UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One) ☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-36243

Hilton Worldwide Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-4384691**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
7930 Jones Branch Drive, Suite 1100, McLean, VA	**22102**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (703) 883-1000

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	HLT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock, par value $0.01 per share, as of October 20, 2021 was 278,721,682.

HILTON WORLDWIDE HOLDINGS INC.
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

HILTON WORLDWIDE HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	September 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,288	$ 3,218
Restricted cash and cash equivalents	99	45
Accounts receivable, net of allowance for credit losses of $130 and $132	1,012	771
Prepaid expenses	124	70
Other	171	98
Total current assets (variable interest entities – $31 and $53)	2,694	4,202
Intangibles and Other Assets:		
Goodwill	5,078	5,095
Brands	4,890	4,904
Management and franchise contracts, net	730	653
Other intangible assets, net	208	266
Operating lease right-of-use assets	719	772
Property and equipment, net	303	346
Deferred income tax assets	244	194
Other	448	323
Total intangibles and other assets (variable interest entities – $181 and $199)	12,620	12,553
TOTAL ASSETS	$ 15,314	$ 16,755
LIABILITIES AND EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable, accrued expenses and other	$ 1,433	$ 1,302
Current maturities of long-term debt	54	56
Current portion of deferred revenues	298	370
Current portion of liability for guest loyalty program	837	703
Total current liabilities (variable interest entities – $52 and $57)	2,622	2,431
Long-term debt	8,713	10,431
Operating lease liabilities	899	971
Deferred revenues	790	1,004
Deferred income tax liabilities	718	649
Liability for guest loyalty program	1,739	1,766
Other	961	989
Total liabilities (variable interest entities – $217 and $248)	16,442	18,241
Commitments and contingencies – see Note 12		
Equity (Deficit):		
Preferred stock, $0.01 par value; 3,000,000,000 authorized shares, none issued or outstanding as of September 30, 2021 and December 31, 2020	—	—
Common stock, $0.01 par value; 10,000,000,000 authorized shares, 331,639,032 issued and 278,718,682 outstanding as of September 30, 2021 and 330,511,254 issued and 277,590,904 outstanding as of December 31, 2020	3	3
Treasury stock, at cost; 52,920,350 shares as of September 30, 2021 and December 31, 2020	(4,447)	(4,453)
Additional paid-in capital	10,654	10,552
Accumulated deficit	(6,469)	(6,732)
Accumulated other comprehensive loss	(869)	(860)
Total Hilton stockholders' deficit	(1,128)	(1,490)
Noncontrolling interests	—	4
Total deficit	(1,128)	(1,486)
TOTAL LIABILITIES AND EQUITY (DEFICIT)	$ 15,314	$ 16,755

See notes to condensed consolidated financial statements.

HILTON WORLDWIDE HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Revenues				
Franchise and licensing fees	$ 451	$ 241	$ 1,062	$ 712
Base and other management fees	49	24	116	92
Incentive management fees	26	7	60	25
Owned and leased hotels	199	94	376	335
Other revenues	18	19	56	52
	743	385	1,670	1,216
Other revenues from managed and franchised properties	1,006	548	2,282	2,201
Total revenues	1,749	933	3,952	3,417
Expenses				
Owned and leased hotels	200	144	452	478
Depreciation and amortization	46	90	143	269
General and administrative	107	66	302	189
Reorganization costs	—	—	—	38
Impairment losses	—	9	—	136
Other expenses	12	21	31	48
	365	330	928	1,158
Other expenses from managed and franchised properties	944	592	2,339	2,482
Total expenses	1,309	922	3,267	3,640
Loss on sale of assets, net	(8)	—	(8)	—
Operating income (loss)	432	11	677	(223)
Interest expense	(98)	(116)	(302)	(316)
Gain (loss) on foreign currency transactions	—	(12)	1	(16)
Loss on debt extinguishment	—	—	(69)	—
Other non-operating income (loss), net	6	3	16	(20)
Income (loss) before income taxes	340	(114)	323	(575)
Income tax benefit (expense)	(100)	33	(64)	80
Net income (loss)	240	(81)	259	(495)
Net loss attributable to noncontrolling interests	1	2	4	4
Net income (loss) attributable to Hilton stockholders	$ 241	$ (79)	$ 263	$ (491)
Earnings (loss) per share:				
Basic	$ 0.86	$ (0.29)	$ 0.94	$ (1.77)
Diluted	$ 0.86	$ (0.29)	$ 0.94	$ (1.77)
Cash dividends declared per share	$ —	$ —	$ —	$ 0.15

See notes to condensed consolidated financial statements.

HILTON WORLDWIDE HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net income (loss)	$ 240	$ (81)	$ 259	$ (495)
Other comprehensive income (loss), net of tax benefit (expense):				
Currency translation adjustment, net of tax of $(2), $(11), $(4) and $(2)	(5)	25	(26)	21
Pension liability adjustment, net of tax of $(1), $(1), $(2) and $(2)	2	2	6	5
Cash flow hedge adjustment, net of tax of $—, $(1), $(4) and $13	—	1	11	(39)
Total other comprehensive income (loss)	(3)	28	(9)	(13)
Comprehensive income (loss)	237	(53)	250	(508)
Comprehensive loss attributable to noncontrolling interests	1	2	4	4
Comprehensive income (loss) attributable to Hilton stockholders	$ 238	$ (51)	$ 254	$ (504)

See notes to condensed consolidated financial statements.

HILTON WORLDWIDE HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Nine Months Ended September 30,	
	2021	**2020**
Operating Activities:		
Net income (loss)	$ 259	$ (495)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Amortization of contract acquisition costs	23	22
Depreciation and amortization	143	269
Impairment losses	—	136
Loss (gain) on foreign currency transactions	(1)	16
Share-based compensation expense	144	37
Deferred income taxes	6	(142)
Contract acquisition costs	(160)	(37)
Change in deferred revenues	(286)	496
Change in liability for guest loyalty program	107	413
Working capital changes and other	(257)	131
Net cash provided by (used in) operating activities	(22)	846
Investing Activities:		
Capital expenditures for property and equipment	(17)	(38)
Capitalized software costs	(28)	(38)
Other	11	(13)
Net cash used in investing activities	(34)	(89)
Financing Activities:		
Borrowings	1,505	2,690
Repayment of debt	(3,221)	(214)
Debt issuance costs and redemption premium	(76)	(14)
Dividends paid	—	(42)
Repurchases of common stock	—	(296)
Share-based compensation tax withholdings and other	(22)	(36)
Other	—	(1)
Net cash provided by (used in) financing activities	(1,814)	2,087
Effect of exchange rate changes on cash, restricted cash and cash equivalents	(6)	(6)
Net increase (decrease) in cash, restricted cash and cash equivalents	(1,876)	2,838
Cash, restricted cash and cash equivalents, beginning of period	3,263	630
Cash, restricted cash and cash equivalents, end of period	$ 1,387	$ 3,468
Supplemental Disclosures:		
Cash paid during the period:		
Interest	$ 254	$ 276
Income taxes, net of refunds	79	67

See notes to condensed consolidated financial statements.

Note 1: Organization and Basis of Presentation

Organization

Hilton Worldwide Holdings Inc. (the "Parent," or together with its subsidiaries, "Hilton," "we," "us," "our" or the "Company"), a Delaware corporation, is one of the largest hospitality companies in the world and is engaged in managing, franchising, owning and leasing hotels and resorts, and licensing its brands and intellectual property ("IP"). As of September 30, 2021, we managed, franchised, owned or leased 6,758 hotels and resorts, including timeshare properties, totaling 1,061,686 rooms in 122 countries and territories.

Basis of Presentation

The accompanying condensed consolidated financial statements for the three and nine months ended September 30, 2021 and 2020 have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") and are unaudited. We have condensed or omitted certain disclosures normally included in annual financial statements presented in accordance with GAAP but that are not required for interim reporting purposes. Although we believe the disclosures made are adequate to prevent the information presented from being misleading, these financial statements should be read in conjunction with the consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and, accordingly, ultimate results could differ from those estimates. Additionally, interim results are not necessarily indicative of full year performance. In particular, the novel coronavirus ("COVID-19") pandemic had a material adverse impact on our results for the three and nine months ended September 30, 2021 and 2020 when compared to periods prior to the onset of the pandemic in early 2020. As such, this interim period, as well as upcoming periods, are unlikely to be comparable to periods prior to the onset of the pandemic or to other periods affected by the pandemic, and are not indicative of future performance. In our opinion, the accompanying condensed consolidated financial statements reflect all adjustments, including normal recurring items, considered necessary for a fair presentation of the interim periods. All material intercompany transactions have been eliminated in consolidation.

Note 2: Revenues from Contracts with Customers

Contract Liabilities

The following table summarizes the activity of our contract liabilities, which are classified as components of current and long-term deferred revenues, during the nine months ended September 30, 2021:

	(in millions)
Balance as of December 31, 2020	$ 1,312
Cash received in advance and not recognized as revenue	99
Revenue recognized[1]	(284)
Other[2]	(81)
Balance as of September 30, 2021	$ 1,046

(1) Includes $245 million related to Hilton Honors, our guest loyalty program. Revenue recognized during the three months ended September 30, 2021 was $170 million, including $34 million for performance obligations that were satisfied in prior periods as a result of a change to the estimated breakage of Hilton Honors points for which point expirations have been temporarily suspended. During the three and nine months ended September 30, 2020, revenue recognized was $54 million and $164 million, respectively.

(2) Primarily represents changes in estimated transaction prices for our performance obligations related to points issued under Hilton Honors, which had no effect on revenues.

Hilton Honors Points Pre-Sale

In April 2020, we pre-sold Hilton Honors points to American Express for $1.0 billion in cash (the "Honors Points Pre-Sale"). American Express and their respective designees may use the points in connection with Hilton Honors co-branded credit

cards and for promotions, rewards and incentive programs or certain other activities that they may establish or engage in from time to time. Upon receipt of the cash, we recognized $636 million in deferred revenues and the remainder in liability for guest loyalty program; see below for additional information on the revenue recognition of the related deferred revenues.

Performance Obligations

As of September 30, 2021, we had deferred revenues for unsatisfied performance obligations consisting of: (i) $188 million related to Hilton Honors that will be recognized as revenue when the points are redeemed, which we estimate will occur over approximately the next two years; (ii) $236 million related to co-branded credit card arrangements, primarily from the Honors Points Pre-Sale, of which a portion will be recognized as revenue when points are awarded with the remaining portion recognized as revenue when the points are redeemed; and (iii) $622 million related to application, initiation and other fees that is expected to be recognized as revenue over the terms of the related contracts.

Note 3: Consolidated Variable Interest Entities

As of September 30, 2021 and December 31, 2020, we consolidated two variable interest entities ("VIEs") that each lease a hotel property. We consolidated these VIEs since we are the primary beneficiary, having the power to direct the activities that most significantly affect their economic performance. Additionally, we have the obligation to absorb losses and the right to receive benefits that could be significant to each of the VIEs individually. The assets of our consolidated VIEs are only available to settle the obligations of the respective entities, and the liabilities of the consolidated VIEs are non-recourse to us.

Our condensed consolidated balance sheets include the assets and liabilities of these entities, which primarily comprised the following:

	September 30, 2021	December 31, 2020
	(in millions)	
Cash and cash equivalents	$ 17	$ 4
Property and equipment, net	63	7
Deferred income tax assets	57	5
Other non-current assets	61	6
Accounts payable, accrued expenses and other	18	2
Long-term debt[1]	181	20
Other long-term liabilities	17	1

[1] Includes finance lease liabilities of $159 million and $184 million as of September 30, 2021 and December 31, 2020, respectively. As of September 30, 2021, the VIEs had revolving credit facilities with borrowing capacities totaling 4.5 billion Japanese yen (equivalent to $40 million), with 500 million Japanese yen (equivalent to $5 million) drawn under these facilities, resulting in an available borrowing capacity totaling 4.0 billion Japanese yen (equivalent to $35 million). There were no amounts drawn under these facilities as of December 31, 2020. See Note 5: "Debt" for additional information.

Note 4: Finite-Lived Intangible Assets

Our finite-lived intangible assets consist of management and franchise contracts and other intangible assets. Management and franchise contracts, net were as follows:

	September 30, 2021		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(in millions)		
Management contracts recorded at Merger[1]	$ 311	$ (271)	$ 40
Contract acquisition costs	741	(163)	578
Development commissions and other	138	(26)	112
	$ 1,190	$ (460)	$ 730

	December 31, 2020		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(in millions)		
Management contracts recorded at Merger[1]	$ 317	$ (261)	$ 56
Contract acquisition costs[2]	632	(144)	488
Development commissions and other	132	(23)	109
	$ 1,081	$ (428)	$ 653

(1) Represents intangible assets that were initially recorded at their fair value as part of the October 2007 transaction whereby we became a wholly owned subsidiary of affiliates of Blackstone Inc. (the "Merger").
(2) During the three and nine months ended September 30, 2020, we recognized $6 million and $15 million, respectively, of impairment losses related to our contract acquisition costs included in our condensed consolidated statements of operations.

