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CONFERENCE CALL PARTICIPANTS

Bill Crow *Raymond James & Associates, Inc. - Analyst*

PRESENTATION

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

All right. Good afternoon. Appreciate you joining us here at NAREIT. My name is Bill Crow. I cover the lodging and hotels sector, as well as industrial and office REITs for Raymond James. I have done so for the last 30 years, something like that, too many years.

I'm really pleased to be here with the management team from Ryman Hospitality. Been happy to cover Ryman since 2008, somewhere in that range. when they were a C-Corp that ultimately converted into a REIT. They are the ones that developed the Gaylord brand. They currently own all of the Gaylord properties that are open and operating. We can go into details of the portfolio and what not.

To my immediate right is Mark Fioravanti, who is the CEO of the company. Jenn Hutcheson on his right, your left, CFO of the company.

So I always think it's fair with this audience to give you a chance to kind of give a broad opening statement on who the company is and kind of what it is that drives the out -- let's be honest, the outperformance that we've seen for the last few years in the stock.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yeah, so as Bill said, we were the developers, owners, and operators of the Gaylord Hotels brand until we converted to a REIT in 2013. And we function as a REIT in a very unique way versus others in our sector in that our hotels are essentially a single brand and work as a portfolio. We rotate groups from market to market, and we have broad relationships with these large groups that travel. About 70% of our business is group.

And what that affords us is a high level of visibility because of the booking window. Our average booking window is about three years. We currently have about $1.9 million -- or $1 billion worth of business on the books for all future years. It also provides stability in addition to visibility because of the contract nature of our business when groups cancel, we collect cancellation and attrition fees. And through the pandemic, we recaptured over $100 million of fees. And in '09, which was obviously a severe downturn, but not a pandemic, we've collected about $28 million of fees. So those fees help bolster our profitability at times when the economy is weak. So that focus on large REIT hotels is one of the things I think that makes us very unique. It is a sustainable competitive advantage.

We also have a meaningful organic growth pipeline. In our Investor Day in February, we outlined about $1 billion of projects that we'll undertake over the next four years to generate incremental EBITDA growth. This is a mix of expansions as well as renovations and upgrades to our various properties. So that's another thing I think that makes us unique.

These platforms are so large. Our smallest hotel is 1,500 rooms and about 450,000 square feet of meeting space. So these large platforms, we're able to make investments and continue to grow and grow their profitability based on what consumers are telling us in terms of what their needs and desires are as they conduct meetings across the portfolio.

In addition to our hotel business, we also have an entertainment business that we actually operate within a taxable REIT subsidiary called Opry Entertainment Group. It's a very rapidly growing, very unique live entertainment business that is focused on the country lifestyle consumer. Then we own brands like ACL Live at the Moody Theater in Austin, Texas; the Grand Ole Opry; the Ryman Auditorium, so these are iconic brands in the country music genre. It's a business that we love, it's grown dramatically, and ultimately, our strategy there will be to separate that business so that we'll ultimately have two separate public companies. We think that's the way to maximize value for shareholders overall is to have those two businesses stand alone.

And then lastly, I would say that I think that one of the things that makes us unique is our management team. We have a well-tenured management team. I became CEO in January 2023 after over 20 years with the company. Colin Reed, who is now our Executive Chairman, has been with the company 22 years. Jennifer's been with us 20. And our senior management team on average has probably been with the company 18 or 19 years. So we have a well-tenured management team who actually built the brand and built the hotels, so we know this business very well and I think that if you look at our total shareholder return, I think that speaks for itself over the last 20 years or so.

