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PRESENTATION

Operator

Welcome to Ryman Hospitality Properties First Quarter 2024 Earnings Conference Call. Hosting the call today from Ryman Hospitality Properties are Mr. Colin Reed, Executive Chairman; Mr. Mark Fioravanti, President and Chief Executive Officer; Ms. Jennifer Hutcheson, Chief Financial Officer; Mr. Patrick Chaffin, Chief Operating Officer; and Mr. Patrick Moore, Chief Executive Officer of Opry Entertainment Group. (Operator Instructions)

And it's now my pleasure to turn the floor over to Ms. Jennifer Hutcheson. Ma'am, you may begin.

Jennifer L. Hutcheson ***Ryman Hospitality Properties, Inc. - Executive VP, CFO & CAO***

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, further events or any other reason.

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

I'll now turn the call over to Colin.

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

Thank you, Jen, and good afternoon, everyone. Let me start this afternoon's discussion about our first quarter results by first reminding you what an incredible first quarter we had in '19 -- in 2023. Last year's first quarter was the best first quarter for same-store hospitality ADR revenue and adjusted EBITDAre and same-store Hospitality banquet and AV revenue was the highest on record of any quarter. Production was also strong with record first quarter gross group ADR booked for all future years.

On the entertainment side of our business, we also achieved record first quarter revenue and adjusted EBITDAre. Now against that strong backdrop in the first quarter of '24, we achieved some very compelling results. Yet again, we set first quarter records for same-store Hospitality ADR traveled and gross group ADR booked for all future periods. Same-store Hospitality banquet and AV revenue was the second highest on record behind only last year's first quarter and several properties set monthly catering records in February, including Gaylord Palms and JW Hill Country. Equally impressive, our entertainment business set a new first quarter record for adjusted EBITDAre despite significant weather and construction disruption during the quarter.

The first quarter was not without its challenges, and Mark will speak to the impact of Easter timing shift and some transient softness we saw in our same-store Hospitality portfolio results in a minute. But we also have dealt with quite a lot of construction disruption across our portfolio. As an example, at the Gaylord Palms, we are reconfiguring -- completely reconfiguring our lobby and at the Rockies, we're almost finished completely transforming the Grand Lodge. Our Entertainment business is also under a large transformation with the public spaces at the W Hotel completely under construction. And also, of course, the Wildhorse is shut as we transform it to a Category 10.

As you know from our Investor Day, we've been quite bold with our capital plans as we believe that the transformation of our physical assets will support the very good growth we anticipate over the next few years. But what will become clear, as Mark and Jen speak is the fact that our primary focus, the group segment remains very robust. For more than 20 years, our management team has executed a differentiated strategy that delivers long-term customer satisfaction with a particular focus on group customers. We built and continue to enhance an industry-leading portfolio of hotels to serve that customer, and our service model continues to drive high customer loyalty, the byproduct of which being retention.

As a result, we have significant visibility into future bookings and a meaningful recurring revenue stream, strong pricing power and multiple high-return investment opportunities to sustain our growth trajectory. On top of all of that, we own an incredibly valuable entertainment business built on some of the most iconic brands in the music industry that also, we believe, will demonstrate very strong growth over the period ahead.

I've said this before, our business is not based on hope. Our strategy is grounded in things we know well and can control, extensive knowledge of our customers and delivering what our customers want, thus driving loyalty. This is as evident as ever in our first quarter results.

And with that, let me turn over to Mark to give you some color on the detail.

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

Thanks, Colin, and good afternoon, everyone. I'll start with some segment highlights from the quarter, first, focusing on our Hospitality portfolio, which continues to see strong group performance. Then I'll take you through the results of our Entertainment business, which benefited from growth in our Ole Red brand. And finally, I'll review our guidance before handing over to Jennifer to discuss our balance sheet, recent financing activities, liquidity and capital expenditures outlook.

Our same-store Hospitality results reflected the impact of the Easter shift and a challenging comparison to the first quarter of 2023, as Colin detailed at the outset. Accordingly, compared to the first quarter of '23, same-store Hospitality RevPAR and total RevPAR declined 4.6% and 4.1%, respectively, and adjusted EBITDAre margin declined 210 basis points. Despite a strong start in the first half of the quarter, the second half came in modestly below our expectations due to some transient softness in the Nashville, Orlando and Denver markets. In fact, all the markets in which our Gaylord Hotels operate experienced challenging year-over-year comparisons, and 4 of the 5 markets in which our Gaylord Hotels operate experienced RevPAR declines. These trends reflect the normalization of transient demand.