Amortization of our finite-lived intangible assets was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions)			
Recognized in depreciation and amortization expense[1]	$ 32	$ 76	$ 103	$ 227
Recognized as a reduction of franchise and licensing fees and base and other management fees	9	7	23	22

(1) Includes amortization expense of $11 million and $47 million for the three months ended September 30, 2021 and 2020, respectively, and $35 million and $143 million for the nine months ended September 30, 2021 and 2020, respectively, associated with assets that were initially recorded at their fair value at the time of the Merger, some of which fully amortized during 2020.

Note 5: Debt

Long-term debt balances, including obligations for finance leases, and associated interest rates and maturities as of September 30, 2021, were as follows:

	September 30, 2021	December 31, 2020
	(in millions)	
Senior secured revolving credit facility, due 2024	$ —	$ 1,690
Senior secured term loan facility with a rate of 1.84%, due 2026	2,619	2,619
Senior notes with a rate of 5.375%, due 2025	500	500
Senior notes with a rate of 5.125%, due 2026	—	1,500
Senior notes with a rate of 4.875%, due 2027	600	600
Senior notes with a rate of 5.750%, due 2028	500	500
Senior notes with a rate of 3.750%, due 2029	800	800
Senior notes with a rate of 4.875%, due 2030	1,000	1,000
Senior notes with a rate of 4.000%, due 2031	1,100	1,100
Senior notes with a rate of 3.625%, due 2032	1,500	—
Finance lease liabilities with a weighted average rate of 5.89%, due 2021 to 2030	216	252
Other debt of consolidated VIEs with a weighted average rate of 2.69%, due 2022 and 2026	22	19
	8,857	10,580
Less: unamortized deferred financing costs and discount	(90)	(93)
Less: current maturities of long-term debt[1]	(54)	(56)
	$ 8,713	$ 10,431

(1) Represents current maturities of finance lease liabilities and, as of September 30, 2021, the outstanding borrowings under the revolving credit facility of a consolidated VIE.

Our senior secured credit facilities consist of a $1.75 billion senior secured revolving credit facility (the "Revolving Credit Facility") and a senior secured term loan facility (the "Term Loan"). The obligations of our senior secured credit facilities are unconditionally and irrevocably guaranteed by the Parent and substantially all of its direct and indirect wholly owned domestic restricted subsidiaries. During the nine months ended September 30, 2021, we fully repaid the $1,690 million outstanding debt balance on the Revolving Credit Facility. As of September 30, 2021, we had $60 million of letters of credit outstanding on the Revolving Credit Facility, resulting in an available borrowing capacity of $1,690 million.

In February 2021, we issued $1.5 billion aggregate principal amount of 3.625% Senior Notes due 2032 (the "2032 Senior Notes") and incurred $21 million of debt issuance costs. Interest on the 2032 Senior Notes is payable semi-annually in arrears on February 15 and August 15 of each year, beginning August 15, 2021. We used the net proceeds from the issuance, together with available cash, to redeem all $1.5 billion in aggregate principal amount of our outstanding 5.125% Senior Notes due 2026 (the "2026 Senior Notes"), plus accrued and unpaid interest. In connection with the redemption, we paid a redemption premium of $55 million and accelerated the recognition of the unamortized deferred financing costs related to the 2026 Senior Notes of $14 million, which were both included in loss on debt extinguishment in our condensed consolidated statement of operations for the nine months ended September 30, 2021.

In August 2021, one of our consolidated VIEs borrowed 500 million Japanese yen (equivalent to $5 million as of September 30, 2021) on its revolving credit facility, which has a maturity date of June 2022. See Note 3: "Consolidated Variable Interest Entities" for additional information.

The 5.375% Senior Notes due 2025 (the "2025 Senior Notes"), the 4.875% Senior Notes due 2027, the 5.750% Senior Notes due 2028 (the "2028 Senior Notes"), the 3.750% Senior Notes due 2029, the 4.875% Senior Notes due 2030, the 4.000% Senior Notes due 2031 and the 2032 Senior Notes are collectively referred to as the Senior Notes and are jointly and severally guaranteed on a senior unsecured basis by the Parent and substantially all of its direct and indirect wholly owned domestic restricted subsidiaries, other than Hilton Domestic Operating Company Inc. ("HOC"), an indirect wholly owned subsidiary of the Parent and the issuer of all of the series of Senior Notes.

Note 6: Fair Value Measurements

The fair values of certain financial instruments and the hierarchy level we used to estimate the fair values are shown below:

	September 30, 2021			
		Hierarchy Level		
	Carrying Value	Level 1	Level 2	Level 3
	(in millions)			
Assets:				
Cash equivalents	$ 624	$ —	$ 624	$ —
Liabilities:				
Long-term debt[1]	8,529	6,171	—	2,601
Interest rate swaps	66	—	66	—

	December 31, 2020			
		Hierarchy Level		
	Carrying Value	Level 1	Level 2	Level 3
	(in millions)			
Assets:				
Cash equivalents	$ 2,270	$ —	$ 2,270	$ —
Liabilities:				
Long-term debt[1]	10,216	6,366	—	4,293
Interest rate swaps	82	—	82	—

(1) The carrying values include unamortized deferred financing costs and discount. The carrying values and fair values exclude finance lease liabilities and other debt of consolidated VIEs.

We measure our interest rate swaps at fair value, which was determined using a discounted cash flow analysis that reflects the contractual terms of the interest rate swaps, including the period to maturity, and uses observable market-based inputs of similar instruments, including interest rate curves, as applicable. Our interest rate swaps are included in other long-term liabilities in our condensed consolidated balance sheets.

The fair values of financial instruments not included in these tables are estimated to be equal to their carrying values as of September 30, 2021 and December 31, 2020.

Note 7: Income Taxes

The Company's income tax provision for interim reporting periods has historically been calculated by applying an estimate of the annual effective income tax rate for the full year to "ordinary" income (loss) for the interim reporting period, which is calculated as pre-tax income (loss) excluding unusual and infrequently occurring discrete items. For the nine months ended September 30, 2021, we calculated the income tax provision using a discrete effective income tax rate method as if the interim year to date period was an annual period. We determined that since normal changes in estimated "ordinary" income (loss) would result in disproportionate changes in the estimated annual effective income tax rate, the Company's historical method of calculating its income tax provision for interim reporting periods would not provide a reliable estimate for the nine months ended September 30, 2021.

In June 2021, the United Kingdom's ("U.K.") Finance Act 2021 (the "U.K. Finance Act") was enacted, which included, among other items, an increase to the U.K. corporate income tax rate from 19 percent to 25 percent. We remeasured our U.K. deferred tax assets and other tax liabilities to the new rate, resulting in a $30 million tax benefit recognized during the nine months ended September 30, 2021. Due to this remeasurement, our effective income tax rate on consolidated pre-tax income is lower than the combined U.S. statutory rate for the nine months ended September 30, 2021.

We file income tax returns, including returns for our subsidiaries, with federal, state, local and foreign tax jurisdictions. We are under regular and recurring audit by the Internal Revenue Service ("IRS") and other taxing authorities on open tax positions. The timing of the resolution of tax audits is highly uncertain, as are the amounts, if any, that may ultimately be paid upon such resolution. Changes may result from the conclusion of ongoing audits, appeals or litigation in federal, state, local and foreign tax jurisdictions or from the resolution of various proceedings between the U.S. and foreign tax authorities. As of September 30, 2021, we remain subject to federal and state examinations of our income tax returns for tax years from 2005 through 2020 and foreign examinations of our income tax returns for tax years from 1996 through 2020.

Our total unrecognized tax benefits as of September 30, 2021 and December 31, 2020 were $438 million and $451 million, respectively. As of September 30, 2021 and December 31, 2020, we had accrued approximately $71 million and $65 million, respectively, for interest and penalties related to these unrecognized tax benefits. Included in the balances of unrecognized tax benefits as of September 30, 2021 and December 31, 2020 were $401 million and $400 million, respectively, associated with positions that, if favorably resolved, would provide a benefit to our effective income tax rate.

In prior periods, we received 30-day Letters from the IRS and the Revenue Agents Reports ("RARs") for the 2006 through the 2013 tax years. We disagreed with several of the proposed adjustments in the RARs for those respective years and filed formal appeals protests with the IRS. The unsettled proposed adjustments sought by the IRS for these open audit periods would result in additional U.S. federal taxes owed of approximately $817 million, excluding interest and penalties and potential state income taxes. We disagree with the IRS's position on each of their assertions and are vigorously contesting them. However, based on continuing appeals process discussions with the IRS, we believe that it is more likely than not that we will not recognize the full benefit related to certain of the issues being appealed. Accordingly, as of September 30, 2021, we had recorded $86 million of unrecognized tax benefits related to these issues.

Note 8: Share-Based Compensation

Under the Hilton 2017 Omnibus Incentive Plan (the "2017 Plan"), we award time-vesting restricted stock units ("RSUs"), nonqualified stock options ("options") and performance-vesting RSUs ("performance shares") to our eligible employees. We recognized share-based compensation expense of $52 million and $25 million during the three months ended September 30, 2021 and 2020, respectively, and $144 million and $37 million during the nine months ended September 30, 2021 and 2020, respectively, which included amounts reimbursed by hotel owners. The expenses recognized during the three and nine months ended September 30, 2020 were net of the reversal of expenses recognized in prior periods as a result of the determination that the performance conditions of the performance shares that were originally awarded in 2018, 2019 and 2020 were no longer probable of achievement. Refer to "Performance Shares" below for additional information.

As of September 30, 2021, unrecognized compensation costs for unvested awards under the 2017 Plan were approximately $157 million, which are expected to be recognized over a weighted-average period of 1.7 years on a straight-line basis.

RSUs

During the nine months ended September 30, 2021, we granted 587,000 RSUs with a weighted average grant date fair value per share of $123.09, which vest in equal annual installments over two or three years from the date of grant.

Options

During the nine months ended September 30, 2021, we granted 361,000 options with an exercise price per share of $123.13, which vest in equal annual installments over three years from the date of grant and terminate 10 years from the date of grant or earlier if the individual's service terminates under certain circumstances.

The grant date fair value per share of the options granted during the nine months ended September 30, 2021 was $41.15, which was determined using the Black-Scholes-Merton option-pricing model with the following assumptions:

Expected volatility[1]	33.13
Dividend yield[2]	—
Risk-free rate[3]	0.92
Expected term (in years)[4]	6.(

(1) Estimated using a blended approach of historical and implied volatility. Historical volatility is based on the historical movement of Hilton's stock price for a period that corresponds to the expected life of the option.
(2) We have historically paid regular quarterly cash dividends. However, in March 2020, we suspended the declaration and payment of dividends as part of certain proactive measures we took to secure our liquidity position in response to the COVID-19 pandemic, and, at the time of the grant, we could not estimate when the payment of dividends would resume.
(3) Based on the yields of U.S. Department of Treasury instruments with similar expected lives.
(4) Estimated using the average of the vesting periods and the contractual term of the options.

Performance Shares

In December 2020, we modified our performance shares that were originally awarded in 2018, 2019 and 2020 in response to the COVID-19 pandemic and its negative impact on the hospitality industry and, ultimately, the Company's performance. The modifications were structured to reward for results achieved prior to the COVID-19 pandemic, retain senior business leaders and incentivize for the recovery efforts by utilizing metrics most meaningful in assessing our performance during our recovery from the adverse impact of the pandemic. Under the terms of the modified awards, a portion of the outstanding performance shares granted in 2019 were modified to vest based on performance prior to the pandemic and continued service, and the remaining portion of those performance shares, as well as the shares granted in 2020, were converted to performance shares that will vest based on different performance measures from those under the original award agreements. The modified terms did not change the vesting schedules of the original awards, and, as such, the performance shares that were originally awarded in 2018 vested in December 2020.

During the nine months ended September 30, 2021, we granted 241,000 performance shares with a grant date fair value per share of $123.13. We recognize compensation expense based on the total number of performance shares that are expected to vest as determined by the performance measures' achievement factors, which are estimated each reporting period and range from zero percent to 200 percent, with 100 percent being the target. As of September 30, 2021, we determined that the performance measures for all of the outstanding performance shares were probable of achievement, with the applicable achievement factors estimated to be between the target and maximum achievement percentages.

Note 9: Earnings (Loss) Per Share

The following table presents the calculation of basic and diluted earnings (loss) per share ("EPS"):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions, except per share amounts)			
Basic EPS:				
Numerator:				
Net income (loss) attributable to Hilton stockholders	$ 241	$ (79)	$ 263	$ (49
Denominator:				
Weighted average shares outstanding	279	277	278	27
Basic EPS	$ 0.86	$ (0.29)	$ 0.94	$ (1.7
Diluted EPS:				
Numerator:				
Net income (loss) attributable to Hilton stockholders	$ 241	$ (79)	$ 263	$ (49
Denominator:				
Weighted average shares outstanding[1]	281	277	281	27
Diluted EPS[1]	$ 0.86	$ (0.29)	$ 0.94	$ (1.7

[1] Certain shares related to share-based compensation were excluded from the calculation of diluted EPS because their effect would have been anti-dilutive under the treasury stock method, including less than 1 million shares for both the three and nine months ended September 30, 2021, and, as revised, 3 million shares for both the three and nine months ended September 30, 2020. The dilutive shares related to share-based compensation included in the previously reported weighted average shares outstanding of 279 million for both the three and nine months ended September 30, 2020 were revised in the current period presentation, as the previously reported dilutive shares were determined to be anti-dilutive as a result of the net loss attributable to Hilton stockholders reported during those periods. The result of the revision is an immaterial decrease in the previously reported diluted EPS for the three and nine months ended September 30, 2020 of $0.01.

