



## **LOWE REACHES AGREEMENT TO SELL TWO ROADS HOSPITALITY TO HYATT HOTELS**

LOS ANGELES -- October 10, 2018 -- Lowe and partner Geolo Capital have reached agreement to sell international lifestyle hotel company Two Roads Hospitality to Hyatt Hotels Corporation. Two Roads Hospitality is a global operator of independent, boutique and lifestyle hotels, resorts and vacation residences. The company was created in 2016 when Destination Hotels, a wholly owned Lowe subsidiary, merged with Commune Hotels and Resorts, a Geolo-owned company, establishing Two Roads as the largest global collection of lifestyle hospitality brands.

The acquisition consists of a base purchase price of \$480 million, with the potential for Hyatt to invest up to an additional \$120 million in the aggregate, contingent on the outcome of certain terms to be individually defined after closing. The base plus contingent total purchase price is expected to reflect an EBITDA multiple of approximately 12-13x stabilized 2021 earnings, which Hyatt considers the best indicator of valuation based on anticipated synergies and growth.

The addition of Alila, Destination, Joie de Vivre, Thompson and tommie brands to the Hyatt portfolio will strengthen Hyatt's lifestyle and wellbeing offerings for high-end travelers worldwide.

"When Lowe formed Destination Hotels in 1973 there were two properties in its management portfolio," said Lowe Chairman Robert J. Lowe. "This transaction, 45 years later, demonstrates the strength of the brand built by many outstanding team members who led the company through those decades of growth and success." Two Roads currently manages over 85 properties and over 17,000 rooms across eight countries, representing approximately \$2 billion in total property revenues under management, and has a large pipeline of new properties currently under development.

With the addition of Two Roads and its established lifestyle brands and the management agreements for the majority of its properties, Hyatt will expand its brand presence into 23 new markets while enhancing its offerings in lifestyle hotel experiences and wellbeing. After the close of the transaction, which is expected later this year, Hyatt will create a dedicated lifestyle division as a catalyst to bring together the operations of Two Roads' and Hyatt's lifestyle brands.

"We could not be more proud and appreciative of the many contributions that each and every one of our team members has made to the success of Destination Hotels and now Two Roads Hospitality," said Robert J. Lowe, Jr, Co-Chairman of Two Roads. "A key aspect of this

transaction was our confidence in Hyatt's capable leadership that shares our commitment to caring for its people, and having a passion for providing unparalleled guest experiences."

"In selecting Hyatt as the future home of Two Roads, we believe we have also chosen the best platform for our hotel owners and partners in positioning their investments for future success," added Michael Lowe, Co-Chief Executive Officer of Lowe. "With the growing importance of investment in technology, global reservations systems and customer loyalty programs, we felt it was time to transition our portfolio into a larger platform. With Hyatt's strengths in these areas and focus in the luxury and upscale segments of the industry, we firmly believe we have found the right steward for Two Roads."

Lowe will continue its hospitality, commercial and residential investment and development activities and, in partnership with Geolo Capital, Lowe will continue to own and operate a hospitality management company.

In addition, Lowe maintains its ownership interests in many significant hotel and resort properties, both existing and in various stages of development.

### **About Lowe**

Los Angeles-based Lowe, formerly known as Lowe Enterprises, is a leading national real estate investment, development and management firm. Over the past 45 years, it has developed, acquired or managed more than \$28 billion of real estate assets nationwide as it pursued its mission to build value in real estate by creating innovative, lasting environments and meaningful experiences that connect people and place. Lowe is currently responsible for more than \$8.5 billion of commercial, hospitality and residential assets and has more than \$2 billion in commercial real estate projects in the pipeline or under development. In addition to its Los Angeles headquarters, Lowe maintains regional offices in Southern California, Northern California, Denver, Philadelphia, Seattle, Raleigh, NC and Washington, DC. For more information visit [www.Lowe-RE.com](http://www.Lowe-RE.com)

### **About Two Roads Hospitality**

Created in September 2016, Two Roads Hospitality is an international lifestyle company encompassing an unrivaled collection of distinctive properties, passionate people, and remarkable experiences around the globe. The company is named for the recently-merged Commune and Destination Hotels, bringing together over 40 years of combined expertise exclusively dedicated to the boutique and lifestyle space. Comprised of Joie de Vivre Hotels, Thompson Hotels, Destination Hotels, tommie and Alila Hotels & Resorts, the company is the leading operator of independent hotels with more than 85 properties in eight countries and growing, also boasting an extensive roster of award-winning restaurants and bars, stunning vacation residences, world-class golf courses, and indigenous spa and wellness offerings. For more information on Two Roads Hospitality, visit [www.tworoadshotels.com](http://www.tworoadshotels.com)