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# EDITED TRANSCRIPT

RHP - Q3 2017 Ryman Hospitality Properties Inc Earnings Call

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NOVEMBER 07, 2017 / 3:00PM, RHP - Q3 2017 Ryman Hospitality Properties Inc Earnings Call

## CORPORATE PARTICIPANTS

**Colin V. Reed** *Ryman Hospitality Properties, Inc. - Chairman & CEO*

**Mark Fioravanti** *Ryman Hospitality Properties, Inc. - President & CFO*

**Patrick Chaffin** *Ryman Hospitality Properties, Inc. - SVP of Asset Management*

**Scott J. Lynn** *Ryman Hospitality Properties, Inc. - Senior VP, General Counsel & Corporate Secretary*

## CONFERENCE CALL PARTICIPANTS

**Chris Jon Woronka** *Deutsche Bank AG, Research Division - Research Analyst*

**William Andrew Crow** *Raymond James & Associates, Inc., Research Division - Analyst*

## PRESENTATION

### Operator

Welcome to Ryman Hospitality Properties Third Quarter 2017 Earnings Conference Call. Hosting the call today from Ryman Hospitality Properties are Mr. Colin Reed, Chairman and Chief Executive Officer; Mr. Mark Fioravanti, President and Chief Financial Officer; Mr. Patrick Chaffin, Senior Vice President of Asset Management; and Mr. Scott Lynn, Senior Vice President and General Counsel.

This call will be available for digital replay. The number is (800) 585-8367 and the conference ID number is 86822268. (Operator Instructions)

It is now my pleasure to turn the floor over to Mr. Scott Lynn. Sir, you may begin.

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**Scott J. Lynn** - *Ryman Hospitality Properties, Inc. - Senior VP, General Counsel & Corporate Secretary*

Good morning. Thank you for joining us today. This call may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements about the company's expected financial performance. Any statements we make today that are not statements of historical fact, may be deemed to be forward-looking statements. Words such as believes or expects are intended to identify these statements, which may be affected by many factors, including those listed in the company's SEC filings and in today's release.

The company's actual results may differ materially from the results we discuss or project today. We will not update any forward-looking statements, whether as a result of new information, future events or any other reason.

We will also discuss non-GAAP financial measures today. We reconcile each non-GAAP measure to the most comparable GAAP measure in an exhibit to today's release.

I'll now turn the call over to Colin.

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**Colin V. Reed** - *Ryman Hospitality Properties, Inc. - Chairman & CEO*

Thanks, Scott. Hello, everyone, and thank you for joining us this morning. With two months to go before we close out '17, I can't help but remember that one year ago, at this time, we were getting inundated with questions about the cycle, such as what innings are we in, or will 2017 be the year the cycle turns? In fact, I dedicated a good chunk of time on our Q3 call last year towards addressing these questions from our perspective, particularly as it relates to the group business.



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I walked you all through what we were seeing in our business that is favorable to a strategy like the one we are pursuing. In particular, I focused on the limited supply forecasts for the next few years and the encouraging trends in group that give us confidence in generating very good returns for our shareholders, particularly when we deploy capital.

But here we are one year later, on pace to close out 2017 as another record year for our company, in terms of revenue and adjusted EBITDA. And I'm pleased to report that we have seen no change in these favorable dynamics around supply and demand for group. Now this was evident in our third quarter production, where our existing hotels booked 606,000 gross group room nights for all future periods. This figure is only 1,000 room night shy of the record for a third quarter that we set last year, which you may recall was up 25% over the previous third quarter. And this year's bookings came in with a healthy 3% growth in average rate.

Now separate from these bookings, our Gaylord Rockies joint venture, scheduled to open late next year, booked 124,000 gross group room nights for all future periods, a 19% increase over third quarter '16 and accompanied by a very healthy rate growth of 7%.