Note 10: Stockholders' Equity (Deficit) and Accumulated Other Comprehensive Loss

The following tables present the changes in the components of stockholders' equity (deficit):

	Three Months Ended September 30, 2021							
	Equity (Deficit) Attributable to Hilton Stockholders							
	Common Stock							
	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	(in millions)							
Balance as of June 30, 2021	279	$ 3	$ (4,447)	$ 10,603	$ (6,710)	$ (866)	$ 1	$ (1,416)
Net income (loss)	—	—	—	—	241	—	(1)	240
Other comprehensive loss	—	—	—	—	—	(3)	—	(3)
Share-based compensation	—	—	—	51	—	—	—	51
Balance as of September 30, 2021	279	$ 3	$ (4,447)	$ 10,654	$ (6,469)	$ (869)	$ —	$ (1,128)

	Three Months Ended September 30, 2020							
	Equity (Deficit) Attributable to Hilton Stockholders							
	Common Stock							
	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	(in millions)							
Balance as of June 30, 2020	277	$ 3	$ (4,457)	$ 10,465	$ (6,429)	$ (881)	$ 8	$ (1,291)
Net loss	—	—	—	—	(79)	—	(2)	(81)
Other comprehensive income	—	—	—	—	—	28	—	28
Share-based compensation	—	—	—	26	—	—	—	26
Distributions	—	—	—	—	—	—	(1)	(1)
Balance as of September 30, 2020	277	$ 3	$ (4,457)	$ 10,491	$ (6,508)	$ (853)	$ 5	$ (1,319)

	Nine Months Ended September 30, 2021							
	Equity (Deficit) Attributable to Hilton Stockholders							
	Common Stock							
	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	(in millions)							
Balance as of December 31, 2020	278	$ 3	$ (4,453)	$ 10,552	$ (6,732)	$ (860)	$ 4	$ (1,486)
Net income (loss)	—	—	—	—	263	—	(4)	259
Other comprehensive loss	—	—	—	—	—	(9)	—	(9)
Share-based compensation	1	—	6	102	—	—	—	108
Balance as of September 30, 2021	279	$ 3	$ (4,447)	$ 10,654	$ (6,469)	$ (869)	$ —	$ (1,128)

	Nine Months Ended September 30, 2020							
	Equity (Deficit) Attributable to Hilton Stockholders							
	Common Stock							
	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	(in millions)							
Balance as of December 31, 2019	279	$ 3	$ (4,169)	$ 10,489	$ (5,965)	$ (840)	$ 10	$ (472)
Net loss	—	—	—	—	(491)	—	(4)	(495)
Other comprehensive loss	—	—	—	—	—	(13)	—	(13)
Dividends[1]	—	—	—	—	(42)	—	—	(42)
Repurchases of common stock[1]	(3)	—	(279)	—	—	—	—	(279)
Share-based compensation	1	—	(9)	2	—	—	—	(7)
Distributions	—	—	—	—	—	—	(1)	(1)
Cumulative effect of the adoption of ASU 2016-13[2]	—	—	—	—	(10)	—	—	(10)
Balance as of September 30, 2020	277	$ 3	$ (4,457)	$ 10,491	$ (6,508)	$ (853)	$ 5	$ (1,319)

(1) In March 2020, we suspended share repurchases and the declaration of dividends.

(2) Relates to Accounting Standards Update No. 2016-13 ("ASU 2016-13"), *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, that was adopted on January 1, 2020.

The changes in the components of accumulated other comprehensive loss, net of taxes, were as follows:

	Currency Translation Adjustment[1]	Pension Liability Adjustment[2]	Cash Flow Hedge Adjustment[3]	Total
	(in millions)			
Balance as of December 31, 2020	$ (511)	$ (289)	$ (60)	$ (860)
Other comprehensive loss before reclassifications	(32)	(2)	(4)	(38)
Amounts reclassified from accumulated other comprehensive loss	6	8	15	29
Net current period other comprehensive income (loss)	(26)	6	11	(9)
Balance as of September 30, 2021	$ (537)	$ (283)	$ (49)	$ (869)

	Currency Translation Adjustment[1]	Pension Liability Adjustment[2]	Cash Flow Hedge Adjustment[3]	Total
	(in millions)			
Balance as of December 31, 2019	$ (549)	$ (269)	$ (22)	$ (840)
Other comprehensive income (loss) before reclassifications	16	(3)	(35)	(22)
Amounts reclassified from accumulated other comprehensive loss	5	8	(4)	9
Net current period other comprehensive income (loss)	21	5	(39)	(13)
Balance as of September 30, 2020	$ (528)	$ (264)	$ (61)	$ (853)

(1) Includes net investment hedge gains and intra-entity foreign currency transactions that are of a long-term investment nature. Amounts reclassified during the nine months ended September 30, 2021 and 2020 relate to the liquidation of investments in foreign entities and were recognized in loss on sale of assets, net and loss on foreign currency transactions, respectively, in our condensed consolidated statements of operations.

(2) Amounts reclassified related to the amortization of prior service cost (credit) and amortization of net loss and were recognized in other non-operating income (loss), net in our condensed consolidated statements of operations.

(3) Amounts reclassified are the result of hedging instruments, including: (a) interest rate swaps, inclusive of interest rate swaps that were dedesignated and subsequently settled, with related amounts recognized in interest expense in our condensed consolidated statements of operations and (b) forward contracts that hedge our foreign currency denominated fees, with related amounts recognized in franchise and licensing fees, base and other management fees and other revenues from managed and franchised properties in our condensed consolidated statements of operations.

Note 11: Business Segments

We are a hospitality company with operations organized in two distinct operating segments: (i) management and franchise and (ii) ownership. These segments are managed and reported separately because of their distinct economic characteristics.

The management and franchise segment includes all of the hotels we manage for third-party owners, as well as all franchised hotels that license our brands and where we provide other prescribed services, but where the day-to-day services of the hotels are operated or managed by someone other than us. This segment also earns licensing fees from Hilton Grand Vacations Inc. ("HGV") and strategic partnerships, including co-branded credit card arrangements, for the right to use certain Hilton marks and IP, as well as fees for managing properties in our ownership segment. As of September 30, 2021, this segment included 735 managed hotels and 5,905 franchised hotels consisting of 1,033,282 total rooms. As a result of the COVID-19 pandemic, during the nine months ended September 30, 2021 and 2020, the operations of certain hotels in our management and franchise segment were suspended for some period of time. As of September 30, 2021, all but 87 of these hotels were open.

As of September 30, 2021, our ownership segment included 59 properties totaling 19,056 rooms. The segment comprised 51 hotels that we leased, one hotel owned by a consolidated non-wholly owned entity, two hotels that were each leased by a consolidated VIE and five hotels owned or leased by unconsolidated affiliates. In March 2020, as a result of the COVID-19 pandemic, certain hotels in our ownership segment began suspending operations; however, as of September 30, 2021, with the exception of one hotel owned by an unconsolidated affiliate, which reopened in October 2021, all of the hotels in our ownership segment were open.

During 2020, we recognized impairment losses in our condensed consolidated statements of operations related to certain hotel properties in our ownership segment under operating and finance leases, which included $51 million of operating lease

right-of-use ("ROU") assets and $46 million of other intangible assets, net during the nine months ended September 30, 2020 and, during the three and nine months ended September 30, 2020, $3 million and $24 million of property and equipment, net, respectively, of which $2 million and $4 million related to finance lease ROU assets, respectively.

The performance of our operating segments is evaluated primarily on operating income (loss), without allocating amortization of contract acquisition costs, other revenues and other expenses from managed and franchised properties, other revenues, other expenses or general and administrative expenses.

The following table presents revenues for our reportable segments, reconciled to consolidated amounts:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions)			
Franchise and licensing fees	$ 455	$ 244	$ 1,072	$ 720
Base and other management fees[1]	57	30	135	108
Incentive management fees	26	7	60	25
Management and franchise	538	281	1,267	853
Ownership	199	94	376	335
Segment revenues	737	375	1,643	1,188
Amortization of contract acquisition costs	(9)	(7)	(23)	(22)
Other revenues	18	19	56	52
Direct reimbursements from managed and franchised properties[2]	446	244	998	1,185
Indirect reimbursements from managed and franchised properties[2]	560	304	1,284	1,016
Intersegment fees elimination[1]	(3)	(2)	(6)	(2)
Total revenues	$ 1,749	$ 933	$ 3,952	$ 3,417

(1) Includes management, royalty and IP fees charged to our ownership segment by our management and franchise segment, which were eliminated in our condensed consolidated statements of operations.
(2) Included in other revenues from managed and franchised properties in our condensed consolidated statements of operations.

The following table presents operating income (loss) for our reportable segments, reconciled to consolidated income (loss) before income taxes:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions)			
Management and franchise[1]	$ 538	$ 281	$ 1,267	$ 853
Ownership[1]	(4)	(52)	(82)	(145)
Segment operating income	534	229	1,185	708
Amortization of contract acquisition costs	(9)	(7)	(23)	(22)
Other revenues, less other expenses	6	(2)	25	4
Net other revenues (expenses) from managed and franchised properties	62	(44)	(57)	(281)
Depreciation and amortization expenses	(46)	(90)	(143)	(269)
General and administrative expenses	(107)	(66)	(302)	(189)
Reorganization costs	—	—	—	(38)
Impairment losses	—	(9)	—	(136)
Loss on sale of assets, net	(8)	—	(8)	—
Operating income (loss)	432	11	677	(223)
Interest expense	(98)	(116)	(302)	(316)
Gain (loss) on foreign currency transactions	—	(12)	1	(16)
Loss on debt extinguishment	—	—	(69)	—
Other non-operating income (loss), net	6	3	16	(20)
Income (loss) before income taxes	$ 340	$ (114)	$ 323	$ (575)

[1] Includes management, royalty and IP fees charged to our ownership segment by our management and franchise segment, which were eliminated in our condensed consolidated statements of operations.

Note 12: Commitments and Contingencies

We provide performance guarantees to certain owners of hotels that we operate under management contracts. Most of these guarantees do not require us to fund shortfalls, but allow for termination of the contract if specified operating performance levels are not achieved. However, in limited cases, we are obligated to fund performance shortfalls, creating variable interests in the ownership entities of the hotels, of which we are not the primary beneficiary. As of September 30, 2021, we had six performance guarantees, with expirations ranging from 2023 to 2043, and possible cash outlays totaling approximately $20 million. Our obligations under these guarantees in future periods are dependent on the operating performance level of the related hotel over the remaining term of the performance guarantee. We have included the impact of the COVID-19 pandemic on these hotels in our expectations of their future operating performance and, as of September 30, 2021 and December 31, 2020, we accrued current liabilities of $2 million and $7 million, respectively, for our performance guarantees. We may enter into new contracts containing performance guarantees in the future, which could increase our possible cash outlays.

As of September 30, 2021, we guaranteed a $10 million loan, which matures in 2023, for two hotels that we franchise. Additionally, we have an agreement with the owner of a hotel that we manage to finance capital expenditures at the hotel, contingent on certain criteria imposed on the owner. As of September 30, 2021, we had remaining possible cash outlays related to this agreement of approximately $10 million; however, we cannot currently estimate the timing of the payments or if they will be made at all, since we will not be obligated to fund such capital expenditures if certain terms of the agreement are not met.

In June 2021, Hilton provided two letters of credit totaling $26 million to the owner of a hotel that we will manage to satisfy debt service reserve requirements for their debt with a third party. Each letter of credit will expire at the earlier of the date at which it is fully drawn or 2031.

We receive fees from managed and franchised properties to operate our marketing, sales and brand programs on behalf of hotel owners, which are based on the underlying hotel's sales or usage. As a result of the adverse impact of the COVID-19 pandemic on our hotels' sales and, ultimately, the program fees we earn, our costs to operate these programs have outpaced the fees received, which, as of September 30, 2021, resulted in $13 million of amounts expended and recognized on behalf of these

programs exceeding the amounts collected. As of December 31, 2020, we had collected and recognized an aggregate of $5 million in excess of amounts expended, across all programs.

