
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

OR

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

For the transition period from _____ to _____

Commission File Number 001-37795

Park Hotels & Resorts Inc.

(Exact name of Registrant as specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

36-2058176

(I.R.S Employer
Identification No.)

1775 Tysons Boulevard, 7th Floor, Tysons, VA

(Address of principal executive offices)

22102

(Zip Code)

(Registrant's telephone number, including area code): **(571) 302-5757**

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, \$0.01 par value per share	PK	New York Stock Exchange

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. 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). 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.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth 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). Yes ☐ No ☒

The number of shares of common stock outstanding on October 30, 2025 was 199,898,278.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

PARK HOTELS & RESORTS INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in millions, except share and per share data)

	September 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Property and equipment, net	\$ 7,174	\$ 7,398
Contract asset	868	820
Intangibles, net	41	41
Cash and cash equivalents	278	402
Restricted cash	31	38
Accounts receivable, net of allowance for doubtful accounts of \$3 and \$4	124	131
Prepaid expenses	55	69
Other assets	78	71
Operating lease right-of-use assets	181	191
TOTAL ASSETS (variable interest entities – \$209 and \$223)	\$ 8,830	\$ 9,161
LIABILITIES AND EQUITY		
Liabilities		
Debt	\$ 3,839	\$ 3,841
Debt associated with hotels in receivership	725	725
Accrued interest associated with hotels in receivership	143	95
Accounts payable and accrued expenses	237	226
Dividends payable	56	138
Due to hotel managers	107	138
Other liabilities	182	179
Operating lease liabilities	215	225
Total liabilities (variable interest entities – \$196 and \$201)	5,504	5,567
Commitments and contingencies – refer to Note 12		
Stockholders' Equity		
Common stock, par value \$0.01 per share, 6,000,000,000 shares authorized, 200,945,761 shares issued and 199,911,257 shares outstanding as of September 30, 2025 and 203,407,320 shares issued and 202,553,194 shares outstanding as of December 31, 2024	2	2
Additional paid-in capital	4,027	4,063
Accumulated deficit	(647)	(420)
Total stockholders' equity	3,382	3,645
Noncontrolling interests	(56)	(51)
Total equity	3,326	3,594
TOTAL LIABILITIES AND EQUITY	\$ 8,830	\$ 9,161

Refer to the notes to the unaudited condensed consolidated financial statements.

PARK HOTELS & RESORTS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues				
Rooms	\$ 370	\$ 403	\$ 1,134	\$ 1,193
Food and beverage	150	157	512	521
Ancillary hotel	67	68	198	196
Other	23	21	68	64
Total revenues	610	649	1,912	1,974
Operating expenses				
Rooms	106	107	311	314
Food and beverage	112	112	357	356
Other departmental and support	148	154	451	454
Other property	56	65	163	174
Management fees	27	30	88	93
Impairment and casualty loss	—	—	70	13
Depreciation and amortization	78	63	269	192
Corporate general and administrative	17	17	54	52
Other	23	21	67	62
Total expenses	567	569	1,830	1,710
Gain on sale of assets, net	—	—	1	—
Gain on derecognition of assets	16	15	48	44
Operating income	59	95	131	308
Interest income	3	6	8	16
Interest expense	(53)	(54)	(158)	(161)
Interest expense associated with hotels in receivership	(16)	(15)	(48)	(44)
Equity in earnings from investments in affiliates	—	28	2	29
Other (loss) gain, net	(1)	(1)	—	(4)
(Loss) income before income taxes	(8)	59	(65)	144
Income tax (expense) benefit	(6)	(2)	(8)	9
Net (loss) income	(14)	57	(73)	153
Net income attributable to noncontrolling interests	(2)	(3)	(5)	(7)
Net (loss) income attributable to stockholders	<u>\$ (16)</u>	<u>\$ 54</u>	<u>\$ (78)</u>	<u>\$ 146</u>
(Loss) earnings per share:				
(Loss) earnings per share – Basic	\$ (0.08)	\$ 0.26	\$ (0.40)	\$ 0.70
(Loss) earnings per share – Diluted	\$ (0.08)	\$ 0.26	\$ (0.40)	\$ 0.69
Weighted average shares outstanding – Basic	199	206	199	208
Weighted average shares outstanding – Diluted	199	208	199	210

Refer to the notes to the unaudited condensed consolidated financial statements.

PARK HOTELS & RESORTS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Nine Months Ended September 30,	
	2025	2024
Operating Activities:		
Net (loss) income	\$ (73)	\$ 153
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	269	192
Gain on sales of assets, net	(1)	—
Gain on derecognition of assets	(48)	(44)
Impairment loss	70	12
Equity in earnings from investments in affiliates	(2)	(29)
Other loss, net	2	3
Share-based compensation expense	14	14
Amortization of deferred financing costs	6	6
Distributions from unconsolidated affiliates	4	4
Deferred income taxes	4	(13)
Changes in operating assets and liabilities	48	51
Net cash provided by operating activities	293	349
Investing Activities:		
Capital expenditures for property and equipment	(188)	(164)
Proceeds from asset dispositions, net	75	—
Distributions from unconsolidated affiliates	—	33
Contributions to unconsolidated affiliates	—	(3)
Net cash used in investing activities	(113)	(134)
Financing Activities:		
Proceeds from issuance of Senior Notes	—	550
Repurchase or redemption of Senior Notes	—	(650)
Borrowings from credit facilities	—	200
Repayments of mortgage debt	(6)	(6)
Debt issuance costs	(16)	(11)
Dividends paid	(230)	(459)
Distributions to noncontrolling interests, net	(10)	(6)
Tax withholdings on share-based compensation	(4)	(5)
Repurchase of common stock	(45)	(60)
Net cash used in financing activities	(311)	(447)
Net decrease in cash and cash equivalents and restricted cash	(131)	(232)
Cash and cash equivalents and restricted cash, beginning of period	440	750
Cash and cash equivalents and restricted cash, end of period	\$ 309	\$ 518
Supplemental Disclosures		
Non-cash investing and financing activities:		
Accrued capital expenditures	\$ 38	\$ 27
Dividends declared but unpaid	50	51

Refer to the notes to the unaudited condensed consolidated financial statements.

PARK HOTELS & RESORTS INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(unaudited, in millions)

	Common Stock		Additional	Accumulated	Non-	
	Shares	Amount	Paid-in	Deficit	controlling	Total
Balance as of December 31, 2024	203	\$ 2	\$ 4,063	\$ (420)	\$ (51)	\$ 3,594
Share-based compensation, net	1	—	(1)	1	—	—
Net loss	—	—	—	(57)	—	(57)
Dividends and dividend equivalents ⁽¹⁾	—	—	—	(49)	—	(49)
Distributions to noncontrolling interests	—	—	—	—	(7)	(7)
Repurchase of common stock	(4)	—	(45)	—	—	(45)
Balance as of March 31, 2025	200	2	4,017	(525)	(58)	3,436
Share-based compensation, net	—	—	5	—	—	5
Net (loss) income	—	—	—	(5)	3	(2)
Dividends and dividend equivalents ⁽¹⁾	—	—	—	(50)	—	(50)
Distributions to noncontrolling interests	—	—	—	—	(1)	(1)
Balance as of June 30, 2025	200	2	4,022	(580)	(56)	3,388
Share-based compensation, net	—	—	5	—	—	5
Net (loss) income	—	—	—	(16)	2	(14)
Dividends and dividend equivalents ⁽¹⁾	—	—	—	(51)	—	(51)
Distributions to noncontrolling interests	—	—	—	—	(2)	(2)
Balance as of September 30, 2025	200	\$ 2	\$ 4,027	\$ (647)	\$ (56)	\$ 3,326

	Common Stock		Additional	Accumulated	Non-	
	Shares	Amount	Paid-in	Deficit	controlling	Total
Balance as of December 31, 2023	210	\$ 2	\$ 4,156	\$ (344)	\$ (46)	\$ 3,768
Share-based compensation, net	1	—	(2)	2	—	—
Net income	—	—	—	28	1	29
Dividends and dividend equivalents ⁽¹⁾	—	—	—	(53)	—	(53)
Distributions to noncontrolling interests	—	—	—	—	(2)	(2)
Balance as of March 31, 2024	211	2	4,154	(367)	(47)	3,742
Share-based compensation, net	—	—	4	—	—	4
Net income	—	—	—	64	3	67
Dividends and dividend equivalents ⁽¹⁾	—	—	—	(52)	—	(52)
Repurchase of common stock	(2)	—	(25)	—	—	(25)
Balance as of June 30, 2024	209	2	4,133	(355)	(44)	3,736
Share-based compensation, net	—	—	5	—	—	5
Net income	—	—	—	54	3	57
Dividends and dividend equivalents ⁽¹⁾	—	—	—	(52)	—	(52)
Distributions to noncontrolling interests	—	—	—	—	(4)	(4)
Repurchase of common stock	(3)	—	(35)	—	—	(35)
Balance as of September 30, 2024	206	\$ 2	\$ 4,103	\$ (353)	\$ (45)	\$ 3,707

⁽¹⁾ Dividends declared per common share were \$0.25 for each of the three months ended March 31, 2025, June 30, 2025, September 30, 2025, March 31, 2024, June 30, 2024 and September 30, 2024.

Refer to the notes to the unaudited condensed consolidated financial statements.