I'm pleased to report that as of the end of September, our lead volumes were up 7% over last year, driven by strong corporate leads. All in, our sales production in Q3 once again speaks clearly to the overall state of the health in the large group meetings business and this is a nice place to be.

To remind you all, as we go into a year, given the long lead times normally associated with group bookings, we have a really good sense of what our performance will be month-by-month and quarter-by-quarter. This is why we typically share with you how you should think about each quarter of the year to come. We knew a year ago that Q3 would be our weakest quarter in '17 because of the mix shift to less premium corporate and association room nights and more groups with lower outside-of-the-room spend profiles as well as an approximately 50 basis point headwind from the shift of the Jewish holidays from the fourth quarter into the third quarter of this year. Similarly, we told you Q4 would be our strongest quarter for RevPAR growth and I want to share some data with you for October in a moment, that will highlight just that.

But turning first to Q3. Aside from the short-term noise around hurricanes Irma and Harvey in the Orlando and Texas markets, events played out virtually in line with how we anticipated and how we have been communicating to you all since last February. That is, we experienced a modest decline of 0.06 in RevPAR and a decline of 4.8 in total RevPAR, which, barring the hurricanes, was in line with those expectations I just discussed.

Regarding the hurricane impact. When you take out group cancellations and offset those with the good pickup in rooms at the Palms due to both the housing of utility crews and displaced transient residents of South Florida, we estimate a net loss of about 3,200 total room nights between the Palms and Texan combined. Thus, total occupancy RevPAR for our portfolio were only modestly impacted relative to our plan and guidance, with a net impact to room's revenue of only about \$400,000 in the quarter.

Now where we did see a greater impact from these storms was in the outside-of-the-room spending, as these utility crews and displaced transients, do not have the same spending profile as the corporate and association groups they replaced. We estimate a little over \$3 million of lost food and banquet and other outside-of-the-room revenue in the quarter due to the hurricanes, which exacerbated the already less favorable customer mix, compared to Q3 '16, that we'd already been anticipating.

All in, this drove the 420 basis point disparity between RevPAR and total RevPAR. I must give credit to the teams at both the Palms and the Texan, who adjusted to these events well, such that total flow-through to adjusted EBITDA from the loss revenue was minimized.

And moving to our other hotels, Gaylord Opryland had a very good quarter from a RevPAR perspective, with a 4.6% growth balanced between occupancy and ADR. Total RevPAR was down 3.4% given the mix shift away from corporate room nights relative to last year, which, again, was something that we expected.

Gaylord National saw a RevPAR and total RevPAR declines of 2.6% and 3.4%, respectively, which was in line with our plans. We were happy to use the availability in Q3 at the National to begin some targeting of MGM casino customers. We began experimenting with several package offerings, particularly around the 4th of July and Labor Day holidays and we were pleased to pick up an estimated 5,600 room nights as a result. We will continue working closely with MGM in the coming months to further refine our targeting around their M life customers and to gradually improve the rate and outside-of-the-room spend profile of these transient customers.



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The AC Hotel similarly continued to demonstrate the beneficial impact of the MGM in National Harbor. This hotel posted a RevPAR growth for the quarter of approximately 13%, which is obviously impressive.

Now let me share with you what happened subsequently in the month of October and this is really important stuff. We anticipated that it would be a very strong month for us, simply because of the tremendous amount of group business we had on the books and that is precisely what happened. Our four large convention resorts generated in excess of \$100 million of revenue in October alone and posted a RevPAR growth of approximately 14%, which was slightly ahead of our internal operating plan. Total RevPAR grew at approximately 18%, which, of course, we are very pleased with. Therefore, with the bulk of our group business for the year completed, and having played out essentially as anticipated, apart from the hurricanes, and with our transient season off to a robust start heading into our excellent holiday programming in November and December, we are comfortable further narrowing our guidance ranges for the year, which Mark will describe in detail in a second.