We are involved in various claims and lawsuits arising in the ordinary course of business, some of which include claims for substantial sums. While the ultimate results of claims and litigation cannot be predicted with certainty, we expect that the ultimate resolution of all pending or threatened claims and litigation as of September 30, 2021 will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements include, but are not limited to, statements related to our expectations regarding the impact of and recovery from the COVID-19 pandemic, the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties including, among others, risks inherent to the hospitality industry, macroeconomic factors beyond our control, such as challenges due to labor shortages and supply chain disruptions, risks related to the impact of the COVID-19 pandemic, including as a result of new strains and variants of the virus and uncertainty of acceptance of the COVID-19 vaccines and their effectiveness, competition for hotel guests and management and franchise contracts, risks related to doing business with third-party hotel owners, performance of our information technology systems, growth of reservation channels outside of our system, risks of doing business outside of the U.S. and our indebtedness. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include, but are not limited to, those described under "Part I—Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Quarterly Report on Form 10-Q. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

COVID-19 Pandemic

The COVID-19 pandemic has significantly impacted the global economy and strained the hospitality industry since the beginning of 2020. Our Asia Pacific region began experiencing the effects of the COVID-19 pandemic in January 2020, while the pronounced negative results and suspensions of hotel operations in the Americas and Europe, Middle East and Africa ("EMEA") regions did not begin until mid-March 2020. Since the beginning of the pandemic, the pervasiveness and severity of travel restrictions and stay-at-home directives have varied by country and state, fluctuating based on a number of factors, including: (i) COVID-19 infection surges and contractions; (ii) the emergence of new strains and variants of the virus; and (iii) the distribution of COVID-19 vaccinations, which commenced in late 2020. The pandemic had a material adverse impact on our results for the three and nine months ended September 30, 2021 and 2020 when compared to periods prior to the onset of the pandemic, and although all periods were significantly impacted by the pandemic, none of these periods are considered comparable, and no periods affected by the pandemic are expected to be comparable to future periods. Although we have observed signs of economic recovery, we are still unable to predict the time required for a widespread sustainable economic recovery to take hold on a global scale. Accordingly, given the ongoing nature of the pandemic, the ultimate impact that it will have on the Company’s business, financial performance and results of operations remains uncertain.

Although certain restrictions have been reinstated with the spread of new variants of the virus, the broader distribution of COVID-19 vaccinations in early 2021 and the overall easing of travel and other restrictions have generated renewed interest in travel and tourism activities in many markets around the globe. However, the continued spreading of COVID-19 and its related variants could result in travel and other restrictions being implemented or reinstated in the affected areas, where our hotels may be located, in future periods.

While the restrictions and the reduction in travel resulted in the suspensions of operations at certain hotels throughout 2020, and the operations of approximately 335 hotels were suspended for some period of time during the nine months ended September 30, 2021, reopenings have significantly outpaced suspensions during 2021, and only 69 hotels remained suspended as of October 20, 2021. We expect nearly all of our hotel properties that were suspended for some period of time as a result of the pandemic to be open by the end of 2021.

Overview

Our Business

Hilton is one of the largest hospitality companies in the world, with 6,758 properties comprising 1,061,686 rooms in 122 countries and territories as of September 30, 2021. Our premier brand portfolio includes: our luxury and lifestyle hotel brands, Waldorf Astoria Hotels & Resorts, LXR Hotels & Resorts, Conrad Hotels & Resorts, Canopy by Hilton, Tempo by Hilton and Motto by Hilton; our full service hotel brands, Signia by Hilton, Hilton Hotels & Resorts, Curio Collection by Hilton, DoubleTree by Hilton, Tapestry Collection by Hilton and Embassy Suites by Hilton; our focused service hotel brands, Hilton Garden Inn, Hampton by Hilton, Tru by Hilton, Homewood Suites by Hilton and Home2 Suites by Hilton; and our timeshare brand, Hilton Grand Vacations. As of September 30, 2021, we had 123 million members in our award-winning guest loyalty program, Hilton Honors.

Segments and Regions

We analyze our operations and business by both operating segments and geographic regions. Our operations consist of two reportable segments that are based on similar products or services: (i) management and franchise and (ii) ownership. The management and franchise segment provides services, including hotel management and the licensing of our brands and IP. This segment generates its revenue from: (i) management and franchise fees charged to third-party hotel owners; (ii) licensing fees from HGV and strategic partnerships, including co-branded credit card arrangements, for the right to use certain Hilton marks and IP; and (iii) fees for managing properties in our ownership segment. As a manager of hotels, we typically are responsible for supervising or operating the property in exchange for management fees. As a franchisor of hotels, we charge franchise fees in exchange for the use of one of our brand names and related commercial services, such as our reservation systems, marketing and information technology services, while a third party manages or operates such franchised hotels. The ownership segment primarily derives earnings from providing nightly hotel room sales, food and beverage sales and other services at our owned and leased hotels.

Geographically, we conduct business through three distinct geographic regions: (i) the Americas; (ii) EMEA; and (iii) Asia Pacific. The Americas region includes North America, South America and Central America, including all Caribbean nations. Although the U.S., which represented 71 percent of our system-wide hotel rooms as of September 30, 2021, is included in the Americas region, it is often analyzed separately and apart from the Americas region and, as such, it is presented separately within the analysis herein. The EMEA region includes Europe, which represents the western-most peninsula of Eurasia stretching from Iceland in the west to Russia in the east, and the Middle East and Africa ("MEA"), which represents the Middle East and all African nations, including the Indian Ocean island nations. Europe and MEA are often analyzed separately and, as such, are presented separately within the analysis herein. The Asia Pacific region includes the eastern and southeastern nations of Asia, as well as India, Australia, New Zealand and the Pacific Island nations.

System Growth and Development Pipeline

Our strategic objectives include the continued expansion of our global footprint and fee-based business. As we enter into new management and franchise contracts, we expand our business with minimal or no capital investment by us as the manager or franchisor, since the capital required to build and maintain hotels is typically provided by the third-party owner of the hotel with whom we contract to provide management services or license our brand names and IP. Prior to approving the addition of new properties to our management and franchise development pipeline, we evaluate the economic viability of the property based on its geographic location, the credit quality of the third-party owner and other factors. By increasing the number of management and franchise contracts with third-party owners, over time we expect to increase revenues, overall return on invested capital and cash available to support our business needs. While these objectives have not changed as a result of the COVID-19 pandemic, the current economic environment has posed certain challenges to the execution of our strategy, which have included and may continue to include delays in openings and new development.

During the nine months ended September 30, 2021, we added 320 hotels, consisting of over 51,000 rooms, to our system, contributing to nearly 42,100 net additional hotel rooms. As of September 30, 2021, we had more than 2,620 hotels in our development pipeline that we expect to add to our system in the future, representing 404,000 rooms under construction or approved for development throughout 114 countries and territories, including 27 countries and territories where we do not currently have any existing hotels. Nearly all of the rooms in the development pipeline are within our management and franchise segment. Additionally, of the rooms in the development pipeline, 249,000 rooms were located outside the U.S., and 204,000 rooms were under construction. We do not consider any individual development project to be material to us.

Brexit

In June 2016, the U.K. held a referendum in which voters approved an exit from the European Union ("E.U.") (commonly referred to as "Brexit"). In December 2020, the U.K. and the E.U. reached a new bilateral trade and cooperation deal governing their future relationship (the "EU-UK Trade and Cooperation Agreement"), which was fully implemented from May 1, 2021. In addition, while the EU-UK Trade and Cooperation Agreement provides clarity in respect of the intended future relationship between the U.K. and the E.U. and some detailed matters of trade and cooperation, it remains unclear what general long-term economic, financial, trade and legal implications the U.K. withdrawal from the E.U. will have and how it will ultimately affect our business. While our results as of and for the three and nine months ended September 30, 2021 were not materially affected by Brexit specifically, we will continue to monitor the potential impact of Brexit on our business in future periods.

Key Business and Financial Metrics Used by Management

Comparable Hotels

We define our comparable hotels as those that: (i) were active and operating in our system for at least one full calendar year as of the end of the current period, and open January 1st of the previous year; (ii) have not undergone a change in brand or ownership type during the current or comparable periods reported; and (iii) have not sustained substantial property damage, business interruption, undergone large-scale capital projects or for which comparable results were not available. Of the 6,699 hotels in our system as of September 30, 2021, 5,572 hotels were classified as comparable hotels. Our 1,127 non-comparable hotels included 66 hotels, or less than one percent of the total hotels in our system, that were removed from the comparable group during the last twelve months because they have sustained substantial property damage, business interruption, underwent large-scale capital projects or comparable results were otherwise not available.

When considering business interruption in the context of our definition of comparable hotels, no hotel that had completely or partially suspended operations on a temporary basis at any time as a result of the COVID-19 pandemic was excluded from the definition of comparable hotels on that basis alone. Despite these temporary suspensions of hotel operations, we believe that including these hotels within our hotel operating statistics of occupancy, average daily rate ("ADR") and revenue per available room ("RevPAR") reflects the underlying results of our business for the three and nine months ended September 30, 2021 and 2020.

Occupancy

Occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels for a given period. Occupancy measures the utilization of our hotels' available capacity. Management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable ADR pricing levels as demand for hotel rooms increases or decreases.

ADR

ADR represents hotel room revenue divided by the total number of room nights sold for a given period. ADR measures the average room price attained by a hotel, and ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. ADR is a commonly used performance measure in the industry, and we use ADR to assess pricing levels that we are able to generate by type of customer, as changes in rates charged to customers have different effects on overall revenues and incremental profitability than changes in occupancy, as described above.

RevPAR

RevPAR is calculated by dividing hotel room revenue by the total number of room nights available to guests for a given period. We consider RevPAR to be a meaningful indicator of our performance as it provides a metric correlated to two primary and key drivers of operations at a hotel or group of hotels, as previously described: occupancy and ADR. RevPAR is also a useful indicator in measuring performance over comparable periods for comparable hotels.

References to RevPAR, ADR and occupancy are presented on a comparable basis, based on the comparable hotels as of September 30, 2021, and references to RevPAR and ADR are presented on a currency neutral basis, unless otherwise noted. As such, comparisons of these hotel operating statistics for the three and nine months ended September 30, 2021 and 2020 use the exchange rates used to translate the results of the Company's foreign operations within its financial statements for the three and nine months ended September 30, 2021, respectively, and for the three months ended September 30, 2021 and 2019, use the

exchange rates used to translate the results of the Company's foreign operations within its financial statements for the three months ended September 30, 2021.

EBITDA and Adjusted EBITDA

EBITDA reflects net income (loss), excluding interest expense, a provision for income tax benefit (expense) and depreciation and amortization. Adjusted EBITDA is calculated as EBITDA, as previously defined, further adjusted to exclude certain items, including gains, losses, revenues and expenses in connection with: (i) asset dispositions for both consolidated and unconsolidated equity investments; (ii) foreign currency transactions; (iii) debt restructurings and retirements; (iv) furniture, fixtures and equipment ("FF&E") replacement reserves required under certain lease agreements; (v) share-based compensation; (vi) reorganization, severance, relocation and other expenses; (vii) non-cash impairment; (viii) amortization of contract acquisition costs; (ix) the net effect of reimbursable costs included in other revenues and other expenses from managed and franchised properties; and (x) other items.

We believe that EBITDA and Adjusted EBITDA provide useful information to investors about us and our financial condition and results of operations for the following reasons: (i) these measures are among the measures used by our management team to evaluate our operating performance and make day-to-day operating decisions and (ii) these measures are frequently used by securities analysts, investors and other interested parties as a common performance measure to compare results or estimate valuations across companies in our industry. Additionally, these measures exclude certain items that can vary widely across different industries and among competitors within our industry. For instance, interest expense and income taxes are dependent on company specifics, including, among other things, capital structure and operating jurisdictions, respectively, and, therefore, could vary significantly across companies. Depreciation and amortization, as well as amortization of contract acquisition costs, are dependent upon company policies, including the method of acquiring and depreciating assets and the useful lives that are used. For Adjusted EBITDA, we also exclude items such as: (i) FF&E replacement reserves for leased hotels to be consistent with the treatment of capital expenditures for property and equipment, where it is capitalized and depreciated over the life of the FF&E; (ii) share-based compensation, as this could vary widely among companies due to the different plans in place and the usage of them; (iii) the net effect of our cost reimbursement revenues and reimbursed expenses, as we contractually do not operate the related programs to generate a profit over the terms of the respective contracts; and (iv) other items, such as amounts related to debt restructurings and retirements and reorganization and related severance costs, that are not core to our operations and are not reflective of our operating performance.

EBITDA and Adjusted EBITDA are not recognized terms under GAAP and should not be considered as alternatives, either in isolation or as a substitute, for net income (loss) or other measures of financial performance or liquidity, including cash flows, derived in accordance with GAAP. Further, EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered as other methods of analyzing our results as reported under GAAP. Some of these limitations are:

- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA and Adjusted EBITDA do not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- EBITDA and Adjusted EBITDA do not reflect income tax expenses or the cash requirements to pay our taxes;
- EBITDA and Adjusted EBITDA do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA and Adjusted EBITDA do not reflect the effect on earnings or changes resulting from matters that we consider not to be indicative of our future operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate EBITDA and Adjusted EBITDA differently, limiting their usefulness as comparative measures.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as discretionary cash available to us to reinvest in the growth of our business or as measures of cash that will be available to us to meet our obligations.