QUESTIONS AND ANSWERS

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

I think one of the things you pointed out was the booking window. 70% of your business, on average, a three-year booking window. What is the typical booking window for business transient or leisure travelers these days? Are we talking weeks?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yeah, you're talking weeks to 30 days out. So we have associations who, on average, book about four years in advance. Some of the very large, large associations, book eight, nine years in advance. Corporates are around 18 months, so when you look at our average, it's about three years.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

And there's a rotational aspect of your business that I think you've highlighted in the past.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Correct, yeah. So there's a natural behavior that occurs in most large groups. Large groups typically rotate from market to market year by year. They do that for one of a couple of reasons. One is to keep their meetings fresh and attractive to their attendees. The other is many associations are required by their charter to rotate geographically so that they're touching their membership over multiple years. And so one of the thesis that our business model is built on is having these large hotels operate as a portfolio with a single manager, in markets where groups want to go to, and deliver consistent, high-quality service across those properties. So it allows us to negotiate multi-year contracts with our customers. So they may be in Opryland this year, next year, they're going to Orlando. And then in year three, they're going to the Texan, for example, in Dallas.

So what we like about that is that we establish very, very strong relationships with these guests. We understand what they want and need from a service and physical product perspective. And that informs our capital deployment. The other thing that it does for us is it creates a recurring revenue stream. If you look at -- if you add together groups that stay with us year over year, coupled with the portion of our transient leisure businesses that visits us each year, about 49% of our revenue is recurring revenue. We think that's a very powerful model.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

Very unique in the space.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

In the hotel business, yeah.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

And we, as hotel analysts, we always look at RevPAR, revenue per available room, its occupancy tax rate that spits out some magic number that you look at the growth year over year. Your business is a little different. Because of the large-group nature and because of the amenities offered by the properties, you really focus on total RevPAR. And it's a much different answer and outcome than if you just look at RevPAR. Maybe you can explain that a little bit.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yeah, so it's not unlike the casino business. Obviously, we don't have a casino, but it's not unlike the casino business in that about 60% of our revenue is generated outside of the room. So that are things like catering, AV, restaurant, food and beverage, retail, spa, golf, parking, resort fee, attrition and cancellation fees when we collect them. And that's been a very important part of the model. We generate -- and it's really why we generate more EBITDA per room than any of our peers on average, because once we get that customer on-site, we essentially capture all of their trip spending. The notion is it's everything under one roof. So once your group is on-site, we can take care of all your needs, and you don't have to leave. We have the facility and therefore, we capture that revenue.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

I want to turn to fundamentals because I think everybody is looking for cracks out there with the consumer and how much is the economy slowing, is it slowing at different price points, et cetera. Maybe you can kind of shine a light on what you're seeing from a demand perspective outside the room spend trends. Any change in cancellation and attrition issues or anything like that? I think that would be helpful for everybody.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yeah, so let's take in the two -- so the two piece is group, which is 70%, 75% of our business, and then the leisure transient, which is about 25%. From a group perspective, group is performing very, very admirably this year. We have -- we'll travel a record number of group room nights this year, a little over 2 million room nights. Our group pace for the rest of this year is about 34,000, 35,000 room nights ahead of last year. We're seeing very strong outside the room spend as it relates to catering. And you're really seeing that across the industry. Groups are traveling and groups are spending on property. And catering is a -- from a food and beverage perspective, a very -- has a very high margin as a business. So we're seeing real strength in group.

We talked about on our first quarter call a little bit, we're seeing some normalization as it relates to the leisure transient customer. And then when you look at what's occurring, I think it's a couple of things. I think that the lower-rated leisure customer may be drawing back a little bit. But I think primarily what's happening is that we're seeing a behavior shift back to a normalized behavior that we saw pre-COVID, which is more people are taking cruises, more people are traveling internationally, more people are substituting trips to markets like New York, San Francisco, et cetera. These are markets that didn't perform well coming out of COVID.

If you look at the top 25 markets in the US from a leisure transient perspective, in the first quarter, most markets were up in total about 2.7% in terms of revenue. If you look at markets where we, our footprint, which is at Nashville, Dallas, Denver, Orlando, all markets that we love for the long term, those are markets that came out of COVID very rapidly, so it's a tougher year-over-year comparison. When you look at markets like New York, San Francisco, Chicago, et cetera, they're seeing nice growth in transient because people haven't been traveling to those markets. So group is -- group remains incredibly strong. We're seeing a little bit of that normalization on the leisure side.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

Mark, you and Jennifer and the team announced a sizable capital deployment plan. Four years, $1 billion while maintaining the balance sheet in the current structure that it is. Can you talk about what the intent of that is? What the expected returns on that investment are?