PARK HOTELS & RESORTS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1: Organization

Park Hotels & Resorts Inc. (“we,” “us,” “our” or the “Company” and, exclusive of any subsidiaries, “Park Parent”) is a Delaware corporation that owns a portfolio of premium-branded hotels and resorts primarily located in prime city center and resort locations. On January 3, 2017, Hilton Worldwide Holdings Inc. (“Hilton”) completed the spin-off of a portfolio of premium hotels and resorts that established Park Hotels & Resorts Inc. as an independent, publicly traded company. On September 18, 2019, we acquired Chesapeake Lodging Trust.

We are a real estate investment trust (“REIT”) for United States (“U.S.”) federal income tax purposes. We have been organized and operated, and we expect to continue to be organized and operate, in a manner to qualify as a REIT. To qualify as a REIT, we must satisfy requirements related to, among other things, the real estate qualification of sources of our income, the real estate composition and values of our assets, the amounts we distribute to our stockholders annually and the diversity of ownership of our stock. From the date of our spin-off from Hilton, Park Intermediate Holdings LLC (our “Operating Company”), directly or indirectly, has held all our assets and has conducted all of our operations. We are structured as a traditional umbrella partnership REIT (“UPREIT”). Park Parent is the managing member of our Operating Company and PK Domestic REIT Inc., a direct subsidiary of Park Parent, is a member of our Operating Company. We may, in the future, issue interests in (or from) our Operating Company in connection with acquiring hotels, financings, issuance of equity compensation or other purposes.

Note 2: Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

Principles of Consolidation

The unaudited condensed consolidated financial statements reflect our financial position, results of operations and cash flows, in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). We have condensed or omitted certain information and footnote disclosures normally included in financial statements presented in accordance with U.S. GAAP. In our opinion, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, including normal recurring items, considered necessary for a fair presentation of the interim periods. All significant intercompany transactions and balances within the financial statements have been eliminated.

These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024 included in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission (“SEC”) on February 20, 2025.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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. Interim results are not necessarily indicative of full year performance.

Summary of Significant Accounting Policies

Our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 20, 2025, contains a discussion of significant accounting policies. There have been no significant changes to our significant accounting policies since December 31, 2024.

Recently Issued Accounting Pronouncements

Accounting Standards Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-09 (“ASU 2023-09”), *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*, which enhances income tax disclosures, including disclosures about the existing rate reconciliation and income taxes paid information. We expect to adopt ASU 2023-09 on a prospective basis when the requirements become effective for the year-ended December 31, 2025. We are currently evaluating the effect that ASU 2023-09 will have on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03 (“ASU 2024-03”), *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, which adds guidance on providing qualitative and quantitative disclosures about certain costs and expenses. Although early adoption is permitted, we expect to adopt ASU 2024-03 on a prospective basis when the requirements become effective for the year ended December 31, 2027. We are currently evaluating the effect that ASU 2024-03 will have on our consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06 (“ASU 2025-06”), *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)*, which better aligns software cost accounting with how software is generally developed. Although early adoption is permitted, we expect to adopt ASU 2025-06 when it becomes effective January 1, 2028 on either a prospective or modified transition approach, which considers the status of software projects that are in progress. We are currently evaluating the effect that ASU 2025-06 will have on our consolidated financial statements.

Note 3: Dispositions

In May 2025, we sold the Hyatt Centric Fisherman’s Wharf for gross proceeds of \$80 million. We recognized a net gain of approximately \$1 million, which is included in *gain on sale of assets, net* in our condensed consolidated statements of operations. In addition, we previously recognized an impairment loss for the Hyatt Centric Fisherman’s Wharf, refer to Note 7: “Fair Value Measurements” for additional information.

Additionally, in September 2025, we permanently closed the Embassy Suites Kansas City Plaza and terminated its ground lease, returning the property to the ground lessor.

In July 2024, the unconsolidated joint venture that owned and operated the Hilton La Jolla Torrey Pines sold the hotel for gross proceeds of approximately \$165 million, and our pro-rata share of the gross proceeds was approximately \$41 million, which was reduced by our portion of debt of approximately \$17 million. We recognized a gain of approximately \$19 million, which is included in *equity in earnings from investments in affiliates* in our condensed consolidated statements of operations.

Additionally, in August 2024, we permanently closed the Hilton Oakland Airport and terminated its ground lease, returning the property to the ground lessor.

Note 4: Property and Equipment

Property and equipment were:

	September 30, 2025	December 31, 2024
	(in millions)	
Land	\$ 2,985	\$ 3,018
Buildings and leasehold improvements	5,814	5,989
Furniture and equipment	1,017	1,023
Construction-in-progress	183	152
	9,999	10,182
Accumulated depreciation	(2,825)	(2,784)
	<u>\$ 7,174</u>	<u>\$ 7,398</u>

Depreciation of property and equipment was \$77 million and \$63 million during the three months ended September 30, 2025 and 2024, respectively, and \$268 million and \$191 million for the nine months ended September 30, 2025 and 2024, respectively. Depreciation expense for the three and nine months ended September 30, 2025 includes accelerated depreciation recognized in connection with renovations at certain of our hotels, including the Royal Palm South Beach Miami, a Tribute Portfolio Resort, which began in May 2025.

Note 5: Consolidated Variable Interest Entities (“VIEs”) and Investments in Affiliates

Consolidated VIEs

We consolidate VIEs that own two hotels. We are the primary beneficiary of these VIEs as we have the power to direct the activities that most significantly affect their economic performance. Additionally, we have the obligation to absorb their losses and the right to receive benefits that could be significant to them. The assets of our VIEs are only available to settle the obligations of these entities. Our condensed consolidated balance sheets include the following assets and liabilities of these entities:

	September 30, 2025	December 31, 2024
	(in millions)	
Property and equipment, net	\$ 182	\$ 181
Cash and cash equivalents	19	34
Restricted cash	3	2
Accounts receivable, net	4	3
Prepaid expenses	1	3
Debt	184	186
Accounts payable and accrued expenses	9	10
Due to hotel manager	—	3
Other liabilities	3	2

Unconsolidated Entities

Three of our hotels are owned by unconsolidated joint ventures in which we hold an interest. These hotels are accounted for using the equity method and had total debt of approximately \$684 million and \$685 million as of September 30, 2025 and December 31, 2024, respectively. Substantially all the debt is secured solely by the affiliates’ assets or is guaranteed by other partners without recourse to us.

Note 6: Debt

Debt balances and associated interest rates as of September 30, 2025 were:

	Interest Rate at September 30, 2025	Maturity Date	Principal balance as of	
			September 30, 2025	December 31, 2024
(in millions)				
HHV Mortgage Loan ⁽¹⁾	4.20%	November 2026	\$ 1,275	\$ 1,275
Other mortgage loans	Average rate of 4.40%	2026 to 2027 ⁽²⁾	357	364
Revolver ⁽³⁾	SOFR + 2.00%	September 2029	—	—
2024 Term Loan	SOFR + 1.95% ⁽⁴⁾	May 2027	200	200
2025 Delayed Draw Term Loan	SOFR + 1.95%	January 2030	—	—
2028 Senior Notes ⁽⁵⁾	5.88%	October 2028	725	725
2029 Senior Notes ⁽⁵⁾	4.88%	May 2029	750	750
2030 Senior Notes ⁽⁵⁾	7.00%	February 2030	550	550
Finance lease obligations	7.04%	2026 to 2028	1	1
			3,858	3,865
Less: unamortized deferred financing costs and discount			(19)	(24)
			\$ 3,839	\$ 3,841

⁽¹⁾ In October 2016, we entered into a \$1.275 billion CMBS loan secured by the Hilton Hawaiian Village Waikiki Beach Resort (“HHV Mortgage Loan”).

⁽²⁾ Assumes the exercise of all extensions that are exercisable solely at our option. The mortgage loan for Hilton Denver City Center matures in 2042 but became callable by the lender in August 2022 with six months notice. As of September 30, 2025, we had not received notice from the lender.

⁽³⁾ Our senior unsecured revolving credit facility (“Revolver”) permits one or more standby letters of credit, up to a maximum aggregate outstanding balance of \$50 million, to be issued on behalf of us. As of September 30, 2025, we had \$1 billion of available capacity under our Revolver and no outstanding letters of credit.

⁽⁴⁾ As of September 30, 2025, our all-in interest rate for the \$200 million senior unsecured term loan (“2024 Term Loan”) was 6.09%.

⁽⁵⁾ Our Operating Company, PK Domestic Property LLC, an indirect subsidiary of the Company (“PK Domestic”), and PK Finance Co-Issuer Inc. (“PK Finance”) issued an aggregate of \$725 million of senior notes due 2028 (“2028 Senior Notes”) in September 2020, an aggregate of \$750 million of senior notes due 2029 (“2029 Senior Notes”) in May 2021 and an aggregate of \$550 million of senior notes due 2030 (“2030 Senior Notes”) in May 2024.

Credit Facilities

Revolver, 2024 Term Loan and 2025 Delayed Draw Term Loan

In September 2025, the Company and our Operating Company entered into a Second Amended and Restated Credit Agreement (the “Credit Agreement”) which provides for an increase in the aggregate commitments for the Revolver from \$950 million to \$1 billion, a new \$800 million senior unsecured delayed draw term loan facility (“2025 Delayed Draw Term Loan”), which allows for up to three draws through September 17, 2026, and the continuation of the 2024 Term Loan. The Credit Agreement extended the Revolver’s maturity date to September 17, 2029, with an option to extend its maturity by one year as either (i) a one-year extension or (ii) two six-month extensions. The 2025 Delayed Draw Term Loan matures on January 2, 2030, with an option to extend its maturity by an additional one-year period. The maturity date of the 2024 Term Loan remains May 14, 2027.