In short, for our Hospitality business, we could not be more pleased with our sales production with our Q3 performance given the hurricanes. With the outlook for our fourth quarter and with the position we find ourselves in, we very much look forward to 2018 and beyond.

Now shifting gears and looking at '18 and beyond. You should know that as of the end of September, we have almost 5.8 million net group room nights on the books in contract form for all future periods. Now this is a remarkable 7% increase over this time last year and is reflective of the substantial booking pace we have been -- we have experienced over this last 12 months. This book of business as well as the following growth projects, has us very excited about the next few years. We have 300 new rooms and 60,000 square feet of new meeting space approaching completion in just over a month -- in just over a few months at the Texan. We have a fabulous new ballroom already up and running in D.C. We now have a fully -- we now have fully renovated guestroom product at Opryland. We have an unbelievable one-of-a-kind water experience rising out of the ground next to the Opryland as well. And not to mention, the magnificent Gaylord Rockies, which will open late next year. We look forward to translating all of this into our guidance for '18 for our hotel segment when we speak to you again in a couple of months.

But for now, I'm delighted to switch gears and talk about yet another exciting business that we have and that is our Entertainment business. Total revenues for this business grew at a very healthy 14% in the third quarter. This is quite impressive considering last year's revenue for this segment also increased by 10%. At the very end of the quarter, on Saturday, September 30, we hosted the official brand opening concept for our new Ole Red concept with Blake Shelton in his hometown of Tishomingo, Oklahoma. The turnout from Blake's fan base was overwhelming, with close to 15,000 people packed into this small town for the festivities.

In the brief period it has been open, Ole Red, Tishomingo has exceeded our plans not only in food and beverage, but also in the response to our on-site retail offerings. We're thrilled to see this concept officially coming to life and some of you may have seen this morning on CBS, on national television, there was a whole section dedicated to the opening of this little venue in this town in Oklahoma and it's quite spectacular.

This response tells us that this brand really resonates with the country lifestyle consumer and we cannot wait to open the flagship location in Downtown Nashville in the spring of next year. But even before we get to Ole Red, Nashville, we are really busy preparing for the next major opening in our Entertainment segment, and that is our Opry City Stage venue in Times Square. We anticipate a soft opening later this month with a full opening in December, which will be just in time to capture the important holiday season. The place looks really good and I'm excited to see our customers' reactions. Adjusted EBITDA for the Entertainment segment grew at 8.4% in the third quarter, as we continue to reinvest in capabilities, as we position for the unit growth ahead.

Now that concludes the summary of our Q3 results. Let me quickly update you on our growth initiatives and some dates and I -- before I turn over to Mark to walk you through the rest of the numbers.

As I already mentioned, the Ole Red concept is off to a great start and if the success in a small market of Tishomingo is any indication, Ole Red, Nashville, will be a smash. We expect to open Ole Red, Nashville sometime in April. Just last month, we also announced our \$12 million expansion of the Opry House Plaza here in Nashville, with expanded retail and parking for the increasing flow of traffic pouring into the Opry House for shows and tours, and we will be adding some new food and beverage and entertainment options to the Plaza experience as well.



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Most immediately it is Opry City Stage, as I've just referenced, that we're looking forward to the opening of. Meanwhile, our development team is already hard at work laying the roadmap for the rollout of both the Opry City Stage and Ole Red brands in more key markets across the nation. And I very much look forward to being able to give you more specifics on these plans as they materialize in the months ahead.

Now turning back to our Hospitality portfolio. Our 3 major construction projects are all on track and on budget. The Texas expansion continues to meet our bookings plan and will open on time, this coming spring. And we hope to see a number of you visiting next week at the Texan as we'll be hosting an analyst reception and tour of the property, including the expansion on Monday, November 13, just prior to the start of the REITWorld conference in Dallas. SoundWaves at Opryland has been gaining tremendous buzz, as its footprint takes shape and the size and scale of this incredible asset becomes apparent.

