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RHP.N - Q4 2024 Ryman Hospitality Properties Inc Earnings Call

EVENT DATE/TIME: FEBRUARY 21, 2025 / 4:00PM GMT

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PRESENTATION

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

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 will now turn the call over to Colin.

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

Thanks, Jennifer, and good morning, everyone, and thank you for joining us today. As you saw from our earnings release last night, our fourth quarter results and consequently, our full year results were marginally below the guidance ranges we provided in November, primarily due to factors that impacted our same-store hospitality portfolio in the last two weeks of December.

Now, this was a little disappointing, but we were extremely delighted with the bookings production, which we see as an endorsement of our long-term product transformation. Mark is going to talk about the quarter in more detail in a moment.

But before I hand off to him, I want to take a step back and remind you all of the strategic rationale for our multiyear transformational capital program. As we articulated during our Investor Day last year, we believe we've developed a strategy that gives us a unique advantage over other hospitality REITs. And as a consequence, we are committed to the long-term positioning of our hotel assets to capture more of the extremely valuable, premium group customer base.

Now one of the key differentiators of our business model is the ability to drive at least mid-teens unlevered returns on incremental growth investments in our portfolio. It is clear from our results over the last several years that our focus on creating value for our customers is generating superior returns for our shareholders. We have more opportunities in front of us than ever before.

In our hospitality business, we're making significant investments in Gaylord Opryland and Gaylord Rockies to attract this incrementally high-rated corporate group business and induce higher outside of the room spending by expanding food and beverage capacity and sellable space.

We have completed the lobby and rooms renovation at the Gaylord Palms which is now essentially a brand-new product. And in fact, Mark and I were there yesterday with our Board, and I got to tell you, it's without question the best piece of work I think we've done as a company. It really is tremendous. And in 2025, we will embark on renovating the rooms at the Gaylord Texan.

In our Entertainment business, our major construction projects are just back online, and the country music and lifestyle category is stronger than ever. Category 10, the venue we designed under our brand partnership with Luke Combs, opened its stores in early November, followed by a new rooftop that opened just this week. The transformational rooms and public space renovation at the W Austin Hotel was completed at the end of last year.

Furthermore, last month, we made a strategic investment in a leading independent music festival business, Southern Entertainment, which creates a scalable platform for live music experiences more broadly and enables us to connect with even more country music fans. And we're excited about the brand activation opportunity behind Opry 100, which we think will pay dividends in the years to come.

No question, some of the investments are disruptive in the near term. However, we remain awfully encouraged by the pace of bookings and the way the meeting community is responding to our capital plans, thus resulting in record number of group room nights on the books for all future years in our hotel business. And the enthusiasm for the country lifestyle segment in the US and globally, is tremendous. Our customers are embracing our investments, reinforcing our conviction in our long-term strategy.

Now finally, let's not overlook the incredible results we were able to deliver in the full year of '24. Despite the disruption I just mentioned, consolidated revenue growth of 8%, consolidated adjusted EBITDAre growth of 10% and adjusted funds from operation or AFFO growth of 12%.

One last comment I would make. For those of you who attended our Investor Day last year that I referenced just a couple of minutes ago, you may recall, we projected out a few years to show you what we thought was possible as we transform our physical assets.

We said at the time that we felt our consolidated strategy could yield adjusted EBITDAre in the range of \$900 million to \$1 billion in 2027. Now, as we sit here today, despite the political upheaval that we're all witnessing, high interest rates and high inflation rates, we believe that our strategies and capital projects have us well on track to achieving the goals we set out a year ago. The future has never been brighter, and we appreciate your ongoing support.

And with that, I'll turn over to Mark to talk you through the quarter.

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

Thanks, Colin, and good morning, everyone. I'm going to focus my remarks on the fourth quarter, and then I'll hand it over to Jennifer to discuss our guidance for 2025 as well as our review of our financial position.

Now, for the fourth quarter, consolidated revenue increased 2% compared to last year. Consolidated adjusted EBITDAre increased 1% and AFFO increased 4%. As Colin mentioned, these results were below our expectations and the expectations implied by the full year guidance ranges.

Leisure demand primarily at Gaylord Texan, and to a lesser extent Gaylord Opryland, did not materialize as expected during the peak holiday period in the last 2 weeks of December. Historically, our holiday transient business is highly concentrated and those last two weeks account for nearly 40% of leisure room nights in the fourth quarter and nearly 40% of total ICE! admissions.

Additionally, the booking window is very short with approximately 60% of sales occurring within seven days of travel. When compared to last year, fourth quarter leisure room nights at the Gaylord Texan were down 19%, and at the Gaylord Opryland were down 6%, with most of this decline occurring during those last two weeks.

