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PRESENTATION

Operator

Welcome to the Ryman Hospitality Properties first-quarter 2026 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 Patrick Moore, Chief Executive Officer, Opry Entertainment Group. This call will be available for digital replay. Number is (800)723-06-07 with no conference ID required. (Operator Instructions)

It is now my pleasure to turn the floor over to Ms. Jennifer Hutcheson. Ma'am, you may begin.

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

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 exhibit to today's release.

I'll now turn the call over to Colin.

Colin Reed - *Ryman Hospitality Properties Inc - Executive Chairman of the Board*

Thanks, Jenn. Good morning, everyone, and thank you for joining us today. We delivered a strong start to the year with results that exceeded our expectations despite the complex geopolitical backdrop. Our first quarter performance reinforces what we've long believed about this company. The quality of our assets, the durability of our business model and the way we allocate capital delivers superior outcomes for our customers and attractive, sustainable returns for our shareholders.

In our same-store hospitality business, we grew revenue and market share and expanded margin on slightly fewer room nights, a clear demonstration of pricing discipline, mix management towards higher-value customers and enhanced monetization of on-site demand.

Results were particularly strong for the assets that have recently benefited from the capital investments. Gaylord Opryland delivered record first quarter revenue and adjusted EBITDAre, Gaylord Rockies delivered record first quarter revenue, and Gaylord Palms delivered record revenue and adjusted EBITDAre of any quarter in its history.

The JW Marriott Desert Ridge also delivered strong first quarter results, which given the seasonality of that market, is especially meaningful for the full year profitability. Though we've owned this hotel for less than a year, the benefits of our ownership are already evident. Our growth-focused yield strategy resulted in meaningfully higher group volumes, which supported strong outside of the room spending and margin outcomes.

Together, this property and the JW Hill Country, which is now undergoing the capital investment that we identified at the acquisition, create a tangible runway for growth over the medium term, and I couldn't be more excited about their role in our future.

On the entertainment side, demand for live entertainment remains incredibly healthy. Our Ole Red brand continues to resonate in a meaningful way, particularly in markets like Nashville and Las Vegas and soon, we believe Indianapolis. Indianapolis has long been on our radar as a vibrant convention and leisure market with strong economic and demographic drivers and a deep base of country music fans.

To that end, we were excited to announce just this week a development partnership with the organization behind the NBA Pacers and the WNBA Fever. This Ole Red development will contribute to the broader revitalization of the downtown corridor between the convention center and the Pacers arena.

This announcement marks our third development update this year, and our team remains active in evaluating both organic and inorganic growth opportunities toward expanding our platform and enhancing the value proposition for artists and consumers alike. Looking ahead, the future looks very bright for both of our businesses.

Over the last two years, we've meaningfully improved the growth profile and pipeline for each while continuing to build customer satisfaction and loyalty through consistent execution and focused capital investment. We remain on track to achieve the 2027 financial targets we set in early 2024, and we look forward to updating you on our continued progress.

Before I hand over to Mark, let me go off script and say just a couple of things about our team. Our asset management team, led by Patrick Chaffin, I believe is the best in the industry. And our team at OEG, led by Patrick Moore, is firing on all cylinders. Mark, Jenn, and Scott and their teams are showing tremendous leadership and our company couldn't be in better hands. So Mark, what have you got to tell us?

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

Thanks, Colin, and good morning, everyone. I'll provide more color on our operating performance and business momentum before discussing our updated outlook. From an expectation standpoint, we entered the quarter assuming relatively flattish revenue and some margin pressure in our same-store hospitality business, along with softer profitability trends in entertainment, due in part to mix-driven seasonality and a challenging year-over-year comparison. Entertainment performance finished in line with our expectations, while the hospitality business delivered meaningful outperformance.

Same-store ADR increased just over 5% year-over-year, more than offsetting lower group occupancy. As you'll recall, the timing of Easter last year resulted in unusually strong group demand in the first quarter, creating a challenging year-over-year comp.