Finally, the Rockies' structure has been topped off and is now just about a year away from opening its doors to a whole set of new Gaylord customers from across the West. And as long as new supply of large group hotels remain constrained, which we believe it will be for quite some time, we will continue to identify new ways to serve the large group customer with our increasingly in-demand assets, whether that be additional space and rooms additions or more one-of-a-kind amenities.

In conclusion, our third quarter went virtually as we planned despite two major hurricanes, demonstrating to us the resilience and predictability that we love about this group business. Our Entertainment business racked up another great quarter of impressive growth driven by the secular trends of a mushrooming country music demographic.

Our fourth quarter is off to a superb start and '17 will in all likely be another record year for both our Hotel and Entertainment businesses. The growth we see in each of them, supported by a great book of business, has us feeling really good about '18 and beyond.

Now one last comment. As you may have seen recently, one of our largest stockholders, Mario Gabelli, put forward a stockholder proposal requesting that our board effectuates a spin -- a spinoff of our Entertainment business into a separate public company. Mario has been an extremely supportive stockholder of our company and our management for over 15 years and I believe he shares the same goal that we have; that is to create a significant amount of value for our stockholders, while remaining a steward of the Grand Old Opry, one of the world's most famous musical institutions.

I'd like to remind all of our stockholders that our board of management continue to evaluate the strategic direction of all of our businesses as evidenced by our history and our stock performance. And we spend a great deal of time evaluating the appropriateness of spinning the Entertainment segment of our company, especially in light of the substantial growth initiatives we already have underway.

As we've previously indicated, we believe the issue is one of timing and scale. And at this point, we believe it's too early to speculate when a spin would occur. Right now, our focus is on executing our growth plans, as evidenced by the many projects we have underway, some of which are public, some are not. And when the time is right, we will do what's best for all stockholders.

And with that, I'll turn over to Mark to provide a little more color on the financials and the guidance.

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### **Mark Fioravanti** - *Ryman Hospitality Properties, Inc. - President & CFO*

Thank you, Colin. Good morning, everyone. As Colin outlined, we long anticipated that the third quarter would be our most difficult quarter of the year, given the strong comparisons of a year ago, the mix shift and the types of groups we had on the books and the calendar shift in the Jewish holidays. The disruption associated with hurricanes Harvey and Irma certainly did not help the situation. That said, we're pleased with how our hotels responded, where we finished the quarter and our business' trajectory for the remainder of the year.

With that backdrop, let me walk you through our third quarter results. In the third quarter, the company generated total consolidated revenue of \$264.7 million, down 2.6%; and net income of \$23.9 million, a 28.9% decrease from the third quarter of 2016. Third quarter consolidated adjusted EBITDA of \$75.5 million represented a 9.1% decrease over the third quarter of last year and a 210 basis point decrease in adjusted EBITDA margin. Third quarter AFFO of \$56 million was 14.6% below the third quarter of 2016 and amounted to \$1.09 per fully diluted share.



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As a result of the aforementioned hurricanes, both in-the-year, for-the-year cancellations and attrition increased this quarter versus last year. Cancellations increased 85.5%, while attrition across the portfolio in Q3 increased 2.1 percentage points. Finally, attrition and cancellation revenue collected in the quarter totaled \$2.4 million.

Turning to our guidance. As Colin described earlier, with two months left in the year, and the past three quarters coming in about where we expected, we're narrowing our range for full year RevPAR growth from 1% to 3% to 2.5% to 3%, which represents a 75 basis point improvement at the midpoint.

In terms of full year total RevPAR, we're maintaining our previous guidance range of 1% to 2%, leaving the midpoint at 1.5%. From a profitability perspective, we're lifting the low end of our full year adjusted EBITDA guidance for the Hospitality segment from \$335 million to \$340 million. This represents a \$2.5 million increase at the midpoint. This increase is attributed to a couple of factors. First, given that our toughest quarters are behind us and October is in the books, we feel that our risk on the group side is minimal.