Despite the tough comp, there were plenty of bright spots in the quarter. First, our rate strategy is working. The first quarter of 2024 was the best first quarter performance ever for same-store Hospitality ADR, eclipsing the prior best ever first quarter performance in 2023. Both group and transient rate increased year-over-year. Second, outside-the-room spend remains resilient. This quarter marked the second best quarterly performance ever for same-store Hospitality banquet and AV revenue, trailing only in the first quarter of last year.

Banquet and AV contribution per group room night traveled increased year-over-year, a positive leading indicator that our value proposition and the capital investments we've made are compelling and groups are continuing to spend on property. These trends continued into April with Gaylord Opryland achieving all-time high monthly catering revenue across the same-store portfolio. Together, our rate strategy outcomes and continued robust outside-the-room spend have translated into higher RevPAR and total RevPAR index premiums versus our comp set.

In the first quarter of 2024, our Gaylord Hotels portfolio RevPAR index and total RevPAR index increased 9% and 13%, respectively, relative to pre-pandemic levels.

Third, the results at JW Hill Country performed in line with our expectations, demonstrating the value of our early integration efforts. We estimate first quarter RevPAR and total RevPAR increased approximately 26% and 28% from the same period in 2023, respectively, which we believe was driven primarily by increased group occupancy and strong outside-the-room spend, as group catering contribution per group room night in the first quarter of 2024 improved approximately 22% from the same period in 2023. GOP margin for the first quarter of 2024 was 45.4%, approximately 500 basis points higher than the same period in 2023.

And finally, our group focus provides visibility for our portfolio, which gives us confidence to reiterate our full-year guidance. As of March 31, same-store group room nights on the books for the rest of the year were up 2.4% compared to the same period last year for the rest of 2023 and we're projecting to set a new full year record for group room nights traveled in 2024, surpassing the prior record in 2019. In addition, same-store group rooms revenue on the books for the rest of the year was up 8.4% compared to the same period last year for the rest of 2023. As a result, we're reiterating our full year guidance ranges for same-store Hospitality RevPAR and total RevPAR growth and same-store hospitality and JW Hill Country adjusted EBITDAre.

Turning now to same-store production. In the first quarter of 2024, we booked nearly 288,000 gross group room nights for all future years, a first quarter -- at a first quarter record ADR of $265. Group room night production was down sequentially and year-over-year due to our record performance in the fourth quarter of 2023. Recall in the fourth quarter of 2023, we booked a record 1.2 million gross group room nights for all future years, which was an increase of 19% compared to the fourth quarter of 2022.

Therefore, having closed a large portion of the late-stage funnel in the fourth quarter, our focus in the first quarter was on replenishing the sales funnel. Lead volumes now sit at record high levels, giving us confidence in the continued strength of the group segment and our positioning. We continue to be encouraged by production results at JW Hill Country. In the first quarter of 2024, we booked nearly 42,000 gross group room nights for all future years at an ADR of $315.

Turning to the Entertainment segment, another bright spot in the quarter. This business delivered record first quarter adjusted EBITDAre of $15.5 million, up 8.3% despite the impact of severe winter weather in Nashville and construction disruption at the W Austin and the Wildhorse Saloon. Our Ole Red brand performed well and our newest venue, Ole Red Las Vegas, which opened in mid-January, is off to an encouraging start. Our Entertainment business continues to perform in line with our expectations, and as a result, we're reiterating our entertainment adjusted EBITDAre guidance.

Turning to our consolidated outlook for 2024. We're also reiterating our full year guidance ranges for Corporate and Other and consolidated adjusted EBITDAre. We're raising our full year guidance ranges for adjusted funds from operations, or AFFO, by $7 million to $489.8 million to $535.5 million and for AFFO per share by $0.11 to $7.69 to $8.33 to reflect the net interest expense savings associated with our recent refinancing transactions, which Jennifer will discuss in a moment.

Note that the fully diluted share count used in our AFFO per share calculation reflects the put rights held by Atairos as part of their Opry Entertainment Group investment. And although those rights are not exercisable and we retain the option to settle any exercise of those rights in cash, any exercise of the put rights would also result in Atairos' 30% ownership in OEG reverting back to Ryman.

