Our comparable hotels rooms expenses increased \$44 million, or 30.1%, for the quarter. These increases reflect the increase in staffing described above.

Food and beverage. F&B expenses increased \$69 million, or 34.5%, for the quarter. For our comparable hotels, F&B expenses increased \$79 million, or 43.2%. Overall, F&B costs as a percentage of revenues declined, benefiting from improved banquet revenues and ongoing productivity improvement.

Other departmental and support expenses. Other departmental and support expenses increased \$42 million, or 15.4%, for the quarter. On a comparable hotel basis, other departmental and support expenses increased \$52 million, or 20.4%, for the quarter. These increases were primarily due to improved operations and an increase in staffing.

Management fees. Base management fees, which generally are calculated as a percentage of total revenues, increased \$8 million, or 26.7%, 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 \$17 million, or 170.0%, for the quarter. At our comparable hotels, base management fees increased \$9 million, or 32.6%, and incentive management fees increased \$15 million, or 109.9%, for the quarter. The increase in incentive management fees primarily reflects the improved operations at our 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 \$7 million, or 8.3%, for the quarter, due to increases in property insurance premiums and rent on a portion of our ground leases that are based on a percentage of sales. Other property-level expenses also were partially offset by the receipt of operating profit guarantees received from Marriott under the transformational

capital program in both 2022 and 2023, with the last of the payments expected to be received in the second quarter of 2023. Other property-level expenses at our comparable hotels increased \$11 million, or 13.5%, for the quarter.

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,	
	2023	2022
General and administrative costs	\$ 21	\$ 18
Non-cash stock-based compensation expense	7	5
Litigation accruals	3	—
Total	\$ 31	\$ 23

Interest expense. Interest expense increased for the quarter due to an increase in interest rates on our floating rate debt. The following table details our interest expense for the quarter (in millions):

	Quarter ended March 31,	
	2023	2022
Cash interest expense ⁽¹⁾	\$ 43	\$ 33
Non-cash interest expense	2	3
Non-cash debt extinguishment costs	1	—
Cash debt extinguishment costs ⁽¹⁾	3	—
Total interest expense	\$ 49	\$ 36

(1) Including the change in accrued interest, total cash interest paid was \$40 million and \$28 million for the quarters ended March 31, 2023 and 2022, respectively.

Other gains. Other gains increased \$56 million for the quarter, reflecting the sale of The Camby, Autograph Collection in the first quarter of 2023.

Equity in earnings of affiliates. Equity in earnings of affiliates increased \$5 million for the quarter to \$7 million, consisting of earnings from our investment in the Noble Joint Venture, as well as improved operations at our non-consolidated properties.

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 \$2 million, due primarily to the domestic net operating loss incurred by our TRS.

Comparable Hotel RevPAR Overview

Effective January 1, 2023, we have ceased presentation of All Owned Hotel results, and returned to a comparable hotel presentation for our hotel level results. Comparable hotels are those properties that we have consolidated for the entirety of the reporting periods being compared. Comparable hotels do not include the results of hotels sold or classified as held-for-sale, hotels that have sustained substantial property damage or business interruption, or hotels that have undergone large-scale capital projects, in each case requiring closures lasting one month or longer during the reporting periods being compared. We believe this will provide investors with a better understanding of underlying growth trends for our current portfolio, without impact from properties that experienced closures. We have removed Hyatt Regency Coconut Point Resort and Spa and The Ritz-Carlton, Naples from our comparable operations for 2023 due to closures caused by Hurricane Ian. See “Comparable Hotel Operating Statistics and Results” below for more information on how we determine our comparable hotels.

