

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

RHP.N - Ryman Hospitality Properties Inc at Citi Global Property CEO Conference

EVENT DATE/TIME: MARCH 05, 2024 / 7:55PM GMT

## CORPORATE PARTICIPANTS

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

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

## CONFERENCE CALL PARTICIPANTS

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

## PRESENTATION

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

Okay. Thanks. Welcome to Citi's 2024 Global Property CEO Conference. I'm Smedes Rose of Citi Research. We're pleased to have with us Mark Fioravanti and Colin Reed from Ryman Hospitality. This session is for Citi clients only. If media or other individuals are on the line, please disconnect now. Disclosures are available on the webcast and at the AV desk. For those of you in the room or on the webcast, you can go to [liveqa.com](https://liveqa.com), enter code GPC24 to submit any questions or you can just raise your hand, and we have lots of mics here in the room.

So Mark and Colin, I'm going to turn it over to you. Mark, maybe you just want to introduce the company a little bit and provide any kind of opening remarks that you have? And then I think what we're really interested in is hearing 2 or 3 top reasons why you think investors should buy the stock today, and then we'll get into some Q&A. And as always, thank you for being here.

---

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

Great. Thanks. Thanks, Smedes, for having us today. So Ryman Hospitality company, we are a hospitality REIT. We're focused on the large group segment. We're about a \$10.5 billion TEV company. As I said, about 70% of our business is group, most of that is large group. The remaining portion of our business is primarily leisure transient business. We have a very unique operating model relative to our peers in that we manage -- we have 6 really purpose-built group hotels. They're large in scale, a significant amount of meeting space, over 250 square feet per room. And they're operated as a portfolio with a single manager, which is Marriott, and what that allows us to do is to attract, retain and rotate large group customers.

And that large group business has a number of unique attributes that we think are extremely valuable. First, we have an average booking window of approximately 3 years. So we have very good visibility into our business. We enter a year typically with about 50 points of occupancy on the books. And when you look at our aggregate business on the books, currently, we have about \$1.9 billion on the books for all future years because these bookings are contractual in nature. We have the ability to collect attrition and cancellation fees in the event that a group has to cancel their meeting. And during the pandemic, we captured about \$181 million in fees. So that adds the stability to our profitability.

And then the retention component of this, about 50% of our revenue is recurring revenue in that, that revenue is generated by groups who have been -- had business with us in the last 2 years. So stability, visibility and then recurring revenue are 3 factors that we think are extremely important and ultimately allow us to generate sector-leading financial results, whether that's at the property level in terms of total RevPAR per room or EBITDA per room, we generate a significant premium to our peer set.

We covered this in our Investor -- recent Investor Day, but we have a sustainable organic growth path through reinvestment. We'll invest approximately \$1 billion over the next 4 years into our existing properties in both enhancements and expansions. And most of that investment will come to our balance sheet. We have the ability to generate free cash flow to drive that investment without having to go to the capital markets. And then in addition to our hotel business, I'll just close it out by saying we have a very unique growing entertainment business that's focused on country music and the country lifestyle consumer. And ultimately, we can create some value there through separation of that business.

In terms of the top 3 reasons, I think, to own the company. One, the unique focus that we have and the visibility and stability that it creates to the meaningful organic growth. And then third and probably most importantly, I would say that it's the management team. We have an incredible

management team with a track record of delivering superior returns. If you look at over the last 20 years, we've built this brand and this portfolio, ultimately selling the management of Marriott. We've been proven capital allocators. And the result of that has been -- we've had leading shareholder returns. If you look at our total shareholder return over the last 3 years, 5 years, 10 years, where I think have the highest return of anyone else in our sector.

---

## QUESTIONS AND ANSWERS

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

Okay. Yes, that's great. Thank you. So let's talk about some of those things a little bit more. I mean, you mentioned, so 70% group. I think everybody knows you focus on group. But just kind of breaking out a little bit on kind of the group components. Could you maybe speak to -- of the 70% group, how much is driven by corporate business and maybe how much is by what -- in the industry world of SMERF, so social, military, education, religious, fraternal, et cetera? And kind of maybe help us get our arms around that a little bit.