The Credit Agreement includes the option to increase the Revolver and increase or add new term loans under the Credit Agreement by up to \$1 billion in the aggregate, subject to obtaining additional lender commitments and the satisfaction of certain customary conditions. Borrowings under the Revolver, the 2024 Term Loan and the 2025 Delayed Draw Term Loan bear interest based upon the secured overnight financing rate (“SOFR”), plus an applicable margin based on our leverage ratio. The Credit Agreement removed the previous credit spread adjustment on the Revolver and the 2024 Term Loan of 0.10%. We are subject to fees between 0.20% and 0.25% based on unused commitments under the Revolver,

as well as a 0.25% ticking fee on the undrawn portion of the 2025 Delayed Draw Term Loan. As of September 30, 2025, there were no borrowings outstanding under the Revolver or the 2025 Delayed Draw Term Loan.

The Credit Agreement generally maintained the financial covenants under our existing credit agreement, including a maximum leverage ratio, minimum fixed charge coverage ratio, maximum secured leverage ratio, maximum unsecured indebtedness to unencumbered asset value ratio and minimum unencumbered adjusted net operating income to unsecured interest coverage ratio. During the three and nine months ended September 30, 2025, we capitalized \$8 million of financing fees incurred related to the Revolver and \$8 million related to the 2025 Delayed Draw Term Loan. We will begin amortizing financing fees for the 2025 Delayed Draw Term Loan when drawn upon.

Debt Maturities

The contractual maturities of our debt, excluding debt associated with hotels in receivership, and assuming the exercise of all extensions that are exercisable solely at our option, as of September 30, 2025 were:

Year	(in millions)
2025	\$ 53
2026	1,550
2027	230
2028	725
2029	750
Thereafter	550
	<u>\$ 3,858</u>

Debt Associated with Hotels in Receivership

In June 2023, we ceased making debt service payments towards the \$725 million non-recourse CMBS loan (“SF Mortgage Loan”) secured by two of our San Francisco hotels – the 1,921-room Hilton San Francisco Union Square and the 1,024-room Parc 55 San Francisco – a Hilton Hotel (collectively, the “Hilton San Francisco Hotels”). The SF Mortgage Loan was due November 2023, and we received a notice of default from the servicer. The stated rate on the loan is 4.11%; however, beginning June 1, 2023, the default interest rate on the loan is 7.11%. Additionally, beginning June 1, 2023, the loan accrues a monthly late payment administrative fee of 3% of the monthly amount due. In October 2023, the trustee for the SF Mortgage Loan filed a lawsuit against the borrowers under the SF Mortgage Loan. In connection with the lawsuit, the court appointed a receiver to take control of the Hilton San Francisco Hotels, which serve as security for the SF Mortgage Loan, and their operations, and thus, we have no further economic interest in the operations of the hotels. The receiver operates and has authority over the Hilton San Francisco Hotels, and also has the ability to sell the hotels. The receiver has executed an agreement to sell the hotels, and the court has approved the transaction with a closing expected by November 21, 2025. If the hotels are not sold to the buyer by November 21, 2025, the receivership will end with a non-judicial foreclosure as soon as permissible under California law.

We derecognized the Hilton San Francisco Hotels from our consolidated balance sheet in October 2023 when the receiver took control of the hotels. During the three and nine months ended September 30, 2025, we recognized a gain of \$16 million and \$48 million, respectively, and during the three and nine months ended September 30, 2024, we recognized a gain of \$15 million and \$44 million, respectively, which are included in *gain on derecognition of assets* in our condensed consolidated statements of operations. The gain represents the accrued interest expense associated with the default of the SF Mortgage Loan, which results in a corresponding increase of the *contract asset* on our condensed consolidated balance sheets as we expect to be released from this obligation upon final resolution with the lender on the SF Mortgage Loan, in exchange for the transfer of ownership of the Hilton San Francisco Hotels. As of September 30, 2025 and December 31, 2024, the *contract asset* on our condensed consolidated balance sheets was \$868 million and \$820 million, respectively. The SF Mortgage Loan will remain a liability until final resolution with the lender, and thus, is included in *debt associated with hotels in receivership* on our condensed consolidated balance sheets.

Note 7: Fair Value Measurements

We did not elect the fair value measurement option for our financial assets or liabilities. The fair values of our other financial instruments not included in the table below are estimated to be equal to their carrying amounts.

The fair value of our debt and the hierarchy level we used to estimate fair values are shown below:

	Hierarchy Level	September 30, 2025		December 31, 2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
(in millions)					
Liabilities:					
HHV Mortgage Loan	3	\$ 1,275	\$ 1,239	\$ 1,275	\$ 1,212
Other mortgage loans	3	357	351	364	349
2024 Term Loan	3	200	199	200	199
2028 Senior Notes	1	725	725	725	712
2029 Senior Notes	1	750	730	750	706
2030 Senior Notes	1	550	567	550	559

The fair value of the SF Mortgage Loan, with a carrying value of \$725 million as of both September 30, 2025 and December 31, 2024 and categorized as Level 3 of the fair value hierarchy, was \$718 million as of both September 30, 2025 and December 31, 2024. Refer to Note 6: “Debt” for additional information.

During the nine months ended September 30, 2025, we recognized an impairment loss of approximately \$70 million related to the Hyatt Centric Fisherman’s Wharf, which was sold in May 2025, due to a change in our intent to hold the hotel and our inability to recover the carrying value of the asset. During the nine months ended September 30, 2024, we recognized an impairment loss of approximately \$12 million, related to two of our hotels subject to ground leases and our inability to recover the carrying value of the assets over the remaining lease term. The estimated fair value of the assets that were measured on a nonrecurring basis were:

	September 30, 2025 ⁽¹⁾		September 30, 2024 ⁽²⁾	
	Fair Value	Impairment Loss	Fair Value	Impairment Loss
(in millions)				
Property and equipment	\$ 74	\$ 70	\$ 2	\$ 12
Total	\$ 74	\$ 70	\$ 2	\$ 12

(1) We estimated the fair value of the asset using a discounted cash flow analysis, with an estimated stabilized growth rate of 3%, a discounted cash flow term of 10 years, terminal capitalization rate of 7.3% and a discount rate of 10.0% (Level 3). The discount and terminal capitalization rates used for the fair value of the asset reflect the risk profile of the market where the property is located.

(2) We estimated the fair value of the assets using a discounted cash flow analysis, with an estimated stabilized growth rate range of 2% to 3%, a discounted cash flow term of 10 years, and a discount rate ranging from 17.0% to 20.0% (Level 3). The discount and terminal capitalization rates used for the fair values of the assets reflect the risk profiles of the markets where the properties are located.

Note 8: Income Taxes

We are a REIT for U.S. federal income tax purposes. We have been organized and operated, and we expect to continue to be organized and operate in a manner to qualify as a REIT. To qualify as a REIT, we must satisfy requirements related to, among other things, the real estate qualification of sources of our income, the real estate composition and values of our assets, the amounts we distribute to our stockholders annually and the diversity of ownership of our stock. To the extent we continue to remain qualified as a REIT, we generally will not be subject to U.S. federal (and state) income tax on taxable income generated by our REIT activities that we distribute annually to our stockholders. Accordingly, no provision for U.S. federal income taxes has been included in our accompanying condensed consolidated financial statements for the three or nine months ended September 30, 2025 and 2024 related to our REIT activities. Our taxable REIT subsidiaries (“TRSS”) are generally subject to U.S. federal, state and local, and foreign income taxes (as applicable).

During the three and nine months ended September 30, 2025, we recognized income tax expense of \$6 million and \$8 million respectively, which was primarily related to taxable income from our TRSs.

During the three months ended September 30, 2024, we recognized income tax expense of \$2 million, which was primarily related to taxable income from our TRSs. During the nine months ended September 30, 2024, we recognized an income tax benefit of \$9 million, which was primarily associated with the effective exit from the Hilton San Francisco Hotels and the reversal of \$14 million of tax expense that is no longer expected to be incurred.

Note 9: Share-Based Compensation

We issue equity-based awards to our employees pursuant to the 2017 Omnibus Incentive Plan (the “2017 Employee Plan”) and our non-employee directors pursuant to the 2017 Stock Plan for Non-Employee Directors (the “2017 Director Plan”), both of which are amended and restated from time to time. The 2017 Employee Plan provides that a maximum of 14,070,000 shares of our common stock may be issued, and as of September 30, 2025, 5,243,921 shares of common stock remain available for future issuance. An amendment and restatement of the 2017 Director Plan was approved by our stockholders in April 2025 to, among other changes, increase the number of shares available to be issued by 875,000, from 950,000 to 1,825,000. As of September 30, 2025, 857,428 shares of common stock remain available for future issuance. For both the three months ended September 30, 2025 and 2024, we recognized \$5 million of share-based compensation expense and \$14 million for both the nine months ended September 30, 2025 and 2024. As of September 30, 2025, unrecognized compensation expense was \$23 million, which is expected to be recognized over a weighted-average period of 1.5 years. The total fair value of shares vested (calculated as the number of shares multiplied by the vesting date share price) for the nine months ended September 30, 2025 and 2024 was \$12 million and \$14 million, respectively.

Stock Awards

Stock awards generally vest in annual installments between one and three years from each grant date. The following table provides a summary of stock awards for the nine months ended September 30, 2025:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2025	1,009,671	\$ 15.66
Granted	858,221	12.27
Vested	(547,634)	15.58
Forfeited	(39,855)	14.01
Unvested at September 30, 2025	1,280,403	\$ 13.47

Performance Stock Units

Performance Stock Units (“PSUs”) generally vest at the end of a three-year performance period and are subject to the achievement of a market condition based on a measure of our total shareholder return relative to the total shareholder return of the companies that comprise the FTSE Nareit Lodging Resorts Index (that have a market capitalization in excess of \$1 billion as of the first day of the applicable performance period). The number of PSUs that may become vested ranges from zero to 200% of the number of PSUs granted to an employee, based on the level of achievement of the foregoing performance measure.