We also include, following the comparable hotels results, the same operating statistics presentation on an actual basis, which includes results for our portfolio for the time period of our ownership, including the results of non-comparable properties, dispositions through their date of disposal and acquisitions beginning as of the date of acquisition. Lastly, we 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 quarters ended March 31, 2023 and 2022, respectively, on a comparable hotel and actual basis:

Comparable Hotel Results by Location

Location	As of March 31, 2023		Quarter ended March 31, 2023				Quarter ended March 31, 2022				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	\$ 643.96	77.9%	\$ 501.89	\$ 862.22	\$ 733.63	70.9%	\$ 520.02	\$ 819.53	(3.5)%	5.2%
Maui/Oahu	4	2,006	605.58	76.2	461.65	700.34	544.76	76.4	416.04	640.84	11.0	9.3
Phoenix	3	1,545	529.55	82.5	436.73	878.14	493.50	73.7	363.49	742.24	20.1	18.3
Florida Gulf Coast	3	941	475.65	84.1	400.16	882.27	482.76	80.0	386.10	759.35	3.6	16.2
Jacksonville	1	446	510.30	67.2	343.06	768.78	532.17	60.5	321.85	718.05	6.6	7.1
Orlando	2	2,448	427.60	76.0	325.11	641.80	458.86	58.1	266.55	488.36	22.0	31.4
Los Angeles/Orange County	3	1,067	296.72	79.9	237.19	353.46	287.84	64.9	186.70	266.13	27.0	32.8
San Diego	3	3,294	282.93	76.9	217.70	422.03	257.75	61.6	158.83	295.65	37.1	42.7
New York	2	2,486	281.95	73.3	206.60	313.90	258.15	41.4	106.99	152.56	93.1	105.8
Austin	2	767	289.30	70.1	202.79	358.95	278.59	61.8	172.23	285.80	17.7	25.6
San Francisco/San Jose	6	4,162	290.85	60.8	176.75	267.55	197.28	45.0	88.73	138.84	99.2	92.7
Washington, D.C. (CBD)	5	3,238	270.57	64.2	173.81	261.11	236.46	38.5	91.13	131.17	90.7	99.1
San Antonio	2	1,512	238.60	70.1	167.19	266.21	188.39	67.3	126.82	197.62	31.8	34.7
New Orleans	1	1,333	221.98	73.0	161.94	238.77	203.99	55.9	113.96	167.80	42.1	42.3
Philadelphia	2	810	207.09	74.2	153.60	239.52	176.60	66.7	117.84	183.75	30.3	30.4
Houston	5	1,942	204.18	73.4	149.81	209.59	179.90	60.9	109.60	149.28	36.7	40.4
Northern Virginia	2	916	227.21	65.6	149.04	225.76	198.70	52.8	104.94	148.86	42.0	51.7
Boston	2	1,496	210.79	69.2	145.84	213.40	181.69	47.6	86.56	112.42	68.5	89.8
Atlanta	2	810	196.79	74.0	145.62	242.65	173.11	66.3	114.76	177.40	26.9	36.8
Seattle	2	1,315	197.72	53.1	105.09	156.16	174.78	35.4	61.83	87.48	70.0	78.5
Chicago	3	1,562	178.91	51.6	92.37	135.28	161.26	40.6	65.54	87.91	40.9	53.9
Denver	3	1,340	171.90	48.7	83.66	114.72	152.03	45.3	68.83	102.89	21.6	11.5
Other	10	3,061	357.65	58.2	208.18	321.87	389.78	51.8	201.81	302.03	3.2	6.6
Domestic	70	39,530	323.40	68.7	222.11	374.23	311.23	54.9	170.92	281.16	29.9	33.1
International	5	1,499	171.05	60.3	103.18	145.42	98.95	39.5	39.12	57.86	163.7	151.3
All Locations	75	41,029	318.49	68.4	217.77	365.93	305.60	54.4	166.12	273.06	31.1	34.0