Our forecast anticipated some year-over-year softness in those markets. As we know, our older ICE! themes, like Rudolph, historically underperform our newer themes, like the Polar Express, but ultimately, we were surprised by the magnitude of the underperformance, which we attribute to some combination of consumer price sensitivity, normalization of post-COVID demand relative to 2023, and general macroeconomic uncertainty. The shortfall drove the majority of the variance to the midpoint of our prior guidance range for adjusted EBITDAre for same-store hospitality.

Now let me share several bright spots in what was a strong quarter. The same-store hospitality business generated fourth quarter revenue of approximately \$496 million, the second-best quarter ever and second only to the fourth quarter of last year.

ADR increased approximately 2% compared to last year, to \$265, a new quarterly record with growth in both group and leisure rate. As has been the case all year long, Banquet and AV revenue in the quarter was strong, up approximately 5% compared to last year, with higher contribution per group room night. Both Gaylord Rockies and Gaylord National achieved milestones in the fourth quarter.

The Rockies delivered record revenue in the month of December, driven by strong ICE! performance and the positive reception to the completely transformed Grand Lodge and our new food and beverage offerings. Gaylord National achieved adjusted EBITDAre margin expansion of 60 basis points despite wage increases associated with its recently negotiated CBA that went into effect in early November. And as a result, the property delivered record full year adjusted EBITDAre, surpassing the prior year record.

The JW Hill Country was another bright spot in the fourth quarter, delivering RevPAR and total RevPAR growth of 14% to 27%, respectively, driven by a successful live programming debut. Consistent with our investment thesis, ICE! induced incremental leisure demand in a previously low occupancy period for the hotel.

In the fourth quarter, leisure room nights were up 29% year-over-year, and revenue in total RevPAR index share as measured by STAR relative to its regional competitive set increased 9 and 32 points, respectively. While profitability was modestly below our expectations due to increased marketing costs associated with our first year of ICE! programming, adjusted EBITDAre increased 13% year-over-year. We continue to be very bullish on the long-term potential of holiday programming at this asset.

Fourth quarter bookings production was the standout for the fourth quarter and the full year. In the fourth quarter, the sales team booked a record 1.3 million same-store growth group room nights for all future years, surpassing the prior year record by approximately 5% at a fourth quarter record ADR of \$284. Fourth quarter room night production comprised 44% of full year bookings.

For the full year, the sales team booked 2.9 million same-store gross group room nights for all future years at a record ADR of \$282. As a result, projected same-store gross group rooms revenue for all future years was also a record.

For the JW Hill Country, the sales team 79,000 gross group room nights in the fourth quarter for all future years, an increase of approximately 57% year-over-year and 214,000 gross group room nights in the full year, for all future years.

As of December 31, same-store group rooms revenue on the books for 2025, '26 and '27 were up 3%, 11% and 10%, respectively, compared to the same time last year for 2024, '25 and '26. ADR on the books were 4%, 6% and 6.5% ahead of the same time last year for the same periods, and occupancy on the books was 50 points, 44 points and 37 points again for the same period.

As a reminder, we strive to enter a year with approximately 50 points occupancy on the books. Within that context, we're right where we want to be coming into 2025. Going forward, we intend to discuss bookings production and group business on the books on a total portfolio basis, inclusive of the JW Hill Country. As of December 31, group pace for the total portfolio is largely consistent with that of the same-store portfolio.

Turning now to our entertainment business. In the fourth quarter, OEG reported record revenue of \$98 million, an increase of approximately 12% year-over-year. Adjusted EBITDAre increased approximately 6% as profitability was impacted by construction disruption. Performance was led by Ole Red Las Vegas, which continues to exceed our expectations.

With the major capital investments in this business nearly complete, our Opry 100 programming underway, and our expansion into the music festivals business through our recent investment in Southern Entertainment, OEG is poised to deliver meaningful growth in 2025 and beyond.

Before I turn it over to Jennifer to discuss our guidance for 2025, I want to take a moment to reflect on the progress to date against the 2027 outlook we outlined at our Investor Day last year. Critical to achieving that outlook is the successful execution of our capital investment program, which we believe will continue to enhance our competitive advantage and induce incremental premium group demand over time. Also critical to that success is our ability to manage disruption throughout the construction period.

To that end, we've continued to make improvements to our design and construction processes and we have increased investment in our design and construction resources and capabilities. Setting aside the labor market challenges we encountered in Orlando, our team has delivered our major projects at Gaylord Rockies and Gaylord Opryland on time, on budget and within our expectations for disruption.