Jennifer Hutcheson - *Ryman Hospitality Properties Inc - Chief Financial Officer, Executive Vice President*

Yeah, great. What we've talked about is about $1 billion of capital opportunities across all of our hotels, including all of the Gaylord Hotels that Mark outlined, as well as the JW Hill Country that we acquired in mid-2023. And these span meeting space renovations and enhancements, possible additions, room renovations, food and beverage enhancements and expansions, and as well as new amenities like the addition of SoundWaves, which is the product that we have in Opryland today. It's an indoor/outdoor water experience that we could see driving benefits at both the Rockies and the Gaylord Texan.

Where we focused our efforts more immediately is at Gaylord Opryland with the meetings rooms expansions there and some design and conceptual work around additional food and beverage outlets and opportunities there. What we've seen is with the property with nearly 2,900 rooms, it could benefit from additional food and beverage seating and additional offerings.

We're also completing some work at Gaylord Rockies to add a usable sellable space and a group pavilion, as well as renovating and completely transforming the grand lodge there in the main atrium space, adding additional food and beverage concepts and enhancements there as well.

Beyond that, we're looking at possible rooms additions at Rockies as well and renovating the remaining rooms at the Gaylord Palms this year. So quite a bit of opportunity.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

What's targeted return on that investment spend?

Jennifer Hutcheson - *Ryman Hospitality Properties Inc - Chief Financial Officer, Executive Vice President*

It really depends on the type of projects. We've outlined a lot of different kinds of capital spend there, so the profile is going to be different for rooms expansion versus meeting space enhancement or renovation or rooms renovation, so. But typically, we're going to target mid- to high-teen returns for any growth CapEx projects that we undertake.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

And those are -- that's mid- to high-teens unlevered.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

Yeah, attractive returns. Mark, you did something you haven't done in a long time, you acquired an asset this past year, San Antonio. It's not a Gaylord, it's not flagged to Gaylord, at least not yet. A beautiful JW Marriott Hill Country resort. Can you talk about the reasons why you bought it and what your vision is there?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yeah, so the JW in San Antonio is a hotel that we've admired for a long, long time. We've actually tried to buy it a couple of times in the past and can never -- just never make the transaction work out. But we -- the hotel is a terrific hotel. It's 1,002 rooms, 260,000 square feet of meeting space, two TPC golf courses, it's the home of the Valero Open, which is the PGA event a week prior to the Masters. It has a nine-acre pool complex in it. Like our hotels, it's a heavy group house. They run about 60% group, 40% leisure. And it's just a terrific asset that has the ability to grow and be expanded.

And it sits in a really strong market, which is San Antonio. San Antonio is a rapidly growing economy. It's the southern end of that Austin, San Antonio Metroplex, which is exploding. They're doing about, at one point, I think at point, $1.9 billion airport expansion in San Antonio now, which will increase the airlift dramatically. So it's just -- it's a market that we like. And we like the state of Texas a lot. That's a market that we like and it's a really terrific asset.

And when we looked at it and the things that we brought to the table, we felt like there was real opportunity in the hotel by, number one, bringing it into our portfolio and leveraging our other hotels and rotating customers in and out of that property, both into the JW and out of the JW, back into Gaylord. Their weakest months of the year are in the winter and holiday period, which is one of our strongest because we program our hotels with a tremendous amount of holiday programming. It's very, very unique, and so we feel like there's an opportunity to drive incremental business there.

And then we think long term, there's an opportunity to add rooms and meeting space to that hotel and materially grow its profitability. So it's a -- it fits very nicely into our portfolio and into our group strategy. But most importantly is that there is a tremendous opportunity for us to influence how that hotel performs going forward and drive incremental value for shareholders.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

When we look at real estate, it's so much about supply and demand. We know your demand is there. Can you talk about new supply that might be out there that could kind of threaten your strategy here?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yeah, so the hotels that we own are -- well, there's one being built right now, it's in San Diego, and it's a $1.3 billion project. So these are all billion-dollar plus projects that take a long time to develop and really require either a subsidy from a tax perspective or a casino, frankly, to make the returns work. And so when you think about how difficult it is to find a location that groups want to go to, undertake that kind of investment, and then the timeline to develop it, these are very, very difficult assets to build. And therefore, there aren't a lot on the horizon.