Results by Location - actual, based on ownership period⁽¹⁾

Location	As of March 31,		Quarter ended March 31, 2023				Quarter ended March 31, 2022				Percent Change in RevPAR	Percent Change in Total RevPAR
	2023	2022	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR		
	No. of Properties	No. of Properties										
Miami	2	3	\$ 643.96	77.9 %	\$ 501.89	\$ 862.22	\$ 620.11	73.3 %	\$ 454.45	\$ 702.36	10.4 %	22.8 %
Maui/Oahu	4	4	605.58	76.2	461.65	700.34	544.76	76.4	416.04	640.84	11.0	9.3
Phoenix	3	4	506.37	81.9	414.65	815.69	458.96	73.8	338.92	674.47	22.3	20.9
Florida Gulf Coast	5	5	435.50	60.8	264.99	577.81	555.52	74.0	411.06	785.14	(35.5)	(26.4)
Jacksonville	1	1	510.30	67.2	343.06	768.78	532.17	60.5	321.85	718.05	6.6	7.1
Orlando	2	2	427.60	76.0	325.11	641.80	458.86	58.1	266.55	488.36	22.0	31.4
Los Angeles/Orange County	3	3	296.72	79.9	237.19	353.46	287.84	64.9	186.70	266.13	27.0	32.8
San Diego	3	3	282.93	76.9	217.70	422.03	257.75	61.6	158.83	295.65	37.1	42.7
New York	2	3	281.95	73.3	206.60	313.90	228.68	41.2	94.16	129.59	119.4	142.2
Austin	2	2	289.30	70.1	202.79	358.95	278.59	61.8	172.23	285.80	17.7	25.6
San Francisco/San Jose	6	6	290.85	60.8	176.75	267.55	197.28	45.0	88.73	138.84	99.2	92.7
Washington, D.C. (CBD)	5	5	270.57	64.2	173.81	261.11	236.46	38.5	91.13	131.17	90.7	99.1
San Antonio	2	2	238.60	70.1	167.19	266.21	188.39	67.3	126.82	197.62	31.8	34.7
New Orleans	1	1	221.98	73.0	161.94	238.77	203.99	55.9	113.96	167.80	42.1	42.3
Philadelphia	2	2	207.09	74.2	153.60	239.52	176.60	66.7	117.84	183.75	30.3	30.4
Houston	5	5	204.18	73.4	149.81	209.59	179.90	60.9	109.60	149.28	36.7	40.4
Northern Virginia	2	2	227.21	65.6	149.04	225.76	198.70	52.8	104.94	148.86	42.0	51.7
Boston	2	2	210.79	69.2	145.84	213.40	176.81	44.8	79.22	101.27	84.1	110.7
Atlanta	2	2	196.79	74.0	145.62	242.65	173.11	66.3	114.76	177.40	26.9	36.8
Seattle	2	2	197.72	53.1	105.09	156.16	174.78	35.4	61.83	87.48	70.0	78.5
Chicago	3	4	178.91	51.6	92.37	135.28	156.81	40.1	62.93	84.05	46.8	60.9
Denver	3	3	171.90	48.7	83.66	114.72	152.03	45.3	68.83	102.89	21.6	11.5
Other	10	9	357.65	58.2	208.18	321.87	272.54	50.8	138.46	193.54	50.4	66.3
Domestic	72	75	323.61	68.0	220.10	371.64	305.25	54.5	166.48	273.41	32.2	35.9
International	5	5	171.05	60.3	103.18	145.42	98.95	39.5	39.12	57.86	163.7	151.3
All Locations	77	80	318.78	67.7	215.94	363.65	300.20	54.0	162.22	266.25	33.1	36.6

(1) Represents the results of the portfolio for the time period of our ownership, including the results of non-comparable properties, dispositions through their date of disposal and acquisitions beginning as of the date of acquisition.

Hotel Business Mix

Our customers fall into three broad categories: transient, group, and contract business, which accounted for approximately 65%, 32%, and 3%, respectively, of our full year 2022 room sales. The information below is derived from business mix data for the 75 comparable hotels as of March 31, 2023. 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 transient, group and contract business:

	Quarter ended March 31, 2023			Quarter ended March 31, 2022		
	Transient business	Group business	Contract business	Transient business	Group business	Contract business
Room nights (in thousands)	1,332	1,038	159	1,220	648	142
Rooms Revenues (in millions)	\$ 476	\$ 300	\$ 29	\$ 420	\$ 173	\$ 21