Second, transient business has performed well this year across our portfolio and given that our Q4 is our heaviest transient quarter, we feel good about our positioning, as advanced holiday package sales are meeting our external -- our internal expectations, which is a positive early indication as we head into the holiday season.

Turning to our other segments. We're very pleased with the performance of our Entertainment assets, particularly coming off of a strong Q3 and a comfortable raising of our guidance for full year adjusted EBITDA for this segment from \$37 million to \$40 million to \$40 million to \$42 million or a \$1.5 million increase at the midpoint.

Finally, on the corporate side, we're decreasing our guidance range for the full year to negative \$25 million to \$26 million from the previous range of negative \$23 million to \$24 million. This reflects the continued investments we're making in our development capabilities and other centralized services to support our continued growth; and approximately \$0.5 million in onetime development costs for an opportunity that did not materialize.

In total, these ranges net to an increase in our total consolidated adjusted EBITDA guidance from a range of \$348 million to \$361 million to a range of \$354 million to \$361 million or an increase of \$3 million at the midpoint. These changes translate to updated guidance ranges from net income, FFO and AFFO. At their midpoints, these changes represent increases of \$2.5 million, \$3 million and \$3 million, respectively. These changes are laid out in our guidance table in our earnings release.

Moving on to the balance sheet. We ended Q3 with \$1.57 billion of total debt and \$62.7 million in unrestricted cash. Our trailing 12-month net debt-to-adjusted EBITDA ratio of 4.3x was up slightly from second quarter at 4.2x. We ended the quarter with over \$550 million of available capacity under our revolving credit facility. So we feel very good about our balance sheet and our ability to take advantage of the many growth opportunities, which we are investing in across our portfolio.

Lastly, on October 13, the company paid its fourth quarterly dividend of calendar 2017 of \$0.80 per share. Subject to the board's final approval, it remains our intention to distribute total calendar 2017 dividend of \$3.20 per share, which represents a dividend yield of around 5%.

Let me close by reemphasizing that we're on pace for another record year of financial performance and we're very excited about the many growth projects and momentum we have across our business in '18 and beyond.

We look forward to seeing a number of you next week at our event at the Gaylord Texan. If you're interested in attending, feel free to reach out to myself or Todd Siefert, and we'll provide you with all the details.

And with that, I'll turn it back to Colin for any closing remarks before questions.

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**Colin V. Reed** - *Ryman Hospitality Properties, Inc. - Chairman & CEO*

No, Mark. I have no -- nothing else to say other than Christie, let's open the lines for questions.



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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) And your first question comes from Chris Woronka of Deutsche Bank.

### Chris Jon Woronka - Deutsche Bank AG, Research Division - Research Analyst

I wanted to ask you on the kind of the forward bookings, you guys had a really good year there and the pace looks pretty impressive. And so the question is kind of are we -- do you think we're back to the -- whatever you want call the good old days of 2006 or 2007, in terms of how far out people are booking? And do you think there's -- or do you think there's still more room to go?

### Colin V. Reed - Ryman Hospitality Properties, Inc. - Chairman & CEO

Pat, do want to try and answer that and then I'll weigh in?

### Patrick Chaffin - Ryman Hospitality Properties, Inc. - SVP of Asset Management

Sure. Chris, this is Patrick. I would tell you that to your point, obviously, we're very pleased with the position that we're. We finished the third quarter of 2017 with the highest number of room nights on the books for all advanced periods, second highest in the history of the brand, only behind December of last year. We've been watching the booking window very closely. We have seen a little bit of growth that is encouraging on the government side. And more recently, we've seen some positive trends on the corporate side. So we still believe that there is some additional runway for us to go here and we expect that things will continue to be good. Having said that, obviously, availability is a challenge for us because we have so many room nights on the books. So I don't expect that we'll continue producing record levels of sales production, but I think we'll continue to see some solid sales production results out of our team as we do believe that the trends continue to be positive.

### Colin V. Reed - Ryman Hospitality Properties, Inc. - Chairman & CEO

But the overall move, Patrick, of Corporate America, seems to be decent. It's not like it was in '07. I think if we do get tax reform through, Chris, here over the next few months, I think you could see some still fairly material strengthening of this economy and that is extremely good for our business. So we're pretty pleased where we sit. And I just -- I can't underscore what Patrick said about the fact that our bookings are 7% -- our total room nights on the books are 7% up over this time last year. That is a tremendous growth of overall bookings that we've put on the books and that also, by the way, translates very well into 2018. So we're very, very pleased with where we are, particularly with this additional capacity coming. And look, if we -- one of the things that we have the ability of doing is understanding week-by-week, month-by-month turndowns, how many room nights we can't accommodate and if we continue to see this build, the turndowns building, we're not going to be shy to add more capacity in these massive hotels that we own.

### Mark Fioravanti - Ryman Hospitality Properties, Inc. - President & CFO

Chris, the only other thing I would add to that is that the industry continues to see a shift towards larger groups in terms of the types of groups that are growing. And that's obviously in our wheelhouse and when you look at supply and supply that's to come, our portfolio is positioned quite well for that segment.



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**Chris Jon Woronka** - *Deutsche Bank AG, Research Division - Research Analyst*

Right. Just as a quick follow-up. I know Marriott and Hilton and others have kind of changed their -- some of the cancellation policies more on the transient side and my question is, a, does that actually have any accrual benefits to you all in terms of even managing last-minute groups or your piece of transient business better? And the second part is really, do you think there are changes coming to the group cancellation policies?

**Patrick Chaffin** - *Ryman Hospitality Properties, Inc. - SVP of Asset Management*

Chris, this is Patrick again. From a group perspective, we already have some very solid policies in place and I don't anticipate there'll be any changes to our brand. They may take some of the best practices and learnings from the Gaylord brand and apply them to the other group segments within both the Starwood family and the Marriott family. So I think we'll continue to see more of the same. On the transient side though, to your point earlier, I do think that we'll stand to benefit, as the cancellation policies do become a little bit more robust to the benefit of Marriott and to the ownership.

**Operator**

(Operator Instructions) And your next question comes from Bill Crow from Raymond James.

**William Andrew Crow** - *Raymond James & Associates, Inc., Research Division - Analyst*

If we start with the fourth quarter and kind of guidance implicit in that. Congratulations on October; terrific results. Can you talk about the -- kind of the deceleration that has to occur in November and December to get you kind of back down to what's implicit in the guidance?

**Patrick Chaffin** - *Ryman Hospitality Properties, Inc. - SVP of Asset Management*

Bill, this is Patrick. Yes, just to give you some thoughts around November, December. Obviously, Colin's already talked about really solid results in October, benefiting from the shift in the Jewish holidays for us, but also just a really strong book of business across the brand. As we look at November and December, if you think back over 2015 and 2016, you'll see that we've been operating at very high levels. There's obviously always additional room for improvement and we're making investments into our holidays programming and offerings at Gaylord National. But the other 3 hotels have been operating at very high levels. And so if you look back, in '15, we had 11% RevPAR growth in December; in '16, we have it 1%. So December is at a very high level. November, we saw good growth last year of about 5.5%. So some good comps or some tough comps, if you will, comparing for November and December. So as we look to that, it's not that we're saying that we're not going to have solid months, but to your point, it won't be quite as strong as we what saw in October, simply because there's not quite the easy comp that we saw in October of last year, from the fact that the Jewish holidays has shifted out, and we have a better book of business for this -- or had a better book of business for this October.

**Colin V. Reed** - *Ryman Hospitality Properties, Inc. - Chairman & CEO*

And the reality is it shifts disproportionately to leisure and we've got a short fuse here. So we know that our pace so far is really tracking pretty well against last year for November and December. But there's still a lot of business to be booked into November and particularly December. So we're being, sort of, I think, reasonably cautious on this because it's just transient business and it's a little bit harder to predict than the way we're able to predict on group. But we're off to one, a very impressive start; and we expect the fourth quarter to be pretty good for us.

**William Andrew Crow** - *Raymond James & Associates, Inc., Research Division - Analyst*

Yes. It sounds like it. Mark, there's no nonrecurring items or maybe a step up in cancellation or attrition fees in the fourth quarter, right, that would push up EBITDA?



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**Mark Fioravanti** - *Ryman Hospitality Properties, Inc. - President & CFO*

No. There's not.

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**William Andrew Crow** - *Raymond James & Associates, Inc., Research Division - Analyst*

Okay, great. Colin, an Entertainment question for you. And it just seems like it's been a rough month or two for celebrities and high-profile business guys, et cetera. And I'm just wondering how you think about underwriting risk building out an Entertainment venue, multiple locations, really tied to one performer?

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**Colin V. Reed** - *Ryman Hospitality Properties, Inc. - Chairman & CEO*

So Ole Red is really a lifestyle brand around the image of a guy like Blake Shelton. Blake is an individual who loves the outdoor life, the hunting, fishing. He's a little irreverent, and we're going to be building out this brand around that particular lifestyle. A way to think about it is Margaritaville to Jimmy Buffet. Margaritaville is a brand that goes after a particular beach-loving, martini-drinking group of individuals. And Blake has got a massive following. I mean, this guy, you only had to see it on CBS this morning to understand the following he has. So we are -- the brand is not like Shelton. The brand is Ole Red. And so that's how we're building this brand out. And Opry City Stage is a 90-year-old brand and -- Opry is a 91-year-old brand. And again, it's -- it appeals to a particular consumer group and that's why we're building that brand out.

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**William Andrew Crow** - *Raymond James & Associates, Inc., Research Division - Analyst*

Right. If I could just ask just one final question. Colin, are you surprised -- I was. Are you surprised that GAMCO took more active a stance after all these years of owning your stock?

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**Colin V. Reed** - *Ryman Hospitality Properties, Inc. - Chairman & CEO*

Obviously, I don't look at it that way. I don't look at it as an activist stance. I -- look, I would tell you, I communicate with Mario Gabelli very frequently and -- because I happen to respect him. He's been a very, very good shareholder. Bill, you sit on these quarterly earnings calls, there's been multiple times when his analysts and one or two times Mario talked about the potential spinning of this business. And I think what Mario would like to be able to do is to potentially own more of this business and have it standing alone. And so I sort of don't look at this as sort of an activist approach to life. I sort of see this that he wants us to get there sooner rather than later. And I don't think our board, our management disagree with the notion of the business standing alone. It's just that Mario doesn't have all of the nonpublic -- he doesn't have nonpublic information, on all of the things we're working on right now. And so that's what we're focused on. And so I sort of don't look at this as sort of someone that is filing a resolution to get out of the business, sell a business, turn a business upside down. That's not what's going on here. He sees -- if you listen to what he says when he sits on CNBC or if you were to talk to him in person, he has the same philosophical beliefs about this business as we do. The issue is getting it standing on its own two feet and not ensnared into a real estate investment trust. So I don't look at it as a sort of an activist movement. I really don't.

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**Operator**

(Operator Instructions) And there are no further questions at this time. I will turn the floor back over to Colin Reed for any additional or closing remarks.

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**Colin V. Reed** - *Ryman Hospitality Properties, Inc. - Chairman & CEO*

Well, thank you, everyone, for joining us this morning. We'll see you -- those of the investors are going to be in Texas next week, we look forward to showing you around the beautiful Gaylord Texan, that's operating at very high levels of performance and talking through the strategy of our company. So thank you, everyone.

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**Operator**

This does conclude today's conference call. You may now disconnect.

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