High-quality corporate group demand proved far more resilient than lower contribution segments, resulting in higher ADR and higher levels of outside-the-room spending compared to both our expectations and last year. Banquet and AV revenue contribution per group room night increased more than 6% year-over-year with gains at nearly every property in the portfolio. Our leisure business, while a smaller contributor to the first quarter results, also surprised to the upside.

Both demand and rate increase compared to last year supported by seasonal spring break travel with particular strength at the JW Marriott Hill Country and Gaylord Rockies. Higher flow-through from growth in room rate and catering business together with ongoing efficiency initiatives drove adjusted EBITDAre margin expansion in the quarter.

Looking forward, leading indicators of group demand remain resilient. The elevated attrition and cancellation activity we experienced last year has largely normalized. Excluding January, which was impacted by Winter Storm Fern, attrition improved year-over-year and cancellations for the year were essentially flat.

On the heels of record monthly production in December, group bookings activity continued at very strong levels in the first quarter. Gross group room nights booked in the first quarter for all periods increased nearly 27% year-over-year representing the strongest first quarter reduction since 2018. Reflecting our continued focus on premium corporate groups, corporate bookings comprised approximately two-thirds of production. Association bookings were also strong surpassing pre-COVID first quarter levels for the first time, setting aside pandemic-related rebooking activity.

As a result, growth in same-store group rooms revenue on the books for all future periods compared to the same time last year, accelerated sequentially from 6.5% as of December 31 to 7.6% as of March 31. Across the portfolio, and most notably at Gaylord Opryland, we've invested in food and beverage offerings and carpeted meeting space to attract and serve the premium Corporate Group segment.

In support of our capital deployment strategy, and the increase in corporate demand for our hotels, we've refined our inventory management approach to make more sellable inventory available through the entire 24-month corporate booking window.

Enhancing the corporate mix of our hotels drives higher room rates, outside the room spending and profitability. However, these changes in our inventory management approach create challenging year-over-year comparisons as we move into the prime corporate booking window for 2027 and 2028. For 2027, same-store group rooms revenue on the books is up over 3% compared to the same time last year and down 1% for 2028.

Importantly, ADR growth for both periods is pacing up mid-single digits and corporate meeting planner feedback and lead volumes are strong. Given this interest, we're confident that we are well positioned to achieve the booking goals required to enter 2027 and 2028 with our targeted 50 points of occupancy on the books and strong rate growth.

Now I'll turn to JW Marriott Desert Ridge, which also delivered a terrific first quarter. Prior to our ownership, the property prioritized higher-rated leisure demand during the peak first quarter period. Under our group-first sales and revenue management strategy, group mix increased by nearly 200 basis points and group demand grew more than 9% while maintaining ADR discipline.

In fact, total ADR for the property increased nearly 8% year-over-year with growth across the group and leisure segments, and banquet and AV revenue up 25%. We expect these trends to build over the next several years as the property grows its share of the meetings market under our group strategy. Supporting this strategy, we completed the 5,000 square foot meeting space conversion in April which we believe will further enhance the hotel's ability to attract high-quality corporate groups.

Turning to Entertainment, First quarter results declined year-over-year due to a challenging comparison, seasonality associated with our new business line, and the impact of Winter Storm Fern. Overall, business performance was in line with our expectations, and we continue to be encouraged by the underlying trends. Both Ole Red and Category 10 exceeded our expectations with particular strength in Nashville and Las Vegas in the back half of the quarter. March represented a new high watermark for Ole Red Las Vegas with the venue generating the highest monthly revenue and adjusted EBITDAre in its operating history.

Finally, I want to spend a few minutes on our outlook. As we noted in the press release, we are raising the midpoints of our guidance ranges to reflect the first quarter Hospitality outperformance. Our outlook for the rest of the year is essentially unchanged from our prior expectations, reflecting measured confidence in our business. We continue to feel good about the areas of the business within our control, sales production, pricing discipline, margin initiatives and execution of the capital projects we have underway.