Looking ahead to 2025, early indications from the meeting space expansion project at Gaylord Opryland and the rooms renovation project at Gaylord Texan suggest we're trending favorably.

In summary, we remain focused on delivering the asset improvements that will enable us to meet the 2027 outlook we outlined at our Investor Day last year. And while modestly more disruptive in the near term than originally anticipated, the positive reception from our meeting planners that is showing up in our future bookings gives us confidence that this is the right thing for us to do for the business long term.

Now let me turn it over to Jennifer to discuss our outlook for 2025, our balance sheet and liquidity position.

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

Thanks, Mark. Our outlook for 2025 assumes a stable macro environment consistent with current trends. For the hospitality segment, inclusive of the JW Hill Country, we expect RevPAR growth of 2.25% to 4.75%. We expect total RevPAR growth of 1.75% to 4.25% and adjusted EBITDAre of \$675 million to \$715 million.

These ranges reflect the estimated impact of construction disruption, including a 250 to 350 basis point impact to RevPAR, a 200 to 300 basis point impact to total RevPAR, and a \$30 million to \$35 million impact to adjusted EBITDAre. The increase in our profitability disruption estimate compared to 2024 is primarily due to the larger scope of renovation for the Opryland meeting space during 2025.

Our outlook for total RevPAR growth also reflects modestly lower outside-the-room spending levels from group relative to 2024, due to a higher mix of association business on the books in 2025, compared to 2024. This is a natural outcome from time to time given the size and booking patterns of association meetings.

Normalizing for the impact of disruption in both years, the midpoint of the range assumes modest growth in both group and leisure rooms revenue relative to 2024. The low end of the range reflects additional conservatism around leisure demand, as well as some conservatism around government-related group business and the high end of the range reflects potential upside from leisure across the portfolio.

For the entertainment segment, we expect adjusted EBITDAre of \$110 million to \$120 million. The range reflects the ramp-up of our recent investments in Block 21 and Category 10, and a range of modest first year outcomes for Southern Entertainment. We are not assuming material growth in the Grand Opry in 2025 due to the investments we're making as part of the Opry 100 brand activation. Taken together, we expect consolidated adjusted EBITDAre of \$749 million to \$801 million. AFFO to common shareholders and unitholders of \$510 million to \$555 million and AFFO per diluted share of \$8.24 to \$8.86.

Let me remind you of a couple of modeling items. First, we expect the timing of the Easter holiday to shift business out in the second quarter in 2025 and into the first quarter. We're still booking groups into these patterns, but we estimate the magnitude of the shift could be a 250 to 350 basis point benefit to total hospitality RevPAR growth in the first quarter.

Second, we remind you of the Tennessee franchise tax refunds related to prior years, which we recognized as a onetime benefit in the second quarter of 2024. The impact to hospitality business at that time was approximately \$5.6 million, and the impact to the entertainment business was approximately \$3.4 million.

And third, results for Southern Entertainment will be consolidated in our financial results and as I noted earlier, our adjusted EBITDAre range for the entertainment segment does reflect a modest contribution from Southern Entertainment.

And finally, note that we've included an additional schedule to the guidance reconciliation tables that more clearly outlines the 2025 guidance calculations for AFFO per diluted share, accounting for the theoretical conversion of the OEG put rights.

Now turning to our balance sheet. We ended the year with \$478 million of unrestricted cash on hand, and our \$700 million revolving credit facility was undrawn. OEG's \$80 million revolving credit facility had a balance of \$21 million outstanding.

Taken together, our total available liquidity was approximately \$1.2 billion, net of approximately \$4 million of outstanding letters of credit. We retained an additional \$99 million of restricted cash available for FF&E and other maintenance projects.

In December, we repriced our corporate term loan B, reducing the applicable interest rate margin by 25 basis points. At the end of the quarter, our net leverage ratio based on total consolidated net debt to adjusted EBITDAre was 3.9 times.

We continue to have the flexibility and liquidity to support our capital allocation priorities and the continued growth of our business. To that end, we are pleased to announce the declaration of our first quarter dividend of \$1.15 payable on April 15, 2025, to shareholders of record as of March 31, 2025. It remains our intention to continue to pay 100% of our REIT taxable income through dividends.

Finally, as Mark noted, 2025 is another pivotal year on the capital investment front. In 2024, we invested \$408 million in our business. In 2025, we expect to invest capital of approximately \$400 million to \$500 million, primarily at Gaylord Opryland and Gaylord Texan. We provided much more detail on the capital projects we've announced in our earnings release.

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

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Ari Klein, BMO Capital Markets.

Ari Klein - *BMO Capital Markets - Analyst*

Good morning, can you talk a little bit about the renovations planned beyond the current one and what the timing of some of those could look like? And then maybe related to that, are the renovation headwinds that we're seeing in '25 likely to be the peak?