The following table provides a summary of PSUs for the nine months ended September 30, 2025:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2025	1,516,571	\$ 19.43
Granted	758,610	11.18
Vested	(381,857)	21.93
Forfeited	(12,037)	16.52
Unvested at September 30, 2025	1,881,287	\$ 15.62

The grant date fair values of the awards that are subject to the achievement of market conditions based on total shareholder return were determined using a Monte Carlo simulation valuation model with the following assumptions:

Expected volatility ⁽¹⁾	33.0 %
Dividend yield ⁽²⁾	—
Risk-free rate ⁽³⁾	4.4 %
Expected term	3 years

⁽¹⁾ Estimated using a blended approach of historical and implied volatility. Historical volatility is based on the historical movement of the Company's stock price for a period that corresponds to the expected terms of the PSUs.

⁽²⁾ Dividends are assumed to be reinvested in shares of our common stock and dividends will not be paid unless shares vest.

⁽³⁾ Based on the yields of U.S. Department of Treasury instruments with similar expected terms of the PSUs at the grant date of each award.

Note 10: Earnings Per Share

The following table presents the calculation of basic and diluted earnings per share ("EPS"):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in millions, except per share amounts)				
Numerator:				
Net (loss) income attributable to stockholders	\$ (16)	\$ 54	\$ (78)	\$ 146
Earnings attributable to participating securities	—	(1)	—	(1)
Net (loss) income attributable to stockholders, net of earnings allocated to participating securities	(16)	53	(78)	145
Denominator:				
Weighted average shares outstanding – basic	199	206	199	208
Unvested restricted shares	—	2	—	2
Weighted average shares outstanding – diluted	199	208	199	210
(Loss) earnings per share – Basic ⁽¹⁾	\$ (0.08)	\$ 0.26	\$ (0.40)	\$ 0.70
(Loss) earnings per share – Diluted ⁽¹⁾	\$ (0.08)	\$ 0.26	\$ (0.40)	\$ 0.69

⁽¹⁾ Per share amounts are calculated based on unrounded numbers and are calculated independently for each period presented.

Certain of our outstanding equity awards were excluded from the above calculation of EPS for the three and nine months ended September 30, 2025 and 2024 because their effect would have been anti-dilutive.

Note 11: Business Segment Information

As of September 30, 2025, we have two operating segments, our consolidated hotels and unconsolidated hotels. Our unconsolidated hotels operating segment does not meet the definition of a reportable segment, thus our consolidated hotels operating segment is our only reportable segment. Our Chief Operating Decision Maker (the “CODM”), who is our chief executive officer, evaluates our consolidated hotels primarily based on hotel adjusted earnings (loss) before interest income and expense, taxes and depreciation and amortization (“EBITDA”) when deciding how to allocate resources, in making other day-to-day operating decisions and evaluating our operating performance against other companies within our industry.

Hotel Adjusted EBITDA, presented herein, is calculated as EBITDA from hotel operations, adjusted to exclude the following items that are not reflective of our ongoing operating performance or incurred in the normal course of business, and thus excluded from the CODM’s analysis:

- Gains or losses on sales of assets for both consolidated and unconsolidated investments;
- Costs associated with hotel acquisitions or dispositions expensed during the period;
- Severance expense;
- Share-based compensation expense;
- Impairment losses and casualty gains or losses; and
- Other items that we believe are not representative of our current or future operating performance.

The following table presents our reportable segment revenues reconciled to our consolidated amounts, reportable segment expenses and Hotel Adjusted EBITDA reconciled to net (loss) income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in millions)				
Revenues:				
Total revenues	\$ 610	\$ 649	\$ 1,912	\$ 1,974
Less: Other revenues	(23)	(21)	(68)	(64)
Total segment revenues	587	628	1,844	1,910
Less:				
Rooms expense	106	107	311	314
Food and beverage expense	112	112	357	356
Other departmental and support expense	148	154	451	454
Management fees	27	30	88	93
Other property segment expenses ⁽¹⁾	53	57	154	157
Total segment expenses	446	460	1,361	1,374
Hotel Adjusted EBITDA	141	168	483	536
Other revenues	23	21	68	64
Depreciation and amortization expense	(78)	(63)	(269)	(192)
Corporate general and administrative expense	(17)	(17)	(54)	(52)
Impairment and casualty loss	—	—	(70)	(13)
Other operating expenses	(23)	(21)	(67)	(62)
Gain on sales of assets, net	—	—	1	—
Gain on derecognition of assets	16	15	48	44
Interest income	3	6	8	16
Interest expense	(53)	(54)	(158)	(161)
Interest expense associated with hotels in receivership	(16)	(15)	(48)	(44)
Equity in earnings from investments in affiliates	—	28	2	29
Income tax (expense) benefit	(6)	(2)	(8)	9
Other (loss) gain, net	(1)	(1)	—	(4)
Other items	(3)	(8)	(9)	(17)
Net (loss) income	<u>\$ (14)</u>	<u>\$ 57</u>	<u>\$ (73)</u>	<u>\$ 153</u>

⁽¹⁾ Other property segment expenses primarily include real and personal property taxes, other local taxes, ground rent, equipment rent and property insurance incurred in the normal course of business.

The following table presents total assets for our consolidated hotels, reconciled to total assets:

	September 30, 2025	December 31, 2024
(in millions)		
Consolidated hotels	\$ 8,823	\$ 9,153
All other	7	8
Total assets	<u>\$ 8,830</u>	<u>\$ 9,161</u>

Note 12: Commitments and Contingencies

As of September 30, 2025, we had outstanding commitments under third-party contracts of approximately \$128 million for capital expenditures at our properties, of which \$25 million relates to the transformative renovation at the Royal Palm South Beach Miami, a Tribute Portfolio Resort, \$21 million relates to guestroom renovations at the Hilton Hawaiian Village Waikiki Beach Resort, \$15 million relates to guestroom renovations at the Hilton Waikoloa Village, and \$9 million relates to guestroom renovations at the Hilton New Orleans Riverside. Our contracts contain clauses that allow us to cancel all or some portion of the work. If cancellation of a contract occurred, our commitment would be any costs incurred up to the cancellation date, in addition to any costs associated with the discharge of the contract.

We are involved in litigation arising from the normal course of business, some of which includes claims for substantial sums, and may make certain indemnifications or guarantees to select buyers of our hotels as part of a sale process. We are also involved in claims and litigation that is not in the ordinary course of business in connection with the spin-off from Hilton. The spin-off agreements provide that Hilton will indemnify us from certain of these claims as well as require us to indemnify Hilton for other claims. In addition, losses related to certain contingent liabilities could be apportioned to us under the spin-off agreements. In connection with our obligation to indemnify Hilton under the spin-off agreements, we have reserved approximately \$8 million as of September 30, 2025 related to litigation with respect to an audit by the Australian Tax Office (“ATO”) of Hilton related to the sale of the Hilton Sydney in June 2015. This amount could change as the litigation of the ATO’s claim progresses.

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

The following discussion and analysis of the financial condition and results of operations of Park Hotels & Resorts Inc. ("we," "us," "our" or the "Company") should be read in conjunction with the accompanying unaudited condensed consolidated financial statements, related notes included elsewhere in this Quarterly Report on Form 10-Q, and with our Annual Report on Form 10-K for the year ended December 31, 2024.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Forward-looking statements include, but are not limited to, statements related to the effects of our decision to cease payments on the \$725 million non-recourse CMBS loan ("SF Mortgage Loan") secured by two of our San Francisco hotels – the 1,921-room Hilton San Francisco Union Square and the 1,024-room Parc 55 San Francisco – a Hilton Hotel (collectively, the "Hilton San Francisco Hotels") and our expectation that the hotels will be sold by the court-appointed receiver by November 21, 2025, with the buyer assuming the SF Mortgage Loan at that time, as well as our current expectations regarding the performance of our business, our financial results, our liquidity and capital resources, including the use of proceeds from our new \$800 million senior unsecured delayed draw term loan facility ("2025 Delayed Draw Term Loan") and the anticipated repayment of certain of our indebtedness, the completion of capital allocation priorities, the expected repurchase of our stock, the impact from macroeconomic factors (including elevated inflation and interest rates, potential economic slowdown or a recession and geopolitical conflicts or trends, including trade policy, travel barriers or changes in travel preferences for U.S. destinations, including as a result of the government shutdown), the effects of competition, the effects of future legislation, executive action or regulations, tariffs, the expected completion of anticipated dispositions, the declaration, payment and any change in amounts 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 our control and which could materially affect our results of operations, financial condition, cash flows, performance or future achievements or events.

All such forward-looking statements are based on current expectations of management and therefore involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements and we urge investors to carefully review the disclosures we make concerning risks and uncertainties in Item 1A: "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission ("SEC"), which are accessible on the SEC's website at www.sec.gov, as well as risks, uncertainties and other factors discussed in this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

We have a diverse portfolio of iconic and market-leading hotels and resorts with significant underlying real estate value. We currently have interests in 38 hotels, consisting of premium-branded hotels and resorts with over 24,000 rooms, of which over 87% are luxury and upper upscale (as defined by Smith Travel Research) and are located in prime U.S. markets and its territories. Our high-quality portfolio currently includes hotels mostly in major urban and convention areas, such as New York City, Washington, D.C., Chicago, Boston, New Orleans and Denver; and premier resorts in key leisure destinations, including Hawaii, Orlando, Key West and Miami Beach; as well as hotels in select airport and suburban locations.