Results of Operations

The hotel operating statistics by region for our system-wide comparable hotels were as follows:

	Three Months Ended September 30, 2021	Change 2021 vs. 2020	Nine Months Ended September 30, 2021	Change 2021 vs. 2020
U.S.				
Occupancy	67.9 %	23.4 % pts.	59.9 %	17.7 % pts.
ADR	$ 146.89	34.2 %	$ 130.26	7.0 %
RevPAR	$ 99.71	104.9 %	$ 78.00	51.9 %
Americas (excluding U.S.)				
Occupancy	54.4 %	30.1 % pts.	40.7 %	12.1 % pts.
ADR	$ 116.18	19.9 %	$ 108.63	(3.1)%
RevPAR	$ 63.15	168.3 %	$ 44.25	38.0 %
Europe				
Occupancy	59.3 %	27.7 % pts.	37.0 %	6.8 % pts.
ADR	$ 132.23	28.9 %	$ 115.89	1.0 %
RevPAR	$ 78.42	142.3 %	$ 42.92	23.8 %
MEA				
Occupancy	52.9 %	27.8 % pts.	48.1 %	15.0 % pts.
ADR	$ 120.92	(0.4)%	$ 125.50	— %
RevPAR	$ 63.94	110.1 %	$ 60.40	45.2 %
Asia Pacific				
Occupancy	49.5 %	(4.8)% pts.	49.8 %	9.5 % pts.
ADR	$ 102.67	15.4 %	$ 99.95	3.1 %
RevPAR	$ 50.86	5.2 %	$ 49.81	27.5 %
System-wide				
Occupancy	64.3 %	21.5 % pts.	55.7 %	15.6 % pts.
ADR	$ 140.57	32.2 %	$ 125.93	6.2 %
RevPAR	$ 90.39	98.7 %	$ 70.15	47.6 %

During the three and nine months ended September 30, 2021, the COVID-19 pandemic continued to negatively impact our business and our hotel operating statistics. However, during the nine months ended September 30, 2021, we experienced significant improvement in our results, due to an upward trend in travel and tourism with the easing of many COVID-19 restrictions and the more expansive distribution of COVID-19 vaccinations. Further, in addition to all regions showing improvement in RevPAR during the three months ended September 30, 2021 as compared to the same period in 2020, almost all regions showed sequential improvement in RevPAR during the period from the three months ended June 30, 2021. While the recoveries of the Europe and Americas Non-US regions were outpaced by other regions in prior periods during 2021, the easing of travel restrictions, and, for Europe, a more expansive vaccination program, accelerated their recovery during the three months ended September 30, 2021, resulting in improved operating statistics more consistent with system-wide results. In Asia Pacific, stronger prior year results and a fluctuating recovery due to prolonged COVID-19 and travel restrictions in certain countries, particularly China, Australia and New Zealand, resulted in a more muted increase in RevPAR in the quarter when compared to the other regions.

Further, as a result of the pandemic, certain hotels suspended operations at various times throughout 2020, but the majority of those hotels were reopened by 2021. In line with our recovery, although some hotels did suspend operations during the nine months ended September 30, 2021, reopenings significantly outpaced suspensions. As such, the operations of only approximately 335 hotels, primarily located in the U.S. and Europe, were suspended for some period of time during the nine months ended September 30, 2021, as compared to approximately 1,270 hotels during the nine months ended September 30, 2020. Ninety-nine percent of our global hotel properties were open as of September 30, 2021. Additionally, while most properties, including those that reopened following suspensions of their operations, experienced significantly lower occupancy during 2020 and early 2021 as compared to periods prior to the onset of the pandemic, system-wide occupancy has steadily improved during the year. Further, our system-wide RevPAR and ADR for the three months ended September 30, 2021 was

down 18.8 percent and 2.5 percent, respectively, compared to the same period in 2019 on a comparable and currency neutral basis.

The table below provides a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in millions)			
Net income (loss)	$ 240	$ (81)	$ 259	$ (49
Interest expense	98	116	302	31
Income tax expense (benefit)	100	(33)	64	(8
Depreciation and amortization expenses	46	90	143	26
EBITDA	484	92	768	1
Loss on sale of assets, net	8	—	8	-
Loss (gain) on foreign currency transactions	—	12	(1)	1
Loss on debt extinguishment	—	—	69	-
FF&E replacement reserves	15	18	30	3
Share-based compensation expense	52	25	144	3
Reorganization costs	—	—	—	3
Impairment losses	—	9	—	13
Amortization of contract acquisition costs	9	7	23	2
Net other expenses (revenues) from managed and franchised properties	(62)	44	57	28
Other adjustments[1]	13	17	19	5
Adjusted EBITDA	$ 519	$ 224	$ 1,117	$ 63

(1) The three and nine months ended September 30, 2021 and 2020 include costs recognized for certain legal settlements. The nine months ended September 30, 2020 also includes losses related to the disposal of an investment and the settlement of a debt guarantee for a franchised hotel. All periods include severance not related to the reorganization activities undertaken in response to the COVID-19 pandemic and other items.

Revenues

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
	(in millions)			(in millions)		
Franchise and licensing fees	$ 451	$ 241	87.1	$ 1,062	$ 712	49.2
Base and other management fees	$ 49	$ 24	NM[1]	$ 116	$ 92	26.1
Incentive management fees	26	7	NM[1]	60	25	NM[1]
Total management fees	$ 75	$ 31	NM[1]	$ 176	$ 117	50.4

(1) Fluctuation in terms of percentage change is not meaningful.

The COVID-19 pandemic began to significantly impact our franchise and licensing fees and total management fees in March 2020. However, during 2021, we are experiencing increases in fees recognized, as compared to fees recognized during the same periods in 2020, driven by an upward trend in travel and tourism resulting from increased desire to travel by our customers, as COVID-19 vaccinations were distributed more broadly and COVID-19 restrictions eased in many areas. Additionally, there were decreases in the number of hotels that had suspended operations as a result of the pandemic during the respective periods, with approximately 1,235 managed and franchised hotels with suspended operations for some period of time during the nine months ended September 30, 2020, compared to approximately 320 managed and franchised hotels during the nine months ended September 30, 2021. As of September 30, 2021, all but 87 of these hotels had reopened.

For the three months ended September 30, 2021, RevPAR increased 93.8 percent at our comparable franchised properties and 119.2 percent at our comparable managed properties as a result of increased occupancy of 22.3 percentage points and 18.6 percentage points, respectively, and increased ADR of 30.7 percent and 38.7 percent, respectively. For the nine months ended September 30, 2021, RevPAR increased 51.5 percent at our comparable franchised properties and 36.2 percent at our

comparable managed properties as a result of increased occupancy of 17.3 percentage points and 10.6 percentage points, respectively, and increased ADR of 7.5 percent and 3.1 percent, respectively.

Including new development and ownership type transfers, from January 1, 2020 to September 30, 2021, we added 650 managed and franchised properties on a net basis, providing an additional 91,000 rooms to our management and franchise segment. As new hotels were part of our system for full periods and were part of the recovery from the negative impact of the COVID-19 pandemic, such hotels increased our franchise and management fees during the periods, and we expect this trend to continue in future periods.

Additionally, licensing and other fees increased $33 million and $61 million during the three and nine months ended September 30, 2021, respectively, primarily due to increases in licensing fees from our strategic partnerships and HGV, which were the result of increased co-branded credit cardholder spend and timeshare revenues, respectively, both resulting from the rise in travel and tourism during the periods.

Incentive management fees increased during the periods as they are based on hotels' operating profits, which have improved from the prior year as a result of increased demand at our properties.

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
	(in millions)			(in millions)		
Owned and leased hotels	$ 199	$ 94	NM[1]	$ 376	$ 335	12.2

[1] Fluctuation in terms of percentage change is not meaningful.

The increases in owned and leased hotel revenues during the three and nine months ended September 30, 2021 were primarily attributable to increases in revenues from our comparable owned and leased hotels, particularly as a result of the ongoing recovery from the COVID-19 pandemic. Further, although the operations of approximately 15 and 35 of our owned and leased hotels were suspended for some period of time during the nine months ended September 30, 2021 and 2020, respectively, as a result of the COVID-19 pandemic, all of these hotels were reopened before the three months ended September 30, 2021, with no additional suspensions during the period.

The increase during the three months ended September 30, 2021 was primarily attributable to an $84 million and $20 million increase, on a currency neutral basis, from our comparable and non-comparable owned and leased hotels, respectively. with no significant impact from fluctuations in foreign currency exchange rates. The increase from our comparable owned and leased hotels was primarily the result of increased RevPAR of 151.1 percent, due to increases in occupancy and ADR of 25.2 percentage points and 23.0 percent, respectively.

The increase during the nine months ended September 30, 2021 included an $11 million increase as a result of favorable fluctuations in foreign currency exchange rates and, on a currency neutral basis, a $34 million increase from our comparable owned and leased hotels, only partially offset by a $4 million decrease from our non-comparable owned and leased hotels. The increase from our comparable owned and leased hotels was the result of increased RevPAR of 9.8 percent, primarily due to increased occupancy of 3.4 percentage points, partially offset by decreased ADR of 2.6 percent, as well as a $22 million increase in COVID-19 relief subsidies from international governments. The decrease in revenues from our non-comparable owned and leased hotels included a $10 million decrease, on a currency neutral basis, from properties that were sold or for which the lease agreements were terminated, with most of the properties transferring to our management and franchise segment during 2021 and 2020. The increase in revenues from the remaining non-comparable owned and leased hotels included a $7 million increase in COVID-19 relief subsidies from international governments.

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
	(in millions)			(in millions)		
Other revenues	$ 18	$ 19	(5.3)	$ 56	$ 52	7.7

For the nine months ended September 30, 2021, other revenues increased primarily due to increased revenue from our purchasing operations related to improving hotel demand resulting from the rise in travel and tourism during the period.

Operating Expenses

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
	(in millions)			(in millions)		
Owned and leased hotels	$ 200	$ 144	38.9	$ 452	$ 478	(5.4)

The increase in owned and leased hotel expenses during the three months ended September 30, 2021 was primarily related to our comparable owned and leased hotels and reflects the increase in occupancy during the period, as discussed in "—Revenues," which drove increased food and beverage expenses and certain operating costs of the hotels.

The decrease for the nine months ended September 30, 2021 included decreases of $34 million and $15 million, on a currency neutral basis, from our comparable and non-comparable owned and leased hotels, respectively, which were partially offset by a $23 million increase as a result of unfavorable fluctuations in foreign currency exchange rates. Despite the increase in occupancy during the period, our owned and leased hotels had decreases in certain operating expenses, as well as expenses related to FF&E replacement reserves due to reduced required FF&E spending during the period at our leased properties. Additionally, expenses from our non-comparable owned and leased hotels included an $11 million decrease due to properties being sold or lease agreements terminated, with most of the properties transferring to our management and franchise segment during 2021 and 2020.

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
	(in millions)			(in millions)		
Depreciation and amortization expenses	$ 46	$ 90	(48.9)	$ 143	$ 269	(46.8)
General and administrative expenses	107	66	62.1	302	189	59.8
Reorganization costs	—	—	NM[1]	—	38	(100.0)
Impairment losses	—	9	(100.0)	—	136	(100.0)
Other expenses	12	21	(42.9)	31	48	(35.4)

[1] Fluctuation in terms of percentage change is not meaningful.

The decreases in depreciation and amortization expenses were due to decreases in amortization expenses, primarily resulting from certain management and franchise contract intangible assets that were recorded at the Merger becoming fully amortized during 2020, as well as a result of certain software project costs becoming fully amortized.

The increases in general and administrative expenses were primarily due to increased share-based compensation expense as a result of expenses recognized during the three and nine months ended September 30, 2021 for all of the outstanding performance shares, which were probable of achievement as of September 30, 2021, while the expenses recognized during the three and nine months ended September 30, 2020 were net of the reversal of expenses recognized in prior periods as a result of the determination that the performance conditions of the performance shares that were originally awarded in 2018, 2019 and 2020 were no longer probable of achievement. See Note 8: "Share-Based Compensation" in our unaudited condensed consolidated financial statements for additional information. Also contributing to the increase for the three and nine months ended September 30, 2021 was an increase in payroll expenses, primarily resulting from our corporate workforce that was retained during 2021 after completion of our reorganization activities, of which a significant portion was on reduced pay or furlough for a six month period during the nine months ended September 30, 2020.

During the nine months ended September 30, 2020, we recognized reorganization costs related to activities undertaken in response to the COVID-19 pandemic, primarily relating to reductions in our workforce and associated costs.

During the three and nine months ended September 30, 2020, we recognized impairment losses of $3 million and $24 million for property and equipment, respectively, including $2 million and $4 million, respectively, for finance lease ROU assets. During the nine months ended September 30, 2020, we also recognized impairment losses of $51 million and $46 million for operating lease ROU assets and other intangible assets, respectively. All of these impairment losses were related to our leased hotel properties. Additionally, during the three and nine months ended September 30, 2020, we recognized impairment losses of $6 million and $15 million related to management contract acquisition costs. These impairment losses

were due to a decline in results and expected future performance at the related hotels as a result of the COVID-19 pandemic, as well as actual and expected early terminations of the related management contracts.

Other expenses decreased primarily as a result of expenses related to the settlement of a dispute with an owner of a managed hotel that were recognized during the three and nine months ended September 30, 2020 and, during the nine months ended September 30, 2021, as a result of expenses related to performance guarantees that were recognized during 2020.