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

Patrick, do you want to do that?

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

Sure. We are already substantially through some work at Gaylord Opryland around the Presidential ballroom and the associated spaces. The ballroom itself is complete, and now we're working through some associated spaces around it. That will be completed in June of this year. We have begun work on the space expansion at Gaylord Opryland that will continue through into 2027. So that work has just begun, and that has been comprehended and what Jennifer already shared.

We're continuing work on the sports bar event lawn and group pavilion in the Magnolia Courtyard at Gaylord Opryland, that will be completed either right at the end of this year or in the first quarter of '26. We're just watching the weather to determine how that impact will play out. And then we'll begin the renovation of our room product at Gaylord Texan in the second quarter of this year, and we'll complete that roughly in the second quarter of next year.

Ari Klein - *BMO Capital Markets - Analyst*

And just on the headwinds that we're seeing in '25? Is that -- is this kind of a peak level you think? Or just given some of the longer-term plans, maybe that increases?

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

Yeah. I would say that from a disruption perspective, what we've communicated thus far is that we think it's comparable to what we saw in 2024, there's a lot more volume going through in 2025, but we don't expect to face some of the same headwinds that we saw at the Gaylord Palms room renovation in 2024. So more volume, but about the same amount of disruption year-over-year.

Ari Klein - *BMO Capital Markets - Analyst*

Okay. And then just on the higher mix of the associated business in '25 impacting out of room spend, curious what that mix looks like in the group bookings in '26 and 2027 and if maybe we see that trend kind of revert in those years?

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

Yeah. We are moving towards a higher mix of corporate in 2026. Obviously, we still have a lot of business to book into that period of time. But we do see a higher mix of corporate in '26 based on what's on the books right now. I would point out, though, that even with the higher mix of association in 2025, our rate on the books from a group perspective is very, very healthy and shows solid growth.

So not all -- generally speaking, corporate has better spend outside the room and is a higher premium customer, but we're doing a better and better job of attracting the most premium association groups. And so I'm very encouraged by what's on the books and how we'll see that play out this year.

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

Hey, Ari, just one thing back on disruption. As it relates to the Opryland meeting space expansion, this first phase this year is the most disruptive as the demolition occurs. So as we roll into 2026, as that project will continue, it will be less disruptive to ongoing business because you'll have less noise interrupting groups.

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

And less connecting of the building.

Operator

Smedes Rose, Citi.

Smedes Rose - *Citigroup Inc. - Analyst*

I wanted to ask you a little bit about your labor and wage costs. Maybe how much did they increase in '24? And how much are you baking in for 2025?

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

Smedes, this is Patrick. Yeah, we saw wages specifically year-over-year, we saw about a 3.3% increase and we're baking in about the same amount, but we did incorporate the full year impact of our collective bargaining agreement with Gaylord National and the Union there. So we take that into account, but 3% to 4% expense increase is what we're expecting on the wage and labor front.

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

And basically the same amount entertainment business, too. We took big increases back in '23, '22 and '23.

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

We did. I mean, to Colin's point, we are up at the end of '24, we're up about 34% in the hotel business in terms of wages, but the most important thing is our wage margin has remained flat. So we're very proud of our ability to manage the productivity levels to offset the increase in wages.

Smedes Rose - *Citigroup Inc. - Analyst*

And then I just wanted to ask you, I know you've talked about record bookings on all future room nights, et cetera. Just any sort of change in the profile of who's booking? Are you seeing pickups in associations or trade shows? Or is it sort of typical mix? Or any kind of color you can provide there?

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

Yeah. I would tell you that part of this investment thesis that we've embarked on is our ability to remix hotels like Gaylord Opryland towards a higher mix of the premium corporate business. And I'm really proud of what the Opryland team has been doing. In terms of what they booked in

the fourth quarter and throughout 2024, Opryland achieved the highest growth in ADR of any of our hotels. They are doing a great job of remixing that hotel towards a higher level of corporate.

We will always need association business and we highly value it. In fact, in the DC market, we're trying to get a little bit more association in place because that market just has seen some challenges for the past few years, and our way of offsetting that is securing more association business long term. But across the brand, we have been seeing a higher mix towards corporate and a lot of that is a result of the investments we've been making that makes it more palatable for those groups to come to us.

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

Regardless of the segment, we're moving to higher-rated groups.

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

Absolutely. And we've intentionally walked away from a few groups in order to achieve those higher rates and said this is the investment thesis and this is the product we have. If you can't afford it, we understand that. But some groups have said, okay, we're going elsewhere and then they come back and said, no, we'll pay the high rate to continue to enjoy this experience.