To provide some color on the second quarter, we now expect mid-single digit same-store Hospitality RevPAR growth year-over-year, which assumes continued transient normalization in the second quarter. We continue to expect high-single digit year-over-year growth in same-store Hospitality total RevPAR, along with year-over-year adjusted EBITDAre margin expansion driven by group strength and robust out-of-room spend. As Colin discussed at the outset, we remain incredibly well positioned. We have significant visibility into future bookings, a meaningful recurring revenue stream, strong pricing power and ample high-return investment opportunities available to us.

The investments we're making, though disruptive in 2024 will sustain our long-term growth trajectory. And importantly, we can fund this growth plus our dividend from our balance sheet and free cash flow generation. And following the refinancing transactions we undertook in March, our balance sheet has never been better positioned.

So to that end, I'll turn it over to Jennifer to discuss our balance sheet, liquidity and capital.

Jennifer L. Hutcheson ***Ryman Hospitality Properties, Inc. - Executive VP, CFO & CAO***

Thanks, Mark. We ended the first quarter with $465 million of unrestricted cash on hand and our $700 million revolving credit facility was undrawn, OEG's $65 million revolving credit facility had a balance of $22 million outstanding. Taken together, our total available liquidity was approximately $1.2 billion, net of approximately $4.3 million of outstanding letters of credit. We retained an additional $82 million of restricted cash available for FF&E and other maintenance projects.

During the quarter, we took advantage of favorable market conditions and undertook transactions to address our nearest term maturity, to lower our weighted average interest rate and further unencumber our asset base. In March, we completed the private placement of $1 billion of aggregate principal amount of 6.5% unsecured senior notes due 2032. The proceeds of which were used to repay the Gaylord Rockies secured term loan in full, along with $200 million of the corporate Term Loan B. The transaction was very well received by the market and was upsized from $800 million to $1 billion in part to satisfy the strong demand for our securities.

In addition, in April, we repriced the remaining outstanding corporate Term Loan B from SOFR plus 275 basis points to SOFR plus 225 basis points. As a result, we are raising our full year guidance for AFFO and AFFO per share, as Mark outlined. Acknowledging the actions we have taken to strengthen the balance sheet, as well as the merits of our group-focused business model, S&P Ratings upgraded our corporate credit rating from B to B+ while maintaining a positive outlook and Fitch ratings revised our outlook from stable to positive.

Our net leverage ratio at the end of the quarter based on total consolidated net debt to adjusted EBITDAre was 4.3x within our targeted 4 to 4.5x range. On a pro forma basis, assuming a full year contribution of adjusted EBITDAre from the JW Hill Country, our net leverage ratio was 4.1x.

In 2024, we continue to expect to generate free cash flow before payment of dividends and capital expenditures of $500 million to $550 million, which together with our unrestricted cash reserves and funds available in our FF&E escrow account will be more than sufficient to fund our dividend and capital investment priorities. Regarding our dividend, it remains our intention to continue to pay 100% of our REIT taxable income through dividends. Regarding our capital investment priorities in 2024, we continue to expect to invest approximately $290 million to $360 million in our Hospitality business and $70 million to $80 million in our Entertainment business.

On our last earnings call, we detailed the major projects. So today, I'll provide some highlights on our progress year-to-date. At the Gaylord Rockies, the first phase of the Grand Lodge repositioning, including Embers, the new lobby bar, is now open. Remaining work includes repositioning of several additional F&B outlets in the lobby, which are scheduled to open later this year in the fourth quarter.

Construction of the new group pavilion at Gaylord Rockies is also progressing quickly and is expected to open in June, with both of these projects ahead of schedule and on budget. At the Gaylord Palms, renovation of the lobby and remaining 1,416 rooms is underway, and we expect this work to be completed by the end of the year.

At Gaylord Opryland, transformation of the Governor's Ballroom and pre-function space is set to begin in June. Construction scheduled there will be managed to limit disruption. At Block 21, the W Austin rooms and public space renovation is underway and we expect to complete this work by the end of the year. And finally, the transformation of the Wildhorse Saloon in downtown Nashville to Category 10 continues, and we expect that venue to reopen in phases beginning in the third quarter.