Non-operating Income and Expenses

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
	(in millions)			(in millions)		
Interest expense	$ (98)	$ (116)	(15.5)	$ (302)	$ (316)	(4.4)
Gain (loss) on foreign currency transactions	—	(12)	(100.0)	1	(16)	NM[1]
Loss on debt extinguishment	—	—	NM[1]	(69)	—	NM[1]
Other non-operating income (loss), net	6	3	NM[1]	16	(20)	NM[1]
Income tax benefit (expense)	(100)	33	NM[1]	(64)	80	NM[1]

[1] Fluctuation in terms of percentage change is not meaningful.

The decreases in interest expense during the three and nine months ended September 30, 2021 included the decreases resulting from the issuances of new senior unsecured notes and the use of such proceeds for extinguishments of existing senior unsecured notes in December 2020 and February 2021, which reduced the weighted average interest rates on our outstanding senior unsecured notes. Additionally, we repaid the entire outstanding balance on the Revolving Credit Facility as of June 30, 2021, while it was fully drawn for the period from March 2020 to December 2020. For the nine months ended September 30, 2021, our variable interest expense also decreased due to declines in the variable interest rate on our Term Loan; however, the decrease in interest expense during the nine months ended September 30, 2021 was partially offset by an increase due to the issuances of the 2025 Senior Notes and the 2028 Senior Notes in April 2020. See Note 5: "Debt" in our unaudited condensed consolidated financial statements for additional information on our indebtedness.

The gains and losses on foreign currency transactions included changes in foreign currency exchange rates on certain intercompany financing arrangements, including short-term cross-currency intercompany loans. The changes were the result of various currencies, but primarily the Australian dollar and, for the three and nine months ended September 30, 2020, the euro. Additionally, during the three and nine months ended September 30, 2020, we recognized losses related to the liquidation of investments in foreign entities that were reclassified out of accumulated other comprehensive loss.

Loss on debt extinguishment for the nine months ended September 30, 2021 related to the redemption of the 2026 Senior Notes and included a redemption premium of $55 million and the accelerated recognition of unamortized deferred financing costs on the 2026 Senior Notes of $14 million. See Note 5: "Debt" in our unaudited condensed consolidated financial statements for additional information.

The change in other non-operating income (loss), net primarily resulted from losses related to the disposal of an investment and the settlement of a debt guarantee for a franchised hotel recognized during the nine months ended September 30, 2020.

The increases in income tax expense during the three and nine months ended September 30, 2021 were primarily attributable to the increase in income before income taxes. Additionally, during the nine months ended September 30, 2021, the increase in expense was partially offset by benefits recognized as a result of tax rate changes and increased tax benefits recognized for net operating losses generated in 2021 in certain foreign jurisdictions. For additional information, see Note 7: "Income Taxes" in our unaudited condensed consolidated financial statements.

Segment Results

Refer to Note 11: "Business Segments" in our unaudited condensed consolidated financial statements for reconciliations of revenues for our reportable segments to consolidated amounts and of segment operating income to consolidated income (loss) before income taxes.

Refer to "—Revenues" for further discussion of the increases in revenues from our managed and franchised properties, which are correlated to our management and franchise segment revenues and segment operating income. Refer to "—Revenues" and "—Operating Expenses" for further discussion of the changes in revenues and operating expenses at our owned and leased hotels, which are correlated with our ownership segment revenues and segment operating losses.

Liquidity and Capital Resources

Overview

As of September 30, 2021, we had total cash and cash equivalents of $1,387 million, including $99 million of restricted cash and cash equivalents, increasing $260 million from June 30, 2021, primarily driven by cash flows from operations during the three months ended September 30, 2021. The majority of our restricted cash and cash equivalents are related to cash collateral and cash held for FF&E reserves.

In response to the global crisis resulting from the COVID-19 pandemic, in addition to the actions we took to prioritize the safety and security of our guests, employees and owners and support our communities, we took certain proactive measures in 2020 to help our business withstand this uncertain time. This included securing our liquidity position to be able to meet our obligations for the foreseeable future, including issuing senior notes, drawing down on the full capacity of our Revolving Credit Facility and consummating the Honors Points Pre-Sale. Further, in February 2021, we issued the 2032 Senior Notes to continue to extend debt maturities and reduce our cost of debt by repaying the 2026 Senior Notes. Based on our continued recovery and expectations of the foreseeable demands on our available cash and our liquidity in future periods, we fully repaid the $1.7 billion outstanding debt balance on the Revolving Credit Facility during the nine months ended September 30, 2021.

Our known short-term liquidity requirements primarily consist of funds necessary to pay for operating and other expenditures, including costs associated with the management and franchising of hotels, corporate expenses, payroll and compensation costs, taxes and compliance costs, interest payments on our outstanding indebtedness, contract acquisition costs and capital expenditures for required renovations and maintenance at the hotels within our ownership segment. While our accounts receivable balance as of September 30, 2021 is somewhat less than periods prior to the start of the pandemic, we are generally experiencing slower payment of certain fees due to us, and have considered these payment trends in developing our estimates of expected future credit losses. During the second and third quarter of 2021, we experienced relative improvement with respect to the timing of customer payments and overall cash flow from operations, particularly in comparison to periods impacted by the pandemic in 2020.

Our long-term liquidity requirements primarily consist of funds necessary to pay for scheduled debt maturities, capital improvements to the hotels within our ownership segment, commitments to owners in our management and franchise segment and corporate capital and information technology expenditures. We formally suspended share repurchases in March 2020, given the economic environment and our efforts to preserve cash, and no share repurchases have been made since then. However, the stock repurchase program remains authorized by the board of directors, with approximately $2.2 billion remaining available for share repurchases under the program, and we may resume share repurchases in the future at any time, depending on market conditions, our capital needs and other factors. Additionally, we suspended dividend payments in 2020, but we expect that both share repurchases and dividend payments will be reinstated in future periods and result in uses of liquidity.

Although the COVID-19 pandemic has caused us to temporarily change our cash management strategy, we have a long-term investment policy that is focused on the preservation of capital and maximizing the return on new and existing investments and returning available capital to stockholders through dividends and share repurchases, which we expect to reimplement at some time in the future. Within the framework of our investment policy, we currently intend to continue to finance our business activities primarily with cash on our balance sheet as of September 30, 2021, cash generated from our operations and, as needed, the use of the available capacity of our Revolving Credit Facility.

After considering our approach to liquidity and our available sources of cash, we believe that our cash position and sources of liquidity will meet anticipated requirements for operating and other expenditures, including corporate expenses, payroll and related benefits, taxes and compliance costs and other commitments for the foreseeable future based on current conditions. The objectives of our cash management policy are to maintain the availability of liquidity while minimizing operational costs.

We may from time to time issue or incur or increase our capacity to incur new debt and/or purchase our outstanding debt through underwritten offerings, open market transactions, privately negotiated transactions or otherwise. Issuances or incurrence of new debt (or an increase in our capacity to incur new debt) and/or purchases or retirement of outstanding debt, if

any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Sources and Uses of Our Cash and Cash Equivalents

The following table summarizes our net cash flows:

	Nine Months Ended September 30,		Percent Change
	2021	2020	2021 vs. 2020
	(in millions)		
Net cash provided by (used in) operating activities	$ (22)	$ 846	NM[1]
Net cash used in investing activities	(34)	(89)	(61.8)
Net cash provided by (used in) financing activities	(1,814)	2,087	NM[1]

(1) Fluctuation in terms of percentage change is not meaningful.

Operating Activities

As we recover from the negative impacts of the pandemic and our system-wide RevPAR increases, we are returning to a position, particularly during the three months ended September 30, 2021, where cash flows are being generated from our operations.

During the nine months ended September 30, 2021, the change in cash flows from operating activities was primarily attributable to the $1.0 billion of cash received in connection with the Honors Points Pre-Sale during the nine months ended September 30, 2020. Excluding the impact of this transaction, cash flows from operating activities increased during the nine months ended September 30, 2021 primarily due to the increase in cash inflows generated from our management and franchise segment, largely as a result of an increase in managed and franchised RevPAR of 48.2 percent due to the recovery from the COVID-19 pandemic. This increase was only partially offset by a $123 million increase in payments of contract acquisition costs, which reflects our strategic investment in growing our system by adding hotels to our management and franchise segment.

Investing Activities

Net cash used in investing activities primarily related to capitalized software costs that were related to various systems initiatives for the benefit of both our hotel owners and our overall corporate operations and to capital expenditures for property and equipment related to our corporate facilities and the renovation of certain hotels in our ownership segment. Beginning in March 2020, we took steps to temporarily reduce such expenditures in response to the COVID-19 pandemic and have continued to deliberately govern investment spending through 2021; however, we expect such costs to continue to increase in future periods, aligned to our recovery from the pandemic.

Financing Activities

The change in cash flows from financing activities was primarily attributable to our Revolving Credit Facility, which we fully drew down during the nine months ended September 30, 2020 in response to the COVID-19 pandemic, resulting in net cash inflows of $1.5 billion, while we fully repaid the $1.7 billion outstanding debt balance during the nine months ended September 30, 2021. Additionally, during the nine months ended September 30, 2020, we had a net additional $1.0 billion of senior notes borrowings, as compared to the nine months ended September 30, 2021. Further, cash outflows decreased $338 million as a result of decreases in share repurchases and dividend payments, as both programs remained suspended after their suspension was initiated in March 2020.

Debt and Borrowing Capacity

As of September 30, 2021, our total indebtedness, excluding unamortized deferred financing costs and discount, was approximately $8.9 billion. For additional information on our total indebtedness, including financing transactions executed during the nine months ended September 30, 2021, availability under our Revolving Credit Facility and guarantees on our debt, refer to Note 5: "Debt" in our unaudited condensed consolidated financial statements.

If we are unable to generate sufficient cash flows from operations in the future to service our debt, we may be required to reduce capital expenditures or issue additional equity securities. Our ability to make scheduled principal payments and to pay interest on our debt depends on our future operating performance, which is subject to general conditions in or affecting the hospitality industry that may be beyond our control. The COVID-19 pandemic negatively impacted our cash flows from operations as compared to periods prior to the onset of the pandemic, and will continue to do so for an indeterminate period of time. During 2020, we took precautions to secure our cash position, as discussed above, and, with our business recovering during the current year, we were able to repay outstanding debt borrowings on our Revolving Credit facility and we expect to be able to meet our current obligations. Furthermore, we do not have any material indebtedness outstanding that matures prior to May 2025.

Contractual Obligations

During the nine months ended September 30, 2021, we issued the 2032 Senior Notes, redeemed the 2026 Senior Notes and fully repaid the $1.7 billion outstanding debt balance on our Revolving Credit Facility. Otherwise, there were no material changes to our contractual obligations from what we previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Summarized Guarantor Financial Information

HOC is the issuer of the Senior Notes and is 100 percent owned directly by Hilton Worldwide Parent LLC ("HWP"), which, in turn, is 100 percent owned directly by the Parent. The Senior Notes are guaranteed jointly and severally on a senior unsecured basis by the Parent, HWP and substantially all of the Parent's direct and indirect wholly owned domestic restricted subsidiaries, except for HOC (together, the "Guarantors"). The indentures that govern the Senior Notes provide that any subsidiary of the Company that provides a guarantee of our senior secured credit facilities will guarantee the Senior Notes. As of September 30, 2021, none of our foreign subsidiaries or domestic subsidiaries owned by foreign subsidiaries or our non-wholly owned subsidiaries guaranteed the Senior Notes.

The guarantees are full and unconditional, subject to certain customary release provisions. The indentures that govern the Senior Notes provide that any Guarantor may be released from its guarantee so long as: (i) the subsidiary is sold or sells all of its assets; (ii) the subsidiary is released from its guarantee under our senior secured credit facilities; (iii) the subsidiary is declared "unrestricted" for covenant purposes; or (iv) the requirements for legal defeasance or covenant defeasance or to discharge the indenture have been satisfied, in each case in compliance with applicable provisions of the indentures.