Our objective is to be the preeminent lodging real estate investment trust ("REIT"), focused on consistently delivering superior, risk-adjusted returns to stockholders through active asset management and a thoughtful external growth strategy while maintaining a strong and flexible balance sheet. As a pure-play real estate company with direct access to capital and independent financial resources, we believe our enhanced ability to implement compelling return on investment initiatives within our portfolio represents a significant embedded growth opportunity. Finally, given our scale and investment expertise, we believe we will be able to successfully execute single-asset and portfolio acquisitions and

dispositions to further enhance the value and diversification of our assets throughout the lodging cycle, including potentially taking advantage of the economies of scale that could come from consolidation in the lodging REIT industry.

We operate our business through two operating segments, our consolidated hotels and unconsolidated hotels. Our consolidated hotels operating segment is our only reportable segment. Refer to Note 11: “Business Segment Information” in our unaudited condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional information regarding our operating segments.

Outlook

Economic disruptions, including as a result of elevated interest and inflation rates, may adversely affect our business by affecting consumer sentiment and demand for travel. Heightened uncertainty due to ongoing changes to trade policy, tax policy and disruptions to government spending has resulted in inflationary concerns and changes in demand and travel preferences, which may affect the lodging industry. During the third quarter of 2025, we have relied on the performance of our hotels and active asset management to mitigate the effects of current macroeconomic uncertainty. While there can be no assurances that we will not experience further fluctuations in hotel revenues or earnings at our hotels due to inflation and other macroeconomic factors, local economic factors and demand, a potential economic slowdown or a recession, geopolitical conflicts or further continuation of the government shutdown, we are cautiously optimistic for the remainder of 2025 based on expected improvements in group demand and continued benefits from transformative renovations at certain of our hotels.

Key Business Metrics Used by Management

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. Occupancy measures the utilization of our hotels’ available capacity. We use occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable ADR levels as demand for rooms increases or decreases.

Average Daily Rate

Average daily rate (“ADR”) 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 we use ADR to assess pricing levels that we are 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. We consider RevPAR to be a meaningful indicator of our 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.

Comparable Hotels Data

We present certain data for our hotels on a comparable hotel basis as supplemental information for investors. We present comparable hotel results to help us and our investors evaluate the ongoing performance of our comparable hotels. Our comparable hotels data includes results from hotels that were active and operating in our portfolio since January 1st of the previous year and excludes results from property dispositions that have occurred through September 30, 2025 and the Hilton San Francisco Hotels, which were placed into receivership at the end of October 2023.

Non-GAAP Financial Measures

We also evaluate the performance of our business through certain other financial measures that are not recognized under U.S. GAAP. Each of these non-GAAP financial measures should be considered by investors as supplemental measures to GAAP performance measures such as total revenues, operating profit and net (loss) income.

EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA

EBITDA, presented herein, reflects net (loss) income excluding depreciation and amortization, interest income, interest expense, income taxes and also interest income and expense, income tax and depreciation and amortization included in equity in earnings from investments in affiliates.

Adjusted EBITDA, presented herein, is calculated as EBITDA, further adjusted to exclude the following items that are not reflective of our ongoing operating performance or incurred in the normal course of business, and thus, excluded from management's analysis in making day-to-day operating decisions and evaluations of our operating performance against other companies within our industry:

- Gains or losses on sales of assets for both consolidated and unconsolidated investments;
- Costs associated with hotel acquisitions or dispositions expensed during the period;
- Severance expense;
- Share-based compensation expense;
- Impairment losses and casualty gains or losses; and
- Other items that we believe are not representative of our current or future operating performance.

Hotel Adjusted EBITDA measures hotel-level results before debt service, depreciation and corporate expenses for our consolidated hotels, which excludes hotels owned by unconsolidated affiliates, and is a key measure of our profitability. We present Hotel Adjusted EBITDA to help us and our investors evaluate the ongoing operating performance of our consolidated hotels.

EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA are not recognized terms under U.S. GAAP and should not be considered as alternatives to net (loss) income or other measures of financial performance or liquidity derived in accordance with U.S. GAAP. In addition, our definitions of EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

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

EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA have limitations as analytical tools and should not be considered either in isolation or as a substitute for net (loss) income or other methods of analyzing our operating performance and results as reported under U.S. GAAP. Some of these limitations are:

- EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA do not reflect our interest expense;
- EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA do not reflect our income tax expense;
- EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA do not reflect the effect on earnings or changes resulting from matters that we consider not to be indicative of our future operations; and
- other companies in our industry may calculate EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA differently, limiting their usefulness as comparative measures.

We do not use or present EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA as measures of our liquidity or cash flow. These measures have limitations as analytical tools and should not be considered either in isolation or as a substitute for cash flow or other methods of analyzing our cash flows and liquidity as reported under U.S. GAAP. Because of these limitations, EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA should not be considered as discretionary cash available to us to reinvest in the growth of our business or as measures of cash that will be available to us to meet our obligations. Some of these limitations are:

- EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA do not reflect the cash requirements necessary to service interest or principal payments, on our indebtedness;
- EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA do not reflect the cash requirements to pay our taxes;
- EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; and
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA, Adjusted EBITDA and Hotel Adjusted EBITDA do not reflect any cash requirements for such replacements.

The following table provides a reconciliation of Net (loss) income to Hotel Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Net (loss) income	\$ (14)	\$ 57	\$ (73)	\$ 153
Depreciation and amortization expense	78	63	269	192
Interest income	(3)	(6)	(8)	(16)
Interest expense	53	54	158	161
Interest expense associated with hotels in receivership ⁽¹⁾	16	15	48	44
Income tax expense (benefit)	6	2	8	(9)
Interest income and expense, income tax and depreciation and amortization included in equity in earnings from investments in affiliates	2	4	6	9
EBITDA	138	189	408	534
Gain on sales of assets, net ⁽²⁾	—	(19)	(1)	(19)
Gain on derecognition of assets ⁽¹⁾	(16)	(15)	(48)	(44)
Share-based compensation expense	5	5	14	14
Impairment and casualty loss	—	—	70	13
Other items	3	(1)	14	16
Adjusted EBITDA	130	159	457	514
Less: Adjusted EBITDA from investments in affiliates	(3)	(3)	(16)	(19)
Add: All other ⁽³⁾	14	12	42	41
Hotel Adjusted EBITDA	<u>\$ 141</u>	<u>\$ 168</u>	<u>\$ 483</u>	<u>\$ 536</u>

⁽¹⁾ For the three and nine months ended September 30, 2025 and 2024, represents accrued interest expense associated with the default of the SF Mortgage Loan, which is offset by a gain on derecognition for the corresponding increase of the *contract asset* on our condensed consolidated balance sheets, as we expect to be released from this obligation upon final resolution with the lender.

⁽²⁾ For the three and nine months ended September 30, 2024, includes a gain of \$19 million on the sale of the Hilton La Jolla Torrey Pines included in *equity in earnings from investments in affiliates*.

⁽³⁾ Includes *other revenues* and *other expenses*, non-income taxes on leases with our taxable REIT subsidiaries included in *other property expenses* and *corporate general and administrative expenses*.

Nareit FFO attributable to stockholders and Adjusted FFO attributable to stockholders

We present Nareit FFO attributable to stockholders and Nareit FFO per diluted share (defined as set forth below) as non-GAAP measures of our performance. We calculate funds from (used in) operations (“FFO”) attributable to stockholders for a given operating period in accordance with standards established by the National Association of Real Estate Investment Trusts (“Nareit”), as net (loss) income attributable to stockholders (calculated in accordance with U.S. GAAP), excluding depreciation and amortization, gains or losses on sales of assets, impairment, and the cumulative effect of changes in accounting principles, plus adjustments for unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect our pro rata share of the FFO of those entities on the same basis. As noted by Nareit in its December 2018 “Nareit Funds from Operations White Paper – 2018 Restatement,” since real estate values historically have risen or fallen with market conditions, many industry investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. For these reasons, Nareit adopted the FFO metric in order to promote an industry-wide measure of REIT operating performance. We believe Nareit FFO provides useful information to investors regarding our operating performance and can facilitate comparisons of operating performance between periods and between REITs. Our presentation may not be comparable to FFO reported by other REITs that do not define the terms in accordance with the current Nareit definition, or that interpret the current Nareit definition differently than we do. We calculate Nareit FFO per diluted share as our Nareit FFO divided by the number of fully diluted shares outstanding during a given operating period.

We also present Adjusted FFO attributable to stockholders and Adjusted FFO per diluted share 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. Management historically has made the adjustments detailed below in evaluating our performance and in our annual budget process. We believe that the presentation of Adjusted FFO provides useful supplemental information that is beneficial to an investor’s complete understanding of our operating performance. We adjust Nareit FFO attributable to stockholders for the following items, which may occur in any period, and refer to this measure as Adjusted FFO attributable to stockholders:

- Costs associated with hotel acquisitions or dispositions expensed during the period;
- Severance expense;
- Share-based compensation expense;
- Casualty gains or losses; and
- Other items that we believe are not representative of our current or future operating performance.