---

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

Yes. We're about 45% or so corporate, about 40% association, the remainder of SMERF. That's the group side of the business. And then as I said before, about 30% transient business, leisure transient.

---

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

Yes. And then -- so you also talked at your Investor Day about really highlighting the pricing opportunity in your group business over the next -- over the coming years. So could you maybe speak to how are you executing on that? And maybe where do you see the most, I guess, sort of pricing power? Is it more with corporates? Is it with associations? Is it the SMERF? Like maybe just kind of talk about where the opportunity is to continue to increase pricing?

---

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

Yes, the pricing opportunity is really across the group. And the outcome of that pricing will be a remix of corporate and association and SMERF as we move that price up. But it's more than just a pricing exercise or a pricing strategy. If you look over the last 5 years and if you look at what we're proposing to do for the next 4 years, it's really about investing capital into these hotels to change the value proposition. And to continue to elevate the brand and the services and the product that we offer to consumers, right, increasing that price value opportunity. And that's really how consumers look at this, they look at what's the value they're getting for the price. So it's not simply a pricing exercise. It's really about delivering more to the consumer at a higher price point.

---

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

Yes. I mean you guys have done a little bit of that. You added rooms at the Palms. You added the SoundWaves feature, I think, in Nashville. And the returns have been really solid on those investments. Can you talk about the returns you're forecasting for the \$1 billion of investment? And then maybe we can just talk a little bit more about what you're doing near term. I think you're doing about \$400 million of investing this year, and there's some disruption associated with that, that maybe just help kind of break out kind of the overall returns and maybe specifically what's underway for this year?

---

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

Yes. So when we underwrite these projects typically in the mid- to high-teens unlevered. And that's been our experience with these projects, whether they're rooms, expansions, whether they're incremental meeting space, breakout space, food and beverage reconceptings -- reconcepting, et cetera. In terms of what is ongoing currently. We're doing a considerable amount of work right now at the Gaylord Rockies. We'll open a 25,000 square foot meetings pavilion there, adding some incremental meeting space. We're also reconcepting the Grand Lodge, which is the big center atrium in that hotel. The way it was originally constructed, it was all -- it was primarily theming. It was a lake in a caboose and some plant material. It is the highest value real estate in that hotel, and it was not sellable.

So what we're doing is that we're creating a number of opportunities there from a food and beverage perspective to create buyouts and to monetize that space going forward in addition to adding incremental seats to the existing food and beverage outlets as well as adding a new food and beverage outlet there. Having that additional capacity will allow us then ultimately to expand the hotel and have the food and beverage capacity necessary to service those guests.

---

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

And what's the investment there at the Rockies?

---

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

The Grand Lodge is about \$45 million, I believe. And I think we've got another \$25 million or \$30 million in the incremental meeting space.

---

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

Okay. Great. Quick advertisement. We're doing a field trip to Denver in May, which will include the Gaylord Rockies. So if anyone wants to come and see what's going on, definitely sign up. We appreciate you guys including that property on that tour. I guess I wanted to just ask you, I mean, with the lodging space, in general, there's always a huge focus on the broader U.S. macro economy. Seems like we're not heading into the recession that maybe was feared a year ago, but we'll see, I guess, the jury is still out. But maybe you could just speak a little bit to kind of are you seeing any cracks in demand or concerns for some of your larger customers who are maybe pausing or just kind of any thoughts around the sort of the tenor of your conversations with people who are making bookings.

---

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

Look, I'll take a breath. Go ahead.