Neither HOC nor any of the Guarantors has any reporting obligation under the Exchange Act in respect of the Senior Notes; however, we are supplementally providing the information set forth below. The following tables present summarized financial information for HOC, along with the Parent and all other Guarantors, on a combined basis:

	As of September 30, 2021
	(in millions)
ASSETS	
Total current assets	$ 1,014
Intangible assets, net	8,793
Total intangibles and other assets	9,293
TOTAL ASSETS	10,307
LIABILITIES AND EQUITY (DEFICIT)	
Total current liabilities	2,053
Long-term debt	8,537
Total liabilities	14,250
Total Hilton stockholders' deficit	(3,943)
TOTAL LIABILITIES AND EQUITY (DEFICIT)	10,307

	Nine Months Ended September 30, 2021	
	(in millions)	
Revenues		
Revenues	$	1,057
Other revenues from managed and franchised properties		1,969
Total revenues	$	3,026
Expenses		
Expenses	$	330
Other expenses from managed and franchised properties		2,054
Total expenses	$	2,384
Operating income	$	645
Interest expense		(290)
Income tax expense		(70)
Net income		224
Net income attributable to Hilton stockholders		224

Critical Accounting Policies and Estimates

The preparation of our unaudited condensed consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect reported amounts and related disclosures. We have discussed the policies and estimates that we believe are critical and require the use of complex judgment in their application in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, and, during the nine months ended September 30, 2021, there were no material changes to those previously disclosed.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk primarily from changes in interest rates and foreign currency exchange rates. These rate changes may affect future income, cash flows and the fair value of the Company, its assets and its liabilities. In certain situations, we may seek to reduce volatility associated with changes in interest rates and foreign currency exchange rates by entering into derivative financial instruments intended to provide a hedge against a portion of the risks associated with such volatility. We continue to have exposure to such risks to the extent they are not hedged. We enter into derivative financial instruments to the extent they meet the objectives described above, and we do not use derivatives for speculative purposes. Our exposure to market risk has not materially changed from what was previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020; however, given the impact that the COVID-19 pandemic has had on the global economy, we continue to monitor our exposure to market risk and have adjusted, and will continue to adjust, our hedge portfolios accordingly.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission ("SEC") rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. The design of any disclosure controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q, were effective to provide

reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in various claims and lawsuits arising in the ordinary course of business, some of which include claims for substantial sums, including proceedings involving tort and other general liability claims, employee claims, consumer protection claims and claims related to our management of certain hotel properties. We recognize a liability when we believe the loss is probable and can be reasonably estimated. Most occurrences involving liability, claims of negligence and employees are covered by insurance with solvent insurance carriers. The ultimate results of claims and litigation cannot be predicted with certainty. We believe we have adequate reserves against such matters. We currently believe that the ultimate outcome of such lawsuits and proceedings will not, individually or in the aggregate, have a material adverse effect on our consolidated financial position, results of operations or cash flows. However, depending on the amount and timing, an unfavorable resolution of some or all of these matters could materially affect our future results of operations in a particular period.

Item 1A. Risk Factors

See the risk factors previously disclosed under "Part I—Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description
3.1	Certificate of Incorporation of Hilton Worldwide Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 17, 2013).
3.2	Certificate of Amendment to Certificate of Incorporation of Hilton Worldwide Holdings Inc. effective as of January 3, 2017 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on January 4, 2017).
3.3	Amended and Restated By-Laws of Hilton Worldwide Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 2, 2019).
10.1	Amendment No. 7, dated as of October 21, 2021, to the Credit Agreement, dated as of October 25, 2013 (as amended by Amendment No. 1 to the Credit Agreement dated as of August 18, 2016, as further amended by Amendment No. 2 to the Credit Agreement dated as of November 21, 2016, as further amended by Amendment No. 3 to the Credit Agreement dated as of March 16, 2017, as further amended by Amendment No. 4 to the Credit Agreement dated as of April 19, 2018, as further amended by Amendment No. 5 to the Credit Agreement dated as of June 5, 2019, and as further amended by Amendment No. 6 to the Credit Agreement dated as of June 21, 2019), between Hilton Domestic Operating Company Inc. and Deutsche Bank AG New York Branch as administrative agent.
31.1	Certificate of Christopher J. Nassetta, President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certificate of Kevin J. Jacobs, Chief Financial Officer and President, Global Development, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certificate of Christopher J. Nassetta, President and Chief Executive Officer, pursuant to Section 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certificate of Kevin J. Jacobs, Chief Financial Officer and President, Global Development, pursuant to Section 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	Inline XBRL Instance Document - this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HILTON WORLDWIDE HOLDINGS INC.

By:	/s/ Christopher J. Nassetta
Name:	Christopher J. Nassetta President and Chief Executive Officer
By:	/s/ Kevin J. Jacobs
Name:	Kevin J. Jacobs Chief Financial Officer and President, Global Development

Date: October 27, 2021

Execution Version

AMENDMENT NO. 7 TO THE CREDIT AGREEMENT

AMENDMENT NO. 7 TO THE CREDIT AGREEMENT (this "Amendment"), dated as of October 21, 2021, between HILTON DOMESTIC OPERATING COMPANY INC., a Delaware corporation (the "Borrower") and DEUTSCHE BANK AG NEW YORK BRANCH ("DB"), as Administrative Agent (in such capacity, the "Administrative Agent").

PRELIMINARY STATEMENTS:

(1) The Borrower, Hilton Worldwide Parent LLC, a Delaware limited liability company, Hilton Worldwide Holdings Inc., the Administrative Agent, the other Lenders, Agents and Loan Parties party thereto are party to a Credit Agreement, dated as of October 25, 2013 (as the same may have been amended, supplemented or otherwise modified prior to the date hereof, including pursuant to Amendment No. 1 dated as of August 18, 2016, Amendment No. 2 dated as of November 21, 2016, Amendment No. 3 dated as of March 16, 2017, Amendment No. 4 dated as of April 19, 2018, Amendment No. 5 dated as of June 5, 2019 and Amendment No. 6 dated as of June 21, 2019, the "Credit Agreement"). Capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Credit Agreement (as amended by this Amendment).

(2) The Borrower and the Administrative Agent have agreed, pursuant to Section 3.03(b), to amend the Credit Agreement to effect the changes as hereinafter set forth.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby agree as follows:

SECTION 1. Amendments to Credit Agreement. The Credit Agreement is, effective as of the Amendment No. 7 Effective Date and subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

SECTION 2. Conditions of Effectiveness to Amendment No. 7. Section 1 of this Amendment shall become effective on the date (the "Amendment No. 7 Effective Date") when, and only when, the following conditions shall have been satisfied:

(a) The Administrative Agent shall have received counterparts of this Amendment executed by the Borrower and the Administrative Agent.

(b) (1) The representations and warranties of the Borrower contained in Section 4 of this Amendment, Article V of the Credit Agreement and in any other Loan Document, are true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects as so qualified) on and as of the Amendment No. 7 Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects as so qualified) and (2) no Default or Event of Default has occurred and is continuing, or would result from the occurrence of the Amendment No. 7 Effective Date and the Administrative Agent shall have received a certificate of the Borrower dated as of the Amendment

No. 7 Effective Date signed on behalf of the Borrower by a Responsible Officer of the Borrower, certifying on behalf of the Borrower thereto.

SECTION 3. Representations and Warranties. The Borrower represents and warrants to the Agents and the Lenders that:

(a) The Borrower (i) is a Person duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization and (ii) has all requisite power and authority to execute and deliver this Amendment and perform its obligations under this Amendment and the Loan Documents to which it is a party.

(b) The execution and delivery by the Borrower of this Amendment and the performance under this Amendment and the Loan Documents to which the Borrower is a party, are within the Borrower's corporate or other powers, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of any of the Borrower's Organization Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under (other than as permitted by Section 7.01 of the Credit Agreement), or require any payment to be made under (x) any Contractual Obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any of its Subsidiaries or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or its property is subject; or (iii) violate any applicable Law; except with respect to any conflict, breach or contravention or payment (but not creation of Liens) referred to in clause (ii)(x), to the extent that such conflict, breach, contravention or payment could not reasonably be expected to have a Material Adverse Effect.

(c) No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution and delivery of this Amendment or performance by, or enforcement against, the Borrower of this Amendment or any Loan Document.

(d) This Amendment has been duly executed and delivered by the Borrower. This Amendment constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity.

SECTION 4. Reference to and Effect on the Credit Agreement and the Loan Documents. (a) On and after the Amendment No. 7 Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes and each of the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment. This Amendment constitutes a "Loan Document" under and for all purposes of the Loan Documents.

(b) The Credit Agreement, as specifically amended by this Amendment, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all Obligations of the Loan Parties under the Loan Documents, in each case as amended by this Amendment.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the

Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(d) The Borrower hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party, and (ii) ratifies and reaffirms each grant of a lien on, or security interest in, its property made pursuant to the Loan Documents (including, without limitation, the grant of security made by the Borrower pursuant to the Security Agreement) and confirms that such liens and security interests continue to secure the Obligations under the Loan Documents, subject to the terms thereof.

SECTION 5. Costs and Expenses. The Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery and administration of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and expenses of counsel for the Administrative Agent) in accordance with the terms of Section 10.04 of the Credit Agreement.

SECTION 6. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

SECTION 7. Governing Law. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

HILTON DOMESTIC OPERATING COMPANY INC.

By: _____
Name: W. Steven Standefer
Title: Senior Vice President

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent

By: _____

Name: Philip Tancorra
Title: Vice President
philip.tancorra@db.com
212-250-6576

By: Suzan Onal

Name: Suzan Onal
Title: Vice President
suzan.onal@db.com
212-250-3174

EXHIBIT A

CREDIT AGREEMENT

Dated as of October 25, 2013,
As amended by Amendment No. 1 dated as of August 18, 2016
As amended by Amendment No. 2 dated as of November 21, 2016
As amended by Amendment No. 3 dated as of March 16, 2017
As amended by Amendment No. 4 dated as of April 19, 2018
As amended by Amendment No. 5 dated as of June 5, 2019
As amended by Amendment No. 6 dated as of June 21, 2019
As amended by Amendment No. 7 dated as of October 21, 2021

Among

HILTON WORLDWIDE HOLDINGS INC.,
as Parent,

HILTON WORLDWIDE PARENT LLC,
as Intermediate Parent,

HILTON DOMESTIC OPERATING COMPANY INC.,
as the Borrower,

THE OTHER GUARANTORS PARTY HERETO FROM TIME TO TIME

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent, Collateral Agent, Swing Line Lender and L/C Issuer, and

THE OTHER LENDERS PARTY HERETO FROM TIME TO TIME

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
and
GOLDMAN SACHS LENDING PARTNERS LLC,
as Co-Syndication Agents,

J.P. MORGAN SECURITIES LLC,
MORGAN STANLEY SENIOR FUNDING, INC.,
WELLS FARGO BANK, NATIONAL ASSOCIATION,
CREDIT SUISSE SECURITIES (USA) LLC,
CITIGROUP GLOBAL MARKETS INC.,
BARCLAYS BANK PLC,
MACQUARIE CAPITAL (USA) INC.
HSBC SECURITIES (USA) INC.,
THE ROYAL BANK OF SCOTLAND PLC,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
and
SUMITOMO MITSUI BANKING CORPORATION,
as Co-Documentation Agents

DEUTSCHE BANK SECURITIES INC.,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
J.P. MORGAN SECURITIES LLC,
MORGAN STANLEY SENIOR FUNDING, INC., and
GOLDMAN SACHS LENDING PARTNERS LLC,
as Joint Lead Arrangers and Joint Bookrunners
and
WELLS FARGO SECURITIES, LLC
as Joint Bookrunner

CREDIT AGREEMENT

This CREDIT AGREEMENT (as the same may be amended, modified, refinanced and/or restated from time to time, this "Agreement") is entered into as of October 25, 2013, among HILTON WORLDWIDE HOLDINGS INC., a Delaware corporation ("Parent"), HILTON WORLDWIDE PARENT LLC, a Delaware limited liability company ("Intermediate Parent"), HILTON DOMESTIC OPERATING COMPANY ~~INC~~INC., a Delaware corporation (the "Borrower"), the Guarantors party hereto from time to time, DEUTSCHE BANK AG NEW YORK BRANCH, as Administrative Agent, Collateral Agent, Swing Line Lender and L/C Issuer, and each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender").

PRELIMINARY STATEMENTS

The Borrower has requested that the Lenders extend credit to the Borrower in the form of (i) the Initial Term Loans on the Closing Date in an initial aggregate principal amount of $7,600,000,000 and (ii) a Revolving Credit Facility in an initial aggregate principal amount of $1,000,000,000.

The proceeds of the Initial Term Loans and Revolving Credit Loans will be used by the Borrower to directly or indirectly consummate the Transaction and pay the Transaction Expenses.

The applicable Lenders have indicated their willingness to lend and the L/C Issuers have indicated their willingness to issue Letters of Credit, in each case, on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I
Definitions and Accounting Terms

SECTION 1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

"5 5/8% Senior Notes" means $1,500,000,000 in aggregate principal amount of the Borrower's 5 5/8% senior unsecured notes due 2021 issued pursuant to the Senior Notes Indenture.

"Acceptable Discount" has the meaning set forth in Section 2.05(a)(v)(D)(2).

"Acceptable Prepayment Amount" has the meaning set forth in Section 2.05(a)(v)(D)(3).

"Acceptance and Prepayment Notice" means a notice of the Borrower's acceptance of the Acceptable Discount in substantially the form of Exhibit M-3.

"Acceptance Date" has the meaning set forth in Section 2.05(a)(v)(D)(2).

"Acquired EBITDA" means, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary for any period, the amount for such period of Consolidated

1.01A and (y) with respect to any other Person that becomes an L/C Issuer in accordance with Sections 2.03(k) or 10.07(k), in each case, such amount as agreed to in writing by the Borrower and such Person at the time such Person becomes an L/C Issuer, as each of the foregoing amounts may be decreased or increased from time to time with the written consent of the Borrower and the L/C Issuers (provided that any increase in the Applicable L/C Fronting Sublimit with respect to any L/C Issuer shall require the consent of only the Borrower and such L/C Issuer). Any successor L/C Issuer appointed pursuant to Section 10.07(k) shall assume the resigning L/C Issuer's Applicable L/C Fronting Sublimit.