As our projections demonstrate our balance sheet and liquidity position continue to be in excellent shape to support the capital deployment opportunities available to us and the continued growth of our business.

And with that, let's open it up for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) We'll take our first question from Chris Woronka with Deutsche Bank.

Chris Woronka ***Deutsche Bank - Analyst***

Maybe we can take a step back and think about the transient weakness or softness you mentioned pockets of -- is there any common theme to it? I don't know, Colin or Mark, I mean, is it -- do you think it's related to price sensitivity or is it just really a function of a tough comp or something else? Just trying to see if there's a -- if it's thematic or just kind of temporary based on the comps and things like that.

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

Do you want to take it, Mark?

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

Yes. I would say if you look at how the markets have performed in terms of the top 25, right. I mean, it appears that there's a normalization that's occurring in terms of transient demand. Those markets that recovered quickly from COVID like Nashville, Dallas, Orlando, et cetera, they've seen -- they saw a little bit of softness in the first quarter. If you look at what's happening in places like Boston, Seattle, Chicago, New York City, they've had quite strong -- quite strong performance.

So I don't think that it's -- I don't think there's anything that's happening from an economic standpoint where we see weakening of the consumer. Those that are traveling are spending outside the room. And so we feel very good about that. I think it's just an issue of consumers making other choices and markets performing a little bit differently than they did through the -- through the COVID recovery.

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

On the pricing front, Pat, you may want to dive in on this one, but, Chris, we've -- as a business, we've been very focused on driving rate in our business, both on the group side and on the transient side. And I was talking with Mark earlier this morning, and I was looking at the average daily rate of transient business on a same-store basis in this first quarter to pre-COVID-19 which was the best year we ever had. And our rate is up $90 on transient in this period. And so we've been very aggressive on transient pricing. And obviously, we are -- we are -- we've got this whole issue of pricing under a microscope right now to make sure that we -- we haven't pushed it too hard.

I don't think we have -- Pat, you want to jump in on transient pricing?

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Absolutely. As Colin already mentioned, we did $292.63 in transient ADR in the first quarter. That's a 2.5% increase over '23. So even with some of the softness and normalization going on, we're still driving rate in a very successful manner. To Colin's point, we're up about 41% over 2019. So we see this as purely a volume issue and really just around what Mark was talking about. As far as some markets finally catching up to the lead pack that came out of COVID.

What gives us a lot of encouragement is that group continues to remain very strong. We're 34,000 room nights ahead as far as what's on the books from a group perspective, versus same time last year for the remainder of year. And our catering numbers have been very, very encouraging. And that's been a recurring theme for us for the past 24 months and is continuing into 2024. So we feel good, even though there is a bit of normalization going on in the transient side.

Chris Woronka ***Deutsche Bank - Analyst***

If I could ask a quick follow up, but it's on Hill Country, and it sounds like things are off to a really good start there. Can you maybe frame for us, as you're kind of remixing the business a little bit? What's the cadence of the opportunity in terms of your original underwriting? I mean, will you get further ahead this year, or is this more of a multiyear thing and just maybe a little bit of color there on how you're remixing it? Because it sounds like that's pretty important.

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

Let me do the [60,000 foot] and then Patrick, you may want to dive in on exactly what we've discovered and what we're doing, because it is very interesting.

But, Chris, when we've looked at this hotel at least 3 times over the last 8 years, and the reason, philosophical reason is, we love the San Antonio market, we love Texas, we love this southern part of Texas. When you look at the growth that's going on in this market and you look at the -- the growth that's going on 60 miles away in Austin, it's remarkable. And so we look at this business with a very long-term lens, and we believe over time, we can transform this asset, maybe add some more rooms, more meeting space, and essentially transform this hotel to the #2 convention resort in the state of Texas, number two to our number one, the Gaylord Texan. But, as every stone we turn over in this business, we find a little bit of gold dust.

And Patrick, you want to give Chris a little bit of -- some examples of what we've been doing and what we've discovered?

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Absolutely. Yes, Chris, we've talked about at Investor Day that we manage our portfolio as a single unit, and that's what we're starting to get some strength out of -- at JW Hill Country. From a contracts perspective with outside vendors, both from a resort fee perspective, from a parking perspective, we're starting to drive incremental dollars into this property. And those are the short-term benefits of being part of our portfolio that you'll see in the first 12 to 24 months.

To Colin's point, we are already working through the master planning of the resort to add additional rooms, space and water amenities, and have done a tremendous amount of research in the end of the fourth quarter and through the first quarter around what the JW customer is looking for at this property specifically. We now are actually engaged in additional research to understand what the Gaylord customer needs to see at this property to enhance and refine it for their interests of bringing pieces of business over.

To that point, we've already seen some great success with bringing Gaylord customers into the JW brand and vice versa. We booked, since we took the transaction over in June of last year, we booked about 12,000 room nights into the JW that were tied to multi-year rotational pieces of business in the Gaylord Hotels. And accordingly, we picked up another 12,000 to 15,000 room nights in the Gaylord brand from those bookings that are going into JW. So we are -- we generated a substantial amount thus far and are looking for more and more as we refine the property through the master planning process.

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

And cost efficiencies too, Patrick.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Absolutely, yes. Again, because we approach everything from a portfolio perspective, we can drive synergies in that -- maybe you don't see in other portfolios where they're managed as individual assets.

Operator

And our next question comes from Bill Crow with Raymond James.

Bill Crow ***Raymond James - Analyst***

I want to focus just really on the shift from 1Q to 2Q where you're going from almost down 3% RevPAR growth to up, I think you said mid-single digits. How much of that is driven simply by Easter, the holiday shift? We're now starting to hear that maybe April is not so good, that the Passover holiday is actually impacting April. So you've got both March and April impacted by holidays. How much did -- I know it's a multipart question, same subject. But how much did Hill Country benefit from Easter shift? Any color you can give us on that, or is it just the comps get easier in the second quarter and that really helps you?

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

Patrick?

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

So to your point, yeah, the comp is a little bit easier, Bill. There is the shift from Easter, which we've talked about, it's about 13,000 room nights that shifted between the two quarters. So there's definitely a benefit there. But I would tell you how April is going for us. We're still working through the preliminary results, but we expect April to be the best April ever in the history of the portfolio on a same-store basis. We expect it to be the second best EBITDA month ever in the history of the portfolio on a same-store basis. Catering looks very, very strong and we expect Opryland will probably come in with the best catering performance in any hotel in any single month in the month of April.

So the comps are easier, but we are seeing really strong group performance, especially on the catering side. And so we feel good about where we're heading and helps offset some of that transient normalization that we've seen.

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

And we're seeing that -- we're seeing that same catering performance in the third quarter as well as we look ahead.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Yes. And we have more group room nights on the books for the second quarter and the third quarter than we did same time last year. So we think we're really well positioned for these next 2 quarters. And then fourth quarter is obviously heavily dependent on transient, but our holiday programming allows us to do things that maybe buck the market trends that are normally in place.

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

But we've also got good group business on the books for the fourth quarter, too, which gives us a lot of confidence about the fourth quarter.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Yes, about 3 points of group business higher than we were same time last year.

Bill Crow ***Raymond James - Analyst***

If I could just do a follow-up question, and only because Marriott touted the performance of the forward bookings at the Pacific -- Gaylord Pacific. I'm just curious, are you seeing rotational business kind of exiting some of your properties to now include Pacific? I know we've talked about that in the past, but just wanted to revisit that topic.

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

Do you want to take it?

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Sure. Yes, Bill, we have seen some good production coming out of Pacific. It's driven about 82,000 room nights into the Gaylord Hotels in multi-rotational pieces of business that have been booked in unison with Gaylord Pacific. But what really is going to drive the benefit is not here in the pre-sale period of time. It's going to be after some of these groups that are brand new to the Gaylord brand, because Pacific is stealing a lot of share from the state of California. When those groups travel to a Gaylord for the first time and have their minds open to what a Gaylord is and how unique it is, then they will start rotating into the other Gaylords around the U.S.

It's exactly what we saw at National when we opened it back in 2008. It's what we saw at Gaylord Rockies when we opened it in 2018. And so the best is really yet to come as that property gets opened and starts pushing folks through it and then opening them up to the rest of the brand.

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

And they're booking at a high rate and those groups will rotate at a higher rate.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

That's correct.

Operator

Thank you. Our next question comes from Smedes Rose with Citi.