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 positioning 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. We believe we have sufficient liquidity to fund corporate expenses, capital expenditures and dividends and remain well positioned to execute additional investment 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, 2023, we had \$563 million of cash and cash equivalents, \$203 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 program in place to repurchase Host Inc. common stock. During the first quarter of 2023, we repurchased 3.2 million shares at an average price of \$15.65 per share, exclusive of commissions, through this program for a total of \$50 million. The common stock may be purchased from time to time depending upon market conditions and may be purchased in the open market or through private transactions or by other means, including principal transactions with various financial institutions, like 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 plan does not obligate us to repurchase any specific number or any specific dollar amount of shares and may be suspended at any time at our discretion. At March 31, 2023, we had \$923 million available for repurchase under our program.

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 2023, 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, in some cases, 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 of 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 primarily by proceeds from sales of hotels, but also potentially from 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 Operating Activities. In the first quarter of 2023, net cash provided by operating activities was \$308 million compared to \$261 million for 2022. The \$47 million increase in 2023 was primarily driven by improved operations at our hotels compared to the first quarter of 2022.

Cash Used in Investing Activities. Net cash used in investing activities was \$105 million during the first quarter of 2023 compared to \$92 million for 2022. Cash used in investing activities during the first quarter of 2023 primarily related to \$146 million of capital expenditures and investment in our joint ventures. 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 provided by investing activities in the first quarters of 2023 and 2022 each includes the sale of one hotel, with 2023 proceeds of \$37 million related to the sale of The Camby, Autograph Collection, which is net of a \$72 million loan issued to the buyer in connection with the sale.

Cash Used in Financing Activities. In the first quarter of 2023, net cash used in financing activities was \$308 million compared to \$693 million for 2022. Cash used in financing activities in the first quarter of 2023 primarily related to the payment of common stock dividends and common stock repurchases. In the first quarter of 2022, cash used in financing activities included the repayment of the credit facility revolver.

The following table summarizes significant equity transactions that have been completed through May 3, 2023 (in millions):

Transaction Date	Description of Transaction	Transaction Amount
Equity of Host Inc.		
January - April 2023	Dividend payments ⁽¹⁾⁽²⁾	\$ (313)
March 2023	Repurchase of 3.2 million shares of Host Inc. common stock	(50)
	Cash payments on equity transactions	<u>\$ (363)</u>

(1) In connection with the dividend payments, Host L.P. made distributions of \$318 million to its common OP unit holders.

(2) Includes the fourth quarter 2022 dividend that was paid in January 2023.

Debt

As of March 31, 2023, our total debt was \$4.2 billion, with a weighted average interest rate of 4.5% and a weighted average maturity of 5 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

On January 4, 2023, we entered into the sixth amended and restated senior revolving credit and term loan facility, with Bank of America, N.A., as administrative agent, Wells Fargo Bank, N.A. and JPMorgan Chase Bank, N.A. as co-syndication agents, and certain other agents and lenders. The credit facility allows for revolving borrowings in an aggregate principal amount of up to \$1.5 billion. The revolver also includes a foreign currency subfacility for Canadian dollars, Australian dollars, Euros, British pounds sterling and, if available to the lenders, Mexican pesos, of up to the foreign currency equivalent of \$500 million, subject to a lower amount in the case of Mexican peso borrowings. The credit facility also provides for a term loan facility of \$1 billion (which is fully utilized), a subfacility of up to \$100 million for swingline borrowings in currencies other than U.S. dollars and a subfacility of up to \$100 million for issuances of letters of credit. Host L.P. also has the option to add in the future \$500 million of commitments which may be used for additional revolving credit facility borrowings and/or term loans, subject to obtaining additional loan commitments (which we have not currently obtained) and the satisfaction of certain conditions. The revolving credit facility has an initial scheduled maturity date of January 4, 2027, which date may be extended by up to a year, one \$500 million term loan tranche has an initial maturity date of January 4, 2027, which date may be extended up to a year and the second \$500 million term loan tranche has a maturity date of January 4, 2028, which date may not be extended. The exercise of any extension options is subject to certain various conditions, including the payment of an extension fee. The new credit facility also converted the underlying reference rate from LIBOR to SOFR plus a credit spread adjustment of 10 basis points.