The following table provides a reconciliation of Net (loss) income attributable to stockholders to Nareit FFO attributable to stockholders and Adjusted FFO attributable to stockholders:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(in millions, except per share amounts)				
Net (loss) income attributable to stockholders	\$ (16)	\$ 54	\$ (78)	\$ 146
Depreciation and amortization expense	78	63	269	192
Depreciation and amortization expense attributable to noncontrolling interests	(1)	(1)	(3)	(3)
Gain on sales of assets, net	—	—	(1)	—
Gain on derecognition of assets ⁽¹⁾	(16)	(15)	(48)	(44)
Impairment loss	—	—	70	12
Equity investment adjustments:				
Equity in earnings from investments in affiliates	—	(28)	(2)	(29)
Pro rata FFO of investments in affiliates	—	9	5	14
Nareit FFO attributable to stockholders	<u>45</u>	<u>82</u>	<u>212</u>	<u>288</u>
Casualty loss	—	—	—	1
Share-based compensation expense	5	5	14	14
Interest expense associated with hotels in receivership ⁽¹⁾	16	15	48	44
Other items	4	—	17	3
Adjusted FFO attributable to stockholders	<u>\$ 70</u>	<u>\$ 102</u>	<u>\$ 291</u>	<u>\$ 350</u>
Nareit FFO per share – Diluted⁽²⁾	<u>\$ 0.22</u>	<u>\$ 0.40</u>	<u>\$ 1.06</u>	<u>\$ 1.37</u>
Adjusted FFO per share – Diluted⁽²⁾	<u>\$ 0.35</u>	<u>\$ 0.49</u>	<u>\$ 1.45</u>	<u>\$ 1.67</u>

⁽¹⁾ For the three and nine months ended September 30, 2025 and 2024, represents accrued interest expense associated with the default of the SF Mortgage Loan, which is offset by a gain on derecognition for the corresponding increase of the *contract asset* on our condensed consolidated balance sheets, as we expect to be released from this obligation upon final resolution with the lender.

⁽²⁾ Per share amounts are calculated based on unrounded numbers.

Results of Operations

Our non-comparable hotels in the table of Hotel Revenues and Operating Expenses below consist of two hotels sold and two hotels returned to the lessor upon termination of the ground lease since January 1, 2024. The results of operations of these hotels are included in our consolidated results only during our period of ownership.

Hotel Revenues and Operating Expenses

	Three Months Ended September 30,			Change from Comparable Hotels ⁽¹⁾	Change from Non-Comparable Hotels
	2025	2024	Change		
	(in millions)				
Rooms revenue	\$ 370	\$ 403	\$ (33)	\$ (23)	\$ (10)
Food and beverage revenue	150	157	(7)	(5)	(2)
Ancillary hotel revenue	67	68	(1)	1	(2)
Rooms expense	106	107	(1)	2	(3)
Food and beverage expense	112	112	—	2	(2)
Other departmental and support expense	148	154	(6)	(1)	(5)
Other property expense	56	65	(9)	(4)	(5)
Management fees expense	27	30	(3)	(2)	(1)

⁽¹⁾ Change from our comparable hotels primarily relates to the market-specific conditions discussed below.

	Nine Months Ended September 30,			Change from Comparable Hotels ⁽¹⁾	Change from Non-Comparable Hotels
	2025	2024	Change		
	(in millions)				
Rooms revenue	\$ 1,134	\$ 1,193	\$ (59)	\$ (36)	\$ (23)
Food and beverage revenue	512	521	(9)	(4)	(5)
Ancillary hotel revenue	198	196	2	5	(3)
Rooms expense	311	314	(3)	4	(7)
Food and beverage expense	357	356	1	6	(5)
Other departmental and support expense	451	454	(3)	9	(12)
Other property expense	163	174	(11)	(5)	(6)
Management fees expense	88	93	(5)	(4)	(1)

⁽¹⁾ Change from our comparable hotels primarily relates to the market-specific conditions discussed below.

Group, transient, contract and other rooms revenue for the three and nine months ended September 30, 2025, as well as the change for each type of rooms revenue compared to the same periods in 2024 were as follows:

	Three Months Ended September 30,			Change from Comparable Hotels ⁽¹⁾	Change from Non-Comparable Hotels
	2025	2024	Change		
	(in millions)				
Group rooms revenue	\$ 88	\$ 107	\$ (19)	\$ (18)	\$ (1)
Transient rooms revenue	253	264	(11)	(4)	(7)
Contract rooms revenue	21	24	(3)	(1)	(2)
Other rooms revenue	8	8	—	—	—
Rooms revenue	\$ 370	\$ 403	\$ (33)	\$ (23)	\$ (10)

⁽¹⁾ Change from our comparable hotels primarily relates to the market-specific conditions discussed below.

	Nine Months Ended September 30,			Change from Comparable Hotels ⁽¹⁾	Change from Non-Comparable Hotels
	2025	2024	Change		
	(in millions)				
Group rooms revenue	\$ 333	\$ 358	\$ (25)	\$ (20)	\$ (5)
Transient rooms revenue	717	742	(25)	(12)	(13)
Contract rooms revenue	59	68	(9)	(4)	(5)
Other rooms revenue	25	25	—	—	—
Rooms revenue	\$ 1,134	\$ 1,193	\$ (59)	\$ (36)	\$ (23)

⁽¹⁾ Change from other factors primarily relates to the market-specific conditions discussed below.

Market-Specific Conditions

The changes in hotel revenues and operating expenses for our comparable hotels during the three and nine months ended September 30, 2025 compared to the same periods in 2024 were primarily attributable to decreases at our hotels in our Hawaii and Miami markets, partially offset by increases at our hotels in the Orlando, New York, Puerto Rico and Key West markets.

At our two Hawaii hotels, group and transient demand decreased, partially related to disruption from renovations at both hotels and ongoing recovery from the labor strike at the Hilton Hawaiian Village Waikiki Beach Resort last year. Combined occupancy and ADR decreased 5.6 percentage points and 5.6%, respectively, for the three months ended September 30, 2025 and 8.6 percentage points and 3.4%, respectively, for the nine months ended September 30, 2025, compared to the same periods in 2024. Additionally, the Royal Palm South Beach Miami, a Tribute Portfolio Resort, suspended operations beginning in May 2025 for a full-scale renovation.

These decreases were offset by increases in hotel revenues and operating expenses at several of our key markets. Our Orlando hotels experienced an increase in food and beverage revenue of 5.5% and 6.9% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024 as a result of the benefit derived from the comprehensive renovation and expansion projects at the Bonnet Creek complex completed in early 2024. The Waldorf Astoria Orlando benefited from an increase in both group and transient demand, resulting in an increase in ADR of 4.8% while maintaining occupancy for the three months ended September 30, 2025, and increases in ADR and occupancy of 5.8% and 9.1 percentage points, respectively, for the nine months ended September 30, 2025, compared to the same periods in 2024. The Signia by Hilton Orlando Bonnet Creek benefited primarily from an increase in transient demand, resulting in an increase in ADR of 3.3% and 3.1%, respectively, for the three and nine months ended September 30, 2025 compared to the same periods in 2024.

The New York Hilton Midtown experienced an increase in food and beverage revenue of 27.7% and 3.4% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024, primarily due to an increase in banquet and catering revenue. It also benefited from an increase in transient demand, resulting in an increase in ADR of 5.2% and 6.0%, respectively, for the three and nine months ended September 30, 2025, compared to the same periods in 2024.

The Caribe Hilton in Puerto Rico continues to benefit from an increase in transient demand resulting in increases in occupancy of 15.5 percentage points and 13.9 percentage points for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024.

The increase in the Key West market was a result of the Casa Marina Key West, Curio Collection, which continues to benefit from the hotel's comprehensive renovation completed in 2023 and an increase in transient demand, resulting in increases in occupancy of 4.5 percentage points and 6.8 percentage points, respectively, for the three and nine months ended September 30, 2025, compared to the same periods in 2024.

Corporate general and administrative

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Percent Change	2025	2024	Percent Change
	(in millions)			(in millions)		
General and administrative expenses	\$ 11	\$ 11	— %	\$ 37	\$ 35	5.7 %
Share-based compensation expense	5	5	—	14	14	—
Other corporate expenses	1	1	—	3	3	—
Total corporate general and administrative	<u>\$ 17</u>	<u>\$ 17</u>	— %	<u>\$ 54</u>	<u>\$ 52</u>	3.8 %

Impairment and casualty loss

During the nine months ended September 30, 2025, we recognized an impairment loss of approximately \$70 million related to the Hyatt Centric Fisherman’s Wharf, which was sold in May 2025, due to a change in our intent to hold the hotel and our inability to recover the carrying value of the asset. During the nine months ended September 30, 2024, we recognized an impairment loss of approximately \$12 million, related to two of our hotels subject to ground leases and our inability to recover the carrying value of the assets over the remaining lease term. Refer to Note 7: “Fair Value Measurements” in our unaudited condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional information.

Depreciation and amortization

The increase in depreciation expense for the three and nine months ended September 30, 2025, compared to the same periods in 2024, was primarily due to accelerated depreciation recognized in connection with renovations at certain of our hotels, including approximately \$56 million related to the full-scale renovation at the Royal Palm South Beach Miami, a Tribute Portfolio Resort, which began in May 2025.

Gain on derecognition of assets

During the three and nine months ended September 30, 2025, we recognized a gain of \$16 million and \$48 million, respectively, and during the three and nine months ended September 30, 2024, we recognized a gain of \$15 million and \$44 million, respectively, from the accrued interest expense associated with the default of the SF Mortgage Loan, which resulted in a corresponding increase of the *contract asset* in our condensed consolidated balance sheets, as we expect to be released from this obligation upon final resolution with the lender.

Non-operating Income and Expenses

Interest income

Interest income decreased \$3 million and \$8 million during the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily as a result of a decrease in average cash balances.