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

And groups that have been with us for 20 years.

Operator

Duane Pfennigwerth, Evercore ISI.

Duane Pfennigwerth - *Evercore ISI - Analyst*

Just wondering with respect to the ICE! results at Texan and Opryland, is that a typically a local market demand? Or is that drive to leisure? Do you think there was a trend change in those local markets? Or is this more about ICE! programming and do you think that could evolve next year?

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

Well, it is more local and very short drive in demand. What's unique about the Christmas leisure guests is that it is a much shorter length of stay than our summer guest, but they spend 2 times the amount on property. So it is a short duration, higher cost activity for the leisure guests.

So what we saw this year was those admissions were flat in terms of guests attending ICE!. But what we saw was a decrease in the overnight stays. So some of it looks like it was potentially the lower rated customer trading down for overnight stay to just a day visit. But we're doing some work around that now to try to understand exactly what the behavior was as it relates to those customers.

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

Yeah. If I might, Duane, this is Colin. I want to just add something here because I've read a few reports here this morning that sort of highlights our results as sort of leisure weakness. I want to put this in perspective, in '19, these five of our big hotels in '19 did about 100 -- just under \$150 million in revenue in the month of December. In last year, not '24, '23, we did about \$200 million. It was up 34% from '19 to '23, basically all leisure business. And in '24, we did about \$192 million, slightly below last year.

But these are spectacular numbers. And so ICE! is one component of it. Over the years, we've built live shows, we've done -- we do dinner shows. We have kids areas. We have massive indoor pool complexes that drives this leisure business. This is very, very strong business. The weakest of these five hotels did about \$1 million a day in revenue in the month of December and Opryland, 2,888 rooms, did \$1.75 million a day in -- basically in leisure business in the month of December.

So our leisure business is not weak. Our leisure business is very strong in the month of December. It's just that it wasn't quite as strong as we thought it was going to be. And that all happened in the last couple of weeks. And we get to the bottom of that. Is it pricing? Is it the consumer is just a little fatigued? And my guess, it's maybe a little bit of both and we will figure that out. But our leisure business is very strong.

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

Yeah. I will tell you, just to add to that, we did some primary research with the ICE! consumer as they were exiting ICE!. We did see a lot more economic sensitivity. Now, as a result of that, we've softened up and played around a bit with our yielding strategies, we did not see a dramatic improvement in volumes sold as a result of lowering price. And so we went back to where we stood from a pricing perspective.

Our takeaway from that is there's just a lot of uncertainty and a lot of sensitivity. And so folks were just making decisions to spend less in some of those lower tiered value consumers. And it wasn't that we had priced out of their capability or what they were interested in buying into, it's just that they were very unsure about this season, and we're being a little more cautious.

Duane Pfennigwerth - *Evercore ISI - Analyst*

That's helpful context. And then just with respect to the group bookings and your momentum with corporates, any particular industries that stick out?

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

Yeah. I would say that we are very interested in financial and tech and are doubling our efforts to go after some of that. But we've seen growth across a lot of industries. And so I wouldn't -- beyond those two, I wouldn't say there's anything that really stands out.

Operator

Dori Kesten, Wells Fargo.

Dori Kesten - *Wells Fargo Securities - Analyst*

After the Opryland meeting space expansion announcement, are there more announcements like this in the background that you're considering? Or is the CapEx plan that you laid out at the Investor Day through '27 pretty baked in at this point?

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

Maybe. I mean the way we think about the stuff, Dori, is we don't wake up and sort of say, you know what, we need to expand this hotel. We look at the demand characteristics of each of our physical assets. We look at things like turndowns. We look at all of the activity amongst the meeting planning community.

And here's the good news, as we've talked about this morning, is that we are building a lot of forward demand into this business. And if that forward demand continues to accelerate, there will probably be additional rooms expansions that we will have to -- and meeting space, we'll have to contemplate.

And I think we said many times before, Mark, when we bought Hill Country, we didn't buy Hill Country to have it as an approximately 1,000-room hotel 10 years from now. We believe in inducing demand into that market and at some point in time, we will pull the trigger, but we're in a very, very interesting and exciting -- I frankly tell you, this is a very exciting time for this company because we are building really strong forward demand because of the unique capabilities of our hotels. And I think this will give us the opportunity to deploy more capital at high rates of return over the years to come.

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

Yeah. I think it's fair to say that all enhancements are not created equal in terms of construction disruption, adding rooms is less disruptive than say, renovating all of your meeting space because when you take meeting space out of inventory, you obviously can't sell into group.