---

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

You're getting to getting tired. So first of all, as a company across our businesses, we're not seeing any "cracks" in the economy. And things look pretty good. And we monitor this stuff basically every week. We -- there are indicators to us in terms of around group, for instance, lead volumes, how to lead volumes, the inbound inquiries we're getting from our customers. And over the course -- you heard us talk about this in the Investor Day, over the course of the last 12 months, we've consistently seen lead volumes go up. And this is one of the reasons why we're very comfortable about deploying \$1 billion plus in these projects because what we're about, going back to something Mark talked about, is the creation of value.

If you think about this conference that we're all at here, we're here for 3 days locked away. And we look at the price, [\$300], whatever you're paying for a room. But when you think about your experience in a building like this, you probably have, I don't know, 40, 60 interactions with folks around here, you line up trying to get a lunch. You line up trying to get an elevator, you have bellman that may take you to your room. You're having many,

many different experiences. And how well the hotel does that, in your minds, creates this notion of the value that this organization is bringing to you.

And what we've been about as a company over the last decade is building this sustainable value in the minds of the customer that leads us to the retention of the customer, that leads us to the ability to expand our product that we retain more customers, our lead volumes go up. And that is what has been going on with our organization over this last decade. And that is why, as Mark said in his opening remarks, we have had -- when you look at our total shareholder returns in the sector that we're in, we're [1, 1, 1 and 1], whether you look at us on a 1-year, 3-year, 5-year, 10-year basis. And it's because this is not just about physical product, it's about the overall service levels that you're delivering to the customer.

So if you go back to '09, the industry went off massively. Back in '09, the hospitality industry was off anywhere from 15% to 20% in revenue depending upon where you do business and anywhere from 30% to 40% in profitability. Our business was off 9% and 10%. And it's simply because so much of that business is booked years in advance. And so no, we're not seeing any cracks in the economy. When you look at the business that we have on the books for this year, business we have on the books for next year, it is up compared to the same time last year, T+1, T+ 2. So we're in pretty good shape. And this is why we are going to embark on deploying a fairly large chunk of capital that would deliver very high rates of return, and that's the thesis of our organization.

---

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

Okay. I mean I guess one thing I wanted to ask you a little bit more about, so you've had the JW Marriott now in the portfolio purchased from Blackstone. And you've talked about probably investing a little bit more on that and making it more like sort of Rymanizing it, I guess, if you will. But -- and we talked a little bit about this at the Investor Day, but that hotel right now does not have kind of the favorable local tax breaks that you have on the rest of your portfolio. So is it just inherently a lower margin investment or to make incremental investment, would you try to work with the local authorities to bring tax incentive financing, I guess, to that property? And how difficult is that in today's environment?

---

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

Well, from an incentive perspective, I mean, typically, when you see tax incentives for economic growth, right? It's typically associated with a downturn in the economy. If you look back at the various projects that we've undertaken over the last 20 years, right? It's finding that opportunity where a community is looking for incremental economic developments and really using our hotels as a catalyst for growth. And if you look at National Harbor or if you look at what's happened in the Dallas market, you see that surrounding growth occurring.

As it relates to the Hill Country, we haven't had conversations locally as regards to the tax incentives, we're just now starting to think about what the long-term growth opportunity is there. We've really been focused on kind of the nearer-term opportunities to bring that asset into our portfolio. We purchased that at about 12x. If you look at 2024 at the midpoint, it would be a little under 12%, maybe like 11.8x this year's EBITDA. But the work that we're doing not only in terms of bringing it into the portfolio, with some of the enhancements that we're talking about making, will ultimately essentially buy that multiple down, much like you saw -- if you look at what's happened in Texas over the last 14 years as we've expanded that hotel, that multiple is around 6x is our investment in that.

So it's not necessarily that we have to have an incentive from -- a public incentive through high-return investments and utilizing the existing infrastructure that's there we can essentially create really favorable returns for shareholders by using that existing facility and again, buying that multiple down. And that's -- when we think about assets as potential acquisition opportunities, that's ultimately what we're looking for. Where can we create value based on what we do in the group space as opposed to just buying something and operating it as is? If it's a hotel that doesn't have that growth potential, that opportunity, then it's probably not the right opportunity for us.

---

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

Group, in general, has been kind of a silver lining for the industry. I would say that and the fact that there's very little kind of meaningful supply growth, particularly for larger full-service or group assets. Maybe you could speak to what you're seeing on kind of sizable group assets under

construction. And just in general, I don't know if you can share stats or if this is something that you're able to track, but I mean, are you benefiting just from the fact that group is sort of -- seems to have found a new kind of resurgence with corporate America working from home and that kind of thing and associations coming back? Or are you sort of taking share from maybe higher cost cities, potentially lower quality of -- lots of like quality of life issues that are kind of playing in some centers? How -- maybe just give us a sense of how you guys have maybe benefited from those things.

---

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

So let's put this into perspective. There is this general desire, I think, by folks who follow our industry that they like to homogenize group, and they think group is vanilla. It all looks the same. It doesn't. This work from home phenomenon, we sort of think about it as a business that is very much in group is sort of a nonevent around the edges. We are focused very clearly on a particular group of customers. And that is these large 600 people plus that rotate from market-to-market year-by-year. And that is who we really focus our efforts against. We need 80 to 100 of those groups a year in our hotel -- each hotel. And when we have that, life is perfect.

We run 75 to 80 points of occupancy with high rates of return. The group industry right now looks very favorable. A lot of organizations have come out of COVID saying, wouldn't it be nice for us to bring our people together and celebrate and talk culture and talk strategy, and there's a little bit of benefit, a little bit of tailwinds that are occurring from that phenomenon. But our business is very different. We focus on this core group of consumers that rotate from market-to-market year-by-year.

The other point, if I could come back to the San Antonio -- reason we did San Antonio. The other part of all of this is the importation and exportation of customers. When you're in a market like San Antonio, which is a world-class convention resort market, this hotel is probably the best hotel in that market. Yes, it only has 1,000 rooms. Yes, we have a desire to move it to 1,300, 1,500 rooms and more convention space. But we have the ability because we run our hotel business as a system to import customers into that hotel, thus improving the underlying economics of that hotel, but also exporting customers from that hotel into our existing system.

And so the value creation here is not just going and buying a hotel for a 12 multiple, and hope like hell the market improves, the business is going to generate a reasonable return over a 10-year period. There is a strategy here to fundamentally change the -- to bring more customers into this hotel and to export the customers this hotel gets into our existing portfolio.

---

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

So let me ask you this. So you said 80 to 100 groups per year, average size is 600. So with San Antonio and then Chula Vista, which as I know is not part of your ownership structure, but it is part of the Gaylord system or will be. Do you have confidence that, I guess, that those properties will generate, I guess, between them 180 new groups of 600 or more that will kind of support the system versus cannibalizing your existing system?

---

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

Yes. Smedes, there's 24,000 of those groups in the country, 24,000. Our relative share of this is like 2%, 3%. So the groups exist. It's just that we don't have the distribution or the room accommodation to accommodate these folks.

---

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

60% of the JW business today is group. So they're already -- right, they're already generating group demand.

---

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

Yes.

---

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

We're not starting from 0 there.

---

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

Right. So you have some that you can migrate into the broader system and then you'll bring new groups in.

---

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

Yes. And the -- and by the way, the ownership group of Chula Vista are the same partners we had in Denver, as you well know. And Mark and I have a particularly close relationship with these folks. And we have a good sense of what is going on booking-wise and how many of those bookings are new to the Gaylord system and the numbers are very, very significant. I mean, I'm not privileged to talk about the exact numbers, but the numbers of new customers that, that hotel is seeing outside of the system is material.

---

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

Right.

---

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

And that's good stuff because we can then pick those customers up. If [Ira] and his team and Marriott do a really good job, we can pick them up and then rotate them into our existing system.

---

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

Yes. So I know you can't share specifics, but you feel optimistic around like the booking pattern for Chula Vista. And do you know more or less when it's going to open?

---

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

'26.

---

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

I think they've pulled it to the fall of '25.

---

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

'25?

---

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

Yes.

---

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

Oh, wow. Good.

---

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

So maybe late next year. Okay. Longer term, I mean you've been asked this a lot, but I don't know if you have any updated thoughts. I mean, would you have any interest in participating economically in that asset?

---

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

We'll see.

---

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

Okay.

---

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

I mean -- look, we like the market. We did the original deal there, found the location and negotiated the incentive packaging about 15 years ago.

---

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

Yes, I know. But at the end of the day, this is all about economics. If we have a choice of investing \$100 million in a project that's going to generate for our shareholders a 10% rate of return versus a 16% rate of return, it's a no-brainer. The reason we're investing -- where we're investing is because we have a high degree of comfort that the returns are going to be way above our weighted cost of capital. And again, I hate to sound arrogant, but this is one of the reasons why we've outperformed this sector hands down over the last decade, pick it.

---

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

One of the things I was curious about coming out of the pandemic, there was lots of discussion around higher construction costs. It's one reason why we've seen a decline in the hotel supply, I think it's -- costs are high, land costs are high. But putting aside land costs, what would it cost to build on a per key basis a hotel, the kind of scope and size of one of yours, just roughly?

---

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

It would be in excess, I would say, of \$1 million a key.

---

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

Yes.

---



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

I mean -- and that really gets back to, I guess, your question on the JW when you think about -- that's 1,002-room hotel, we paid \$800 million for it. So like [\$700,000, \$800,000] a key. You couldn't build a hotel for \$700,000, \$800,000 a key. It's got 2 championship golf courses, 9 acres of pool complex, 1,002 rooms, 250,000 square feet of meeting space. And so to a certain extent, I guess, Smedes, that's your subs -- when you think about your subsidy, that's your subsidy. It's kind of where we bought that versus where your replacement cost would be.

---

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

Yes, that suggests there probably won't be a lot of building in that space for some time besides a couple of the bigger ones that we already know about. But maybe we can switch for a moment just to the entertainment side of the business. You -- as a background, I mean, you sold a minority interest at, I think, about 17x EBITDA. I know in our approach to the company, we value that piece at 17x and then we kind of back out and see what the sort of the hotel piece of the business is trading at. And I think -- and the multiple looks much more reasonable, frankly, if you look at just the hotel piece in isolation. But can you talk about any kind of time line to separate the business? How is the relationship with Atairos and NBCUniversal? Yes, and then I'll stop there, and then I've got a couple of more questions on that, but always good to get an update on that.

---

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

If I'm not mistaken, you asked this question at our Investor Day a couple of months ago. But the answer is...

---

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

I want to see if the answer's changed.

---

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

But the answer is, it's going to be pretty much the same. We're on a very good glide slope, I think. We're seeing good -- we've seen very good EBITDA growth over the last 2 to 3 years. We expect to see very good EBITDA growth over the next 2 to 3 years. We've got a lot of really good things happening. We -- in terms of monetizing the business, we've already really started that with the sale of 30% to Atairos, which is the money behind Comcast NBCUniversal. And Mark's, in my view, about the timing of the separation is probably something that we would look at more so towards the end of next year, early into '26, simply because of all of the projects that we're working on, projects that we've talked about publicly and some that we haven't talked about publicly. We've restacked the management of this business over the course of the last 12 months. And it's on a very good trajectory. And it's a very exciting business, quite frankly.

---

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

And the relationship with Atairos and NBC is very good. We are -- we launched the People's Choice Country Awards last year as well as an Opry Christmas special with NBC. Both of those were renewed and will happen again this year later this year. Later this month, we'll start a 16-week run of the Opry on Sky Arts in Northern Europe. So we'll be testing that with NBC to see how it performs. It's a very strong country music market. There's not a lot of content -- country music content on in that market. So we're really excited to see how that performs in the U.K. And as you may know, we have direct flights, British Airways from the U.K. to Nashville. So we think that bodes well for tourism as well.