Interest expense

Interest expense associated with our debt for the three and nine months ended September 30, 2025 and 2024 were as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Percent Change	2025	2024	Percent Change
	(in millions)			(in millions)		
HHV Mortgage Loan ⁽¹⁾	\$ 13	\$ 13	— %	\$ 40	\$ 40	— %
Other mortgage loans	4	5	(20.0)	12	14	(14.3)
Revolver	—	1	(100.0)	2	2	—
2024 Term Loan ⁽²⁾	4	4	—	10	6	66.7
2025 Senior Notes ⁽³⁾	—	—	—	—	19	(100.0)
2028 Senior Notes ⁽³⁾	11	11	—	32	32	—
2029 Senior Notes ⁽³⁾	9	9	—	27	27	—
2030 Senior Notes ⁽³⁾	10	10	—	29	15	93.3
Other	2	1	100.0	6	6	—
Total interest expense	<u>\$ 53</u>	<u>\$ 54</u>	<u>(1.9)%</u>	<u>\$ 158</u>	<u>\$ 161</u>	<u>(1.9)%</u>

⁽¹⁾ In October 2016, we entered into a \$1.275 billion CMBS loan secured by the Hilton Hawaiian Village Waikiki Beach Resort (“HHV Mortgage Loan”).

⁽²⁾ The \$200 million senior unsecured term loan (“2024 Term Loan”) was incurred in May 2024.

⁽³⁾ In May 2020, Park Intermediate Holdings LLC (our “Operating Company”), PK Domestic Property LLC, an indirect subsidiary of the Company (“PK Domestic”), and PK Finance Co Issuer Inc. (“PK Finance”) issued an aggregate of \$650 million of senior notes due 2025 (“2025 Senior Notes”), all of which were repurchased or redeemed during the second quarter of 2024. Our Operating Company, PK Domestic, and PK Finance also issued an aggregate of \$725 million of senior notes due 2028 (“2028 Senior Notes”) in September 2020, an aggregate of \$750 million of senior notes due 2029 (“2029 Senior Notes”) in May 2021 and an aggregate of \$550 million of senior notes due 2030 (“2030 Senior Notes”) in May 2024.

Interest expense associated with hotels in receivership

For the three and nine months ended September 30, 2025, interest expense of \$16 million and \$48 million, respectively, and for the three and nine months ended September 30, 2024, interest expense of \$15 million and \$44 million, respectively, represents accrued interest associated with the default of the SF Mortgage Loan. Refer to Note 6: “Debt” in our unaudited condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional information.

Other (loss) gain, net

During the nine months ended September 30, 2024, we recognized a loss of approximately \$4 million, primarily related to the write-off of the remaining unamortized deferred financing costs associated with the repurchase and redemption of all the 2025 Senior Notes.

Equity in earnings from investments in affiliates

Equity in earnings from investments in affiliates decreased \$28 million and \$27 million for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024 primarily due to a \$19 million gain from the sale of the Hilton La Jolla Torrey Pines in July 2024.

Income tax benefit (expense)

During the three and nine months ended September 30, 2025, we recognized income tax expense of \$6 million and \$8 million respectively, which was primarily related to taxable income from our TRSs.

During the three months ended September 30, 2024, we recognized income tax expense of \$2 million, which was primarily related to taxable income from our TRSs. During the nine months ended September 30, 2024, we recognized an income tax benefit of \$9 million, which was primarily associated with the effective exit from the Hilton San Francisco Hotels and the reversal of \$14 million of tax expense that is no longer expected to be incurred.

Liquidity and Capital Resources

Overview

We seek to maintain sufficient amounts of liquidity with an appropriate balance of cash, debt and equity to provide financial flexibility. As of September 30, 2025, we had total cash and cash equivalents of \$278 million and \$31 million of restricted cash. Restricted cash primarily consists of cash restricted as to use by our debt agreements and reserves for capital expenditures in accordance with certain of our management agreements.

With the recent amendment and restatement of our existing credit agreement in September 2025, which increased the available capacity under our senior unsecured revolving credit facility (“Revolver”) to \$1 billion and added the new 2025 Delayed Draw Term Loan of up to \$800 million, in addition to the \$278 million in existing cash and cash equivalents, we have sufficient liquidity to pay our debt maturities and to fund other liquidity obligations over the next 12 months and beyond. Excluding the SF Mortgage Loan for which we ceased to make debt service payments in June 2023 and is in default, we have no significant maturities until the fourth quarter of 2026, and we intend to draw upon the 2025 Delayed Draw Term Loan in 2026 to assist in repaying two mortgage loans totaling approximately \$1.4 billion maturing in 2026. Refer to Note 6: “Debt” in our unaudited condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional information. We may also take actions to improve our liquidity, such as the issuance of additional debt, equity or equity-linked securities, if we determine that doing so would be beneficial to us. However, there can be no assurance as to the timing of any such issuance, which may be in the near term, or that any such additional financing will be completed on favorable terms, or at all.

Our known short-term liquidity requirements primarily consist of funds necessary to pay for operating expenses and other expenditures, including reimbursements to our hotel manager for payroll and related benefits, costs associated with the operation of our hotels, interest and contractually due principal payments on our outstanding indebtedness, capital expenditures for in-progress renovations and maintenance at our hotels, corporate general and administrative expenses and dividends to our stockholders. In July 2025, we declared a third quarter dividend of \$0.25 per share that was paid on October 15, 2025 to stockholders of record as of September 30, 2025. In addition, we declared a fourth quarter dividend of \$0.25 per share in October 2025 to be paid on January 15, 2026 to stockholders of record as of December 31, 2025. Many of the other expenses associated with our hotels are relatively fixed, including portions of rent expense, property taxes and insurance. Since we generally are unable to decrease these costs significantly or rapidly when demand for our hotels decreases, the resulting decline in our revenues can have a greater adverse effect on our net cash flow, margins and profits. Our long-term liquidity requirements primarily consist of funds necessary to pay for scheduled debt maturities, capital improvements at our hotels, and costs associated with potential acquisitions.

Our commitments to fund capital expenditures for renovations and maintenance at our hotels will be funded by cash and cash equivalents, restricted cash to the extent permitted by our lending agreements and cash flow from operations. We have construction contract commitments of approximately \$128 million for capital expenditures at our properties, and our contracts contain clauses that allow us to cancel all or some portion of the work. Refer to Note 12: “Commitments and Contingencies” in our unaudited condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional information. Additionally, we have established reserves for capital expenditures (“FF&E reserve”) in accordance with our management and certain debt agreements. Generally, these agreements require that we fund 4% of hotel revenues into an FF&E reserve, unless such amounts have been incurred.

Our cash management objectives continue to be to maintain the availability of liquidity, minimize operational costs, make debt payments and fund our capital expenditure programs and future acquisitions. Further, we have an investment policy that is focused on the preservation of capital and maximizing the return on new and existing investments.

Stock Repurchase Program

In February 2025, our Board of Directors terminated a previous \$300 million stock repurchase program that was approved in February 2023 (the “February 2023 Stock Repurchase Program”) and authorized and approved a new stock repurchase program allowing us to repurchase up to \$300 million of our common stock over a two-year period ending in February 2027 (the “February 2025 Stock Repurchase Program”), subject to any applicable limitations or restrictions set forth in our credit facility and indentures related to our senior notes. Stock repurchases may be made through open market purchases, including through Rule 10b5-1 trading programs, in privately negotiated transactions, or in such other manner that would comply with applicable securities laws. The timing of any future stock repurchases and the number of shares to be repurchased will depend upon prevailing market conditions and other factors, and we may suspend the repurchase program at any time. During the nine months ended September 30, 2025, we repurchased 3.5 million shares of our common stock, including 1.4 million shares under the February 2023 Stock Repurchase Program and 2.1 million shares under the February 2025 Stock Repurchase Program, for a total purchase price of \$45 million. As of September 30, 2025, \$275 million remained available for stock repurchases under the February 2025 Stock Repurchase Program.

Sources and Uses of Our Cash and Cash Equivalents

The following tables summarize our net cash flows and key metrics related to our liquidity:

	Nine Months Ended September 30,		
	2025	2024	Percent Change
	(in millions)		
Net cash provided by operating activities	\$ 293	\$ 349	(16.0)%
Net cash used in investing activities	(113)	(134)	(15.7)
Net cash used in financing activities	(311)	(447)	(30.4)

Operating Activities

Cash flow from operating activities are primarily generated from the operating income generated at our hotels. The \$56 million decrease in net cash provided by operating activities for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 was primarily due to decreases in occupancy at certain of our hotels, including the Royal Palm South Beach Miami, a Tribute Portfolio Resort, which suspended operations in May 2025 for a full-scale renovation.

Investing Activities

The \$113 million in net cash used in investing activities for the nine months ended September 30, 2025 was attributable to \$188 million of capital expenditures, partially offset by \$75 million of net proceeds from the sale of the Hyatt Centric Fisherman’s Wharf.

The \$134 million in net cash used in investing activities for the nine months ended September 30, 2024 was attributable to \$164 million of capital expenditures, partially offset by \$33 million of distributions from unconsolidated affiliates primarily related to the sale of the Hilton La Jolla Torrey Pines.

Financing Activities

The \$311 million in net cash used in financing activities for the nine months ended September 30, 2025 was primarily attributable to \$230 million of dividends paid, the repurchase of approximately 3.5 million shares of our common stock for \$45 million and \$16 million in financing fees related to the recent amendment to our credit agreement in September 2025.