So Colin is right, we look at every hotel in terms of how do we drive incremental profitability, be that through additional rooms, through renovations or through new food and beverage options, et cetera. And then we'll consider the disruption as part of the returns analysis based on the type of project.

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

Dori, one of the beauties of this new space expansion at Gaylord Opryland is once that's open and you have brand-new space, it allows you to take what would have been seen as disruption in the past and absorb it into that new space to get Tennessee Ballroom renovated and the Delta Ballroom renovated. So there's definitely an agenda with getting this built as quickly as possible so that we can not create additional disruption when we need to do other renovations at that hotel.

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

Yeah. And Dori, I think the only other project that was on the page that we've talked about in recent years in addition to what everyone else has mentioned, is the Rockies expansion. I think that's always been in the background as something we view as part of the long-term view, but there's still a few things to work through on the design and other issues.

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

And I would say we're probably nearer today to that one than we were 12, 18 months ago simply because of what we've been able to accomplish with the complete beautification of the Grand Lodge and the food and beverage. And the impact that we're seeing on those investments that we've made have got us pretty excited about Colorado.

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

Yeah. We've just got some administrative political issues to work through there.

Dori Kesten - *Wells Fargo Securities - Analyst*

But it's fair to say, though, that with the Rockies expansion, that's relative -- it's relatively not disruptive, though?

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

Yeah, Dori that's very fair because you're talking about building that has only one connection point to the main building and essentially that work can be done almost in complete isolation from the rest of the hotel.

Operator

Chris Darling, Green Street.

Chris Darling - *Green Street - Analyst*

A couple of questions for you on the Gaylord National. First, what's your expectation for performance in 2025? And then secondly, how reliant is that property on the local DC market in terms of demand generation. Just wondering if there's any risk maybe with some of the government efficiency initiatives and how that may or may not impact that property going forward?

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

I know Patrick is going to pull up some additional details on that, but we don't generally provide guidance by property level. We can give you some directional color.

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

The forward bookings on National for this year and next year or the year after, look pretty good.

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

Yeah. As I mentioned earlier, we do see and are concerned with what's going on from a government perspective, and we've been trying to pivot away from that business as much as possible. I would say we have minimal exposure as we move through 2025. We've already looked at it on the books and take a look at that. And we are trying to mix it towards a higher level of association because we do think that there's some short-term demand generation challenges in that market.

So I wouldn't say there's an overreliance on the local market. There's certainly not from a transient perspective, that hotel runs a much higher percentage of group business than our other hotels simply because we've found that there's greater strength in being able to drive from the group side. But we believe that National just finished an incredibly strong year in terms of performance, and will continue that trend.

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

But Chris, it's fair to say that all the headlines we're seeing now around some of the political changes that are occurring, we're considering that across the portfolio as we think about group exposure and what business either we have in books or we're pursuing and how it might affect their behavior.

Chris Darling - *Green Street - Analyst*

Okay. That's all helpful thoughts. And then I have a bit of a nuanced question. There may not be a lot here, but I'll ask it anyway. You mentioned you come into this year expecting lower out-of-room spend or a little bit lower out of room spend because of the group mix shift. I wonder, with that dynamic in place, what's your ability to sort of manage your expense structure around that? Is there anything to read into about that?

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

Well, I mean, obviously, that is a high-margin piece of our business, but that's been taken into account in the guidance that we provided. And there are other levers that we pull to try and offset maybe a mix shift from corporate towards association.

To my point earlier, we do see the room rate on the books is in a very strong position and our sales teams do an excellent job of -- when they're 90 days out or 30 days out from a group arriving, of trying to upsell every single group to try and drive additional spend outside the room. But generally, we have a number of levers that we put into place to try and offset that and to maintain our margin or even grow it.

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

And just to put it in context, too, the association mix that we're seeing on the books is comparable to what we've seen in prior periods. So we just had a really strong mix of corporate in '24 as well, just so just again, to put all of that into context.

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

Yeah, it is not a dramatic shift. And the thing I was going to add is that one of the advantages of the group business is with the forward visibility of their activities from a labor scheduling standpoint, it gives you some advantages because you know where that group is going to be? Are they going to be in the outlets? Are they going to be in the banquet meeting rooms. And so it allows you to more appropriately staff for the volumes.

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

I mean we just traveled a very large association through Gaylord Opryland this past weekend. And the initial preliminary figures coming back is that the group achieved a historic level of attendance significantly even outpacing what they did last year, which was historic. And as a result, we saw rises in parking, food and beverage outlets, catering across the board.

So again, association business generally is not to the same level of premium as corporate. But if we see the kind of performance that we saw this weekend from one of the groups that traveled through Opryland, that bodes well for us.