If you look today at just hotels of over 1,000 rooms and really, just look at it at meeting space, over 100,000 square feet of meeting space. I think there's three under development today. There's the Gaylord Pacific, there's the new Loews in Dallas, and then there's the Kalahari Waterpark in Virginia. Being beyond that, there's really nothing on the horizon.

So far as we look forward, we're in a growing group business. That growth in the group segment is occurring in large groups in an environment where there's very limited new supply. And that's one of the reasons why we're aggressively deploying capital because we don't see any new supply on the horizon. And that's going to allow us to continue to grow our market share and to continue to build a sustainable economic advantage and an economic moat around these hotels.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

We got about 10 minutes left, I want to turn to the folks that actually came into see us and see if there are any questions in the audience.

Unidentified Participant

For Gaylord Pacific, are you basically going to follow the same playbook? For the Rockies, meaning maybe joint venture partner? Expectation that you'll end up buying the whole thing eventually?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Well, we're not -- we're not --

Unidentified Participant

It did certainly work.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yeah, it did work. It worked quite well. We're not in that hotel today. It's a deal that we did initially back in 2004 or 2005. The answer to your question is I guess we'll see what happens. We're not a -- we were a partner at the Rockies from the beginning through the development phase. We're not a partner today. So it will all depend on what Ares and RIDA Development and want to do, how the hotel performs, and how it looks, and is there an opportunity for us to be involved in that property in a way that generates -- that's accretive to shareholders.

So we'll -- we're certainly a logical buyer, and when the time is appropriate and if the opportunity presents itself, we'd certainly look at it.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

In fact, you touched on the entertainment business, and you touched on an eventual spin or sale of that business. It's not an insignificant business. Maybe you could kind of -- from a sheer size perspective, I think your venture partner valued it at $1.4 billion, I believe?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Correct, yeah. $1.4 billion. It'll do about $100 million this year.

Jennifer Hutcheson - *Ryman Hospitality Properties Inc - Chief Financial Officer, Executive Vice President*

$105 million.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

That's the midpoint.

Jennifer Hutcheson - *Ryman Hospitality Properties Inc - Chief Financial Officer, Executive Vice President*

EBITDA.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

So it's about a $100 million business this year. We've got about $8 million to $10 million of construction disruption this year in that business because we're doing some work at the Block 21, and we've closed the Wildhorse Saloon, which is a 70,000 square-foot honky-tonk we have in Nashville that we're reconcepting with Luke Combs, the singer, into a new brand called Category 10. So that's a business that's grown rapidly. And as I said earlier, has some very unique brands.

We just opened -- we have a six-unit chain of entertainment venues we've developed with Blake Shelton called Ole Red. We just opened earlier this year. We opened one in Vegas, at the corner of Las Vegas Boulevard and Flamingo. The pedestrian walkway from the Bellagio ties into the second storey of our building. And it's off to a terrific start. Really, it's a great product and a very unique product in that market, and it's performing very well. So yeah, it's a terrific business, upscale, and with terrific brands.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

Yeah, I think it has real optionality from a balance sheet perspective if you do ultimately sell or spin that business. Certainly, the Gaylord Pacific could be an option, but reinvesting your existing portfolio, there aren't many opportunities to buy in the open market these days. You got the one that was out there, but I assume you consistently look for opportunities to grow your portfolio?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

We do. We have our shortlist of hotels that we like, and when they come on the market, we certainly look at them. And we bought the JW off market, and we bought Block 21 entertainment business off market as well. We continue to kind of keep our ear to the ground.

The reality for us, though, is that we have a very -- in both businesses, we have a very focused strategy, and that is on the group customer, and then on the entertainment side, the country lifestyle consumer. And I think that one of the reasons we've been successful over the last 20 years is things we haven't done, not just the things that we've done. We stay in our lane and are very focused on what our objectives are, and we'll continue to do that. If a hotel comes along that has the scale and the opportunity for improvement like the JW, we would certainly pursue that. But that's what we're looking for and we're only going to pursue it in a way that's accretive to shareholders and we're not going to overpay for assets just to get the assets.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

Okay, we also have here? Go ahead.