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.

At March 31, 2023, we were in compliance with all of our financial covenants under the credit facility. The following table summarizes the results of the financial tests required by the credit facility, which are calculated on a trailing twelve-month basis:

	Actual Ratio	Covenant Requirement for all years
Leverage ratio	2.2 x	Maximum ratio of 7.25x
Fixed charge coverage ratio	9.0 x	Minimum ratio of 1.25x
Unsecured interest coverage ratio ⁽¹⁾	10.2 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, 2023:

	Actual Ratio	Covenant Requirement
Unencumbered assets tests	483 %	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	10.0 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, 2022.

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, 2023, 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.

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 15, 2023, Host Inc.'s Board of Directors announced a regular quarterly cash dividend of \$0.12 per share on Host Inc.'s common stock. The dividend was paid on April 17, 2023 to stockholders as of record on March 31, 2023. All future dividends are subject to Board approval.

Critical Accounting Estimates

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, 2022.

Comparable Hotel Operating Statistics and Results

Effective January 1, 2023, the Company ceased presentation of All Owned Hotel results and returned to a comparable hotel presentation for its hotel level results. Management believes this provides investors with a better understanding of underlying growth

trends for our current portfolio, without impact from properties that experienced closures due to renovations or property damage sustained.

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

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

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

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

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

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

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 (“EBITDA_{re}”) and Adjusted EBITDA_{re}, 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
- Comparable hotel operating 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, 2022 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 EBITDA_{re} 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, EBITDA_{re}, and Adjusted EBITDA_{re} to net income, the financial measure calculated and presented in accordance with GAAP that we consider the most directly comparable:

Reconciliation of Net Income to EBITDA, EBITDA_{re} and Adjusted EBITDA_{re} for Host Inc. and Host L.P.
(in millions)

	Quarter ended March 31,	
	2023	2022
Net income	\$ 291	\$ 118
Interest expense	49	36
Depreciation and amortization	169	172
Income taxes	(2)	(16)
EBITDA	<u>507</u>	<u>310</u>
Gain on dispositions ⁽¹⁾	(69)	(12)
Equity investment adjustments:		
Equity in earnings of affiliates	(7)	(2)
Pro rata EBITDA _{re} of equity investments ⁽²⁾	13	10
EBITDA_{re} and Adjusted EBITDA_{re}	<u>\$ 444</u>	<u>\$ 306</u>

(1) Reflects the sale of one hotel in each of the quarters ended March 31, 2023 and 2022.

(2) Unrealized gains of our unconsolidated investments are not recognized in our EBITDA_{re}, Adjusted EBITDA_{re}, 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 certain real estate assets, gains and losses from the sale of certain real estate assets, gains and losses from change in control, impairment expense of certain real estate assets and investments and adjustments for consolidated partially-owned entities and unconsolidated affiliates. Adjustments for consolidated partially-owned entities and unconsolidated affiliates are calculated to reflect our pro rata share of the FFO of those entities on the same basis.

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, the financial measure calculated and presented in accordance with GAAP that we consider most directly comparable:

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

	Quarter ended March 31,	
	2023	2022
Net income	\$ 291	\$ 118
Less: Net income attributable to non-controlling interests	(4)	(2)
Net income attributable to Host Inc.	287	116
Adjustments:		
Gain on dispositions ⁽¹⁾	(69)	(12)
Depreciation and amortization	168	171
Equity investment adjustments:		
Equity in earnings of affiliates	(7)	(2)
Pro rata FFO of equity investments ⁽²⁾	10	9
Consolidated partnership adjustments:		
FFO adjustments for non-controlling interests of Host L.P.	(1)	(3)
NAREIT FFO	388	279
Adjustments to NAREIT FFO:		
Loss on debt extinguishment	4	—
Adjusted FFO	\$ 392	\$ 279
For calculation on a per share basis:⁽³⁾		
Diluted weighted average shares outstanding - EPS, NAREIT FFO and Adjusted FFO	714.9	716.1
Diluted earnings per common share	\$ 0.40	\$ 0.16
NAREIT FFO per diluted share	\$ 0.54	\$ 0.39
Adjusted FFO per diluted share	\$ 0.55	\$ 0.39

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

(3) Diluted earnings (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 minority 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.

Comparable Hotel Property Level Operating Results

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

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

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

The following tables present certain operating results and statistics for our hotels for the periods presented herein and a reconciliation of the differences between comparable Hotel EBITDA, a non-GAAP financial measure, and net income, 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:

Comparable Hotel Results for Host Inc. and Host L.P.
(in millions, except hotel statistics)

	Quarter ended March 31,	
	2023	2022
Number of hotels	75	75
Number of rooms	41,029	41,029
Change in comparable hotel Total RevPAR	34.0%	—
Change in comparable hotel RevPAR	31.1%	—
Operating profit margin ⁽¹⁾	18.0%	11.4%
Comparable hotel EBITDA margin ⁽¹⁾	32.5%	30.3%
Food and beverage profit margin ⁽¹⁾	37.6%	32.7%
Comparable hotel food and beverage profit margin ⁽¹⁾	37.6%	33.6%
Net income	\$ 291	\$ 118
Depreciation and amortization	169	172
Interest expense	49	36
Benefit for income taxes	(2)	(16)
Gain on sale of property and corporate level income/expense	(59)	7
Severance expense at hotel properties	—	2
Property transaction adjustments ⁽²⁾	(3)	19
Non-comparable hotel results, net ⁽³⁾	(6)	(33)
Comparable hotel EBITDA	\$ 439	\$ 305

(1) Profit margins are calculated by dividing the applicable operating profit by the related revenue amount. GAAP profit margins are calculated using amounts presented in the unaudited condensed consolidated statements of operations. Comparable hotel margins are calculated using amounts presented in the following tables, which include reconciliations to the applicable GAAP results:

	Quarter ended March 31, 2023					Quarter ended March 31, 2022					
	GAAP Results	Adjustments			Comparable hotel Results	GAAP Results	Adjustments			Comparable hotel Results	
		Property transaction adjustments ⁽²⁾	Non-comparable hotel results, net ⁽³⁾	Depreciation and corporate level items			Severance at hotel properties	Property transaction adjustments ⁽²⁾	Non-comparable hotel results, net ⁽³⁾		Depreciation and corporate level items
Revenues											
Room	\$ 820	\$ (5)	\$ (10)	\$ —	\$ 805	\$ 655	\$ —	\$ (5)	\$ (36)	\$ —	\$ 614
Food and beverage	431	(2)	(9)	—	420	297	—	3	(24)	—	276
Other	130	—	(2)	—	128	122	—	4	(6)	—	120
Total revenues	1,381	(7)	(21)	—	1,353	1,074	—	2	(66)	—	1,010
Expenses											
Room	193	(1)	(2)	—	190	160	—	(10)	(4)	—	146
Food and beverage	269	(1)	(6)	—	262	200	—	(2)	(15)	—	183
Other	471	(2)	(7)	—	462	397	(2)	(5)	(14)	—	376
Depreciation and amortization	169	—	—	(169)	—	172	—	—	—	(172)	—
Corporate and other expenses	31	—	—	(31)	—	23	—	—	—	(23)	—
Total expenses	1,133	(4)	(15)	(200)	914	952	(2)	(17)	(33)	(195)	705
Operating Profit - Comparable hotel EBITDA	\$ 248	\$ (3)	\$ (6)	\$ 200	\$ 439	\$ 122	\$ 2	\$ 19	\$ (33)	\$ 195	\$ 305

(2) Property transaction adjustments represent the following items: (i) the elimination of results of operations of hotels sold or held-for-sale as of March 31, 2023, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations, and (ii) the addition of results for periods prior to our ownership for hotels acquired as of March 31, 2023.