The \$447 million in net cash used in financing activities for the nine months ended September 30, 2024 was primarily attributable to the issuance of \$550 million of 2030 Senior Notes and the \$200 million 2024 Term Loan, offset by \$656 million of debt repayments, \$459 million of dividends paid and the repurchase of approximately 4.2 million shares of our common stock for \$60 million.

Dividends

As a REIT, we are required to distribute at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains, to our stockholders on an annual basis. Therefore, as a general matter, we intend to make distributions of all, or substantially all, of our REIT taxable income (including net capital gains) to our stockholders, and, as a result, we will generally not be required to pay tax on our REIT income. Consequently, it is unlikely that we will be able to retain substantial cash balances that could be used to meet our liquidity needs from our annual taxable income. Instead, we will need to meet these needs from external sources of capital and amounts, if any, by which our cash flow generated from operations exceeds taxable income.

We declared the following dividends to holders of our common stock during 2025:

Record Date	Payment Date	Dividend per Share	
March 31, 2025	April 15, 2025	\$	0.25
June 30, 2025	July 15, 2025	\$	0.25
September 30, 2025	October 15, 2025	\$	0.25
December 31, 2025	January 15, 2026	\$	0.25

Debt

As of September 30, 2025, our total indebtedness was approximately \$3.8 billion, including over \$2 billion of our Senior Notes, and excluding the \$725 million SF Mortgage Loan (that we ceased making debt service payments in June 2023) and our share of debt from investments in affiliates. Substantially all the debt of such unconsolidated affiliates is secured solely by the affiliates' assets or is guaranteed by other partners without recourse to us. Refer to Note 6: "Debt" in our unaudited condensed consolidated financial statements included elsewhere within this Quarterly Report on Form 10-Q for additional information.

Critical Accounting Estimates

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of our financial statements, the reported amounts of revenues and expenses during the reporting periods and the related disclosures in our unaudited condensed consolidated financial statements and accompanying footnotes. We have discussed those estimates that we believe are critical and require the use of complex judgment in their application in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 20, 2025. There have been no material changes to our critical accounting policies or the methods or assumptions we apply.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk primarily from changes in interest rates, which may affect our future income, cash flows and fair value, depending on changes to interest rates. In certain situations, we may seek to reduce cash flow volatility associated with changes in interest rates by entering into financial arrangements intended to provide a hedge against a portion of the risks associated with such volatility.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act")), as required by paragraph (b) of Rules 13a-15 and 15d-15 of the Exchange Act. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of September 30, 2025, our disclosure controls and procedures were effective to ensure that information we are required to disclose in reports filed or submitted with the Securities and Exchange Commission (i) is recorded, processed, summarized and reported within the time periods specified in the

Securities and Exchange Commission's rules and forms and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

Changes in Internal Control over Financial Reporting

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are involved in various claims and lawsuits arising in the ordinary course of business, some of which include claims for substantial sums, including proceedings involving tort and other general liability claims, employee claims and consumer protection claims. Most occurrences involving liability, claims of negligence and employees are covered by insurance with solvent insurance carriers. For those matters not covered by insurance, which include commercial matters, we recognize a liability when we believe the loss is probable and can be reasonably estimated. The ultimate results of claims and litigation cannot be predicted with certainty. We believe we have adequate reserves against such matters. We currently believe that the ultimate outcome of such lawsuits and proceedings will not, individually or in the aggregate, have a material adverse effect on our consolidated financial position, results of operations or liquidity. However, depending on the amount and timing, an unfavorable resolution of some or all of these matters could materially affect our future results of operations in a particular period.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in response to “[Part I – Item 1A. Risk Factors](#)” of our Annual Report on Form 10-K for the year ended December 31, 2024.

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

2(a): Unregistered Sales of Equity Securities and Use of Proceeds

None.

2(b): Use of Proceeds from Registered Securities

None.

2(c): Purchases of Equity Securities

During the nine months ended September 30, 2025, repurchases made pursuant to our stock repurchase program were as follows:

Period	Total number of shares purchased ⁽¹⁾	Weighted average price paid per share ⁽²⁾	Total number of shares purchased as part of publicly announced plans or programs ⁽³⁾	Maximum number (or approximate dollar value) of common shares that may yet be purchased under the plans or programs (in millions) ⁽³⁾
January 1, 2025 through January 31, 2025	1,430,264	\$ 14.00	1,430,264	\$ 14
February 1, 2025 through February 28, 2025	178,986	\$ 12.73	—	\$ 300
March 1, 2025 through March 31, 2025	2,085,011	\$ 11.97	2,085,011	\$ 275
April 1, 2025 through April 30, 2025	106	\$ 9.36	—	\$ 275
May 1, 2025 through May 31, 2025	103	\$ 10.26	—	\$ 275
June 1, 2025 through June 30, 2025	431	\$ 10.13	—	\$ 275
July 1, 2025 through July 31, 2025	181	\$ 10.83	—	\$ 275
August 1, 2025 through August 31, 2025	402	\$ 10.33	—	\$ 275
September 1, 2025 through September 30, 2025	169	\$ 12.00	—	\$ 275
Total	<u>3,695,653</u>		<u>3,515,275</u>	

⁽¹⁾ The number of shares purchased represents shares of common stock repurchased under the applicable previously announced stock repurchase programs as well as 180,378 shares of common stock surrendered by certain of our employees to satisfy their federal and state tax obligations associated with the vesting of restricted common stock.

- (2) The weighted average price paid per share for shares of common stock surrendered by certain employees is based on the closing price of our common stock on the trading date immediately prior to the date of delivery of the shares. The weighted average price paid per share for shares repurchased excludes commissions paid.
- (3) The stock repurchase program authorized on February 17, 2023, which allowed for the repurchase of up to \$300 million of our common stock was terminated on February 14, 2025 upon the authorization of a new \$300 million stock repurchase program, which expires on February 19, 2027.

Item 3. Defaults Upon Senior Securities.

In June 2023, we ceased making debt service payments toward the SF Mortgage Loan, and we received a notice of default from the servicer. In October 2023, the trustee for the SF Mortgage Loan filed a lawsuit against the borrowers under the SF Mortgage Loan. In connection with the lawsuit, the court appointed a receiver to take control of the Hilton San Francisco Hotels, which serve as security for the SF Mortgage Loan, and their operations, and thus, we have no further economic interest in the operations of the hotels. The receiver operates and has authority over the Hilton San Francisco Hotels, and also has the ability to sell the hotels. The receiver has executed an agreement to sell the hotels, and the court has approved the transaction with a closing expected by November 21, 2025. If the hotels are not sold to the buyer by November 21, 2025, the receivership will end with a non-judicial foreclosure as soon as permissible under California law. As of November 3, 2025, the total arrearage related to the SF Mortgage Loan, including interest and fees was \$149 million, of which \$73 million was default interest.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit Number	Description
2.1	<u>Distribution Agreement by and among Hilton Worldwide Holdings Inc., Park Hotels & Resorts Inc., Hilton Grand Vacations Inc. and Hilton Domestic Operating Company Inc., dated as of January 2, 2017 (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K, filed on January 4, 2017).</u>
2.2	<u>Agreement and Plan of Merger by and among Park Hotels & Resorts Inc., PK Domestic Property LLC, PK Domestic Sub LLC, and Chesapeake Lodging Trust, dated as of May 5, 2019 (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K, filed on May 6, 2019).</u>
3.1	<u>Amended and Restated Certificate of Incorporation of Park Hotels & Resorts Inc. (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed on April 30, 2019).</u>
3.2	<u>Amended and Restated By-laws of Park Hotels & Resorts Inc. (incorporated by reference to Exhibit 3.2 to our Current Report of Form 10-Q, filed on August 1, 2024).</u>
3.3	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Park Hotels & Resorts Inc. (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed on April 19, 2024).</u>
10.1	<u>Second Amended and Restated Credit Agreement, dated as of September 17, 2025, by and among Park Hotels & Resorts Inc., Park Intermediate Holdings LLC, Wells Fargo Bank, National Association, as administrative agent, and the financial institutions party thereto as lenders and agents (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed on September 17, 2025).</u>
31.1*	<u>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1*	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.</u>
32.2*	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.</u>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
*	Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Park Hotels & Resorts Inc.

Date: November 3, 2025

By: /s/ Thomas J. Baltimore Jr.
Thomas J. Baltimore, Jr.
Chairman of the Board,
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 3, 2025

By: /s/ Sean M. Dell’Orto
Sean M. Dell’Orto
Executive Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: November 3, 2025

By: /s/ Darren W. Robb
Darren W. Robb
Senior Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas J. Baltimore, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Park 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 the Securities Exchange Act of 1934, as amended, 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.

Date: November 3, 2025

By: /s/ Thomas J. Baltimore, Jr.

Thomas J. Baltimore, Jr.
Chairman of the Board, President and
Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sean M. Dell'Orto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Park 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 the Securities Exchange Act of 1934, as amended, 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.

Date: November 3, 2025

By: /s/ Sean M. Dell'Orto

Sean M. Dell'Orto
Executive Vice President,
Chief Financial Officer and Treasurer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Park Hotels & Resorts Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas J. Baltimore, Jr., President and Chief Executive Officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 3, 2025

By: /s/ Thomas J. Baltimore, Jr.

Thomas J. Baltimore, Jr.
Chairman of the Board, President and
Chief Executive Officer

In accordance with SEC Release NO. 34-47986, this Exhibit is furnished to the SEC as an accompanying document and is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended.

In accordance with SEC Release NO. 34-47986, this Exhibit is furnished to the SEC as an accompanying document and is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended.