
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2024

OR

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

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

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

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

(Exact name of registrant as specified in its charter)

Maryland (Host Hotels & Resorts, Inc.)

53-0085950

Delaware (Host Hotels & Resorts, L.P.)

52-2095412

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

4747 Bethesda Ave, Suite 1300

20814

Bethesda, Maryland

(Zip Code)

(Address of Principal Executive Offices)

(240) 744-1000

(Registrant's telephone number, including area code)

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

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

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

Host Hotels & Resorts, Inc.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Host Hotels & Resorts, L.P.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

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

Host Hotels & Resorts, Inc.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Host Hotels & Resorts, L.P.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

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

Host Hotels & Resorts,
Inc.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

Host Hotels & Resorts,
L.P.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

Host Hotels & Resorts, Inc.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Host Hotels & Resorts, L.P.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

As of May 3, 2024, there were 705,044,134 shares of Host Hotels & Resorts, Inc.’s common stock, \$0.01 par value per share, outstanding.

EXPLANATORY NOTE

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

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

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

This combined Form 10-Q for Host Inc. and Host L.P. includes, for each entity, separate interim financial statements (but combined footnotes), separate reports on disclosure controls and procedures and internal control over financial reporting and separate CEO/CFO certifications. In addition, with respect to any other financial and non-financial disclosure items required by Form 10-Q, any material differences between Host Inc. and Host L.P. are discussed separately herein. For a more detailed discussion of the substantive differences between Host Inc. and Host L.P. and why we believe the combined filing results in benefits to investors, see the discussion in the combined Annual Report on Form 10-K for the year ended December 31, 2023 under the heading “Explanatory Note.”

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

INDEX

PART I. FINANCIAL INFORMATION

	<u>Page No.</u>
Item	
1. Financial Statements for Host Hotels & Resorts, Inc.:	
Condensed Consolidated Balance Sheets - March 31, 2024 (unaudited) and December 31, 2023	1
Condensed Consolidated Statements of Operations (unaudited) - Quarter ended March 31, 2024 and 2023	2
Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited) - Quarter ended March 31, 2024 and 2023	3
Condensed Consolidated Statements of Cash Flows (unaudited) - Quarter ended March 31, 2024 and 2023	4
Financial Statements for Host Hotels & Resorts, L.P.:	
Condensed Consolidated Balance Sheets - March 31, 2024 (unaudited) and December 31, 2023	6
Condensed Consolidated Statements of Operations (unaudited) - Quarter ended March 31, 2024 and 2023	7
Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited) - Quarter ended March 31, 2024 and 2023	8
Condensed Consolidated Statements of Cash Flows (unaudited) - Quarter ended March 31, 2024 and 2023	9
Notes to Condensed Consolidated Financial Statements (unaudited)	11
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Item 3. Quantitative and Qualitative Disclosures about Market Risk	41
Item 4. Controls and Procedures	41

PART II. OTHER INFORMATION

Item	
2. Unregistered Sales of Equity Securities and Use of Proceeds	42
Item	
5. Other Information	42

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2024 and December 31, 2023
(in millions, except share and per share amounts)

	March 31, 2024	December 31, 2023
	unaudited	
ASSETS		
Property and equipment, net	\$ 9,565	\$ 9,624
Right-of-use assets	551	550
Due from managers	158	128
Advances to and investments in affiliates	147	126
Furniture, fixtures and equipment replacement fund	231	217
Notes receivable	72	72
Other	391	382
Cash and cash equivalents	1,349	1,144
Total assets	<u>\$ 12,464</u>	<u>\$ 12,243</u>
LIABILITIES, NON-CONTROLLING INTERESTS AND EQUITY		
Debt		
Senior notes	\$ 3,121	\$ 3,120
Credit facility, including the term loans of \$997	1,290	989
Mortgage and other debt	99	100
Total debt	4,510	4,209
Lease liabilities	564	563
Accounts payable and accrued expenses	237	408
Due to managers	37	64
Other	176	173
Total liabilities	5,524	5,417
Redeemable non-controlling interests - Host Hotels & Resorts, L.P.	200	189
Host Hotels & Resorts, Inc. stockholders' equity:		
Common stock, par value \$0.01, 1,050 million shares authorized, 705.0 million shares and 703.6 million shares issued and outstanding, respectively	7	7
Additional paid-in capital	7,514	7,535
Accumulated other comprehensive loss	(73)	(70)
Deficit	(712)	(839)
Total equity of Host Hotels & Resorts, Inc. stockholders	6,736	6,633
Non-redeemable non-controlling interests—other consolidated partnerships	4	4
Total equity	6,740	6,637
Total liabilities, non-controlling interests and equity	<u>\$ 12,464</u>	<u>\$ 12,243</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Quarter ended March 31, 2024 and 2023
(unaudited, in millions, except per share amounts)

	Quarter ended March 31,	
	2024	2023
REVENUES		
Rooms	\$ 853	\$ 820
Food and beverage	473	431
Other	145	130
Total revenues	1,471	1,381
EXPENSES		
Rooms	202	193
Food and beverage	295	269
Other departmental and support expenses	334	315
Management fees	69	65
Other property-level expenses	104	91
Depreciation and amortization	180	169
Corporate and other expenses	27	31
Gain on insurance settlements	(31)	—
Total operating costs and expenses	1,180	1,133
OPERATING PROFIT	291	248
Interest income	18	14
Interest expense	(47)	(49)
Other gains	—	69
Equity in earnings of affiliates	8	7
INCOME BEFORE INCOME TAXES	270	289
Benefit for income taxes	2	2
NET INCOME	272	291
Less: Net income attributable to non-controlling interests	(4)	(4)
NET INCOME ATTRIBUTABLE TO HOST HOTELS & RESORTS, INC.	\$ 268	\$ 287
Basic earnings per common share	\$ 0.38	\$ 0.40
Diluted earnings per common share	\$ 0.38	\$ 0.40

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Quarter ended March 31, 2024 and 2023
(unaudited, in millions)

	Quarter ended March 31,	
	2024	2023
NET INCOME	\$ 272	\$ 291
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Foreign currency translation and other comprehensive income of unconsolidated affiliates	(3)	2
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(3)	2
COMPREHENSIVE INCOME	269	293
Less: Comprehensive income attributable to non-controlling interests	(4)	(4)
COMPREHENSIVE INCOME ATTRIBUTABLE TO HOST HOTELS & RESORTS, INC.	<u>\$ 265</u>	<u>\$ 289</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Quarter ended March 31, 2024 and 2023

(unaudited, in millions)

	Quarter ended March 31,	
	2024	2023
OPERATING ACTIVITIES		
Net income	\$ 272	\$ 291
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	180	169
Amortization of finance costs, discounts and premiums, net	2	2
Loss on extinguishment of debt	—	4
Stock compensation expense	6	7
Other gains	—	(69)
Gain on property insurance settlement	(21)	—
Equity in earnings of affiliates	(8)	(7)
Change in due from/to managers	(58)	(88)
Distributions from investments in affiliates	3	7
Property insurance proceeds - remediation costs	—	31
Payments for inventory costs	(6)	—
Changes in other assets	8	3
Changes in other liabilities	(13)	(42)
Net cash provided by operating activities	365	308
INVESTING ACTIVITIES		
Proceeds from sales of assets, net	—	35
Advances to and investments in affiliates	(18)	(18)
Capital expenditures:		
Renewals and replacements	(70)	(95)
Return on investment	(33)	(51)
Property insurance proceeds	21	24
Net cash used in investing activities	(100)	(105)
FINANCING ACTIVITIES		
Financing costs	—	(10)
Draws on credit facility	300	—
Debt extinguishment costs	—	(3)
Common stock repurchases	—	(50)
Dividends on common stock	(316)	(228)
Distributions and payments to non-controlling interests	(5)	(3)
Other financing activities	(23)	(14)
Net cash used in financing activities	(44)	(308)
Effects of exchange rate changes on cash held	(2)	1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	219	(104)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	1,363	874
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 1,582	\$ 770

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
Quarter ended March 31, 2024 and 2023
(unaudited)

Supplemental disclosure of cash flow information (in millions):

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents	\$ 1,349	\$ 563
Restricted cash (included in other assets)	2	4
Cash included in furniture, fixtures and equipment replacement fund	231	203
Total cash and cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 1,582</u>	<u>\$ 770</u>

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

	Quarter ended March 31, 2024	2023
Total interest paid	<u>\$ 39</u>	<u>\$ 40</u>
Income taxes paid (refunds received)	<u>\$ 2</u>	<u>\$ (1)</u>

Supplemental schedule of noncash investing and financing activities:

In connection with the sale of The Camby, Autograph Collection in March 2023, we issued a \$72 million loan to the buyer. The proceeds received from the sales are net of the loan.

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2024 and December 31, 2023

(in millions)

	March 31, 2024	December 31, 2023
	unaudited	
ASSETS		
Property and equipment, net	\$ 9,565	\$ 9,624
Right-of-use assets	551	550
Due from managers	158	128
Advances to and investments in affiliates	147	126
Furniture, fixtures and equipment replacement fund	231	217
Notes receivable	72	72
Other	391	382
Cash and cash equivalents	1,349	1,144
Total assets	<u>\$ 12,464</u>	<u>\$ 12,243</u>
LIABILITIES, LIMITED PARTNERSHIP INTERESTS OF THIRD PARTIES AND CAPITAL		
Debt		
Senior notes	\$ 3,121	\$ 3,120
Credit facility, including the term loans of \$997	1,290	989
Mortgage and other debt	99	100
Total debt	4,510	4,209
Lease liabilities	564	563
Accounts payable and accrued expenses	237	408
Due to managers	37	64
Other	176	173
Total liabilities	<u>5,524</u>	<u>5,417</u>
Limited partnership interests of third parties	200	189
Host Hotels & Resorts, L.P. capital:		
General partner	1	1
Limited partner	6,808	6,702
Accumulated other comprehensive loss	(73)	(70)
Total Host Hotels & Resorts, L.P. capital	6,736	6,633
Non-controlling interests—consolidated partnerships	4	4
Total capital	<u>6,740</u>	<u>6,637</u>
Total liabilities, limited partnership interests of third parties and capital	<u>\$ 12,464</u>	<u>\$ 12,243</u>

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Quarter ended March 31, 2024 and 2023
(unaudited, in millions, except per unit amounts)

	Quarter ended March 31,	
	2024	2023
REVENUES		
Rooms	\$ 853	\$ 820
Food and beverage	473	431
Other	145	130
Total revenues	1,471	1,381
EXPENSES		
Rooms	202	193
Food and beverage	295	269
Other departmental and support expenses	334	315
Management fees	69	65
Other property-level expenses	104	91
Depreciation and amortization	180	169
Corporate and other expenses	27	31
Gain on insurance settlements	(31)	—
Total operating costs and expenses	1,180	1,133
OPERATING PROFIT	291	248
Interest income	18	14
Interest expense	(47)	(49)
Other gains	—	69
Equity in earnings of affiliates	8	7
INCOME BEFORE INCOME TAXES	270	289
Benefit for income taxes	2	2
NET INCOME	272	291
Less: Net income attributable to non-controlling interests	—	—
NET INCOME ATTRIBUTABLE TO HOST HOTELS & RESORTS, L.P.	\$ 272	\$ 291
Basic earnings per common unit	\$ 0.39	\$ 0.41
Diluted earnings per common unit	\$ 0.39	\$ 0.41

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Quarter ended March 31, 2024 and 2023
(unaudited, in millions)

	Quarter ended March 31,	
	2024	2023
NET INCOME	\$ 272	\$ 291
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX:		
Foreign currency translation and other comprehensive income of unconsolidated affiliates	(3)	2
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(3)	2
COMPREHENSIVE INCOME	269	293
Less: Comprehensive income attributable to non-controlling interests	—	—
COMPREHENSIVE INCOME ATTRIBUTABLE TO HOST HOTELS & RESORTS, L.P.	\$ 269	\$ 293

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Quarter ended March 31, 2024 and 2023

(unaudited, in millions)

	Quarter ended March 31,	
	2024	2023
OPERATING ACTIVITIES		
Net income	\$ 272	\$ 291
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	180	169
Amortization of finance costs, discounts and premiums, net	2	2
Loss on extinguishment of debt	—	4
Stock compensation expense	6	7
Other gains	—	(69)
Gain on property insurance settlement	(21)	—
Equity in earnings of affiliates	(8)	(7)
Change in due from/to managers	(58)	(88)
Distributions from investments in affiliates	3	7
Property insurance proceeds - remediation costs	—	31
Payments for inventory costs	(6)	—
Changes in other assets	8	3
Changes in other liabilities	(13)	(42)
Net cash provided by operating activities	365	308
INVESTING ACTIVITIES		
Proceeds from sales of assets, net	—	35
Advances to and investments in affiliates	(18)	(18)
Capital expenditures:		
Renewals and replacements	(70)	(95)
Return on investment	(33)	(51)
Property insurance proceeds	21	24
Net cash used in investing activities	(100)	(105)
FINANCING ACTIVITIES		
Financing costs	—	(10)
Draws on credit facility	300	—
Debt extinguishment costs	—	(3)
Repurchase of common OP units	—	(50)
Distributions on common OP units	(320)	(231)
Distributions and payments to non-controlling interests	(1)	—
Other financing activities	(23)	(14)
Net cash used in financing activities	(44)	(308)
Effects of exchange rate changes on cash held	(2)	1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	219	(104)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	1,363	874
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 1,582	\$ 770

See notes to condensed consolidated financial statements.

HOST HOTELS & RESORTS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
Quarter ended March 31, 2024 and 2023
(unaudited)

Supplemental disclosure of cash flow information (in millions):

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents	\$ 1,349	\$ 563
Restricted cash (included in other assets)	2	4
Cash included in furniture, fixtures and equipment replacement fund	231	203
Total cash and cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 1,582</u>	<u>\$ 770</u>

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

	Quarter ended March 31, 2024	2023
Total interest paid	<u>\$ 39</u>	<u>\$ 40</u>
Income taxes paid (refunds received)	<u>\$ 2</u>	<u>\$ (1)</u>

Supplemental schedule of noncash investing and financing activities:

In connection with the sale of The Camby, Autograph Collection in March 2023, we issued a \$72 million loan to the buyer. The proceeds received from the sales are net of the loan.

See notes to condensed consolidated financial statements.

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

1. Organization

Description of Business

Host Hotels & Resorts, Inc. operates as a self-managed and self-administered real estate investment trust (“REIT”), with its operations conducted solely through Host Hotels & Resorts, L.P. and its subsidiaries. Host Hotels & Resorts, L.P., a Delaware limited partnership, operates through an umbrella partnership structure, with Host Hotels & Resorts, Inc., a Maryland corporation, as its sole general partner. In the notes to these unaudited condensed consolidated financial statements, we use the terms “we” or “our” to refer to Host Hotels & Resorts, Inc. and Host Hotels & Resorts, L.P. together, unless the context indicates otherwise. We also use the term “Host Inc.” to refer specifically to Host Hotels & Resorts, Inc., and the term “Host L.P.” to refer specifically to Host Hotels & Resorts, L.P. in cases where it is important to distinguish between Host Inc. and Host L.P. As of March 31, 2024, Host Inc. holds approximately 99% of Host L.P.’s partnership interests.

Consolidated Portfolio

As of March 31, 2024, our consolidated portfolio, primarily consisting of luxury and upper upscale hotels, is located in the following countries:

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

2. Summary of Significant Accounting Policies

We have condensed or omitted certain information and footnote disclosures normally included in financial statements presented in accordance with U.S. generally accepted accounting principles, or GAAP, in the accompanying unaudited condensed consolidated financial statements. We believe the disclosures made herein are adequate to prevent the information presented from being misleading. However, the financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

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

In our opinion, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary to present fairly our financial position as of March 31, 2024, and the results of our operations and cash flows for the quarter ended March 31, 2024 and 2023, respectively. Interim results are not necessarily indicative of full year performance because of the effect of seasonal variations.

Four of the partnerships in which we own an interest are considered variable interest entities ("VIEs"), as the general partner of these partnerships maintains control over the decisions that most significantly impact such partnerships. These VIEs include the operating partnership, Host L.P., which is consolidated by Host Inc., of which Host Inc. is the sole general partner and holds approximately 99% of the limited partner interests; the consolidated partnership that owns the Houston Airport Marriott at George Bush Intercontinental; and two unconsolidated partnerships that own hotel properties, of which we hold limited partner interests ranging from 11% - 21%. Host Inc.'s sole significant asset is its investment in Host L.P. and, consequently, substantially all of Host Inc.'s assets and liabilities consists of the assets and liabilities of Host L.P. All of Host Inc.'s debt is an obligation of Host L.P. and may be settled only with assets of Host L.P.

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

3. Earnings Per Common Share (Unit)

Basic earnings (loss) per common share (unit) is computed by dividing net income (loss) attributable to common stockholders (unitholders) by the weighted average number of shares of Host Inc. common stock or Host L.P. common units outstanding. Diluted earnings (loss) per common share (unit) is computed by dividing net income (loss) attributable to common stockholders (unitholders), as adjusted for potentially dilutive securities, by the weighted average number of shares of Host Inc. common stock or Host L.P. common units outstanding plus other potentially dilutive securities. Dilutive securities may include shares granted under comprehensive stock plans or the Host L.P. common units distributed to Host Inc. to support such shares granted, and other non-controlling interests that have the option to convert their limited partner interests to Host L.P. common units. No effect is shown for any securities that are anti-dilutive. There are 9.5 million Host L.P. common units, which are convertible into 9.7 million Host Inc. common shares, that are not included in Host Inc.'s calculation of earnings (loss) per share as their effect is not dilutive. The calculation of Host Inc. basic and diluted earnings per common share is shown below (in millions, except per share amounts):

	Quarter ended March 31,	
	2024	2023
Net income	\$ 272	\$ 291
Less: Net income attributable to non-controlling interests	(4)	(4)
Net income attributable to Host Inc.	<u>\$ 268</u>	<u>\$ 287</u>
Basic weighted average shares outstanding	704.0	713.4
Assuming distribution of common shares granted under the comprehensive stock plans, less shares assumed purchased at market	1.5	1.5
Diluted weighted average shares outstanding	<u>705.5</u>	<u>714.9</u>
Basic earnings per common share	<u>\$ 0.38</u>	<u>\$ 0.40</u>
Diluted earnings per common share	<u>\$ 0.38</u>	<u>\$ 0.40</u>

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

	Quarter ended March 31,	
	2024	2023
Net income	\$ 272	\$ 291
Less: Net income attributable to non-controlling interests	—	—
Net income attributable to Host L.P.	\$ 272	\$ 291
Basic weighted average units outstanding	698.7	708.3
Assuming distribution of common units granted under the comprehensive stock plans, less units assumed purchased at market	1.5	1.5
Diluted weighted average units outstanding	700.2	709.8
Basic earnings per common unit	\$ 0.39	\$ 0.41
Diluted earnings per common unit	\$ 0.39	\$ 0.41

4. Revenue

Substantially all our operating results represent revenues and expenses generated by property-level operations. Payments are due from customers when services are provided to them. Due to the short-term nature of our contracts and the almost concurrent receipt of payment, we have no material unearned revenue at quarter end.

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

We collect sales, use, occupancy and similar taxes from our customers, which we present on a net basis (excluded from revenues) on our statements of operations.

Disaggregation of Revenues. While we do not consider the following disclosure of hotel revenues by location to consist of reportable segments, we have disaggregated hotel revenues by market location. Our revenues also are presented by country in Note 9 – Geographic Information.

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

Location	Quarter ended March 31,	
	2024	2023
Florida Gulf Coast	\$ 168	\$ 96
Orlando	142	141
San Diego	136	125
Phoenix	120	129
Maui/Oahu	115	126
San Francisco/San Jose	106	100
Miami	84	83
Washington, D.C. (Central Business District)	80	76
New York	72	70
Houston	41	37
San Antonio	35	36
Los Angeles/Orange County	33	34
Jacksonville	31	31
New Orleans	31	29
Boston	30	29
Austin	23	25
Northern Virginia	22	19
Chicago	21	19
Seattle	19	18
Denver	19	14
Philadelphia	17	17
Atlanta	17	18
Other	90	90
Domestic	1,452	1,362
International	19	19
Total	<u>\$ 1,471</u>	<u>\$ 1,381</u>

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

5. Property and Equipment

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

	March 31, 2024	December 31, 2023
Land and land improvements	\$ 1,981	\$ 1,981
Buildings and leasehold improvements	14,347	14,253
Furniture and equipment	2,357	2,331
Construction in progress	234	237
	<u>18,919</u>	<u>18,802</u>
Less accumulated depreciation and amortization	(9,354)	(9,178)
	<u>\$ 9,565</u>	<u>\$ 9,624</u>

6. Debt

Credit Facility. During the first quarter, we drew \$300 million on the revolver portion of our credit facility. As of March 31, 2024, we had \$1.2 billion of available capacity under the revolver portion of our credit facility.

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

Equity of Host Inc.

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

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings / (Deficit)	Non- redeemable, non- controlling interests	Total equity	Redeemable, non- controlling interests
Balance, December 31, 2023	\$ 7	\$ 7,535	\$ (70)	\$ (839)	\$ 4	\$6,637	\$ 189
Net income	—	—	—	268	—	268	4
Issuance of common stock for comprehensive stock plans, net	—	(12)	—	—	—	(12)	—
Dividends declared on common stock	—	—	—	(141)	—	(141)	—
Distributions to non- controlling interests	—	—	—	—	(1)	(1)	(2)
Changes in ownership and other	—	(9)	—	—	1	(8)	9
Other comprehensive loss	—	—	(3)	—	—	(3)	—
Balance, March 31, 2024	<u>\$ 7</u>	<u>\$ 7,514</u>	<u>\$ (73)</u>	<u>\$ (712)</u>	<u>\$ 4</u>	<u>\$6,740</u>	<u>\$ 200</u>

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

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings / (Deficit)	Non- redeemable, non- controlling interests	Total equity	Redeemable, non- controlling interests
Balance, December 31, 2022	\$ 7	\$ 7,717	\$ (75)	\$ (939)	\$ 5	\$6,715	\$ 164
Net income	—	—	—	287	—	287	4
Issuance of common stock for comprehensive stock plans, net	—	(4)	—	—	—	(4)	—
Repurchase of common stock	—	(50)	—	—	—	(50)	—
Dividends declared on common stock	—	—	—	(87)	—	(87)	—
Distributions to non- controlling interests	—	—	—	—	—	—	(1)
Other comprehensive income	—	—	2	—	—	2	—
Balance, March 31, 2023	<u>\$ 7</u>	<u>\$ 7,663</u>	<u>\$ (73)</u>	<u>\$ (739)</u>	<u>\$ 5</u>	<u>\$6,863</u>	<u>\$ 167</u>

Capital of Host L.P.

