



PARK HOTELS & RESORTS PROVIDES UPDATE ON OPERATING TRENDS

Tysons, Va., April 13, 2022 — Park Hotels & Resorts Inc. (“Park” or the “Company”) (NYSE:PK) today provided an operational update.

Recent Highlights

- Occupancy for March 2022 for Park’s 48 consolidated hotels was 63.0%, a sequential improvement of over 10 percentage points from February 2022;
- Repurchased 3.4 million shares of common stock at an average price of \$17.99 per share, or \$61 million, during the first quarter of 2022; and
- Accelerated plans to reopen Park’s remaining suspended hotel, the 1,024-room Parc 55 San Francisco – a Hilton Hotel, with a target reopening date of May 19, 2022, based on improving demand trends in the San Francisco market.

“I am incredibly pleased with the broad-based recovery taking shape across our portfolio,” said Thomas J. Baltimore, Jr., Chairman and CEO of Park. “While leisure demand remains robust in our Hawaii, Florida and Puerto Rico markets, business transient and group demand strengthened throughout March, especially across our urban portfolio including San Francisco, New York, Boston, Washington, D.C. and Chicago, with the pace of improvement expected to accelerate over the balance of the year. We currently expect April 2022 occupancy at our open hotels to improve sequentially by over 600 basis points, to the low 70% range, while average daily rate is forecasted to exceed 2019 by approximately 8%, leading to RevPAR that is just 7% shy of 2019. Overall, we are incredibly encouraged by the pace of recovery across all demand segments, with Park’s portfolio on track to fully recover by 2023.”

Operational Highlights

- Pro-forma Occupancy, ADR and RevPAR for March 2022 and comparisons to February 2022, March 2021 and March 2019 for Park's 48 consolidated hotels were as follows:

	Preliminary March 2022	vs. February 2022	vs. March 2021	vs. March 2019
Pro-forma Occupancy	63.0%	10.1% pts	30.1% pts	(19.3)% pts
Pro-forma ADR	\$ 236.08	5.5%	39.5%	5.4%
Pro-forma RevPAR	\$ 148.67	25.7%	167.1%	(19.3)%

- Pro-forma Occupancy, ADR and RevPAR for March 2022 and comparisons to February 2022, March 2021 and March 2019 for Park's 47 consolidated hotels open during the entirety of March 2022 were as follows:

	Preliminary March 2022	vs. February 2022	vs. March 2021	vs. March 2019
Pro-forma Occupancy	65.4%	10.5% pts	31.2% pts	(16.6)% pts
Pro-forma ADR	\$ 236.08	5.5%	39.5%	6.5%
Pro-forma RevPAR	\$ 154.34	25.7%	167.1%	(15.1)%

- Occupancy forecasted to be 69.4% in April 2022 for Park's 48 consolidated hotels and 72.0% for Park's 47 consolidated hotels open during the entirety of April 2022;
- Generated Hotel Revenues of \$145 million and positive Hotel Adjusted EBITDA of \$27 million in February 2022 (compared to \$116 million and \$3 million, respectively, for January 2022), with 27 of 46 consolidated hotels that were open during February 2022 generating positive Hotel Adjusted EBITDA;
- In March of 2022, group bookings for the remainder of 2022 and 2023 tripled, an increase of approximately 200,000 room nights, up from approximately 65,000 room nights in February 2022;
- As of the end of March, group bookings for the remainder of 2022 are 66% of what 2019 group bookings were as of March 2019, an improvement of 400 bps from December 2021, with average group rate in line with 2019 levels for the same time period; while group bookings for 2023 are 73% of what 2019 group bookings were as of March 2018, with average group rate exceeding 2019 group levels by 2.5% for the same time period;
- Group lead volumes continue to increase, with March 2022 lead demand up over 30% compared to January 2022, representing approximately 90% of 2019 levels; and
- Mid-week occupancies, excluding resort hotels, more than doubled to 54% in March of 2022 compared to the end of January 2022, signaling continued recovery of business transient demand.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, but are not limited to, statements related to Park's current expectations regarding the performance of its business, financial results, liquidity and capital resources, including expected dates that its hotels will break even or achieve positive Hotel Adjusted EBITDA, the impact to the Company's business and financial condition and that of its hotel management companies, measures being taken in response to COVID-19, the impact from macroeconomic factors (including inflation and geopolitical conflicts), the effects of competition and the effects of future legislation or regulations, the expected completion of anticipated dispositions, the declaration and payment of future dividends and other non-historical statements. Forward-looking statements include all statements that are not historical facts, and in some cases, can be identified by the use of forward-looking terminology such as the words "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates," "hopes" or the negative version of these words or other comparable words. You should not rely on forward-looking statements

since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and which could materially affect its results of operations, financial condition, cash flows, performance or future achievements or events. Currently, one of the most significant factors continues to be the adverse effect of COVID-19, including actions taken to contain the pandemic or mitigate its effects, the emergences of virus variants and resurgences, on the Company's financial condition, results of operations, cash flows and performance, its hotel management companies and its hotels' tenants, and the global economy and financial markets. Investors are cautioned to interpret many of the risks identified in the risk factors included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 as being heightened as a result of the ongoing and numerous adverse effects of COVID-19.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements and Park urges investors to carefully review the disclosures Park makes concerning risk and uncertainties in Item 1A: "Risk Factors" in Park's Annual Report on Form 10-K for the year ended December 31, 2021, as such factors may be updated from time to time in Park's filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Except as required by law, Park undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

About Park Hotels & Resorts

Park is the second largest publicly traded lodging REIT with a diverse portfolio of market-leading hotels and resorts with significant underlying real estate value. Park's portfolio currently consists of 54 premium-branded hotels and resorts with approximately 32,000 rooms primarily located in prime city center and resort locations. Visit www.pkhotelsandresorts.com for more information.

PARK HOTELS & RESORTS INC.
NON-GAAP FINANCIAL MEASURES RECONCILIATIONS
HOTEL EBITDA, HOTEL ADJUSTED EBITDA AND
HOTEL REVENUES

(unaudited, in millions)

	Month Ended February 28, 2022
Hotel net income	\$ (5)
Depreciation and amortization expense	23
Interest expense	8
Hotel EBITDA	26
Other	1
Hotel Adjusted EBITDA	<u>\$ 27</u>

(unaudited, in millions)

	Month Ended February 28, 2022
Total Revenues	\$ 150
Less: Other revenue	(5)
Hotel Revenues	<u>\$ 145</u>

(unaudited, in millions)

	Month Ended January 31, 2022
Hotel net income	\$ (29)
Depreciation and amortization expense	23
Interest expense	9
Hotel EBITDA and Hotel Adjusted EBITDA	<u>\$ 3</u>

(unaudited, in millions)

	Month Ended January 31, 2022
Total Revenues	\$ 122
Less: Other revenue	(6)
Hotel Revenues	<u>\$ 116</u>

PARK HOTELS & RESORTS INC.

DEFINITIONS

EBITDA and Hotel Adjusted EBITDA

Hotel earnings before interest expense, taxes and depreciation and amortization (“Hotel EBITDA”), presented herein, reflects net income excluding depreciation and amortization, interest income, interest expense and income taxes of the Company’s consolidated hotels. Hotel Adjusted EBITDA is Hotel EBITDA further adjusted to exclude items that management believes are not representative of the Company’s consolidated hotels current or future operating performance and is a key measure of the Company’s consolidated hotels profitability. The Company presents Hotel Adjusted EBITDA to help the Company and its investors evaluate the ongoing operating performance of the Company’s consolidated hotels.

Hotel EBITDA and Hotel Adjusted EBITDA are not recognized terms under United States (“U.S.”) GAAP and should not be considered as an alternative to net income or other measures of financial performance or liquidity derived in accordance with U.S. GAAP. In addition, the Company’s definition of Hotel EBITDA and Hotel Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

The Company believes that Hotel EBITDA and Hotel Adjusted EBITDA provides useful information to investors about the Company and its financial condition and results of operations for the following reasons: (i) Hotel EBITDA and Hotel Adjusted EBITDA are among the measures used by the Company’s management team to make day-to-day operating decisions and evaluate its operating performance between periods and between REITs by removing the effect of its capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from its operating results; and (ii) Hotel EBITDA and Hotel Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties as common performance measures to compare results or estimate valuations across companies in the industry.

Hotel EBITDA and Hotel Adjusted EBITDA have limitations as analytical tools and should not be considered either in isolation or as a substitute for net income (loss) or other methods of analyzing the Company’s operating performance and results as reported under U.S. GAAP.

Occupancy

Occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels. Room nights available to guests have not been adjusted for suspended or reduced operations at certain of Park’s hotels as a result of COVID-19. Occupancy measures the utilization of the Company’s hotels’ available capacity. Management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help management determine achievable Average Daily Rate (“ADR”) levels as demand for rooms increases or decreases.

Average Daily Rate

ADR (or rate) represents rooms revenue divided by total number of room nights sold in a given period. ADR measures average room price attained by a hotel and ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. ADR is a commonly used performance measure in the hotel industry, and management uses ADR to assess pricing levels that the Company is able to generate by type of customer, as changes in rates have a more pronounced effect on overall revenues and incremental profitability than changes in occupancy, as described above.

Revenue per Available Room

Revenue per Available Room (“RevPAR”) represents rooms revenue divided by the total number of room nights available to guests for a given period. Room nights available to guests have not been adjusted for

suspended or reduced operations at certain of Park's hotels as a result of COVID-19. Management considers RevPAR to be a meaningful indicator of the Company's performance as it provides a metric correlated to two primary and key factors of operations at a hotel or group of hotels: occupancy and ADR. RevPAR is also a useful indicator in measuring performance over comparable periods.

Pro-forma

The Company presents certain data for its consolidated hotels on a pro-forma hotel basis as supplemental information for investors: Pro-forma Hotel Revenues, Pro-forma RevPAR, Pro-forma Total RevPAR, Pro-forma Occupancy, Pro-forma ADR, Pro-forma Hotel Adjusted EBITDA and Pro-forma Hotel Adjusted EBITDA Margin. The Company presents pro-forma hotel results to help the Company and its investors evaluate the ongoing operating performance of its hotels. The Company's pro-forma metrics exclude results from property dispositions that have occurred through April 12, 2022 and include results from property acquisitions as though such acquisitions occurred on the earliest period presented.

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*For additional information or to receive press releases via e-mail, please visit our website at
www.pkhotelsandresorts.com*