And so far, meeting planner sentiment and the leisure guest willingness to visit our properties has remained resilient. What gets us to the high end of the range is continued strong near-term group business trends including normalized levels of attrition and cancellations, healthy in the year for the year for the year production and strong on-property spending as well as continued momentum in leisure. The low end of the range assumes some hesitation in near-term meeting planner decision-making, a potential pullback in 2026 meeting budgets, and softer leisure demand, potentially in response to higher gas prices.

At the midpoint for the rest of the year, we continue to assume mid-single-digit growth in group rooms revenue and flattish year-over-year leisure performance. Let me make a few comments on seasonality for the same-store hospitality business, we continue to expect the third quarter to show the strongest revenue and margin growth for the year, reflecting strong corporate group mix on the books and easier year-over-year comparisons, followed by the second quarter. We expect same-store RevPAR growth to accelerate as the year progresses, especially as the Gaylord Texan room renovation is completed in August.

For JW Marriott Desert Ridge, we expect the second quarter to contribute slightly more than 25% of full year adjusted EBITDAre. And for the entertainment business, we continue to expect the second and fourth quarters to be the largest contributors to full year adjusted EBITDAre. Looking beyond 2026, we remain confident in the '27 adjusted EBITDA targets we outlined at our last Investor Day. Our forward book of business, the addition of the JW Marriott Desert Ridge, and the capital investments underway across the portfolio position us well to deliver those objectives.

And with that, I'll turn it over to Jennifer to walk you through the balance sheet and capital allocation.

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

Thanks, Mark. We ended the first quarter with $424 million of unrestricted cash on hand. In addition, we held $27 million of restricted cash available for FF&E and other maintenance projects. Both our corporate and OEG revolving credit facilities were undrawn resulting in total available liquidity of approximately $1.35 billion. At the end of the quarter, our pro forma net leverage ratio based on total consolidated net debt to adjusted EBITDAre assuming a full year contribution of adjusted EBITDAre from JW Marriott Desert Ridge was 4.3x.

In March, we completed an opportunistic refinancing, issuing $700 million of senior unsecured notes due 2034. And together with cash on hand, redeeming in full the prior 2027 notes. The transaction was well received and priced through our expectations, extending our weighted average maturity and eliminating near-term refinancing risk through the first half of 2028.

With respect to capital expenditures, our full-year outlook is unchanged, and we continue to expect total capital spending for the year in the range of $350 million to $450 million. In April, we completed the Foundry Fieldhouse sports bar development at Opryland. And as Mark mentioned, the meeting space conversion at JW Marriott Desert Ridge.

Also in April, we kicked off the JW Marriott Hill Country rooms renovation which is expected to run through the first quarter of 2027. The Gaylord Opryland meeting space expansion, the Gaylord Texan renovation, and Category 10 Las Vegas development remain underway. All major projects remain on time and on budget.

Finally, regarding our dividend, it remains our intention to distribute 100% of our REIT taxable income through dividends over time. With that, let's open it up for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Patrick Scholes, Truist.

C. Patrick Scholes - *Suntrust Robinson Humphrey Capital Markets - Analyst*

Question for you on your Dallas property in the World Cup. It looks like it's about a half an hour away. Are you expecting to get much business from the World Cup on that? And if so, has it been trending? There's a lot of media about FIFA cancellations. Did you have any of those FIFA bookings? And any color in that regard.

Patrick Chaffin - *Ryman Hospitality Properties Inc - Executive Vice President, Chief Operating Officer*

The World Cup is going to be marginally impactful to our Dallas property. We already had a substantial level of group room nights on the books, and we're in a really strong position, but it will help us on transient rate. So we will see a little bit of lift there. Overall, World Cup, I think, has been a mixed bag in certain markets, but Dallas is seeing a positive impact, and we should see some on ADR as well.

Colin Reed - *Ryman Hospitality Properties Inc - Executive Chairman of the Board*

The fan base though in Dallas, Patrick, is going to be pretty aggressive with the England team being playing in Dallas.