As of March 31, 2024, Host Inc. is the owner of approximately 99% of Host L.P.'s common OP units. The remaining common OP units are owned by unaffiliated limited partners. Each common OP unit may be redeemed for cash or, at the election of Host Inc., Host Inc. common stock, based on the conversion ratio of 1.021494 shares of Host Inc. common stock for each common OP unit.

In exchange for any shares issued by Host Inc., Host L.P. will issue common OP units to Host Inc. based on the applicable conversion ratio. Additionally, funds used by

Host Inc. to pay dividends on its common stock are provided by distributions from Host L.P.

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

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

	General Partner	Limited Partner	Accumulated Other Comprehensive Income (Loss)	Non- controlling interests	Total capital	Limited partnership interests of third parties
Balance, December 31, 2023	\$ 1	\$ 6,702	\$ (70)	\$ 4	\$ 6,637	\$ 189
Net income	—	268	—	—	268	4
Issuance of common OP units to Host Inc. for comprehensive stock plans, net	—	(12)	—	—	(12)	—
Distributions declared on common OP units	—	(141)	—	—	(141)	(2)
Distributions to non-controlling interests	—	—	—	(1)	(1)	—
Changes in ownership and other	—	(9)	—	1	(8)	9
Other comprehensive loss	—	—	(3)	—	(3)	—
Balance, March 31, 2024	<u>\$ 1</u>	<u>\$ 6,808</u>	<u>\$ (73)</u>	<u>\$ 4</u>	<u>\$ 6,740</u>	<u>\$ 200</u>

	General Partner	Limited Partner	Accumulated Other Comprehensive Income (Loss)	Non- controlling interests	Total capital	Limited partnership interests of third parties
Balance, December 31, 2022	\$ 1	\$ 6,784	\$ (75)	\$ 5	\$ 6,715	\$ 164
Net income	—	287	—	—	287	4
Issuance of common OP units to Host Inc. for comprehensive stock plans, net	—	(4)	—	—	(4)	—
Repurchase of common OP units	—	(50)	—	—	(50)	—
Distributions declared on common OP units	—	(87)	—	—	(87)	(1)
Other comprehensive income	—	—	2	—	2	—
Balance, March 31, 2023	<u>\$ 1</u>	<u>\$ 6,930</u>	<u>\$ (73)</u>	<u>\$ 5</u>	<u>\$ 6,863</u>	<u>\$ 167</u>

Share Repurchases

As of March 31, 2024, there was \$792 million available for repurchase under our common share repurchase program. There were no share repurchases during the first quarter of 2024.

Issuance of Common Stock

As of March 31, 2024, there was \$600 million of remaining capacity to issue common shares of Host Inc. under our "at the market" distribution agreement. There were no shares issued during the first quarter of 2024.

Dividends/Distributions

On February 21, 2024, Host Inc.'s Board of Directors announced a regular quarterly cash dividend of \$0.20 per share on its common stock. The dividend was paid on April 15, 2024 to stockholders of record as of March 28, 2024. Accordingly, Host L.P. made a distribution of \$0.2042988 per unit on its common OP units based on the current conversion ratio.

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

8. Fair Value Measurements

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

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

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Notes receivable (Level 2)	\$ 72	\$ 73	\$ 72	\$ 73
Financial liabilities				
Senior notes (Level 1)	3,121	2,903	3,120	2,915
Credit facility (Level 2)	1,290	1,300	989	1,000
Mortgage debt (Level 2)	99	87	100	86

9. Geographic Information

We consider each one of our hotels to be an operating segment, as we allocate resources and assess operating performance based on individual hotels. All of our hotels meet the aggregation criteria for segment reporting and our other real estate investment activities (primarily our retail spaces and office buildings) are immaterial. As such, we report one segment: hotel ownership. Our consolidated foreign operations consist of hotels in two countries as of March 31, 2024. There were no intersegment sales during the periods presented.

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

	Total Revenues		Property and Equipment, net	
	Quarter ended March 31,		March 31,	December 31,
	2024	2023	2024	2023
United States	\$ 1,452	\$ 1,362	\$ 9,500	\$ 9,556
Brazil	6	6	34	35
Canada	13	13	31	33
Total	\$ 1,471	\$ 1,381	\$ 9,565	\$ 9,624

10. Non-controlling Interests

Host Inc.'s treatment of the non-controlling interests of Host L.P.: Host Inc. adjusts the amount of the non-controlling interests of Host L.P. each period so that the amount presented equals the greater of its carrying amount based on accumulated historical cost or its redemption value. The historical cost is based on the proportional relationship between the historical cost of equity held by our common stockholders relative to that of the common unitholders of Host L.P. The redemption value is based on the amount of cash or Host Inc. common stock, at our option, that would be paid to the non-controlling interests of Host L.P. if it were terminated. We have estimated that the redemption value of the common OP units is equivalent to the number of common shares issuable upon conversion of the common OP units held by third parties valued at the market price of Host Inc. common stock at the balance sheet date. One common OP unit may be exchanged for 1.021494 shares of Host Inc. common stock. Redeemable non-controlling interests of Host L.P. are classified in the mezzanine section of our

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

balance sheets as they do not meet the requirements for equity classification because the redemption feature requires the delivery of registered shares.

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

	March 31, 2024	December 31, 2023
Common OP units outstanding (millions)	9.5	9.5
Market price per Host Inc. common share	\$ 20.68	\$ 19.47
Shares issuable upon conversion of one common OP unit	1.021494	1.021494
Redemption value (millions)	\$ 200	\$ 189
Historical cost (millions)	94	93
Book value (millions) ⁽¹⁾	200	189

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

Other Consolidated Partnerships. Non-redeemable non-controlling interests - other consolidated partnerships on the balance sheets consists of the third party partnership interest of one majority-owned partnership.

11. Contingencies

While the majority of our hotels in Florida were affected by Hurricane Ian, which made landfall on September 28, 2022, the most significant damage sustained during the storm occurred at The Ritz-Carlton, Naples and Hyatt Regency Coconut Point Resort and Spa. The Hyatt Regency Coconut Point reopened to guests in November 2022, with the final phase of reconstruction, the resort's waterpark, completed in June 2023. On July 6, 2023, The Ritz-Carlton, Naples reopened the guestrooms, suites and amenities, including the new tower expansion.

Our current estimate of the book value of the property and equipment written off and remediation costs is approximately \$130 million, for which we recorded a corresponding insurance receivable. As of March 31, 2024, we have received \$244 million of insurance proceeds related to these claims, of which \$130 million reduced our receivable to zero and, during the first quarter, \$10 million of these proceeds were recognized as a gain on business interruption and \$21 million was recognized as a gain on property insurance, which are both included in gain on insurance settlements on our unaudited condensed consolidated statements of operations. Subsequent to quarter end, we received an additional \$19 million of insurance proceeds.

12. Legal Proceedings

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

Based on our analysis of legal proceedings with which we are involved or of which we currently are aware and our experience in resolving similar claims in the past, we have recorded immaterial accruals as of March 31, 2024 related to such claims. We have estimated that, in the aggregate, our losses related to these proceedings will not be material. We are not aware of any matters with a reasonably possible unfavorable outcome for which disclosure of a loss contingency is required. No assurances can be given as to the outcome of any pending legal proceedings.

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

13. Subsequent Events

Subsequent to quarter end, the following transactions were completed:

- we repaid our \$400 million 3⁷/₈% Series G senior notes at maturity on April 1, 2024;
- we acquired the 215-room 1 Hotel Nashville and 506-room Embassy Suites by Hilton Nashville Downtown for a total purchase price of \$530 million on April 15, 2024; and
- an additional draw of \$65 million on the revolver portion of our credit facility, followed by a \$150 million repayment on the facility, after which we have \$1.3 billion available under our capacity.

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

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

Forward-Looking Statements

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

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

- the effect on lodging demand of (i) changes in national and local economic and business conditions, including concerns about U.S. economic growth and the potential for an economic recession in the United States or globally, the recent high level of inflation, rising interest rates, global economic prospects, consumer confidence and the value of the U.S. dollar, and (ii) factors that may shape public perception of travel to a particular location, including natural disasters, such as the Maui wildfires in 2023, weather events, such as Hurricane Ian in 2022, pandemics and other public health crises, such as the COVID-19 pandemic, and the occurrence or potential occurrence of terrorist attacks, all of which will affect occupancy rates at our hotels and the demand for hotel products and services;
- risks that U.S. immigration policies and border closings, travel restrictions or advisories, changes in energy prices or changes in foreign exchange rates will suppress international travel to the United States generally or decrease the labor pool;
- the impact of geopolitical developments outside the U.S., such as large-scale wars or international conflicts, slowing global growth, or trade tensions and tariffs between the United States and its trading partners such as China, all of which could affect global travel and lodging demand within the United States;
- volatility in global financial and credit markets, which could materially adversely affect U.S. and global economic conditions, business activity, and lodging demand as well

as negatively impact our ability to obtain financing and increase our borrowing costs;

- future U.S. governmental action to address budget deficits through reductions in spending and similar austerity measures, as well as the impact of potential U.S. government shutdowns, all of which could materially adversely affect U.S. economic conditions, business activity, credit availability and borrowing costs;
- operating risks associated with the hotel business, including the effect of labor stoppages or strikes, increasing operating or labor costs, including increased labor costs in the current inflationary environment, the ability of our managers to adequately staff our hotels as a result of shortages in labor, severance and furlough payments to hotel employees or changes in workplace rules that affect labor costs;
- the effect of rating agency downgrades of our debt securities or on the cost and availability of new debt financings;
- the reduction in our operating flexibility and the limitation on our ability to incur debt, pay dividends and make distributions resulting from restrictive covenants in our debt agreements and other risks associated with the amount of our indebtedness or related to restrictive covenants in our debt agreements, including the risk that a default could occur;
- our ability to maintain our hotels in a first-class manner, including meeting capital expenditures requirements, and the effect of renovations, including temporary closures, on our hotel occupancy and financial results;
- the ability of our hotels to compete effectively against other lodging businesses in the highly competitive markets in which we operate in areas such as access, location, quality of accommodations and room rate structures;

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

We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions, including those risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2023 and in other filings with the Securities and Exchange Commission (“SEC”). Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that we will attain these expectations or that any deviations will not be material.

Operating Results and Outlook

Operating Results

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

Historical Income Statement Data:

	Quarter ended March 31,		Change
	2024	2023	
Total revenues	\$ 1,471	\$ 1,381	6.5 %
Net income	272	291	(6.5 %)
Operating profit	291	248	17.3 %
Operating profit margin under GAAP	19.8 %	18.0 %	180 bps
EBITDAre ⁽¹⁾	\$ 504	\$ 444	13.5 %
Adjusted EBITDAre ⁽¹⁾	483	444	8.8 %
Diluted earnings per common share	0.38	0.40	(5.0 %)
NAREIT FFO per diluted share ⁽¹⁾	0.60	0.54	11.1 %
Adjusted FFO per diluted share ⁽¹⁾	0.60	0.55	9.1 %

Comparable Hotel Data:

	Quarter ended March 31,		Change
	2024	2023	
Comparable hotel revenues ⁽¹⁾	\$ 1,398	\$ 1,375	1.7 %
Comparable hotel EBITDA ⁽¹⁾	435	448	(2.9 %)
Comparable hotel EBITDA margin ⁽¹⁾	31.2 %	32.6 %	(140) bps
Comparable hotel Total RevPAR ⁽¹⁾	\$ 369.58	\$ 367.56	0.5 %
Comparable hotel RevPAR ⁽¹⁾	215.37	218.08	(1.2 %)

(1) EBITDAre, Adjusted EBITDAre, NAREIT FFO per diluted share and Adjusted FFO per diluted share and comparable hotel operating results (including hotel revenues and hotel EBITDA and margins) are non-GAAP financial measures within the meaning of the rules of the SEC. See "Non-GAAP Financial Measures" and "Comparable Hotel Operating Statistics and Results" for more information on these measures, including why we believe these supplemental measures are useful, reconciliations to the most directly comparable GAAP measure, and the limitations on the use of these supplemental measures. Additionally, comparable hotel results and statistics are based on 76 comparable hotels as of March 31, 2024 and include adjustments for non-comparable hotels, dispositions and acquisitions. See Comparable Hotel RevPAR Overview for results of the portfolio based on our ownership period, without these adjustments.

Revenues

Total revenues increased \$90 million, or 6.5%, as compared to the first quarter of 2023 driven by strong group business leading to increases in food and beverage revenues, in addition to improvements in other revenues. First quarter also benefited from the results of The Ritz-Carlton, Naples, which was closed in the first half of 2023.

Comparable hotel RevPAR decreased 1.2% and comparable hotel Total RevPAR increased 0.5%, compared to the first quarter of 2023. The decline in comparable hotel RevPAR was due to a decrease in average rates, as occupancy remained flat to 2023, while comparable hotel Total RevPAR benefited from an increase in food and beverage and other revenues. Downtown markets continued to perform well, fueled by group business, however improvements were offset due to the continuing impacts of the August 2023 wildfires in Maui and softening short term leisure demand, primarily impacting our resort properties in locations that also faced poor weather conditions in the first quarter of 2024.

Comparable hotel Total RevPAR in our Denver, Northern Virginia, and Houston markets led the portfolio with increases of 39.1%, 17.8% and 10.4%, respectively, in the first quarter, primarily due to rate and occupancy growth driven by strong group and leisure demand. Hotels in our San Diego market, one of our larger markets by room count, also outperformed our portfolio with a comparable hotel Total RevPAR increase of 7.3%, with rate increases driven by strong group performance, while our San Francisco/San Jose market outperformed with comparable hotel Total RevPAR growth of 4.8%, with a very strong January due to convention events. These strong performances were offset by comparable hotel

Total RevPAR declines at several of our resort-focused markets, in addition to declines in our Austin, Atlanta and Los Angeles/Orange County markets of 9.8%, 6.1% and 5.3%, respectively. The declines were driven primarily by a decline in short-term transient demand, primarily due to poor weather conditions in several markets, as well as difficult comparisons to the first quarter of 2023. In addition, comparable hotel Total RevPAR at our Maui/Oahu market declined by 9.8% due to the continuing impacts of Maui wildfires in August 2023.

Operating profit

For the first quarter of 2024, operating profit margin under GAAP was 19.8%, representing a 180 basis point improvement to 2023, primarily due to the insurance gains recognized in the first quarter. Comparable hotel EBITDA margin was 31.2%, a decrease of 140 basis points compared to the same period in 2023, reflecting increases in wages and insurance expenses.

Net income, Adjusted EBITDAre and Adjusted FFO per share

Net income decreased \$19 million for the quarter, primarily due to a decline in gain on asset sales, partially offset by gains on insurance settlements recognized in the first quarter. These changes led to a decrease in diluted earnings per share of \$0.02, or 5.0%, for the quarter. Adjusted EBITDAre, which excludes gain on sale of assets, among other items, increased \$39 million to \$483 million. Adjusted FFO per diluted share increased \$0.05 to \$0.60 for the first quarter, reflecting the increase in Adjusted EBITDAre, partially offset by an increase in interest expense (excluding debt extinguishment costs) which is included in Adjusted FFO per diluted share but not Adjusted EBITDAre.

Outlook

While there were portfolio-specific challenges in the first quarter of 2024, we continue to see economic conditions conducive to year-over-year growth for the lodging industry. First quarter headwinds included the evolving nature of demand at our Maui properties, unseasonable weather conditions in several of our markets, and difficult comparisons to a very strong first quarter of 2023. Although inflation has surprised to the upside in the first quarter, it has moderated substantially over the past year, while unemployment remains at very low levels, and consumer spending remains strong. However, the Federal Reserve has maintained its stance of a tight monetary policy, and expectations of rate cuts have been pushed further out. In addition, other risks to economic growth remain, including geopolitical instability throughout the globe, volatile oil prices and the uncertainty surrounding presidential elections both in the U.S. and abroad. As a result, while the overall expectation of a recession has moderated, a slowdown in economic growth is anticipated. Blue Chip Economic Indicators consensus currently estimates an increase in real U.S. GDP of 2.4% for 2024, down slightly from 2.5% growth in 2023, and business investment growth is also anticipated to slow over the coming quarters, expected to average 2.4% for 2024.

Overall, hotel supply growth is anticipated to remain below the long-term historical average in 2024, although we expect to see above-average growth in a few markets where our hotels are located, such as New York and Austin. Supply chain challenges have resulted in project delays across the U.S., and a tight lending environment has created construction

financing challenges for future projects. We anticipate that the new project pipeline will remain suppressed until macroeconomic concerns moderate and interest rates decline.

At the same time, demand patterns have normalized from the outsized impact of the pandemic on our industry, particularly in luxury and upper upscale hotels in top U.S. markets where our hotels are located. The majority of our urban markets are closing the gap to pre-pandemic levels, reflecting increases in group business and a gradual recovery in business transient and international demand. Further, while average rates have moderated from post-pandemic highs at our resorts, they remain elevated compared to pre-pandemic levels. However, there are signs of softening short term leisure demand and transient demand has recovered more slowly in certain markets, such as San Francisco and Seattle. In addition, the impact from the wildfires on the Maui market, one of our largest markets by revenues, has created challenges for anticipating performance levels in the coming months as the community continues to rebuild.

Based on the trends noted, we expect comparable hotel RevPAR growth for the full year 2024 will be between 2.0% and 4.0%. However, the range of potential outcomes on the economy and the lodging industry specifically remains exceptionally wide, reflecting varying analyst assumptions surrounding the impact of higher interest rates, inflation, ongoing labor shortages in key industries, and escalating geopolitical conflicts. Additionally, following the collapse of a portion of Highway 1 in California in March 2024, Alila Ventana Big Sur is temporarily closed to guests. The hotel will be removed from our comparable hotel set beginning in the second quarter of 2024.

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

Strategic Initiatives

Acquisitions. Subsequent to quarter end, we acquired the 215-room 1 Hotel Nashville and 506-room Embassy Suites by Hilton Nashville Downtown for a total purchase price of \$530 million. The hotels comprise a two-hotel complex featuring seven food and beverage outlets, a spa, two fitness centers, a yoga studio and 33,000 square feet of shared meeting space.

Financing Transactions. During the first quarter, we drew \$300 million under the revolver portion of our credit facility. Subsequent to quarter end, we had net repayments of \$85 million under the revolver, resulting in remaining available capacity of \$1.3 billion under the revolver portion of our credit facility. Additionally, subsequent to quarter end, we repaid the \$400 million of 3 $\frac{7}{8}$ % Series G senior notes at maturity.

Capital Projects. During the first quarter of 2024, we spent approximately \$33 million on return on investment ("ROI") capital projects, \$58 million on renewal and replacement projects, and \$12 million on hurricane restoration work. This included our continuing restoration efforts following Hurricane Ian, for which we estimate the total property reconstruction and remediation costs, including significant enhancements, to be approximately \$300 million to \$320 million, of which approximately 30% relates to remediation costs. As of May 1, 2024, we have received total insurance proceeds of \$263 million out of the expected potential insurance recovery of approximately \$310 million related to our Hurricane Ian claims, of which \$10 million has been recognized as business interruption proceeds in the first quarter of 2024.

In collaboration with Hyatt, we initiated a transformational capital program in 2023 on six properties in our portfolio. These investments are intended to position the targeted hotels to compete better in their respective markets while seeking to enhance long-term performance. During the first quarter of 2024, we spent approximately \$11 million on this program, which is included in ROI capital projects. We expect to invest approximately \$125 million to \$200 million per year over the next three to four years on this program. Hyatt has agreed to provide additional priority returns on the agreed upon investments and operating profit guarantees totaling \$40 million to offset expected business disruptions.

For full year 2024, we expect total capital expenditures of \$500 million to \$605 million, consisting of ROI projects of approximately \$225 million to \$280 million, renewal and replacement expenditures of \$250 million to \$300 million, and \$25 million for the final restoration work for the damage caused by Hurricane Ian. The ROI projects include approximately \$125 million to \$150 million for the Hyatt transformational capital program discussed above.

Results of Operations

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

	Quarter ended March 31,		Change
	2024	2023	
Total revenues	\$ 1,471	\$ 1,381	6.5 %
Operating costs and expenses:			
Property-level costs ⁽¹⁾	1,184	1,102	7.4 %
Corporate and other expenses	27	31	(12.9)%
Gain on insurance settlements	31	—	N/M
Operating profit	291	248	17.3 %
Interest expense	47	49	(4.1)%
Other gains	—	69	(100.0)%
Benefit for income taxes	2	2	— %
Host Inc.:			
Net income attributable to non-controlling interests	4	4	— %
Net income attributable to Host Inc.	268	287	(6.6)%
Host L.P.:			
Net income attributable to non-controlling interests	—	—	— %
Net income attributable to Host L.P.	272	291	(6.5)%

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

N/M = Not meaningful.

Statement of Operations Results and Trends

Hotel Sales Overview

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

	Quarter ended March		
	31,		
	2024	2023	Change
Revenues:			
Rooms	\$ 853	\$ 820	4.0 %
Food and beverage	473	431	9.7 %
Other	145	130	11.5 %
Total revenues	\$ 1,471	\$ 1,381	6.5 %

Total revenues for the first quarter improved 6.5% compared to the first quarter of 2023, primarily due to the resumption of operations at The Ritz-Carlton, Naples, which was closed during the first half of 2023 as a result of Hurricane Ian. In addition, strong group business led to improvements in food and beverage revenues, while other revenues also increased, which offset the decline in RevPAR at our comparable hotels.

Rooms. Total rooms revenues increased \$33 million, or 4.0%, for the first quarter compared to 2023, reflecting the reopening of The Ritz-Carlton, Naples. Rooms revenues at our comparable hotels decreased \$1 million, or 0.1%, for the quarter driven by a decrease in average room rate.

Food and beverage. Total food and beverage ("F&B") revenues increased \$42 million, or 9.7%, for the first quarter compared to 2023 due to the reopening of The Ritz-Carlton, Naples and reflecting an increase in comparable F&B revenues of \$15 million, or 3.5%, primarily driven by improvements in banquet and audio-visual revenues at convention hotels as group demand continues to recover.

Other revenues. Total other revenues increased \$15 million, or 11.5%, for the first quarter compared to 2023 driven by the reopening of The Ritz-Carlton, Naples and reflecting an increase at our comparable hotels in other revenues of \$9 million, or 6.9%, primarily due to elevated levels of attrition and cancelation fees and an increase in ancillary revenues.

Property-level Operating Expenses

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

	Quarter ended March		Change
	2024	2023	
Expenses:			
Rooms	\$ 202	\$ 193	4.7 %
Food and beverage	295	269	9.7 %
Other departmental and support expenses	334	315	6.0 %
Management fees	69	65	6.2 %
Other property-level expenses	104	91	14.3 %
Depreciation and amortization	180	169	6.5 %
Total property-level operating expenses	<u>\$ 1,184</u>	<u>\$ 1,102</u>	7.4 %

Our operating costs and expenses, which consist of both fixed and variable components, are affected by several factors. Rooms expenses are affected mainly by occupancy, which drives costs related to items such as housekeeping, reservation systems, room supplies, laundry services and front desk costs. Food and beverage expenses correlate closely with food and beverage revenues and are affected by occupancy and the mix of business between banquet, audio-visual and outlet sales. However, the most significant expense for the rooms, food and beverage, and other departmental and support expenses is wages and employee benefits, which comprise approximately 58% of these expenses. For the first quarter of 2024, these expenses increased 5% on a per available rooms basis compared to 2023, primarily due to an overall increase in general wage rates and benefits. Wage and benefit rate inflation is expected to be approximately 5% in 2024.

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

The increase in expenses for the first quarter of 2024 compared to 2023 for rooms, food and beverage, other departmental and support, and management fees was generally due to the corresponding increases in revenues due to the reopening of the Ritz-Carlton, Naples and reflected changes in our comparable hotels results, as described below:

Rooms. Rooms expenses increased \$9 million, or 4.7%, for the quarter. Our comparable hotels rooms expenses increased \$5 million, or 2.6%, for the quarter driven by an overall increase in wage rates.

Food and beverage. F&B expenses increased \$26 million, or 9.7%, for the quarter. For our comparable hotels, F&B expenses increased \$11 million, or 4.1% for the quarter. Overall, F&B costs as a percentage of revenues remained consistent year over year.

Other departmental and support expenses. Other departmental and support expenses increased \$19 million, or 6.0%, for the quarter. On a comparable hotel basis, other departmental and support expenses increased \$12 million, or 3.8%, for the quarter. These increases were primarily due to higher wage expense.

Management fees. Total management fees increased \$4 million, or 6.2%, for the quarter. Base management fees, which generally are calculated as a percentage of total revenues, increased \$4 million, or 8.4%, for the quarter. At our comparable hotels, base management fees increased \$1 million, or 3.5%. Incentive management fees, which generally are

based on the amount of operating profit at each hotel after we receive a priority return on our investment, remained flat year over year. At our comparable hotels, incentive management fees decreased \$2 million, or 6.3%.

Other property-level expenses. These expenses generally do not vary significantly based on occupancy and include expenses such as property taxes and insurance. Other property-level expenses increased \$13 million, or 14.3%, for the quarter, due to increases in property insurance premiums, rent on a portion of our ground leases that are based on a percentage of sales, and property taxes. Other property-level expenses at our comparable hotels increased \$9 million, or 9.8%, for the quarter. Other property-level expenses were partially offset by the receipt of operating profit guarantees under the transformational capital programs in 2024 and 2023.

Other Income and Expense

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

	Quarter ended March 31,	
	2024	2023
General and administrative costs	\$ 21	\$ 21
Non-cash stock-based compensation expense	6	7
Litigation accruals	—	3
Total	<u>\$ 27</u>	<u>\$ 31</u>

Gain on insurance settlements. In 2024, we recorded a gain on insurance consisting of \$21 million related to property insurance proceeds and \$10 million for receipt of business interruption proceeds relating to Hurricane Ian.

Interest expense. Interest expense decreased for the quarter due to debt extinguishment costs incurred during the first quarter of 2023, partially offset by an increase in interest rates on our floating rate debt. The following table details our interest expense for the quarter (in millions):

	Quarter ended March 31,	
	2024	2023
Cash interest expense ⁽¹⁾	\$ 45	\$ 43
Non-cash interest expense	2	2
Non-cash debt extinguishment costs	—	1
Cash debt extinguishment costs ⁽¹⁾	—	3
Total interest expense	<u>\$ 47</u>	<u>\$ 49</u>

(1) Including the change in accrued interest, total cash interest paid was \$39 million and \$40 million for the quarters ended March 31, 2024 and 2023, respectively.

Other gains. Other gains in the first quarter of 2023 reflected the sale of The Camby, Autograph Collection.

Benefit for income taxes. We lease substantially all our properties to consolidated subsidiaries designated as taxable REIT subsidiaries ("TRS") for U.S. federal income tax purposes. Taxable income or loss generated/incurred by the TRS primarily represents hotel-level operations and the aggregate rent paid to Host L.P. by the TRS, on which we record an income tax provision or benefit. For the first quarter of 2024, we recorded a net income tax benefit of \$2 million due to the recognition of federal income tax credits related to the installation of a co-generation plant at one of our properties.

Comparable Hotel RevPAR Overview

We discuss operating results for our hotels on a comparable hotel basis. Comparable hotels are those properties that we have consolidated for the entirety of the reporting periods being compared. Comparable hotels do not include the results of hotels sold or classified as held-for-sale, hotels that have sustained substantial property damage or business interruption, or hotels that have undergone large-scale capital projects, in each case requiring closures lasting one month or longer during the reporting periods being compared. See "Comparable Hotel Operating Statistics and Results" below for more information on how we determine our comparable hotels.

We also include, following the comparable hotels results by geographic location, the same operating statistics presentation on an actual basis, which includes results for our portfolio for the time period of our ownership, including the results of non-comparable properties, dispositions through their date of disposal and acquisitions beginning as of the date of acquisition. Lastly, we discuss our hotel results by mix of business (i.e., transient, group, or contract).

Hotel Operating Data by Location

The following tables set forth performance information for our hotels by geographic location for the quarters ended March 31, 2024 and 2023, respectively, on a comparable hotel and actual basis:

Comparable Hotel Results by Location

Location	As of March 31,											
	2024		Quarter ended March 31, 2024				Quarter ended March 31, 2023					
	No. of Properties	No. of Rooms	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Average Room Rate	Average Occupancy Percentage	RevPAR	Total RevPAR	Percent Change in RevPAR	Percent Change in Total RevPAR
Miami	2	1,038	\$ 635.30	82.0 %	\$520.71	\$867.57	\$ 643.96	77.9 %	\$501.89	\$862.22	3.7 %	0.6 %
Phoenix	3	1,545	490.11	81.3 %	398.36	854.54	529.55	82.5 %	436.73	878.14	(8.8)%	(2.7)%
Maui/Oahu	4	2,006	539.98	72.6 %	391.83	631.50	605.58	76.2 %	461.65	700.34	(15.1)%	(9.8)%
Florida Gulf Coast	4	1,403	436.83	80.1 %	350.05	739.96	435.39	80.2 %	349.32	760.63	0.2 %	(2.7)%
Jacksonville	1	446	528.66	64.6 %	341.31	774.19	510.30	67.2 %	343.06	768.78	(0.5)%	0.7 %
Orlando	2	2,448	407.08	74.2 %	302.14	637.59	427.60	76.0 %	325.11	641.80	(7.1)%	(0.7)%
San Diego	3	3,294	294.27	77.4 %	227.67	452.71	282.93	76.9 %	217.70	422.03	4.6 %	7.3 %
Los Angeles/Orange County	3	1,067	299.02	74.8 %	223.80	334.70	296.72	79.9 %	237.19	353.46	(5.6)%	(5.3)%
New York	2	2,486	289.59	74.0 %	214.29	317.47	281.95	73.3 %	206.60	313.90	3.7 %	1.1 %
San Francisco/San Jose	6	4,162	290.06	64.0 %	185.67	280.40	290.85	60.8 %	176.75	267.55	5.0 %	4.8 %
Washington, D.C. (CBD)	5	3,245	275.83	66.9 %	184.43	270.75	270.57	64.2 %	173.81	261.11	6.1 %	3.7 %
Austin	2	767	276.13	64.7 %	178.72	323.83	289.30	70.1 %	202.79	358.95	(11.9)%	(9.8)%
Houston	5	1,942	223.14	74.6 %	166.45	231.31	204.18	73.4 %	149.81	209.59	11.1 %	10.4 %
Northern Virginia	2	916	244.11	67.8 %	165.55	265.89	227.21	65.6 %	149.04	225.76	11.1 %	17.8 %
New Orleans	1	1,333	211.33	74.6 %	157.65	253.56	221.98	73.0 %	161.94	238.77	(2.7)%	6.2 %
Boston	2	1,496	224.11	67.9 %	152.09	221.78	210.79	69.2 %	145.84	213.40	4.3 %	3.9 %
San Antonio	2	1,512	229.52	66.1 %	151.75	252.73	238.60	70.1 %	167.19	266.21	(9.2)%	(5.1)%
Philadelphia	2	810	202.76	72.8 %	147.59	228.90	207.09	74.2 %	153.60	239.52	(3.9)%	(4.4)%
Atlanta	2	810	213.56	61.6 %	131.66	227.78	196.79	74.0 %	145.62	242.65	(9.6)%	(6.1)%
Seattle	2	1,315	210.91	52.7 %	111.05	162.48	197.72	53.1 %	105.09	156.16	5.7 %	4.1 %
Chicago	3	1,562	179.25	55.7 %	99.76	145.54	178.91	51.6 %	92.37	135.28	8.0 %	7.6 %
Denver	3	1,342	177.37	55.3 %	98.05	159.53	171.90	48.7 %	83.66	114.72	17.2 %	39.1 %
Other	10	3,061	351.34	58.4 %	205.11	320.77	357.65	58.2 %	208.18	321.87	(1.5)%	(0.3)%
Domestic	71	40,006	318.95	68.9 %	219.79	378.15	323.60	68.7 %	222.38	375.83	(1.2)%	0.6 %
International	5	1,499	173.64	56.1 %	97.47	139.44	171.05	60.3 %	103.18	145.42	(5.5)%	(4.1)%
All Locations	76	41,505	\$ 314.65	68.4 %	\$215.37	\$369.58	\$ 318.75	68.4 %	\$218.08	\$367.56	(1.2)%	0.5 %