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

Let me take a minute here, if I could. I'm going to do something here, Patrick, that's going to surprise you, I'm going to compliment you and your team. But the other thing that I feel very, very good about our team here. We don't play a passive role with our manager. We play a very active role with our manager.

Patrick and his team literally in these hotels, I mean, basically daily managing with the managers, the cost structure of these businesses. And that's one of the reasons why I think over the last two, three years that we've had very good results around margin even with wage pressures that we experienced in '22 and '23.

And I will complement our asset management team. So when we see these mix shifts, we're bringing this to the attention to the leadership of each of these hotels to make sure that we're adjusting our cost structures so that we do not see dilution in our EBITDA margins.

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

Yeah. I mean to your point, Colin, we had 2.1% same-store revenue growth last year, and we grew margins 30 basis points.

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

Yeah. And that's because of the -- I don't think it's because of the brilliance of our manager, I think it's a combination of the work that Patrick and his team do daily managing of the cost structures of these businesses. So that was a compliment.

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

Thank you. Thank you. And to Colin's point, there are levers that we pull to maintain the margin on the bottom line, and we've already taken significant steps to get ahead of any risk that we foresee for this year and impact the bottom line in a positive way to help ourselves out in achieving our goals.

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

Does that help, Chris?

Chris Darling - *Green Street - Analyst*

Yeah, it was a very helpful comments. I appreciate all the color there. Thank you.

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

Thank you. Who's next David?

Operator

Jay Kornreich, Wedbush Securities.

Jay Kornreich - *Wedbush Securities - Analyst*

I wanted to ask about just the pace of group revenue on the books for 2026 being up 11%, which I believe you said reflects ADR growth of 4.5%. So I'm curious as we move closer to 2026 and you're able to book into many of the finished CapEx projects and you've outlined a rate-driven strategy, do you think there's an opportunity to push that 4.5% rate growth even higher?

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

Yeah, certainly, there is. Keep in mind, when you look at where revenue on the books is relative to prior years, as we approach the travel date, right, we're moving towards 50 points of occupancy on the books. So as we enter a year, typically, the differential in revenue on the books is going to be purely rate, typically, but that's the opportunity. The opportunity is to continue to push that rate and grow that 6% higher as we move towards the year because as the booking window shortens, you're always going to book more and more corporate business, which typically travels at a higher rate.

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

And just to add to that, I would tell you that the hotels are going through right now because they are ahead and more aggressively, what we call, cutting the group room blocks, which is lowering the expectations of how much will travel so that they free up more space and more rooms to sell into. And with that compression, they can sell it at higher rates. So they are all over it, revenue management is working to use that compression to drive more room nights and higher rates.

Jay Kornreich - *Wedbush Securities - Analyst*

Alright. I appreciate that. That's helpful. And then just one more on the entertainment segment. You made a number of significant strides over the past year, opening up the old Red Las Vegas, repositioning Category 10, a major renovation at Block 21. So just curious if you have any other material investment or expansion plans over the next year or two that you could highlight on the entertainment side?

Patrick Moore - *Opry Entertainment Group - Chief Executive Officer*

The thing that we're most excited about is our investment in Southern Entertainment as another live venue opportunity. And that's a really sort of an effective platform for light sort of capital intensity and provides access to really interesting entertainment market destinations and a fan base that complements our existing fan base across the Ryman, the Opry and Austin City Limits in Austin, Texas.

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

I would say, Jay, it is fair to say that there are a number of things that we're working on that basically, at this point in time, we're not prepared to talk about. But there are a lot of -- there are a lot of different opportunities that we're looking at as it relates to that business.

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

I think the challenge is really more prioritization of what opportunity we focus on.

Operator

Chris Woronka, Deutsche Bank.

Chris Woronka - *Deutsche Bank AG - Analyst*

Thanks for squeezing me in on the questions. So I guess maybe we're beating a horse that we didn't expect to be beating, but if I can kind of go back to the corporate, you're making all these investments partly to attract a more premium corporate group customer, right?

I guess, is there any way to frame up how that, I guess, ideal premium corporate customer looks like versus association or even kind of a non-premium corporate group, whether it's size or length of stay or rate or out of room spend. And if it's smaller, does that -- do we have to think about it being harder potentially to fill some of these leisure weekend spots or are there more shoulder periods? Any color you could add would be great.

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

Chris, this is Patrick. So listed a couple of things that you mentioned. Corporate rate is generally higher. It's hard to put it as a percentage or a number on that. Just generally, on average, it is higher. Outside the room spend though is significantly higher with many of those corporate groups.

We've seen levels of \$500 or \$600 per person spend outside the room per day with some of these corporate customers. And so that is a tremendously strong number.