Patrick Chaffin - *Ryman Hospitality Properties Inc - Executive Vice President, Chief Operating Officer*

Duly noted.

Operator

[Dan Politzer], J.P. Morgan.

Daniel Politzer - *JPMorgan Chase & Co - Analyst*

I just wanted to go back in terms of how you're thinking about the guidance, right? It sounds like there's a little bit of not caution, but maybe conservatism is a better word in terms of how you're thinking about the leisure trends. And I know you mentioned fuel prices. Have you seen anything yet? Or what are you kind of baking in there in terms of how you're kind of thinking about the puts and takes specifically on -- as you enter 3Q with leisure travel kind of having a bigger part of the mix?

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

There's no points of caution that are embedded in our full year guidance. Our outlook for the remainder of the year, Dan, is unchanged from what we had at the beginning of the year. We're raising our full year guidance in recognition of the strong trends we had in the first quarter. And as we noted throughout the prepared remarks, all the leading indicators are continuing to remain very resilient. You saw attrition, for example, improved year-over-year when you look at the February and March trends.

You see bookings continue to trend upwards on the group side meaningfully. And outside the room spending is good. Leisure performance from spring break was exceeding our expectations. So there are a lot of good reasons for optimism. And I think our approach to full year guidance at this point is measured confidence.

Colin Reed - *Ryman Hospitality Properties Inc - Executive Chairman of the Board*

Having said all of that though, I'm sure Dan, you probably read the two of the four dissenting Fed governors this morning put out statements saying that we live in extremely volatile times. There could be rate hikes going into the future, simply because what is going on in Iran with oil prices could affect unemployment, could affect inflation.

And so here we sit, we've got a wonderful business on our hands, firing on all cylinders, but there are some storm clouds in the horizon that we have to be cognizant of that. So there is a degree of caution in this. But as Jenn said, our businesses are performing admirably.

Operator

Smedes Rose, Citi.

Smedes Rose - *Citi Infrastructure Investments LLC - Analyst*

Mark, you alluded to this in your opening remarks, but I did want to ask a little bit about the cancellation and attrition rates that you saw during the quarter that it did look elevated, at least what you've reported over the past several quarters. And are you saying it was really all due to that terrible storm in January? Or just kind of wondering if you could unpack that a little bit of what you guys are seeing.

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

Yes. I mean essentially, if you look at the first quarter by month and you back out what occurred in January during the winter storm Fern, attrition was actually lower for the remaining few months year-over-year. And cancellations, we said in the script was essentially flat. I think it was about 200 room night difference. So it was essentially flat.

So the trends we're seeing with the trends we've seen thus far in April would continue to support that.

Operator

Ari Klein, BMO Capital Markets.

Ari Klein - *Bank of Montreal - Equity Analyst*

On the future group pace in '27 and '28, you mentioned some of the inventory management changes that are maybe having impact on comps. Hoping you could just provide a little bit more color there how maybe we should expect things to trend from here?

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

Sure. I'll start and then others can jump in. What you're seeing in those '27 and '28 numbers is really kind of the manifestation of the strategy that we've implemented over the last really the last couple of years as it relates to refining our group strategy to maximize the performance of the hotel and what that really is doing is making inventory available for premium corporate groups. If you think about what we've talked about really starting several years ago with we undertook primary research to really understand what those customer needs were for those premium corporate groups.

We're now in the process of deploying capital into the various hotels to provide the food and beverage and meeting space as I called out in the script Opryland in particular, and we're now modifying pricing and inventory management and what we're doing there is making sure that we have the right rate states and space available when that premium business is ready to transact, which, as you know, the corporate window is significantly shorter than the association and SMERF, it's about 2 to 2.5 years.

And so as we've looked at how we manage that inventory, we've held more inventory available, and that's what you see reflected in those year-over-year growth numbers. And then the last piece of this is that we worked with Marriott to modify our sales incentives to ensure that the sales teams are focused on the right segments that we're trying to sell to and that they have the appropriate short- and long-term goals to ensure that we hit these crossover these crossover goals that we have for future years. And so what you're seeing in those numbers is really the culmination of the strategy to push more corporate business higher-end corporate business into our hotels.