---

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

And do they have a window coming up where they can increase their ownership percentage at their option or...

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

They do. They have a window at the end of this year and at the end of next year, and they can buy a total of -- they can buy an additional 19%.

---

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

19%?

---

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

Yes. To 49%.

---

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

Okay.

---

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

Total.

---

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

And maybe just some -- Ole Red in Las Vegas opened fairly recently. How is that trending? I know we saw pictures on Twitter or X of lines outside trying to get in. But how is it fitting into the overall market? Are you happy with what you're seeing?

---

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

I wish it was twice the size.

---

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

Okay. You want to -- what was the investment? How are you thinking about the returns?

---

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

Well, we opened, it's very interesting. We've staggered essentially the physical opening of this because we didn't want to stress the kitchen area of this business. So we have the third floor sort of semi shutdown and then the roof, it's been colder than hell in Las Vegas over this for the last -- not this last week. It's been really good this last week. But having said all of that, we've been averaging about \$100,000 a day in revenue in this facility, which is above our pro formas, and we're very excited about it.

---

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

Okay.

---

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

We're doing a grand opening in the middle of April, where Blake is going to come in for 2 nights and play, and I'm sure we're going to be in on day 2 by every casino host in that town. And we're really looking forward to it.

---

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

Okay. And I know it's not part of like the near-term story, but kind of longer term, would you see potentially having like video (inaudible) at the bar that seems to be a highly profitable thing to do in Las Vegas? Is that something that you would see? Or do you sort of foresee it being a nongaming facility indefinitely?

---

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

Well, we could certainly contemplate doing something like that after we separate the business, while it's within the company, it's a little bit more of a challenge.

---

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

Yes. Okay. Okay. But maybe longer-term enhancement potential there. Anywhere else that Ole Red is on deck to open that you can share?

---

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

Not at this stage, but it's a brand with a lot of legs as, by the way, will be a Category 10 that we're doing with Luke Combs.

---

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

Yes. So Category 10 opens, the flagship will be in Nashville, right?

---

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

It will open in essentially 2 parts. It staggered opening. Middle of the year, we'll have the first and second floor basically done, but the big part of it is what we're doing on the roof and the third floor that will open towards the end of the year, maybe early part of next year. But that's going to be a little bit of a game changer, I think, in Nashville for us.

---

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

And do you see multiple locations for that over time?

---

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

Yes. We didn't do this deal with Luke Combs to have it 1 on 1.

---

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

And have you -- I mean can you share where the next locations will be? Or is that still sort of under...

---

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

No.

---

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

Okay. How many do you think you can have? I mean is it like 3 or 4? Or is it like dozens?

---

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

We'll see when we get there.

---

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

Okay. All right. I know we're coming in towards the tail end of the session here. I did have a few kind of just bigger picture questions for you. The first, as we think about 2025 and just U.S. RevPAR overall, let's say, it's going to be around 3.5%. What do you think same-store EBITDA for the industry could be in 2025 with a 3.5% RevPAR backdrop?

---

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

EBITDA, it'll be -- in terms of growth, I would say, it's probably flat to maybe down marginally.

---

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

Okay.

---

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

But that's the industry, not for us.

---

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

Yes. Yes, I'm sure you'll be much better, but just maybe flat for the industry. And then as we think about the lodging sector, overall lodging REITs, do you think there'll be more, fewer, the same number a year from now?

---

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

We have to rehearse these. But there should be fewer. I think they'll be the same.

---

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

Okay. So flat same. And then for Ryman, I mean I think we know the answer here, but your best real estate decision today is buy, sell, build, redevelop or repurchase stock?

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

I would say, reinvest in existing properties, buy the right properties and build in the right markets with the right incentives.

---

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

Okay.

---

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

But not -- probably not buy back stock given our trajectory.

---

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

No, no.

---

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

And that brings us to the end. Thank you. Appreciate your time.

---

**DISCLAIMER**

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All Rights Reserved.