Smedes Rose ***Citigroup Inc., Research Division - Director & Senior Analyst***

I wanted to just ask a little bit about the growth, definite room nights and net definite room nights booked in the quarter. I know you noted it was a tough year-over-year comp and acknowledging that the rate that you booked at was record highs, but it was still lower than like first quarter '19 and '18 and '17. And I'm just wondering if you could provide just a little more color around how you think that will kind of trend and if it means anything.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Hey Smedes, it's Patrick. Yes. I can't underscore how much impact clearing out the funnel in the fourth quarter of 2023 had on the first few months of 2024. The sales team blew it out, did a great job and have been rebuilding that funnel. We are very encouraged by what we're seeing. There's two things going on that give us a lot of encouragement and we believe that the team is going to deliver another tremendously strong performance from a sales advanced gross group bookings in 2024.

And those two things are number one, you heard me talk over the past 24 months about the fact that we had really great production and lead volume in [T+1] through [T+4]. And late last year we started seeing beyond T+4 lead volumes increasing. And we've seen just in the past few months association leads really coming back very, very strongly. So that allows us to know that we're starting to -- we have more opportunities to place for future years some of those big associations that serve as the foundation for our book of business.

The second thing we saw was in April, a material increase in corporate room nights, which bodes very well for us as we're in the primary booking window for filling up 2025. So we are seeing everything coming together nicely as they're rebuilding that funnel. And while, yes, the first quarter was a little bit down versus previous periods, it was expected, our rate continues to be very, very strong. The sales team doing a great job there and both on association and corporate lead volume, we see a lot of good things coming together for the future.

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

And that's the key to all of this. It's what is the activity of the meeting planner into our system. And that activity, Patrick, is as good as it's ever been right now. And as you just said, we booked, what 40,000 more room nights in April in this last month than we did in April of last year. And lead volumes have jumped again to fairly, very, very healthy levels. So we're very excited about what's going on in group right now.

Operator

And we'll take our next question from Shaun Kelley with Bank of America.

Shaun Clisby Kelley ***BofA Securities, Research Division - MD in Americas Equity Research & Research Analyst***

Just wanted to go back to the transient activity, and I know we've kind of hit this. So my question is just specifically, I think in the prepared remarks, you said that the assumption now is that continues into 2Q. Obviously, it sounds like you've already seen a piece of that, perhaps continue through April, but was that correct? And then kind of, what does that imply? The assumption is for the balance of the year, specifically Q4, since you alluded to how important transient is for that period. So just help us think about how conservative maybe that outlook is. That'd be helpful.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Shaun, it's Patrick. Good question. We actually, we didn't just take what we saw in Q1 and roll it through April and May. We've done our best to project what we think is going on and continue some of that softness and adjust our Q2 and Q3 accordingly. Again, our Q4 has a really strong, all 3 remaining quarters have really strong group business. And our fourth quarter, because of the holiday programming, we're going to continue to watch that because we do believe we can buck the macro trends in each market. So we've adjusted Q2 and Q3 appropriately and still feel that we're in a great position to maintain our guidance. So rate continues to be a huge upside opportunity for us, even though we are seeing some of that normalization on transient.

Shaun Clisby Kelley ***BofA Securities, Research Division - MD in Americas Equity Research & Research Analyst***

And then my follow up here would be, it's kind of intriguing to me that you did see it on the rate side, and you're definitely not alone. We've heard effectively similar comments from a number of people in the hospitality space, but I'm kind of curious how you didn't see, it doesn't feel like you saw anything on the entertainment side. So could you just talk a little bit about, like, customer behavior there on entertainment and specifically ticketing? Like, just any changes on how people were acting and uptake there? I'm sure it moves around given the event schedule that you have and maybe even the comps. But, yes, just what did you see from the consumer across entertainment and any concerns or risk factor that what you see in transient could impact that side of the house, too?

Patrick Moore ***Ryman Hospitality Properties, Inc. - CEO, Opry Entertainment Group***

What I would say is in aggregate, we haven't seen any material change in consumer behavior for the entertainment business across the board, in part because some of those markets are drive to markets and don't require a room night. But we've seen fairly healthy trends across all of our major venues. We did have the modest disruption for 1 to 2 weeks in the Tennessee markets for the 5 assets that are in Tennessee. But other than that, so far, and first quarter is the smallest quarter of the year. But so far, we haven't seen any material changes in behavior.

Operator

And we'll take our next question from Dori Kesten with Wells Fargo.