And in terms of how we get from where we are today to that 50 points and what gives us confidence we can get there, it's really around a number of different points, I would say. One is that we have the best physical product that we've ever had to serve the corporate customer as it relates to our portfolio, and it's getting better each and every year. Current corporate demand trends are very positive. Leads are -- our corporate leads are the highest they've ever been. They're about 27% above where we were in 2019.

Pattern availability is good. As I said, we've been holding inventory. And when we look at the data, the shift is already happening. If you look at rest of the year '26, we're up about 3 points in terms of corporate mix. For '27, we're up right now about 3 points year-over-year. And in '28, we're up about 6 points. So we feel like we're in really good shape, and we have the pieces in place to execute this strategy.

Operator

Rich Hightower, Barclays.

Richard Hightower - *Barclays Services Corp - Equity Analyst*

I guess maybe just a follow-up on the corporate booking question. Obviously, trends have been very, very strong. And I'm wondering if that is surprising at all in the context of some of the macro headwinds that have already been referred to. And the jobs market is choppy. We're reading about layoffs in different pockets of the economy. So does that surprise you? Or is it sort of a fundamentally different composition of the customer base that would be staying in your properties?

Colin Reed - *Ryman Hospitality Properties Inc - Executive Chairman of the Board*

Rich, this is Colin. Let me kick this off a little bit. What you're saying about the jobs market. There's a question about how much of the jobs market is being affected by the tremendous amount of capital that's flowing into artificial intelligence. But when you look at the underlying strength of what is going on in corporate America today, when you look at where the markets are trading, this morning, the S&P, again, is at all-time highs. And the reason for this is corporate profits are in really good shape. Look at what's going on in the banking industry, you look at what's going on in our industry, it's in really good shape.

And so the strategy that Mark just talked about in answer to Ari's question, when Patrick came and sat down with Mark and me some months ago and talked about becoming a little bit more aggressive on cutting these blocks out in '28. It made a hell of a lot of sense to us simply because of the underlying strength of what we're seeing in volumes, having more inventory to book into in these periods ahead of us at higher-rated business makes a ton of sense -- and so I think our economy -- we've got this unfortunate noise of what is going on in the Middle East. But putting that aside, our economy is in pretty good shape. And we're betting that for the rest of this year and next year, it's going to remain that way.

Patrick Chaffin - *Ryman Hospitality Properties Inc - Executive Vice President, Chief Operating Officer*

Yes. And this is Patrick. Mark and Colin have both done a great job of outlining how we feel about the bookings and the trends we see there. And I would just add to this. But if you just look at on-property actualization of groups, we saw some hesitation back in Q3 and even into October and November.

But as we entered December, we started to see that hesitation to spend abate. And that has continued as we moved through the first quarter. I would tell you that as we went into the first quarter, we were hesitant, but meeting planners have shown up in a major way and spent very well on property, and that seems to be continuing. So we are growing in our confidence that the groups that are traveling to our hotels are in a mindset of feeling comfortable enough to proceed with their programs at the levels that they originally anticipated.

Operator

Cooper Clark, Wells Fargo.

Cooper Clark - *Wells Fargo Securities LLC - Equity Analyst*

On OEG, it seems like every quarter now, we're talking about a new development or operating contract for the business. I'm just curious how you're thinking about EBITDA growth of that business over the next couple of years? And when you'll consider making some of the additions to management structure that you discussed as being prerequisites for a potential spin?

Patrick Moore - *Ryman Hospitality Properties - Chief Executive Officer Opry Entertainment Group*

Sure. So in terms of growth, we have perhaps the most robust pipeline of confirmed growth that we've ever had as a business. And we've continued to make some additions from an organizational standpoint in terms of talent and capabilities, including a new COO and a new CMO in the last sort of 18 months. And we've added some great expertise in festivals and amphitheaters and for the artist partnerships, we've added some strength and talent and capability there as well.