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

Location	As of March 31,		Quarter ended March 31, 2024					Quarter ended March 31, 2023					Percent Change in Total RevPAR
	2024	2023	Average			Total	Average			Total	Percent		
	No. of Properties	No. of Properties	Average Room Rate	Occupancy Percentage	RevPAR	RevPAR	Average Room Rate	Occupancy Percentage	RevPAR	RevPAR	Change in RevPAR		
Miami	2	2	\$ 635.30	82.0 %	\$520.71	\$867.57	\$ 643.96	77.9 %	\$501.89	\$862.22	3.7 %	0.6 %	
Phoenix	3	3	490.11	81.3 %	398.36	854.54	506.37	81.9 %	414.65	815.69	(3.9)%	4.8 %	
Maui/Oahu	4	4	539.98	72.6 %	391.83	631.50	605.58	76.2 %	461.65	700.34	(15.1)%	(9.8)%	
Florida Gulf Coast	5	5	604.37	80.9 %	488.72	983.10	435.50	60.8 %	264.99	577.81	84.4 %	70.1 %	
Jacksonville	1	1	528.66	64.6 %	341.31	774.19	510.30	67.2 %	343.06	768.78	(0.5)%	0.7 %	
Orlando	2	2	407.08	74.2 %	302.14	637.59	427.60	76.0 %	325.11	641.80	(7.1)%	(0.7)%	
San Diego	3	3	294.27	77.4 %	227.67	452.71	282.93	76.9 %	217.70	422.03	4.6 %	7.3 %	
Los Angeles/Orange County	3	3	299.02	74.8 %	223.80	334.70	296.72	79.9 %	237.19	353.46	(5.6)%	(5.3)%	
New York	2	2	289.59	74.0 %	214.29	317.47	281.95	73.3 %	206.60	313.90	3.7 %	1.1 %	
San Francisco/San Jose	6	6	290.06	64.0 %	185.67	280.40	290.85	60.8 %	176.75	267.55	5.0 %	4.8 %	
Washington, D.C. (CBD)	5	5	275.83	66.9 %	184.43	270.75	270.57	64.2 %	173.81	261.11	6.1 %	3.7 %	
Austin	2	2	276.13	64.7 %	178.72	323.83	289.30	70.1 %	202.79	358.95	(11.9)%	(9.8)%	
Houston	5	5	223.14	74.6 %	166.45	231.31	204.18	73.4 %	149.81	209.59	11.1 %	10.4 %	
Northern Virginia	2	2	244.11	67.8 %	165.55	265.89	227.21	65.6 %	149.04	225.76	11.1 %	17.8 %	
New Orleans	1	1	211.33	74.6 %	157.65	253.56	221.98	73.0 %	161.94	238.77	(2.7)%	6.2 %	
Boston	2	2	224.11	67.9 %	152.09	221.78	210.79	69.2 %	145.84	213.40	4.3 %	3.9 %	
San Antonio	2	2	229.52	66.1 %	151.75	252.73	238.60	70.1 %	167.19	266.21	(9.2)%	(5.1)%	
Philadelphia	2	2	202.76	72.8 %	147.59	228.90	207.09	74.2 %	153.60	239.52	(3.9)%	(4.4)%	
Atlanta	2	2	213.56	61.6 %	131.66	227.78	196.79	74.0 %	145.62	242.65	(9.6)%	(6.1)%	
Seattle	2	2	210.91	52.7 %	111.05	162.48	197.72	53.1 %	105.09	156.16	5.7 %	4.1 %	
Chicago	3	3	179.25	55.7 %	99.76	145.54	178.91	51.6 %	92.37	135.28	8.0 %	7.6 %	
Denver	3	3	177.37	55.3 %	98.05	159.53	171.90	48.7 %	83.66	114.72	17.2 %	39.1 %	
Other	10	10	351.34	58.4 %	205.11	320.77	357.65	58.2 %	208.18	321.87	(1.5)%	(0.3)%	
Domestic	72	72	329.69	69.1 %	227.73	393.64	323.61	68.0 %	220.10	371.64	3.5 %	5.9 %	
International	5	5	173.64	56.1 %	97.47	139.44	171.05	60.3 %	103.18	145.42	(5.5)%	(4.1)%	
All Locations	77	77	\$ 325.14	68.6 %	\$223.09	\$384.62	\$ 318.78	67.7 %	\$215.94	\$363.65	3.3 %	5.8 %	

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

Hotel Business Mix

Our customers fall into three broad categories: transient, group, and contract business, which accounted for approximately 61%, 35%, and 4%, respectively, of our full year 2023 room sales. The information below is derived from business mix results from the 76 comparable hotels owned as of March 31, 2024. For additional detail on our business mix, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K.

For the first quarter, group revenue increased by 5.3%, driven by a 4.1% increase in room nights sold and a 1.1% increase in average rate, as demand continued to improve at our convention and downtown properties. The growth in group business was offset by a 4.7% decline in transient revenue, reflecting the impacts of the Maui wildfires and unseasonable weather conditions in many of our resort markets that reduced leisure demand.

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

	Quarter ended March 31, 2024		
	Transient business	Group business	Contract business
Room nights (in thousands)	1,314	1,103	172
Percent change in room nights vs. same period in 2023	(1.9 %)	4.1 %	7.5 %
Rooms revenues (in millions)	\$ 456	\$ 324	\$ 35
Percent change in revenues vs. same period in 2023	(4.7 %)	5.3 %	18.2 %

Liquidity and Capital Resources

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

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

Cash Requirements. We use cash for acquisitions, capital expenditures, debt payments, operating costs, and corporate and other expenses, as well as for dividends and

distributions to stockholders and to OP unitholders, respectively, and stock and OP unit repurchases. As a REIT, Host Inc. is required to distribute to its stockholders at least 90% of its taxable income, excluding net capital gain, on an annual basis. Subsequent to quarter end, we repaid \$400 million of Series G senior notes at maturity and purchased the 1 Hotel Nashville and Embassy Suites by Hilton Nashville Downtown for cash consideration of \$530 million. Our next significant debt maturity is \$500 million of senior notes due in June 2025.

Capital Resources. As of March 31, 2024, we had \$1,349 million of cash and cash equivalents, \$231 million in our FF&E escrow reserves and \$1.2 billion available under the revolver portion of our credit facility. Subsequent to quarter end, we had net repayments of \$85 million under the revolver portion of our credit facility. We depend primarily on external sources of capital to finance future growth, including acquisitions. As a result, the liquidity and debt capacity provided by our credit facility and the ability to issue senior unsecured debt are key components of our capital structure. Our financial flexibility, including our ability to incur debt, pay dividends, make distributions and make investments, is contingent on our ability to maintain compliance with the financial covenants of our credit facility and senior notes indentures, which include, among other things, the allowable amounts of leverage, interest coverage and fixed charges.

Two programs are currently in place relating to potential purchases or sales of our common stock. Under our common stock repurchase program, common stock may be purchased from time to time depending upon market conditions and may be purchased in the open market or through private transactions or by other means, including principal transactions with various financial institutions, like accelerated share repurchases, forwards, options, and similar transactions and through one or more trading plans designed to comply with Rule 10b5-1 under the Securities Exchange

Act of 1934, as amended. The plan does not obligate us to repurchase any specific number or any specific dollar amount of shares and may be suspended at any time at our discretion. No shares were repurchased during the first quarter of 2024. At March 31, 2024, we had \$792 million available for repurchase under our program.

In addition, on May 31, 2023, we entered into a distribution agreement with J.P. Morgan Securities LLC, BofA Securities, Inc., Goldman Sachs & Co. LLC, Jefferies LLC, Morgan Stanley & Co. LLC, Scotia Capital (USA) Inc., Truist Securities, Inc. and Wells Fargo Securities, LLC, as sales agents pursuant to which Host Inc. may offer and sell, from time to time, shares of Host Inc. common stock having an aggregate offering price of up to \$600 million. The sales will be made in transactions that are deemed to be “at the market” offerings under the SEC rules. We may sell shares of Host Inc. common stock under this program from time to time based on market conditions, although we are not under an obligation to sell any shares. The agreement also contemplates that, in addition to the offering and sale of shares to or through the sales agents, we may enter into separate forward sale agreements with each of the forward purchasers named in the agreement. No shares were issued during the first quarter of 2024. As of March 31, 2024, there was \$600 million of remaining capacity under the agreement.

Given the total amount of our debt and our maturity schedule, we may continue to redeem or repurchase senior notes from time to time, taking advantage of favorable market conditions. In February 2023, Host Inc.’s Board of Directors authorized repurchases of up to \$1.0 billion of senior notes other than in accordance with their respective terms, of which the entire amount remains available under this authority. We may purchase senior notes with cash through open market purchases, privately negotiated transactions, a tender offer, or, in some cases, through the early redemption of such securities pursuant to their terms. Repurchases of debt will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. Any retirement before the maturity date will affect earnings and NAREIT FFO per diluted share as a result of the payment of any applicable call premiums and the accelerated expensing of previously deferred and capitalized financing costs. Accordingly, considering our priorities in managing our capital structure and liquidity profile, and given prevailing conditions and relative pricing in the capital markets, we may, at any time, subject to applicable securities laws and the requirements of our credit facility and senior notes indentures, be considering, or be in discussions with respect to, the repurchase or issuance of exchangeable debentures and/or senior notes or the repurchase or sale of our common stock. Any such transactions may, subject to applicable securities laws, occur simultaneously.

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

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

Cash Provided by Operating Activities. In the first quarter of 2024, net cash provided by operating activities was \$365 million compared to \$308 million for the first quarter of 2023. The \$57 million increase in 2024 was primarily driven by improved operations at our hotels compared to 2023, as well as \$10 million of insurance proceeds received for business interruption related to Hurricane Ian.

Cash Used in Investing Activities. Net cash used in investing activities was \$100 million during the first quarter of 2024 compared to \$105 million for the first quarter of 2023. Cash used in investing activities during the first quarter 2024 and 2023 primarily related to \$103 million and \$146 million of capital expenditures, respectively, and investments in our joint ventures. Cash provided by investing activities in 2023 included the sale of The Camby, Autograph Collection, with proceeds of \$35 million, which is net of a \$72 million loan issued to the buyer in connection with the sale.

Cash Used in Financing Activities. In the first quarter of 2024, net cash used in financing activities was \$44 million compared to \$308 million for the first quarter of 2023. Cash provided by financing activities in 2024 related to the draw on the credit facility revolver. Cash used in financing activities in 2024 primarily related to the payment of common stock dividends, while in the first quarter of 2023, cash used in financing activities included the payment of common stock dividends and common stock repurchases.

