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PRESENTATION

Operator

Good morning, everyone. Welcome to Ryman Hospitality Properties second-quarter 2024 earnings conference call. Hosting the call today from Ryman Hospitality Properties are Mr. Colin Reed, Executive Chairman; Mr. Mark Fioravanti, President and Chief Executive Officer; Ms. Jennifer Hutcheson, Chief Financial Officer; Mr. Patrick Chaffin, Chief Operating Officer; and Mr. Patrick Moore, Chief Executive Officer, Opry Entertainment Group.

This call will be available for digital replay. The number is 1800-753-9134 with no conference ID required. At this time, all participants have been placed on a listen-only mode.

It is now my pleasure to turn the floor over to Jennifer Hutcheson. Ms. Hutcheson, please go ahead.

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

Good morning. Thank you all 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 facts 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 the exhibits to today's release. Please also note that we provided an updated version of the press release this morning that corrects a clerical error that omitted the presentation of pro rata adjustments from JVs as well as loss on extinguishment of debt in the funds from operations and adjusted funds from operations reconciliation to net income compared to the prior version of the press release issued on July 31, 2024. The amount of FFO and AFFO for the periods presented are unchanged from the prior version of the release issued yesterday evening.

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. We are pleased to report strong second quarter 2024 results exactly in line with where we thought we'd be even including some hotel leisure transient softness in Nashville and Orlando.

Our same-store hospitality segment delivered record second quarter revenue driven by continued strength in our group business and all-time record adjusted EBITDAre even excluding some one-time franchise tax benefits. Group bookings production accelerated meaningfully from the results we reported in the first quarter of 2024. Gross group rooms revenue booked for all future years was a second quarter record. And gross group ADR booked for all future years was an all-time record. Equally impressive our Entertainment business delivered all-time record revenue and strong adjusted EBITDAre.

Considering the construction underway at the W Austin at Block 21 and the closure of the Wildhorse Saloon for the repositioning to Category 10 these Entertainment results I think are even more remarkable. Mark will review the second quarter in more detail in one minute.

Now a bit of a departure from our typical earnings calls, I'd like to focus my remarks this morning on an important initiative regarding the tourism industry in one of our core markets, Nashville. As some of you may know a couple of years ago the CEO of the Nashville CVC and I pulled together a group of about 70 leaders across the city's hospitality and leisure industry to build a long-term strategic plan for supporting tourism in this wonderful city.

The result of that collaboration is a plan called –Music City Next,�which we released in June and which provides a multi-year road map for addressing eight strategic priorities critical to the city's continued success. And you can find that plan on the Nashville CVC's website.

Now we've always been bullish on the Nashville market, but some of the research and statistics that came out of this work were really, really exciting. So many folks wonder why Nashville has seen such tremendous growth in visitation over the last few years, as well as the enormous amount of capital that has been deployed into physical assets such as hotels, celebrity bars, entertainment venues and multiple airport expansions. Nowhere in this country has such growth been witnessed around the platform of music. And the key question is why has this occurred? And can this type of growth be replicated over the next decade?

Nashville is without question the epicenter of country music. And what makes it so special is the fact that so many of the great artists live here. What has happened over the last decade is that the product of the artists has been made available to consumers all over the world by what has evolved through technology into things like streaming.

At the same time social media was born and these artists�ocial media followings have exploded. And today these artists are essentially marketing their music and this town to literally tens of millions of fans around the world daily.

As a consequence demand to this city has really exploded. And this is what is driving our growth. So where from here and that's what the strategic plan lays out. And artists�penetration of markets domestically and internationally will only increase.

Product-wise there are so many new drivers under development. A new domed stadium that should accommodate things like Final Fours, Super Bowls, college play-offs and year-round concerts. There is a massive East Bank development being planned. The Nashville Yards development and thousands of new hotel rooms to accommodate this growing demand, as well as I'm sure another expansion at some point to our magnificent airport.

Now in order to project what the future looks like in terms of visitation and revenue, we computed growth through three different screens that the future mirrors the historical rate of growth; two, growth at a modest rate of inflation i.e., about 3%; and then the average of the historical and inflation rate.

So here is a quick snippet of what the plan concludes. In the next five to 10 years annual visitor growth is expected to surpass 20 million people bringing with it close to $15 billion of annual visitor spending. The hotel occupancy and state local sales tax rates for Nashville make it one of the highest tax revenue-generating cities in the country, creating alignment of interest between state and local government and the hospitality companies operating in this market.

And the drivers of Music City's appeal are only increasing. As an example, in the last six months alone Downtown Nashville has seen new entertainment and F&B outlets with Eric Church, Garth Brooks, Morgan Wallen and, outside of the country music genre, from the likes of Jon Bon Jovi. So while Nashville, like all tourist destinations around the country, will see economic softness from time to time just like we did through COVID,

the long-term potential for this market is incredible for leisure and group alike. And, by the way, from a group perspective Nashville has risen to a top five place to visit simply because it's an exciting and fun place to be.

Both our business segments have their origins in this town. Thus, our business is uniquely poised to benefit from the growth that will be coming here over the next few years. In our Hospitality business, we've built and continue to enhance an industry-leading portfolio of hotels to serve the group and leisure customer segments.

As a result, we have achieved strong pricing power demonstrated by continued rate growth, and our all-under-one-roof offering allows us to capture profitable out-of-the-room spend.

Our multi-year capital investment program that we shared with you earlier this year has identified numerous high-return investment opportunities that will further strengthen these competitive advantages, with a large portion of that investment dedicated to Gaylord Opryland given our long-term belief in this market.

Within our Entertainment business, we own some of the most iconic brands in the music industry including the Grand Old Opry, the nearly 100-year-old show that made country music famous and is in large part responsible for Nashville's arise to music fame. Our success here in Nashville drives growth throughout the rest of our portfolio and vice versa.

Group and leisure hotel customers that experience Gaylord Opryland for the first time in many cases rotate to our other properties in our portfolio. And in our Entertainment business our effort to reach more country lifestyle consumers in new markets through new brands continues to be successful, most recently evidenced by Ole Red Las Vegas which has opened, shall we say, to an encouraging start.

We look forward to introducing our new brand Category 10 with superstar, Luke Combs, towards the end of this year. So our business is in the best shape it's ever been. Our company's future looks awfully, awfully exciting.

And with that let me turn over to Mark to review our second quarter and touch on the year. Mark?

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

Thanks Colin and good morning everyone. I'll provide a brief review of the second quarter, highlight some of the trends we're seeing in our businesses, and discuss our revised guidance ranges before handing it over to Jennifer to cover our recent refinancing activities and outlook for capital expenditures.

In the second quarter of 2024, consolidated total revenue was $613 million, a second quarter record, up 21.5% year-over-year, and consolidated adjusted EBITDAre was $233 million, up 33.5% year-over-year.

During the quarter, we recognized the favorable impact of a recent change in Tennessee franchise tax law, which has resulted in franchise tax refunds of approximately $9 million. Even excluding this one-time impact, consolidated adjusted EBITDAre set an all-time quarterly record, up approximately 28% year-over-year with impressive contribution from both segments.

The same-store Hospitality segment delivered year-over-year RevPAR growth of 4.6%, total RevPAR growth of 9.4%, and adjusted EBITDAre margin expansion of 200 basis points excluding the franchise tax refunds. We estimate the timing of Easter accounted for approximately 200 basis points of same-store Hospitality RevPAR growth year-over-year. Leisure transient softness in the Nashville and Orlando markets continued in the second quarter, however, group outperformance, operating efficiencies, and our continued investment in our offerings more than offset the profitability impact of that softness, demonstrating the merits of our group-centric business model and long-term growth strategy.

Let me share with you now some of the key proof points. First, we continue to expect to travel record same-store group room nights in 2024, surpassing the prior high watermark in 2019, with favorable group mix, particularly in the second half of the year relative to the second half of 2023.

As of the end of the second quarter of 2024, same-store group room nights and rooms revenue on the books for the remainder of the year were 1.4% and 8% higher respectively than the same time last year for the remainder of 2023.

Second, our customers are traveling at higher room rates. In the second quarter of 2024, we delivered record second quarter same-store ADR traveled of approximately $254, an increase of 3.8% year-over-year with growth in both group and transient ADR.

Third, once on property, groups are continuing to spend at record levels outside the room. Our all-under-one-roof offerings are uniquely positioned to capture that spend and continue to grow our market share.

In the second quarter, same-store banquet and AV revenue set a new all-time record, surpassing the prior high watermark, the first quarter of 2023, by nearly 7%. Though second quarter group business certainly benefited from the timing of Easter, the majority of growth in banquet and AV revenue was driven by a higher contribution per group room night traveled.

Looking ahead same-store bookings production metrics remained robust. In the second quarter, we booked over 781,000 gross group room nights for all future years, a second quarter record, at an all-time record ADR of $284, an increase of 7% year-over-year and 3% from the prior record in the fourth quarter of 2023.

As of the end of the second quarter of 2024, same-store group rooms revenue on the books for 2025 and 2026 are up 3% and 11% respectively compared to the same time last year for 2024 and 2025, a sequential improvement compared to our bookings position at the end of the first quarter.

And finally, our continued enhancement -- investments in expansions and enhancements coupled with very limited new supply has improved our competitive positioning.

Since the second quarter of 2019, the average total RevPAR index as measured by STR for our five Gaylord hotels compared to their Marriott-defined competitive sets has increased 26 points, demonstrating strong return on investment for the capital deployed during that time frame.

Before turning to our Entertainment segment, let me make a few comments on the JW Hill Country. Having now owned this resort for a full year, we continue to be very pleased with its performance. For the trailing 12 months ended June 30, the resort delivered adjusted EBITDAre of $67 million consistent with our underwriting expectations. We have started to realize the benefits of our short-term investments, and we've made good progress towards our long-term expansion plans. We are more bullish today on the potential for this property than when we purchased it.

Now turning to our Entertainment segment. In the second quarter of 2024, the Entertainment segment reported all-time record revenue of $94 million, an increase of 8.1% year over year with adjusted EBITDAre margin expansion of approximately 60 basis points excluding the franchise tax benefit related to prior tax years. A strong show calendar for the Grand Old Opry and strong performance from Ole Red Las Vegas following its opening in the first quarter of 2024 drove the results.

As with our Hospitality portfolio, we monitor the health of our Entertainment consumer closely. And despite some softness in the Nashville leisure market, demand for our Entertainment offerings remains strong. We're fortunate to own some of the most iconic brands and must-see venues in the Nashville market.

Turning now to our revised outlook for the remainder of the year. We are raising our outlook for full year consolidated and segment level adjusted EBITDAre to reflect the favorable impact of the changes in Tennessee franchise tax law, which includes $9.1 million of refunds for prior years recognized in the second quarter and an approximate $4 million reduction to 2024 expense.

Our outlook for core operations is unchanged from last quarter, as group strength, particularly in out-of-room spend, and operating efficiencies have offset some of the unfavorable impact of leisure transient softness. We're also raising our outlook for adjusted funds from operations or AFFO and AFFO per share to recognize the favorable impact of the franchise tax reductions, plus estimated cash interest expense savings, resulting from the refinancing of our OEG credit facility, which Jennifer will discuss in more detail.

Our lower outlook for full year same-store Hospitality RevPAR and total RevPAR growth reflects additional conservatism for the continued leisure transient softness we've seen through and into the third quarter. To provide some additional color on quarterly cadence where it might be helpful, the decline of our outlook for same-store Hospitality RevPAR growth is marginally more heavily weighted to the third quarter. Therefore, we anticipate stronger same-store RevPAR growth in the fourth quarter than in the third.

For the JW Hill Country, in the third quarter, we anticipate several hundred basis points of adjusted EBITDAre margin compression year over year due to an unfavorable incentive management fee comparison related to the timing of the acquisition and the P&L impact of our investments in leadership, group sales, and holiday programming including the inaugural year of ICE!.

In the fourth quarter, we anticipate operating leverage from occupancy gains in ICE! will drive margin expansion year over year. Finally, for the Entertainment segment we anticipate stronger adjusted EBITDAre contribution in the fourth quarter compared to the third due to the timing of completion of the capital projects we have currently underway.

In summary, we are incredibly well positioned for the second half of the year, 2025 and into 2026. We continue to see record group performance, robust forward bookings and positive early results from Ole Red Las Vegas, the Grand Lodge renovation at Gaylord Rockies and our acquisition of the JW Hill Country.

Taken together, these trends strengthen our conviction in our group-centric model and multi-year investment strategy. Importantly, we can fund this strategy plus our dividend from our balance sheet and free cash flow generation. And following the refinancing transactions we've undertaken this year, our balance sheet has never been better positioned.

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

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

Thanks, Mark. We ended the second quarter with $498 million of unrestricted cash on hand and our $700 million revolving credit facility undrawn. During the quarter we refinanced OEG's revolving credit facility and Term Loan B, which I'll discuss in a moment. And as of the end of the second quarter, the new OEG $80 million credit facility had a balance of $17 million outstanding. Taken together, our total available liquidity was approximately $1.3 billion, net of approximately $4 million in outstanding letters of credit.

We retained an additional $52 million of restricted cash available for FF&E and other maintenance projects. At the end of the quarter, our net leverage ratio based on total consolidated net debt to adjusted EBITDAre was 3.9 times.

As I mentioned, during the quarter, we refinanced OEG's approximately $296 million Term Loan B, and $65 million revolving credit facility with a new $300 million Term Loan B now due 2031, and an upsized $80 million revolving credit facility now due 2029. As part of the transaction, we reduced the interest rate spread on that Term Loan B by approximately 160 basis points and on that revolver by approximately 100 basis points.

We estimate cash interest expense savings from this transaction of approximately $2 million for the remainder of 2024, which is reflected in our updated full year guidance ranges for AFFO and AFFO per share as Mark outlined. Regarding our dividend, it remains our intention to continue to pay 100% of our REIT taxable income through dividends.

Before we open for questions, I'd like to take a couple of minutes to discuss our expectations for 2024 capital investments and provide some updates on our progress year to date. In 2024, we expect to invest approximately $375 million to $425 million including $305 million to $345 million in our Hospitality business and $70 million to $80 million in our Entertainment business. All of our projects prioritized for 2024 are now underway.

At Gaylord Rockies, the first phase of the Grand Lodge repositioning opened in May and we completed construction of the group pavilion in July. The new lobby bar, Embers, in the Grand Lodge of the Gaylord Rockies is already driving incremental out-of-room spend. The second phase of the Grand Lodge repositioning, which includes several additional food and beverage outlets, is scheduled to open in the fourth quarter.

At Gaylord Palms, the first phase of the lobby renovation is completed and the rooms renovation is underway. We expect to complete the second phase of the lobby renovation in the fourth quarter and the rooms renovation in January 2025. At Gaylord Opryland, we started construction for the Governor's Ballroom and pre-function space, which we expect to complete early next year.

Renovation of the Presidential Ballroom and pre-function space is scheduled to begin in the fourth quarter. In addition, we started construction to reposition the currently underutilized Magnolia Courtyard at Opryland into a new sports bar, group pavilion and event lawn space, which we previewed at our Investor Day. We expect to complete this project in early 2026.

At the W Austin Hotel renovation of that public space is nearly complete and the rooms renovation is expected to finish in the fourth quarter. And finally, the transformation of the Wildhorse Saloon in Downtown Nashville to Category 10, as Colin mentioned, continues and we expect that venue to reopen by the end of the year.

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

And with that, we can open it up for questions.

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

Let's go.

QUESTIONS AND ANSWERS

Operator

Thank you, Mr. Reed. (Operator Instructions) We'll go first this morning to Shaun Kelley at Bank of America.

Shaun Kelley - *Bank of America - Analyst*

Colin in the prepared remarks and across I think the undertone of everybody's remarks you talked a little bit about some transient softness that you're seeing out there. This has been the theme of earnings season around the hotel and broader leisure space. So could you elaborate on just a little bit where you're seeing, are things deteriorating at all sequentially, because you did obviously call this out last quarter?

And then just talk about how fully derisked you are particularly as we get into kind of Q4 around the holiday programming? I think as we left it last quarter, you felt conservative there, but you probably were still banking on a good programming season. So how do you feel about that updating that for three months later? Thanks.

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

Yes. Well, both Patrick and Mark can share some details about how we're thinking about the fourth quarter. But look this leisure decline that we're witnessing -- and you're right we called it out in the last earnings call we did back in very early May. Frankly, what we're witnessing is really not surprising and it's really more so focused towards what I would categorize as the budget-conscious leisure consumer.

When we did our operating plans back at the end of the year for this year for 2024 and then we shared with you how back in January at the Investor Day, the anticipation was that we were going to see like three potentially rate cuts this year, inflation easing and it's been slower. And so what I think we're witnessing quite frankly is really not surprising and it's stuff that some of the older members of our team that have been around some time we've seen this sort of issue before.

And the budget-conscious leisure consumer will absolutely recover whether it's towards the end of this year or next year it will happen as interest rates decline, mortgage rates decline, and the consumer feels a little bit better off. It's a weird phenomenon, because what occurred last year and the year before was this massive desire to get out and spend money and not live in a basement post-COVID that the world hasn't experienced in 100 years.

So from my perspective this is absolutely nothing to panic about. We are not seeing sequential month-over-month declines here. Patrick do you want to talk about that and how we're thinking about the back end of this year, because our customized leisure programming has been successful. Look this is not the first year we've done it, we've been doing this for 15 years. And we've been doing it in periods where we weren't witnessing all-time highs in the stock market, home prices being extraordinarily having grown -- having accreted extraordinarily over the last two to three years.

The affluent leisure consumer is feeling very affluent. And so I think our view of the back end of this year is based upon good history and I think we're feeling good about it. Patrick?

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

Yeah. Hey, Shaun this is Patrick. Just to build on what Colin has already said and to kind of put a fine point on some of your questions, we saw it primarily in Gaylord Palms and in the Orlando market and you heard us talk about it as we went through the back half of last year. And then again to your point we've been talking about it through the first half of this year.

So primarily in the Orlando market and we have seen it on the lower end from an economic perspective. We also then signaled that we're starting to see it occur somewhat in Nashville to a lesser extent. But as it accelerated a bit as we went through the summer, we're confident that we're coming to the end of the summer and some of the transient demand that has been softer is kind of coming to an end as we shift back over to much more group heavy mix going to the back end of Q3 and into Q4.

But to your question how do we think about Q4 especially the 45 days between the middle of November and the end of December, we've done a lot of research just here recently to make sure that we understand how that guest will perform. Historically our Q4 holiday guest can buck the system, buck the trends that you see overall through the year. To Colin's point a moment ago they do spend more outside the room. So it's a little bit less of a budget-conscious type guest. They are coming for the very unique programming that we create at our hotels that is very different from anything else that's really out there in the market. And they spend a lot more time planning for it. And so there seems to be a much greater loyalty.

So between the uniqueness of our programming the loyalty that we see from those guests and the higher outside-the-room spend, which indicates they're not the budget-conscious consumer, we believe that there is a reason to believe that our fourth quarter could come together nicely despite some of the transient softness that we've seen. But we will continue to watch that very carefully and signal if we see something different. But for now we feel cautiously optimistic.

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

Not to beat a dead horse here but just -- the one thing I would say is that Shaun what we've tried to do with our guidance range here is to consider a wider range of outcomes in the fourth quarter. While -- to Patrick's point while we look historically at how transients performed during that holiday period we have tried to consider a little more downside risk in the fourth quarter as part of this revised guidance.

The other thing I would say is that keep in mind that in our business a point of same-store RevPAR is a little less than $7 million of rooms revenue. So when you think about the reduction, it's not a tremendous amount of revenue. Obviously, we focus on total revenue and profitability just given our model.

So that's -- we're really looking at total spend and total revenue. And when you look at the midpoint of our same-store guidance for the rest of the year, we've got really nice growth in profitability. I think the midpoint EBITDAre is up about 7% over the back half of 2023. At the midpoint, it's about 80 points of margin expansion.

So while we've taken that RevPAR number down, when you look at how our business is performing, I think it just speaks to the operating model, the strength that we're seeing in group. And frankly, the job that Patrick and his team have done on the asset management side to get in front of these trends early, make sure we're managing costs, make sure that we're hitting our profitability targets at each of our hotels.

Operator

Dori Kesten, Wells Fargo.

Dori Kesten - *Wells Fargo - Analyst*

Patrick, just on the end of that last question, when are the majority of ICE! reservations made?

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

I'm sorry, the majority of what?

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

Booking we've done for ICE! and holiday growth.

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

Yeah. So it's primarily a 30- to 90-day window. Once we get to essentially the first week of December, we have a pretty good idea of how everything is going to come together because you do get quite a bit of ICE! bookings just in the last 30 days going into December. So we'll be watching it and trying to respond as best possible. But we have a greater number of group room nights on the books for December than we had last year. So that positions us a little bit better where we don't need quite as many of the transient bookings. But we'll be watching that 30-, 90-day window pretty closely.

Dori Kesten - *Wells Fargo - Analyst*

When do we launch, Patrick? When are we going to be launching that whole Christmas program?

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

So we went ahead and started the bookings process in July. We always announce the Christmas offerings in July. And we had a really strong number of impressions and responses to the marketing materials and collateral that we put out, which is always a great sign. We will essentially open ICE! and the holiday programming in the November 18 type time window, so just before Thanksgiving. But once we get past Thanksgiving, we get a much better feel for how it's going to come together.

Dori Kesten - *Wells Fargo - Analyst*

Okay. And just on the leads pipeline. How much of the pipeline today is for meetings in 2025?

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

Yeah, I can give you the leads for 2025. Give me just one second, Dori.

Dori Kesten - *Wells Fargo - Analyst*

Sure. I guess, what I'm trying to build-up here is like based on what's in the pipeline and then expected conversions, do you think the 3% group revenue pace for 2025, can it go up to 4% just with bookings that come online? I know it went from last quarter to 2% to 3% now.

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

Yes. To your point, we made some progress against where we stood at the end of the last quarter. Let me answer your first question and then I'll go to the second. So if you just look at the second quarter, we had about 4.3 million leads came into the system for T+1 or 2025. That was an improvement over where we stood same time last year for the second quarter.

So we -- what we just discussed, we made some progress against 2025 over the past three months. Leads continue to improve for 2025. But one of the things that we're taking into consideration is if you look at 2025 and 2026, 2025 is up about 3% in revenue, as you already mentioned.

And then 2026 is in really, really good shape. So what's happening there is you have a lot of group guests who are looking at Opryland and saying, okay, in 2026, that new sports bar will be open and a lot of these renovations, roughly 30% of the hotel will be brand new. I really want to get into that hotel as soon as I can after those renovations. So we feel good about where 2025 is. Could it improve? Potentially. But we feel really great about where it's heading for 2026 as folks say, hey, I'm excited about getting into Opryland post renovation.

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

Just one other point on leads that I would mention is that in the second quarter we had a terrific bookings quarter, when you look at what we booked for all future years. Despite that, when you look at where our lead volumes are currently, they're essentially flat with where we finished the first quarter. So that we didn't deplete our lead volume. Those leads continue to refill.

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

That bucket is still very full. I mean I give a shout out to our sales team they've done a phenomenal job coming off of a historic Q4, filling that funnel back up quickly, looking at a tremendous second quarter, and third quarter looks good as well and fourth quarter is always very good. So our sales team is just doing a phenomenal job.

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

This is the thing that I think the more savvy investor in our company really focuses on which is the underlying strength of corporate America today. When you look at profits for a large part of the economy of this country the organizations are in really, really good shape. And that is why they're willing to book. I mean to book the amount of room nights we book about 750,000 room nights in the second quarter at an all-time high rate for us is extraordinary. That's what really is important in our business.

Operator

Patrick Scholes, Truist.

Patrick Scholes - *Truist - Analyst*

Hi, good morning, everyone. On Marriott Corporation's earnings call they had called out some choppiness or weakness for the week around the election and then also somewhat surprisingly the following week. I'm wondering if you're seeing sort of similar choppiness around that? Thank you.

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

Hey, Patrick, this is Patrick. We are not seeing any kind of choppiness. If you look at room nights on the books, there's no discernible difference. As we get into the election closer to the election there may be a little bit of impact as far as in-the-year-for-the-year bookings, but we've for the most part have really booked everything just about that is going to get booked for this year. We just have a very small amount of group reach remaining. So I just really don't think that we're going to see much of an impact either from Jewish holidays or from the election process.

Operator

Smedes Rose, Citi.

Smedes Rose - *Citi - Analyst*

Hi, thanks. Colin I just wanted to follow-up on your comments there about corporate profits being so strong and you obviously, saw this really impressive surge in group bookings. Just wondering are you seeing any kind of change in the composition of group bookings or maybe certain sectors kind of coming back to book meetings that maybe hadn't been there before? Just anything along those lines be of interest?

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

Yes that's a really good question. Candidly, that's how Patrick and his team, they think about it. And we spend a lot of time, he spends a lot of time, Patrick and the team spend a lot of time focusing our sales team on the segments that we think have the greatest short-term, mid-term potential. Pat do you want to talk about that a little bit?

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

Yes. Hey, Smedes, this is Patrick. What we've been talking about you've heard us talk about for the past I don't know 18 months is the resurgence in corporate interest and the amount of demand that we've seen from corporate leads. And if you look at our room nights on the books for 2024, you see a tremendous increase in corporate mix. And we continue to see that in the lead volumes booking out.

With us continuing to invest in the value proposition with all of these investments into the hotels, we're making it easier for folks to sign-up and sign-up at higher rates because we are improving the value proposition. And so we're taking advantage of that corporate mix increase both in leads and on the books and really trying to take advantage of it to drive higher revenue as a result.

Within corporate, we've been watching the growth within our portfolio of West Coast tech, as we get more exposure from a geographic distribution perspective, as well as the sales deployment just continues to do a great job in going after some of that West Coast tech. So we're very encouraged from what we see from the corporate sector and think it is going to drive long-term growth for us.

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

Let me just add one other thing if I may. We have been very assertive with our manager about recruiting more high quality salespeople dedicated to the corporate segment, the multi-year segment of our business. And the reason for it is that we have a fundamental belief. When we see lead volumes increasing, we see the state of the market being pretty good, pretty solid from a corporate profit perspective. We believe there's a really strong return on investment for increasing the amount of people that we have dedicated in each hotel to bring more sales business into our company and we have done that. And Patrick, how many additional salespeople over the last 12 months have we recruited into our organization?

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

Specifically, the past 12, I'm not sure, but we've brought about 10 to 12 just in recent months whether it'd be 12 to 18 months. So we continue to make that investment and see the benefits of that.

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

So Smedes, it's not just a belief, we're putting real investment behind this because we think it is over time something that's going to pay huge dividends for our company.

Operator

Jay Kornreich, Wedbush Securities.

Jay Kornreich - *Wedbush Securities - Analyst*

Hey good morning. Going back to guidance despite lowering RevPAR, you mentioned a better than initially expected group demand in the second half of the year to largely offset the leisure transient slowdown. So can you just maybe break that out further as to how much better group demand is versus initial expectation versus a deceleration on the leisure side? And is the benefit to group coming most in the out-of-room spend or also on room revenue?

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

So just to clarify, I want to make sure that we're clear. We've taken our guidance down to take into account what's happened on the transient side. And I wouldn't say that group is offsetting it. What we did see in the second quarter was that the group's catering spend outside the room definitely helped mitigate and offset it somewhat but it's not completely taking care of that. But yes, we continue to see when groups get on site, they perform better from a catering perspective and outside the room spend.

And as we look through to the second half of this year, we have an increase in the number of room nights on the books and on revenue on the books. And with that catering behavior continuing forward, which we see no signs of it slowing down, we are encouraged at how strong the group business is despite some of the transient softness that we've seen.

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

So Jay to kind of parse it a little bit, the RevPAR guidance decrease relative to our previous guidance, think about that in terms of transient softness. And everything Patrick is talking about in terms of additional outside the room spend is allowing us to mitigate that from a total RevPAR standpoint driving that additional incremental outside the room from group and from leisure guests that are traveling on to our properties as well. And then even further mitigating that if you layer on top operating discipline to then be able to hold the operating adjusted EBITDA guidance consistent with our previous guidance.

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

Yes. And I would just like to give a shout out to the operating teams at our hotels. We identified in early January that we felt that the trends on transient were going to continue and we started challenging them to get very, very disciplined to Jennifer's point of view just a moment ago. And they responded very, very well which is why you see our EBITDA continuing to perform very strongly in our guidance actually improving.

Jay Kornreich - *Wedbush Securities - Analyst*

Okay. Great. Thanks for the clarification. Thank you.

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

One more question I think.

Operator

Actually Mr. Reed, we have no further questions at this time. So I'd like to turn the call back.

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

Okay, excellent. Okay. Well we'd like to thank those that have been on the call this morning. Just to summarize our company, we're very proud of the results that we've announced this morning and we're very excited about the back end of this year and into '25. And if you have any more questions you know how to get hold of our IR team or Mark or Jennifer and thank you very much indeed for being on the call.

Operator

Thank you, Mr. Reed. Ladies and gentlemen again, that will conclude our conference for this morning. We'd like to thank you all so much for joining us and wish you all a great day. Good bye.