Dori Lynn Kesten ***Wells Fargo Securities, LLC, Research Division - Senior Analyst***

Can you give us a quick update on your T+1, 2 and 3 rate growth on the books?

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Dori, as it stands at the end of March, you said T+1, 2 and 3, is that right?

Dori Lynn Kesten ***Wells Fargo Securities, LLC, Research Division - Senior Analyst***

Yes.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Yes. So we're in the mid-to-high single digits on each of those years on rate growth as far as what's on the books as it stands today. And that's net bookings.

Dori Lynn Kesten ***Wells Fargo Securities, LLC, Research Division - Senior Analyst***

And is there anything to note about the makeup of your lead volumes as they sit today between corporate association and SMIRF or is it rather normalized and just trying to determine what the rate trajectory might look like when we do start to see your Q2, Q3 gross bookings?

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Yes. Like I mentioned before, we've been watching association, waiting for it to come back strong, and it's coming back very strong. And we continue to, as we've done for many, many years, focus on getting the most premium, highest rated association groups and then increasing our mix of corporate. And so corporate has shown great strength here as of late, and association has been rebuilding over the past six months or so. So it's not abnormal as far as what we see on the books, just a higher volume than we've seen in the past.

And so we think from a rate perspective, as we continue to select the highest rated groups and go after the more premium groups and put the investments in place to attract them, it bodes very well for our continued growth in group rate.

Operator

We'll take our next question from Jay Kornreich with Wedbush Securities.

Jay Kornreich ***Wedbush Securities - Analyst***

Thanks very much. A little bit of a follow up to the last question. As we think about in the year for the year group bookings. Can you give just some perspective on how your conversations are going with meeting planners, especially on the corporate side? And are you seeing any changes in the booking window or appetite to get corporate employees together within the year?

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

Yes, we have not seen any change in the booking window whatsoever, and I'm not sure I caught the first part of your question. Could you repeat that?

Jay Kornreich ***Wedbush Securities - Analyst***

In the year, for the year.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

In the year, for the year. Okay. Yes. In the year, for the year, like I said, we are in a position for the remainder of year. We're about 34,000 room nights ahead as far as what's on the books. And our expectations for what we need to book to hit our internal expectations is in line with, largely in line with what we did last year. So we've seen no change in behavior, whether it's on the booking window or resistance to growing group rates. And we continue to see lead volumes improving. So we think all the right factors are in place for us to hit our in the year, for the year. And thus far this year, In the year, for the year has been very encouraging. In April alone, we outperformed in the year for the year, and our T+1 was up significantly over where it was same time last year. So all the short-term metrics are pointing in the right direction.

Jay Kornreich ***Wedbush Securities - Analyst***

Okay, great. Thank you. And then just one quick follow-up. You gave some comments on the construction efforts on the hospitality and entertainment projects. Just curious, any changes at this point to your initial assumptions, either for ROI, EBITDA displacement, or is everything starting out as initially planned?

Jennifer L. Hutcheson ***Ryman Hospitality Properties, Inc. - Executive VP, CFO & CAO***

Yes, we haven't changed the assumptions within our full-year guidance, Jay, in terms of what the disruption impact will be from those projects that we outlined and we said that was about $10 million to $11 million on the hospitality side and $8 million to $10 million on the entertainment side for the full year.

Patrick Chaffin ***Ryman Hospitality Properties, Inc. - Executive VP & COO - Hotels***

I will say that the opening of the Grand Lodge at Gaylord Rockies. The first couple of days were really, really encouraging as far as what we were able to capture in food and beverage. So I'm feeling optimistic about our investment there. It looks spectacular. And customers and meeting planners are responding very, very strongly in a positive manner.

Operator

Thank you. And it appears that we have no further questions at this time. I will now turn the program back over to our presenters for any additional or closing remarks.

Colin Reed ***Ryman Hospitality Properties, Inc. - Executive Chairman***

No, I think we are done and appreciate everyone's time, particularly doing it, the time we've holding this call, lead time we've done it. We know it's midday in central time and 01:00 in eastern time. It's a little bit difficult, but there was a lot of competing calls this morning and we wanted to make sure that we had your attention. So thanks, everyone, for being on the call. And if you have any further questions, you know how to get hold of us. Appreciate it.

Operator

That concludes today's teleconference. Thank you for your participation. You may now disconnect.