Unidentified Participant

Gaylord got a good name in the conference business. Is there any broader advantage to rebranding Hill Country to Gaylord Hill Country? Does that do anything?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

So on a -- it would need to be expanded dramatically to become a Gaylord --

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Unidentified Participant

You mean the property?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

The property. But more important, the JW brand has a tremendous reputation with groups as well. And the JW is a higher-rated brand than Gaylord. And so that's why we --

Unidentified Participant

For the conference business?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yes, in terms of rate, their average rate they generate is higher than a Gaylord Hotel. So that's -- we like that JW brand and we're going to keep it at JW, to continue enhance it.

What we've done though is, with the help of Marriott, is we've brought that JW into our portfolio. So the Marriott executive who oversees the Gaylord portfolio oversees the JW. The sales teams are integrated with the sales teams of our portfolio. The finance team, revenue management, marketing. That business, even though it's a different brand, is integrated into our portfolio. So we're selling it like it's part of the portfolio. And that's a very important -- that's an important opportunity for us because that's how you get the synergies, whether it's on the cost side --

Unidentified Participant

There's no confusion with your planners? They get it?

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

No, they get it. They get it and -- Gaylord, it appeals to a certain segment of their customer base. And the JW customer -- or the Gaylord customer, a certain portion of the Gaylord customer that is interested in that JW. And it's both -- it's brand, rate and it's also then scale, right, if a lot of our groups that are in Gaylord Hotels today aren't -- are too big to go into a 1,000-room hotel.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

Jennifer, I'd like you to take a minute or two to talk about the balance sheet. And maybe you could touch on the dividend, which has undergone dramatic growth after we came out of COVID, maybe how we should expect about the growth. I know it's a Board decision, but going forward?

Jennifer Hutcheson - *Ryman Hospitality Properties Inc - Chief Financial Officer, Executive Vice President*

Sure. We're currently at $1.10. And as a point of reference, up per quarter per share, cash dividend. Pre-COVID, we were at $0.95 before we suspended it. We are -- the last full year we paid out was $0.90 a share, so we're well above that now.

Bill, as you mentioned, we began ramping quickly -- faster, faster than many just on the heels of our great operational performance, which allowed us to delever quickly. We're largely back to where we want to be on our balance sheet, with even stronger liquidity, I would argue, than we've historically had. We had ended -- began the year with $1.3 billion of liquidity and stayed right around that. We're, net leverage-wise, a little over 4 times. If you pro forma for the full year of the JW Hill Country, we're a little below that. And we've kind of liked being in the 4- to 4.5-time net leverage range.

So we're operating really well, feel really good about where our balance sheet is. And even with the $1 billion of CapEx opportunity that we've identified for the next four years, I think based on what we're seeing within our business, what we can generate in free cash flow, in the state of our current balance sheet, and we can continue doing that funding these opportunities without necessarily taking up our net leverage outside of our range at all. So it's a good -- we feel comfortable in where we're at.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Yeah, the only thing I would add is that at $1.10 a quarter right now, it's about a 4.2% yield.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

Pretty attractive yield. So I'll just wrap it up by saying if you haven't had a chance to go inside a Gaylord property and to understand why the DNA is different than nearly every other hotel you have ever been in, if you're in Orlando or Nashville or Washington, D.C. or Dallas or Denver -- am I leaving one out?

Jennifer Hutcheson - *Ryman Hospitality Properties Inc - Chief Financial Officer, Executive Vice President*

Texas.

Bill Crow - *Raymond James & Associates, Inc. - Analyst*

Dallas, yeah. If you get a chance to go in there, go and take a look around. It's a very different product, and you'll understand why they have this advantage with the groups as they do.

So with that, if you'd join me in thanking Mark and Jennifer for their time.

Mark Fioravanti - *Ryman Hospitality Properties Inc - President, Chief Executive Officer, Director*

Thank you.