To the size question, they're not materially different. You would think that, well, your associations are going to be massive, there's lots of different corporate customers, lots of different group sizes, but there are a lot of corporate groups out there that are very large and are growing and are constantly encouraging us to grow with them.

I can think of three of our top customers who are constantly asking me, when are you going to expand Opryland? When are you going to expand National? They're constantly looking for us to expand further because they have more of their book of business they would like to turn over to us. They are extremely valuable to us. And so it is generally a higher rate, it is usually a very solid outside-the-room spend. But from a sizing perspective, there's really no difference because it's such a large universe of groups that you can choose from.

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

Our purchase of Hill Country, as well, has helped us sort of think about the opportunity here with this higher-rated corporate business because when you look at the rate differential between what is being accomplished in that hotel versus our existing hotels, there's quite a bit of difference. And that is exciting stuff for us.

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

I think it's important, Chris, just to recognize that what we're talking about is we're talking about incremental change, changes the margin. We're not talking wholesale change, we'll continue to have a substantial book of association business. And I also think it's important to repeat that our goal here is to move the rate across all of our segments and to attract and drive and sell to higher rated of business, whether that's corporate business, association business or SMERF business.

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

Yeah. What this really comes down to you is us increasing our skill and capability at stacking groups in with one another so that they still feel that they have a unique experience, but that we fill the house in a more optimal way.

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

And we -- at the end of the day, we have such a small share of this market. And we're retaining so many of our customers. And that's what's driving these expansions to move our share up marginally. This is a very interesting time for us.

Yeah. Chris, any other questions?

Chris Woronka - *Deutsche Bank AG - Analyst*

No, I really appreciate all that color. Very helpful. Thanks, guys.

Operator

John DeCree, CBRE.

John DeCree - *CBRE Securities - Analyst*

Maybe just one question, I think, in the prepared remarks. Jennifer you talked a little bit about some of the conservatism that's built into the low end of the guidance. Curious if you could talk to some of the variables that you think about that might get you to the high end of the guidance. Imagine some of that is just leisure and economic variation to expectations, but there's some ability to manage disruption. So yeah, that's my question. That's all.

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

No, I think you hit it on all the areas that we identified that could drive the potential upside and a lot of that is the variability in leisure. We have less visibility earlier on into that. On the group side, we know what's on the books and to the extent that we can see better performance from the leisure guests, that can help get us to the top end, what we have outlined in the guidance.

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

And I would, on the construction disruption side, I would just say that the we've made a lot of enhancements to our design and construction team over the past eight months or so as well as processes in terms of some of the vendors we use and our supply chains, et cetera. So I think that we feel confident in our ability to manage the disruption going forward. And to your comment, to the extent that we can improve on kind of what we've outlined, that's potential upside as well.

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

David. I think one more question. We're almost at the top of the hour.

Operator

Perfect. David Katz, Jefferies.

David Katz - *Jefferies - Analyst*

Made it in under the wire. I wanted to just get your perspective on -- Mark, you said earlier you were talking about some change on the margin. Whether they're -- and I think everybody is sort of trying to circle some of the drivers of what we're processing. Is there any competition in certain market, right?

Any -- anything you could point to? And I asked the question in the context, I know your properties and that there really is nothing quite like them. But is there any marginal competition we might be able to point to that may be having some impact?

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

I'm sitting here running through the markets in my head, there's nothing being built...

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

There's nothing -- Obviously, the JWs that we see in certain markets are competitive. I mean, it's individual assets, some of the Marriott Marquis.

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

Those hotels are not transforming themselves there. They're running themselves the way they've historically run themselves.

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

I don't think there's anything new coming on. I mean the only product that looks like ours that's coming on is the Gaylord Pacific, and that's part of the rotation.

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

It's more motivated by our own internal drive to try and figure out how to enhance and drive growth for the future for our portfolio, not because we're feeling pressure from someone else. We see the opportunity with where groups are growing, where the opportunity lies to remix on the margin and enhance our revenue picture and we're pursuing that, not because someone is putting pressure on us.

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

Yeah. And David, my comment as it relates to the change at the margin is, is that what I was trying to communicate was that the goal here is not to go to 80% or 90% corporate, right? We're trying to move it 4 or 5 points, that type of mix change. But that type of mix change can improve profit dramatically.

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

Thank you. Well, David, thank you for presiding over us this morning, and we appreciate our investors, analysts being on this call. If there are any questions that -- you have, follow-up questions, you know how to get hold of our IR team, Jennifer Hutcheson or Mark. And thank you, and we'll see you soon.

Operator

This does conclude today's program. Thank you for your participation, and you may now disconnect.

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