The following table summarizes significant debt transactions that have been completed through May 1, 2024 (in millions):

Transaction Date	Description of Transaction	Transaction Amount
Debt issuances		
March 2024	Draw on the revolver portion of the credit facility	\$ 300
	Total issuances	<u>\$ 300</u>

Transaction Date	Description of Transaction	Transaction Amount
Debt repayments		
April 2024	Repayment of \$400 million 3 ⁷ / ₈ % Series G senior notes	\$ (400)
April 2024	Net repayment on the revolver portion of the credit facility	(85)
	Total cash repayments	<u>\$ (485)</u>

The following table summarizes significant equity transactions that have been completed through May 1, 2024 (in millions):

Transaction Date	Description of Transaction	Transaction Amount
Equity of Host Inc.		
January - April 2024	Dividend payments ⁽¹⁾⁽²⁾	\$ (457)
	Cash payments on equity transactions	<u>\$ (457)</u>

(1) In connection with the dividend payments, Host L.P. made distributions of \$464 million to its common OP unit holders.

(2) Includes the fourth quarter 2023 dividend that was paid in January 2024.

Debt

As of March 31, 2024, our total debt was \$4.5 billion, with a weighted average interest rate of 4.6% and a weighted average maturity of 3.9 years. Additionally, 71% of our debt has a fixed rate of interest, and only one of our consolidated hotels is encumbered by mortgage debt.

After adjusting for the significant transactions completed subsequent to quarter end, as noted in the tables above, we estimate our total debt decreased to \$4.0 billion, with a weighted average interest rate of 4.7% and a weighted average maturity of 4.3 years.

Financial Covenants

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

At March 31, 2024, we were in compliance with all of our financial covenants under the credit facility. The following table summarizes the results of the financial tests required by the credit facility, which are calculated on a trailing twelve-month basis:

	Actual Ratio	Covenant Requirement for all years
Leverage ratio	2.0x	Maximum ratio of 7.25x
Fixed charge coverage ratio	6.7x	Minimum ratio of 1.25x
Unsecured interest coverage ratio ⁽¹⁾	8.8x	Minimum ratio of 1.75x

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

Senior Notes Indenture Covenants

The following table summarizes the results of the financial tests required by the indentures for our senior notes and our actual credit ratios as of March 31, 2024:

	Actual Ratio	Covenant Requirement
Unencumbered assets tests	507 %	Minimum ratio of 150%
Total indebtedness to total assets	20 %	Maximum ratio of 65%
Secured indebtedness to total assets	<1%	Maximum ratio of 40%
EBITDA-to-interest coverage ratio	8.7x	Minimum ratio of 1.5x

For additional details on our credit facility and senior notes, see our Annual Report on Form 10-K for the year ended December 31, 2023.

Dividend Policy

Host Inc. is required to distribute at least 90% of its annual taxable income, excluding net capital gains, to its stockholders in order to maintain its qualification as a REIT. Funds used by Host Inc. to pay dividends on its common stock are provided by distributions from Host L.P. As of March 31, 2024, Host Inc. is the owner of approximately 99% of the Host L.P. common OP units. The remaining common OP units are owned by unaffiliated limited partners. Each Host L.P. common OP unit may be redeemed for cash or, at the election of Host Inc., Host Inc. common stock based on the conversion ratio. The current conversion ratio is 1.021494 shares of Host Inc. common stock for each Host L.P. common OP unit.

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

distribution by Host L.P. to Host Inc., as well as to the other unaffiliated Host L.P. common OP unitholders.

Host Inc.'s policy on common dividends generally is to distribute, over time, 100% of its taxable income, which primarily is dependent on Host Inc.'s results of operations, as well as tax gains and losses on hotel sales. On February 21, 2024, Host Inc.'s Board of Directors announced a regular quarterly cash dividend of \$0.20 per share on Host Inc.'s common stock. The dividend was paid on April 15, 2024 to stockholders of record on March 28, 2024.. All future dividends are subject to Board approval.

Critical Accounting Estimates

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

policies, including certain critical accounting policies, are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Comparable Hotel Operating Statistics and Results

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

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

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

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

Of the 77 hotels that we owned as of March 31, 2024, 76 have been classified as comparable hotels. The operating results of the following properties that we owned as of March 31, 2024 are excluded from comparable hotel results for these periods:

- The Ritz-Carlton, Naples (business disruption due to Hurricane Ian beginning in September 2022, reopened in July 2023); and
- Sales and marketing expenses related to the development and sale of condominium units on a development parcel adjacent to Four Seasons Resort Orlando at Walt Disney World® Resort.

Additionally, following the collapse of a portion of Highway 1 in California, Alila Ventana Big Sur closed on March 30, 2024 and has yet to reopen to guests. As a result, the property will be removed from the comparable hotel set starting in the second quarter.

Foreign Currency Translation

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

Non-GAAP Financial Measures

We use certain “non-GAAP financial measures,” which are measures of our historical financial performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. These measures include the following:

- Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization (“EBITDA”), Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization for real estate (“EBITDAre”) and Adjusted EBITDAre, as a measure of performance for Host Inc. and Host L.P.,

- Funds From Operations (“FFO”) and FFO per diluted share, both calculated in accordance with National Association of Real Estate Investment Trusts (“NAREIT”) guidelines and with certain adjustments from those guidelines, as a measure of performance for Host Inc., and
- Comparable hotel operating results, as a measure of performance for Host Inc. and Host L.P.

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

Set forth below for each such non-GAAP financial measure is a reconciliation of the measure with the financial measure calculated and presented in accordance with GAAP that we consider most directly comparable thereto. We also have included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures” in our Annual Report on Form 10-K for the year ended December 31, 2023 further explanations of the adjustments being made, a statement disclosing the reasons why we believe the presentation of each of the non-GAAP financial measures provide useful information to investors regarding our financial condition and results of operations, the additional purposes for which we use the non-GAAP financial measures and limitations on their use.

EBITDA, EBITDAre and Adjusted EBITDAre

EBITDA

EBITDA is a commonly used measure of performance in many industries. Management believes EBITDA provides useful information to investors regarding our results of operations because it helps us and our investors evaluate the ongoing operating performance of our properties after removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization). Management also believes the use of EBITDA facilitates comparisons between us and other lodging REITs, hotel owners that are not REITs and other capital-intensive companies. Management uses EBITDA to evaluate property-level results and as one measure in determining the value of acquisitions and dispositions and, like FFO and Adjusted FFO per diluted share, it is widely used by management in the annual budget process and for compensation programs.

EBITDAre and Adjusted EBITDAre

We present EBITDAre in accordance with NAREIT guidelines, as defined in its September 2017 white paper “Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate,” to provide an additional performance measure to facilitate the evaluation and comparison of our results with other REITs. NAREIT defines EBITDAre as net income (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control), impairment expense for depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity’s pro rata share of EBITDAre of unconsolidated affiliates.

We make additional adjustments to EBITDAre when evaluating our performance because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. We believe that the presentation of Adjusted EBITDAre, when combined with the primary GAAP presentation of net income, is beneficial to an investor's understanding of our operating performance. Adjusted EBITDAre also is similar to the measure used to calculate certain credit ratios for our credit facility and senior notes. We adjust EBITDAre for the following items, which may occur in any period, and refer to this measure as Adjusted EBITDAre:

- Property Insurance Gains – We exclude the effect of property insurance gains reflected in our condensed consolidated statements of operations because we believe that including them in Adjusted EBITDAre is not consistent with reflecting the ongoing performance of our assets. In addition, property insurance gains could be less important to investors given that the depreciated asset book value written off in connection with the calculation of the property insurance gain often does not reflect the market value of real estate assets.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider to be outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.

- **Severance Expense** – In certain circumstances, we will add back hotel-level severance expenses when we do not believe that such expenses are reflective of the ongoing operation of our properties. Situations that would result in a severance add-back include, but are not limited to: (i) costs incurred as part of a broad-based reconfiguration of the operating model with the specific hotel operator for a portfolio of hotels and (ii) costs incurred at a specific hotel due to a broad-based and significant reconfiguration of a hotel and/or its workforce. We do not add back corporate-level severance costs or severance costs at an individual hotel that we consider to be incurred in the normal course of business.

In unusual circumstances, we also may adjust EBITDAre for gains or losses that management believes are not representative of the Company's current operating performance. The last adjustment of this nature was a 2013 exclusion of a gain from an eminent domain claim.

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

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

	Quarter ended March 31,	
	2024	2023
Net income	\$ 272	\$ 291
Interest expense	47	49
Depreciation and amortization	180	169
Income taxes	(2)	(2)
EBITDA	497	507
Gain on dispositions ⁽¹⁾	—	(69)
Equity investment adjustments:		
Equity in earnings of affiliates	(8)	(7)
Pro rata EBITDAre of equity investments ⁽²⁾	15	13
EBITDAre	504	444
Adjustments to EBITDAre:		
Gain on property insurance settlement	(21)	—
Adjusted EBITDAre	<u>\$ 483</u>	<u>\$ 444</u>

(1) Reflects the sale of one hotel in 2023.

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

FFO Measures

We present NAREIT FFO and NAREIT FFO per diluted share as non-GAAP measures of our performance in addition to our earnings per share (calculated in accordance with GAAP). We calculate NAREIT FFO per diluted share as our NAREIT FFO (defined as set forth below) for a given operating period, as adjusted for the effect of dilutive securities, divided by the number of fully diluted shares outstanding during such period, in accordance with NAREIT guidelines. As noted in NAREIT's Funds From Operations White Paper – 2018 Restatement, NAREIT defines FFO as net income (calculated in accordance with GAAP) excluding depreciation and amortization related to certain real estate assets, gains and losses from the sale of certain real estate assets, gains and losses from change in control, impairment expense of certain real estate assets and investments and adjustments for consolidated partially owned entities and unconsolidated affiliates. Adjustments for consolidated partially owned entities and unconsolidated affiliates are calculated to reflect our pro rata share of the FFO of those entities on the same basis.

We also present Adjusted FFO per diluted share when evaluating our performance because management believes that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance. Management historically has made the adjustments detailed below in evaluating our performance, in our annual budget process and for our compensation programs. We believe that the presentation of Adjusted FFO per diluted share, when combined with both the primary GAAP presentation of diluted earnings per share and FFO per diluted share as defined by NAREIT, provides useful supplemental information that is

beneficial to an investor's understanding of our operating performance. We adjust NAREIT FFO per diluted share for the following items, which may occur in any period, and refer to this measure as Adjusted FFO per diluted share:

- Gains and Losses on the Extinguishment of Debt – We exclude the effect of finance charges and premiums associated with the extinguishment of debt, including the acceleration of the write-off of deferred financing costs from the original issuance of the debt being redeemed or retired and incremental interest expense incurred during the refinancing period. We also exclude the gains on debt repurchases and the original issuance costs associated with the retirement of preferred stock. We believe that these items are not reflective of our ongoing finance costs.
- Acquisition Costs – Under GAAP, costs associated with completed property acquisitions that are considered business combinations are expensed in the year incurred. We exclude the effect of these costs because we believe they are not reflective of the ongoing performance of the Company.
- Litigation Gains and Losses – We exclude the effect of gains or losses associated with litigation recorded under GAAP that we consider to be outside the ordinary course of business. We believe that including these items is not consistent with our ongoing operating performance.
- Severance Expense – In certain circumstances, we will add back hotel-level severance expenses when we do not believe that such expenses are reflective of the ongoing operation of our properties. Situations that would result in a severance add-back include, but are not limited to, (i) costs incurred as part of a broad-based reconfiguration of the operating model with the specific hotel operator for a portfolio of hotels and (ii) costs incurred at a specific hotel due to a broad-based and significant reconfiguration of a hotel and/or its workforce. We do not add back corporate-level severance costs or severance costs at an individual hotel that we consider to be incurred in the normal course of business.