We'll continue to look at expansion in capacity and capability from an organizational standpoint. And we're also working in terms of technology and adding to our tech stack overall for the entertainment business. So really excited about what the future holds over the next two or three years.

Colin Reed - *Ryman Hospitality Properties Inc - Executive Chairman of the Board*

And we put dedicated design and construction folks within the business to deal with this volume of growth. It's exciting stuff.

Operator

David Katz, Jefferies.

David Katz - *Jefferies LLC - Analyst*

Thanks for taking my question and all the information so far. I wanted to just talk about Marriott Desert Ridge. I know you talked about it a little bit. But I noticed in the guide you're sort of pushing those numbers just slightly higher for this year. Does that change your long-term underwriting view on it? Is that how we should take this. And I know there have been some discussion about some capital going in there, an update and some perspective there would help. Thank you.

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

No. I think we were very pleased with the outperformance from Desert Ridge in the first quarter. We outlined our group forward strategy relative to the prior more leisure-focused strategy. We talked about the fact that spring break there outperformed our expectations, and we're happy to be able to flow that through. I think our expectation for the remainder of the year for Desert Ridge again compared to what we thought when we said our initial guidance is a little unchanged. It's a little bit of flowing through what we saw in terms of good performance during the first quarter.

That's nothing to sneeze at, that first quarter is over 40% of the annual contribution for that property, annual profitability. I would also say we acquired this property three quarters ago now, we had talked about being able to buy down that multiple what our expectations at that point were for our first full year of ownership. And we're right on track, I think, with those financial expectations in terms of the longer-term outlook, I know as a management team, continue to be very confident about that. And Patrick, you may want to weigh more on that.

Patrick Chaffin - *Ryman Hospitality Properties Inc - Executive Vice President, Chief Operating Officer*

Yes. I mean we're in our first year owning and operating this hotel. And we are developing and further refining what we want to do from a capital perspective. We don't see a massive need for capital. This hotel was in great shape.

And so it's just about continuing to tweak and meet the needs of the meeting planner. We talked about we've converted some space into usable meeting space, and that's been received very, very well already. So we'll continue to tweak and refine what we're going to do there long term, but it's not going to be a massive strain or suck on our capital needs.

Operator

Duane Pfennigwerth, Evercore ISI.

Duane Pfennigwerth - *Evercore Inc - Analyst*

Just wanted to come back to the strong bookings growth for the first quarter. How much of that would you say was higher conversion of existing leads, effectively planners getting off of the sidelines, versus easy comps last year. And then maybe for my follow-up, could you speak to the underlying drivers of outperformance in Nashville?

Patrick Chaffin - *Ryman Hospitality Properties Inc - Executive Vice President, Chief Operating Officer*

Yes, a couple of comments I would make. Number one, our first quarter is coming off of an extremely strong December, the strongest December that we've ever seen in terms of production. So the fact that we're seeing that continue through the first quarter and even into April, is a strong indicator that group is on an upward trajectory. We are really focused on acquisition business. It's probably about 30% of what we book into the hotels in any given quarter.

So we're bringing in a lot of new business as well as the strong multiyear rotational business. So a little bit easier comp, but that comp is really easier when you compare it to second quarter of last year when the tariff announcements and everything like that have really started to materialize in cancellations. So I would say there's not necessarily an easy comp, just continued growth, both on the acquisition front as well as strengthening group dynamics.

Operator

Jay Kornreich, Cantor Fitzgerald.

Jay Kornreich - *Cantor Fitzgerald LP - Analyst*

You put a clear focus on investing and improving the portfolio with many ongoing CapEx opportunities. So I just wanted to ask about incremental portfolio CapEx opportunities you can do. You previously discussed potential for adding rooms at the Gaylord Rockies, I think the JW Hill Country as well. So I just want to see if there's an update on timing for any of these even similar projects.

