

Hyatt Completes Acquisition of Two Roads Hospitality

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CHICAGO—Hyatt Hotels Corporation has completed the **previously announced** acquisition of Two Roads Hospitality.

With the addition of five established lifestyle brands—Alila, Destination, Joie de Vivre, Thompson and tommie—Hyatt has expanded its brand presence into 23 new markets with management and license agreements for 74 open and operating hotels across North America and Asia, and a pipeline of signed management agreements. As part of the acquisition, Hyatt is establishing a new dedicated lifestyle division to combine the operations of Two Roads' and Hyatt's lifestyle brands.

“We will leverage the shared expertise of Hyatt and Two Roads across our powerful combined portfolio of 19 brands to bring best-in-class offerings for guests around the globe,” said Mark Hoplamazian, president/CEO of Hyatt Hotels Corporation. “For hotel owners, our platform will deliver opportunities for enhanced operational excellence and financial performance. We are pleased to have completed this exciting transaction, and we welcome Two Roads associates to Hyatt.”

Two Roads' brands are expected to join the World of Hyatt loyalty program in the near future, expanding opportunities for World of Hyatt members to earn and redeem points across more leisure-focused stay options and also driving hotel occupancy from a loyal group of travelers who spend more, stay more and book directly.

Prior to closing the transaction, the base purchase price for the acquisition was revised to \$405 million from \$480 million, and the aggregate potential additional consideration from Hyatt was revised to \$96 million from \$120 million. The revised consideration reflects the exclusion of certain properties from the transaction, including properties not operated under the Two Roads brands and properties that will continue to be managed or licensed directly by an affiliate of sellers. The total purchase price reflects an EBITDA multiple of approximately 12x stabilized 2021 earnings, which Hyatt considers the best indicator of valuation based on anticipated synergies and growth.

As a result of the revised transaction terms, Hyatt expects the 2019 Adjusted EBITDA contribution prior to non-recurring integration-related costs to be approximately \$20-25 million. This compares to a prior estimate of approximately \$25 million to \$30 million. After including integration costs, the net contribution to 2019 Adjusted EBITDA is expected to be flat to \$5 million.