In unusual circumstances, we also may adjust NAREIT FFO for gains or losses that management believes are not representative of our current operating performance. For example, in 2017, as a result of the reduction of the U.S. federal corporate income tax rate from 35% to 21% by the Tax Cuts and Jobs Act, we remeasured our domestic deferred tax assets as of December 31, 2017 and recorded a one-time adjustment to reduce our deferred tax assets and to increase the provision for income taxes by approximately \$11 million. We do not consider this adjustment to be reflective of our ongoing operating performance and, therefore, we excluded this item from Adjusted FFO.

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

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

	Quarter ended March 31,	
	2024	2023
Net income	\$ 272	\$ 291
Less: Net income attributable to non-controlling interests	(4)	(4)
Net income attributable to Host Inc.	268	287
Adjustments:		
Gain on dispositions ⁽¹⁾	—	(69)
Gain on property insurance settlement	(21)	—
Depreciation and amortization	180	168
Equity investment adjustments:		
Equity in earnings of affiliates	(8)	(7)
Pro rata FFO of equity investments ⁽²⁾	9	10
Consolidated partnership adjustments:		
FFO adjustments for non-controlling interests of Host L.P.	(2)	(1)
NAREIT FFO	426	388
Adjustments to NAREIT FFO:		
Loss on debt extinguishment	—	4
Adjusted FFO	\$ 426	\$ 392
For calculation on a per share basis:⁽³⁾		
Diluted weighted average shares outstanding - EPS, NAREIT FFO and Adjusted FFO	705.5	714.9
Diluted earnings per common share	\$ 0.38	\$ 0.40
NAREIT FFO per diluted share	\$ 0.60	\$ 0.54
Adjusted FFO per diluted share	\$ 0.60	\$ 0.55

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

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

Comparable Hotel Property-Level Operating Results

We present certain operating results for our hotels, such as hotel revenues, expenses, food and beverage profit, and EBITDA (and the related margins), on a comparable hotel, or "same store," basis as supplemental information for our investors. Our comparable hotel results present operating results for our hotels without giving effect to dispositions or properties that experienced closures due to renovations or property damage, as discussed in "Comparable Hotel Operating Statistics and Results" above. We present comparable hotel EBITDA to help us and our investors evaluate the ongoing operating performance of our comparable hotels after removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization expense). Corporate-level costs and expenses also are removed to arrive at property-level results. We believe these property-level results provide investors with supplemental information about the ongoing operating performance of our comparable hotels. Comparable hotel results are presented both by location and for our properties in the aggregate. We eliminate from our comparable hotel level operating results severance costs related to broad-based and significant property-level reconfiguration that is not considered to be within the normal course of business, as we believe this elimination provides useful supplemental information that is beneficial to an investor's understanding of our ongoing operating performance. We also eliminate depreciation and amortization expense because, even though depreciation and amortization expense are property-level expenses, these non-cash expenses, which

are based on historical cost accounting for real estate assets, implicitly assume that the value of real estate assets diminishes predictably over time. As noted earlier, because real estate values historically have risen or fallen with market conditions, many real estate industry investors have considered presentation of historical cost accounting for operating results to be insufficient.

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

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

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

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

	Quarter ended March 31,	
	2024	2023
Number of hotels	76	76
Number of rooms	41,505	41,505
Change in comparable hotel Total RevPAR	0.5 %	—
Change in comparable hotel RevPAR	(1.2 %)	—
Operating profit margin ⁽¹⁾	19.8 %	18.0 %
Comparable hotel EBITDA margin ⁽¹⁾	31.2 %	32.6 %
Food and beverage profit margin ⁽¹⁾	37.6 %	37.6 %
Comparable hotel food and beverage profit margin ⁽¹⁾	37.4 %	37.7 %
Net income	\$ 272	\$ 291
Depreciation and amortization	180	169
Interest expense	47	49
Benefit for income taxes	(2)	(2)
Gain on sale of property and corporate level income/expense	(20)	(59)
Property transaction adjustments ⁽²⁾	—	(3)
Non-comparable hotel results, net ⁽³⁾	(42)	3
Comparable hotel EBITDA	<u>\$ 435</u>	<u>\$ 448</u>

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

	Quarter ended March 31, 2024					Quarter ended March 31, 2023				
	Adjustments									
	Non-comparable hotel results, net ⁽³⁾	Depreciation and corporate level items	Comparable hotel Results			Non-comparable hotel results, net ⁽³⁾	Depreciation and corporate level items	Comparable hotel Results		
	GAAP Results			GAAP Results		Property transaction adjustments ⁽²⁾				
Revenues										
Room	\$ 853	\$ (38)	\$ —	\$ 815	\$ 820	\$ (5)	\$ 1	\$ —	\$ 816	
Food and beverage	473	(29)	—	444	431	(2)	—	—	429	
Other	145	(6)	—	139	130	—	—	—	130	
Total revenues	1,471	(73)	—	1,398	1,381	(7)	1	—	1,375	
Expenses										
Room	202	(5)	—	197	193	(1)	—	—	192	
Food and beverage	295	(17)	—	278	269	(1)	(1)	—	267	
Other	507	(19)	—	488	471	(2)	(1)	—	468	
Depreciation and amortization	180	—	(180)	—	169	—	—	(169)	—	
Corporate and other expenses	27	—	(27)	—	31	—	—	(31)	—	
Gain on insurance settlements	(31)	10	21	—	—	—	—	—	—	
Total expenses	1,180	(31)	(186)	963	1,133	(4)	(2)	(200)	927	
Operating Profit - Comparable hotel EBITDA	\$ 291	\$ (42)	\$ 186	\$ 435	\$ 248	\$ (3)	\$ 3	\$ 200	\$ 448	

- (2) Property transaction adjustments represent the following items: (i) the elimination of results of operations of hotels sold or held-for-sale as of March 31, 2024, which operations are included in our unaudited condensed consolidated statements of operations as continuing operations, and (ii) the addition of results for periods prior to our ownership for hotels acquired as of March 31, 2024.
- (3) Non-comparable hotel results, net, includes the following items: (i) the results of operations of our non-comparable hotels, which operations are included in our condensed consolidated statements of operations as continuing operations, and (ii) gains on business interruption proceeds relating to events that occurred while the hotels were classified as non-comparable.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

Interest Rate Sensitivity

As of March 31, 2024 and December 31, 2023, 71% and 76%, respectively, of our outstanding debt bore interest at fixed rates. To manage interest rate risk applicable to our debt, we may enter into interest rate swaps or caps. The interest rate derivatives into which we may enter are strictly to hedge interest rate risk and are not for trading purposes. As of March 31, 2024, we do not have any interest rate derivatives outstanding. See Item 7A of our most recent Annual Report on Form 10-K.

Exchange Rate Sensitivity

As we have operations outside of the United States (specifically, the ownership of hotels in Brazil and Canada and a minority investment in a joint venture in India), currency exchange risks arise in the normal course of our business. To manage the currency exchange risk, we may enter into forward or option contracts or hedge our investment through the issuance of foreign currency denominated debt. No foreign currency hedging transactions were entered into during the first quarter of 2024. We currently have three foreign currency forward purchase contracts with a total notional amount of CAD 99 million (\$74 million), which will mature in August 2024. The foreign currency exchange agreements into which we have entered are strictly to hedge foreign currency risk and are not for trading purposes.

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

Item 4. Controls and Procedures

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

Disclosure Controls and Procedures

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

Changes to Internal Control over Financial Reporting

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

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

Disclosure Controls and Procedures

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

Changes to Internal Control over Financial Reporting

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

PART II. OTHER INFORMATION

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

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

On August 3, 2022, the Board of Directors authorized a \$1 billion share repurchase program. The common stock may be purchased from time to time depending upon market conditions, and repurchases may be made in the open market or through private transactions or by other means, including principal transactions with various financial institutions, accelerated share repurchases, forwards, options and similar transactions, and through one or more trading plans designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The program does not obligate us to repurchase any specific number of shares or any specific dollar amount and may be suspended at any time at our discretion.

Period	Total Number of Host Inc. Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Common Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1, 2024 - January 31, 2024	—	\$ —	—	\$ 792
February 1, 2024 - February 29, 2024	—	—	—	792
March 1, 2024 - March 31, 2024	—	—	—	792
Total	—	\$ —	—	\$ 792

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

Period	Total Number of Host L.P. Common OP Units Purchased	Average Price Paid per Common OP Unit	Total Number of OP Units Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Units that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1, 2024 - January 31, 2024	2,087 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
February 1, 2024 - February 29, 2024	42,798 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
March 1, 2024 - March 31, 2024	15,984 *	1.021494 shares of Host Hotels & Resorts, Inc. common stock	—	—
Total	<u>60,869</u>		—	—

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

Item 5. Other Information

During the period covered by this report, no director or officer of the Company adopted, modified or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

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

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

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

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

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

The following materials, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations for the Quarter ended March 31, 2024 and 2023, respectively, for Host Hotels & Resorts, Inc.; (ii) the Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023, respectively, for Host Hotels & Resorts, Inc.; (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the Quarter ended March 31, 2024 and 2023, respectively, for Host Hotels & Resorts, Inc.; (iv) the Condensed Consolidated

Statements of Cash Flows for the Quarter ended March 31, 2024 and 2023, respectively, for Host Hotels & Resorts, Inc.; (v) the Condensed Consolidated Statements of Operations for the Quarter ended March 31, 2024 and 2023, respectively, for Host Hotels & Resorts, L.P.; (vi) the Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023, respectively, for Host Hotels & Resorts, L.P.; (vii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the Quarter ended March 31, 2024 and 2023, respectively, for Host Hotels & Resorts, L.P.; (viii) the Condensed Consolidated Statements of Cash Flows for the Quarter ended March 31, 2024 and 2023, respectively, for Host Hotels & Resorts, L.P.; and (ix) Notes to Condensed Consolidated Financial Statements.

* Filed herewith.

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

SIGNATURES

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

HOST HOTELS & RESORTS, INC.

May 3, 2024

/s/ Joseph C. Ottinger

Joseph C. Ottinger

Senior Vice President,

Corporate Controller

SIGNATURES

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

HOST HOTELS & RESORTS, L.P.

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

May 3, 2024

/s/ Joseph C. Ottinger

Joseph C. Ottinger

Senior Vice President,

**Corporate Controller of Host Hotels & Resorts,
Inc.,**

general partner of Host Hotels & Resorts, L.P.