Patrick Chaffin - *Ryman Hospitality Properties Inc - Executive Vice President, Chief Operating Officer*

Yes. You already hit it right on the head. We are definitely interested in expanding Gaylord Rockies and we're working through some opportunities at the local level there before we can proceed with that, but are excited to be able to add to that property at some point in the near future. Hill Country is definitely something we're studying and looking at and working to continue to refine that property, but there's definitely an expansion opportunity there.

And then I would tell you that we're continuing to look at Gaylord Texan as a potential expansion opportunity. Beyond that, we have multiple opportunities to make marginal tweaks, whether it's repositioning food and beverage or adding a little bit of space here and there. But we have a target-rich environment for additional expansion and investment opportunities across the portfolio.

Operator

Stephen Grambling, Morgan Stanley.

Stephen Grambling - *Morgan Stanley & Co Ltd - Analyst*

I think you talked to confidence in hitting the 2027 targets you had laid out in 2024. As we're about the midpoint here and look back at some of the drivers of that outlook, what are some of the biggest surprises, both maybe positive and negative to consider in each segment? And any reason to believe that those growth rates have evolved relative to the one you actually had outlined them.

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

Relative to the assumptions that we made when we put that together in 2024, probably the biggest difference between our performance and what we planned is really the acquisition of Desert Ridge and the expansion of the Rockies. While we’re still working through that expansion. And I think we're getting very close to actualizing it. We had assumed that it would be completed prior to 2027. It was in that 2027 number.

I think that as we look at how our same-store business has performed, it's performed frankly admirably relative to our expectations, particularly as you look at how the corporate customer has responded to the activities and the capital that we've deployed that we talked about a little bit earlier.

You see the rate growth that we've actualized as well as the rate growth that's on the books and the level of bookings that we're achieving, it really all flows back to that focus on that corporate customer. And frankly, I think it surprised us a little bit to the upside.

Colin Reed - *Ryman Hospitality Properties Inc - Executive Chairman of the Board*

Entertainment, Mark, is tracking pretty much as we thought back in --

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

Yes. And I think entertainment actually we have more growth in the pipeline than I think we've laid out.

Operator

Michael Herring, Green Street.

Michael Herring - *Green Street Advisors - Analyst*

With the change in your group booking strategy, can you quantify the target mix shift in terms of corporate group relative to association and SMERF relative to historic levels? And then how are you thinking about the risk profile of your forward bookings from targeting more of these corporate groups given the shorter booking windows that you mentioned earlier?

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

Yes. I think it's important for everyone to realize that what we're talking about is we're talking about a few points of occupancy here. We're refining and turning the dial where we might settle in where we're 3, 4, 5 points higher in terms of corporate versus association and SMERF and it's really about raising the level of customer, not only in the corporate business, but also in SMERF and association. All groups are not created equal. And so it's really about moving up the rate scale and driving premium customers across all 3 of those.

So this is not I don't think it's going to create a significant amount of incremental volatility, right? In our performance. The other thing I would say is that these are contracted room nights. And if you look back historically to say the '09 recession, where we had a high level of cancellations, we also had a high level of collection fees. -- which obviously helps mitigate the lost profitability. So we feel very comfortable in making this shift and driving yield and not materially changing the volatility of our earnings.

Patrick Chaffin - *Ryman Hospitality Properties Inc - Executive Vice President, Chief Operating Officer*

And just to accentuate your point, collections of cancellation fees on corporate are usually easier to collect than they are with association and SMERF because it doesn't create a financial risk or danger for the overall organization, corporate pays pretty quickly and with very little negotiation.

Colin Reed - *Ryman Hospitality Properties Inc - Executive Chairman of the Board*

Do we have any more folks in the queue? Or is that it?

Operator

We have no additional questions at this time.

Colin Reed - *Ryman Hospitality Properties Inc - Executive Chairman of the Board*

Okay. Well, we will thank everyone for the participation this morning and upward and onward. Thank you very much. And Angela, thank you.

Operator

This brings us to the end of today's meeting. We appreciate your time and participation. You may now disconnect.