(3) Non-comparable hotel results, net, includes the following items: (i) the results of operations of our non-comparable hotels, which operations are included in our consolidated statements of operations as continuing operations, and (ii) gains on business interruption proceeds relating to events that occurred while the hotels were classified as non-comparable.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

Interest Rate Sensitivity

As of March 31, 2023 and December 31, 2022, 76% 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, 2023, 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. No foreign currency hedging transactions were entered into during the first quarter of 2023. We currently have three foreign currency forward purchase contracts with a total notional amount of CAD 99 million (\$75 million), which will mature in August and September 2023. 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 3, 2022, the Board of Directors authorized an increase in the amount authorized under the Company's share repurchase program from the existing \$371 remaining available to \$1 billion. 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.

Period	Total Number of Host Inc. Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Common Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1, 2023 – January 31, 2023	—	\$ —	—	\$ 973
February 1, 2023 – February 28, 2023	—	—	—	973
March 1, 2023 – March 31, 2023	3,190,047	15.65	3,190,047	923
Total	3,190,047	\$ 15.65	3,190,047	\$ 923

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

Period	Total Number of Host L.P. Common OP Units Purchased	Average Price Paid per Common OP Unit	Total Number of OP Units Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Units that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1, 2023 – January 31, 2023	23,556 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
February 1, 2023 – February 28, 2023	21,859 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
March 1, 2023 – March 31, 2023	3,167,102 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
Total	3,212,517		—	—

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

** Reflects (i) 3,122,923 common OP units repurchased to fund the repurchase by Host Inc. of 3,190,047 shares of common stock as part of its publicly announced share repurchase program, and (ii) 44,179 common OP units redeemed by holders 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 of 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.

<u>Exhibit No.</u>	<u>Description</u>
3.	Articles of Incorporation and Bylaws
3.2	Amended and Restated Bylaws of Host Hotels & Resorts, Inc., effective as of February 8, 2023 (incorporated by reference to Exhibit 3.2 of Host Hotels & Resorts, Inc.'s Current Report on Form 8-K filed on February 13, 2023).
10.	Material Contracts
10.8	Sixth Amended and Restated Credit Agreement, dated as of January 4, 2023, among Host Hotels & Resorts, L.P., Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as co-syndication agents, and various other agents and lenders (incorporated by reference to Exhibit 10.1 to the combined Current Report on Form 8-K of Host Hotels & Resorts, Inc. and Host Hotels & Resorts, L.P., filed on January 5, 2023).
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. *Submitted electronically with this report.*
- 101.CAL Inline XBRL Taxonomy Calculation Linkbase Document. *Submitted electronically with this report.*
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document. *Submitted electronically with this report.*
- 101.LAB Inline XBRL Taxonomy Label Linkbase Document. *Submitted electronically with this report.*
- 101.PRE Inline XBRL Taxonomy Presentation Linkbase Document. *Submitted electronically with this report.*
- 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, 2023 and 2022, respectively, for Host Hotels & Resorts, Inc.; (ii) the Condensed Consolidated Balance Sheets at March 31, 2023 and December 31, 2022, respectively, for Host Hotels & Resorts, Inc.; (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the Quarter ended March 31, 2023 and 2022, respectively, for Host Hotels & Resorts, Inc.; (iv) the Condensed Consolidated Statements of Cash Flows for the Quarter ended March 31, 2023 and 2022, respectively, for Host Hotels & Resorts, Inc.; (v) the Condensed Consolidated Statements of Operations for the Quarter ended March 31, 2023 and 2022, respectively, for Host Hotels & Resorts, L.P.; (vi) the Condensed Consolidated Balance Sheets at March 31, 2023 and December 31, 2022, respectively, for Host Hotels & Resorts, L.P.; (vii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the Quarter ended March 31, 2023 and 2022, respectively, for Host Hotels & Resorts, L.P.; (viii) the Condensed Consolidated Statements of Cash Flows for the Quarter ended March 31, 2023 and 2022, 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 5, 2023

/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 5, 2023

/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 5, 2023

/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 5, 2023

/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 5, 2023

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 5, 2023

/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, 2023 (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 5, 2023

/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, 2023 (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 5, 2023

/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.