"Applicable Period" has the meaning set forth in Section 10.21.

"Applicable Rate" means (a) with respect to Series B-2 Term Loans, (A) for Eurocurrency Rate Loans, 1.75% and (B) for Base Rate Loans, 0.75%; and

(b) (1) until delivery of financial statements for the first full fiscal quarter ending after the Amendment No. 5 Effective Date pursuant to Section 6.01, a percentage per annum equal to, with respect to Revolving Credit Loans, (A) for Eurocurrency Rate Loans and Letter of Credit fees, 1.25%, (B) for Base Rate Loans, 0.25% and (C) for commitment fees on the unused Revolving Credit Commitments, 0.125%; and

(2) thereafter, the following percentages per annum, based upon the Consolidated First Lien Net Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

		Applicable Rate		
Pricing Level	Consolidated First Lien Net Leverage Ratio	Eurocurrency Rate for Revolving Credit Loans and Letter of Credit Fees	Base Rate for Revolving Credit Loans	Unused Commitment Fee Rate
1	≤ 1.00:1.00	1.00%	0.00%	0.125%
2	> 1.00:1.00 and ≤ 2.00:1.00	1.25%	0.25%	0.125%
3	> 2.00:1.00 and ≤ 3.00:1.00	1.50%	0.50%	0.125%
4	> 3.00:1.00	1.75%	0.75%	0.125%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated First Lien Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided that at

Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" has the meaning set forth in Section 10.24.

"Borrower" has the meaning set forth in the introductory paragraph to this Agreement.

"Borrower Materials" has the meaning set forth in Section 6.02.

"Borrower Offer of Specified Discount Prepayment" means the offer by any Company Party to make a voluntary prepayment of Term Loans at a Specified Discount to par pursuant to Section 2.05(a)(v)(B).

"Borrower Solicitation of Discount Range Prepayment Offers" means the solicitation by any Company Party of offers for, and the corresponding acceptance by a Lender of, a voluntary prepayment of Term Loans at a specified range of discounts to par pursuant to Section 2.05(a)(v)(C).

"Borrower Solicitation of Discounted Prepayment Offers" means the solicitation by any Company Party of offers for, and the subsequent acceptance, if any, by a Lender of, a voluntary prepayment of Term Loans at a discount to par pursuant to Section 2.05(a)(v)(D).

"Borrowing" means a Revolving Credit Borrowing, a Swing Line Borrowing or a Term Borrowing of a particular Class, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and (1) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in a LIBO Currency, any fundings, disbursements, settlements and payments in respect of any such Eurocurrency Rate Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means a day (a) on which dealings in deposits in the applicable Approved Currency are conducted by and between banks in the applicable London interbank market, (b) if such Eurocurrency Rate Loan is denominated in euros, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open, and (c) if such Eurocurrency Rate Loan is denominated in ~~Yen, on which banks are open for foreign exchange business in Tokyo, Japan and (d) if such Eurocurrency Rate Loan is denominated in~~ Australian Dollars, on which banks are open for foreign exchange business in Melbourne, Australia. and (2) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in an RFR Currency, any fundings, disbursements, settlements and payments in respect of any such Eurocurrency Rate Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such Eurocurrency Loan, means any such day that is only an RFR Business Day.

"Capital Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capitalized Leases) by the Borrower and its Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as capital expenditures on the consolidated statement of cash flows of the Borrower and its Restricted Subsidiaries.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with a Loan Party or any Restricted Subsidiary, is treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by a Loan Party, any Restricted Subsidiary or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party, any Restricted Subsidiary or any ERISA Affiliate from a Multiemployer Plan or a notification or determination that a Multiemployer Plan is in reorganization; (d) the filing by the PBGC of a notice of intent to terminate any Pension Plan, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of ERISA, respectively, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) appointment of a trustee to administer any Pension Plan or Multiemployer Plan; (f) with respect to a Pension Plan, the failure to satisfy the minimum funding standard of Section 412 of the Code or Section 302, 303 or 304 of ERISA, whether or not waived; (g) any Foreign Benefit Event; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon a Loan Party, any Restricted Subsidiary or any ERISA Affiliate.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurocurrency Rate" means,

(a) for any Interest Period with respect to any Eurocurrency Rate Loan denominated in ~~any Approved Currency other than euros or Australian~~ Dollars, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or such comparable or successor rate which is approved by the Administrative Agent, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m. (London time) on the date which is two Business Days prior to the beginning of such Interest Period for deposits in ~~such Approved Currency~~Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; provided that to the extent that an interest rate is not ascertainable pursuant to the foregoing provision of this definition, the "Eurocurrency Rate" with respect to Eurocurrency Rate Loans denominated in ~~an Approved Currency other than euros~~Dollars shall be the interest rate per annum, determined by the Administrative Agent to be the average of the rates per annum at which deposits in ~~such Approved Currency~~Dollars are offered for such relevant Interest Period to major banks in the London interbank market in London, England at approximately 11:00 a.m. (London time) on the date which is two Business Days prior to the beginning of such Interest Period,

(b) for any Interest Period with respect to any Eurocurrency Rate Loan denominated in euros, the rate per annum appearing on Reuters Page EURIBOR-01 (or any successor page) at approximately 11:00 a.m. (Brussels time) on the date which is two Business Days prior to the

beginning of such Interest Period for a period equal to such Interest Period, as determined by the Administrative Agent; provided that if such rate is not shown on Reuters Page EURIBOR-01 (or any successor page), the "Eurocurrency Rate" applicable to Eurocurrency Rate Loans denominated in euros shall be interest rate per annum, determined by the Administrative Agent to be the average of the rates per annum at which deposits in euros are offered for such relevant Interest Period to prime banks in the Eurozone interbank market at approximately 11:00 a.m. (Brussels time) on the date which is two Business Days prior to the beginning of such Interest Period ~~and~~ ,

(c) for any Interest Period with respect to any Eurocurrency Rate Loan denominated in Australian Dollars, the rate per annum equal to the Bank Bill Swap Reference Rate Bid Rate ("BBSY") or a comparable or successor rate, which rate is approved by the Administrative Agent, as published by Reuters (or such other commercially available source providing BBSY quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m. (Melbourne, Australia time) on the date which is two Business Days prior to the beginning of such Interest Period for a period equal to such Interest Period~~; provided that if the Eurocurrency Rate is negative, it shall be deemed to be 0.00%.~~ ,

(d) for any day (an "RFR Rate Day"), a rate per annum equal to, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Sterling, (i) SONIA for the day (such day, an "RFR Determination Day") that is five RFR Business Days prior to (A) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day or (B) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day, in each case, as such SONIA is published by the SONIA Administrator on the SONIA Administrator's Website plus (ii) 0.0326%, and

(e) for an RFR Rate Day, a rate per annum equal to, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to Yen, TONA for the day (such day, an "RFR Determination Day") that is five RFR Business Days prior to (A) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day or (B) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day, in each case, as such TONA is published by the TONA Administrator on the TONA Administrator's Website;

provided that if the rate determined pursuant to clause (a), (b), (c) (d)(i) or (e) is negative, it shall be deemed to be 0.00%. If by 5:00 pm (local time for the applicable RFR) on the second RFR Business Day immediately following any RFR Determination Day, the RFR in respect of such RFR Determination Day has not been published on the applicable RFR Administrator's Website and a Benchmark Replacement Date with respect to the applicable Eurocurrency Rate has not occurred, then the RFR for such RFR Determination Day will be the RFR as published in respect of the first preceding RFR Business Day for which such RFR was published on the RFR Administrator's Website; provided that any RFR determined pursuant to this sentence shall be utilized for purposes of calculation of Eurocurrency for no more than three (3) consecutive RFR Rate Days. Any change in Eurocurrency Rate due to a change in the applicable RFR shall be effective from and including the effective date of such change in the RFR without notice to the Company.

"Eurocurrency Rate Loan" means a Loan that bears interest at a rate based on the Eurocurrency Rate.

Closing Date to backstop or replace letters of credit, guarantees and performance or similar bonds outstanding on the Closing Date (including deemed issuances of Letters of Credit under this Agreement resulting from existing issuers of letters of credit outstanding on the Closing Date agreeing to become L/C Issuers under this Agreement).

"**Initial Term Loans**" means the term loans made by the Lenders on the Closing Date to the Borrower under this Agreement in an aggregate principal amount of $7,600,000,000.

"**Intellectual Property Security Agreements**" has the meaning set forth in the Security Agreement.

"**Intercompany Note**" means a promissory note substantially in the form of Exhibit I.

"**Intercreditor Agreements**" means the First Lien Intercreditor Agreement and the Junior Lien Intercreditor Agreement, collectively, in each case to the extent in effect.

"**Interest Payment Date**" means, (a) as to any Eurocurrency Rate Loan denominated in a LIBO Currency, the last day of each Interest Period applicable to such Loan and the Maturity Date of the Facility under which such Loan was made; provided that if any Interest Period for a Eurocurrency Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates ~~and~~, (b) as to any Eurocurrency Rate Loan denominated in an RFR Currency, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and the Maturity Date of the Facility under which such Loan was made and (c) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date of the Facility under which such Loan was made.

"**Interest Period**" means, as to each Eurocurrency Rate Loan denominated in a LIBO Currency, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one, ~~two,~~ three or six months thereafter or, to the extent agreed by each Lender of such Eurocurrency Rate Loan, twelve months or, to the extent agreed by the Administrative Agent, less than one month thereafter, as selected by the Borrower in its Committed Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period (other than an Interest Period having a duration of less than one month) that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the Maturity Date of the Facility under which such Loan was made.

effect with respect to its funding obligations, under the Revolving Credit Facility or under other agreements generally in which it commits to extend credit; (iv) a Lender has failed, within three Business Days after request by the Administrative Agent, to confirm that it will comply with its funding obligations under the Revolving Credit Facility; or (v) a Lender has admitted in writing that it is insolvent or such Lender becomes subject to a Lender-Related Distress Event or a Bail-in Action. Any determination by the Administrative Agent that a Lender Default has occurred under any one or more of clauses (i) through (v) above shall be conclusive and binding absent manifest error, and the applicable Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b)) upon delivery of written notice of such determination to the Borrower, each L/C Issuer, each Swing Line Lender and each Lender.

"Lender-Related Distress Event" means, with respect to any Lender or any person that directly or indirectly controls such Lender (each, a "Distressed Person"), as the case may be, a voluntary or involuntary case with respect to such Distressed Person under any Debtor Relief Law, or a custodian, conservator, receiver or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets, or such Distressed Person or any person that directly or indirectly controls such Distressed Person is subject to a forced liquidation, or such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Distressed Person or its assets to be, insolvent or bankrupt; provided that a Lender-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interests in any Lender or any person that directly or indirectly controls such Lender by a Governmental Authority or an instrumentality thereof, so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"Letter of Credit" means any standby letter of credit issued hereunder. A Letter of Credit may be issued in any Approved Currency.

"Letter of Credit Expiration Date" means the day that is five (5) Business Days prior to the scheduled Maturity Date then in effect for the applicable Revolving Credit Facility (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Issuance Request" means a letter of credit request substantially in the form of Exhibit B.

"Letter of Credit Sublimit" means an amount equal to the lesser of (a) $250,000,000 and (b) the aggregate amount of the Revolving Credit Commitments. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Credit Facility.

"LIBO Currency" means Dollars, euros or Australian Dollars.

deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to the Borrower's or a Restricted Subsidiary's stockholders, partners or members (or the equivalent Persons thereof).

"Restricted Subsidiary" means any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Retained Percentage" means, with respect to any Excess Cash Flow Period (a) 100% minus (b) the Applicable ECF Percentage with respect to such Excess Cash Flow Period.

"Reversion Date" has the meaning set forth in Article VII.

"Revolver Extension Request" has the meaning set forth in Section 2.16(b).

"Revolver Extension Series" has the meaning set forth in Section 2.16(b).

"Revolving Commitment Increase" has the meaning set forth in Section 2.14(a).

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type, in the same Approved Currency, and, in the case of Eurocurrency Rate Loans denominated in a LIBO Currency, having the same Interest Period made by each of the Revolving Credit Lenders pursuant to Section 2.01(b).

"Revolving Credit Commitment" means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Borrower pursuant to Section 2.01(b), (b) purchase participations in L/C Obligations in respect of Letters of Credit and (c) purchase participations in Swing Line Loans, in an aggregate Principal Amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 1.01A under the caption "Revolving Credit Commitments" or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including Section 2.14). The aggregate Revolving Credit Commitments of all Revolving Credit Lenders shall be $1,750,000,000 on the Amendment No. 5 Effective Date, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

"Revolving Credit Exposure" means, as to each Revolving Credit Lender, the sum of the amount of the outstanding Principal Amount of such Revolving Credit Lender's Revolving Credit Loans and its Pro Rata Share or other applicable share provided for under this Agreement of the amount of the L/C Obligations and the Swing Line Obligations at such time.

"Revolving Credit Facility" means, at any time, the aggregate amount of the Revolving Credit Commitments at such time.

"Revolving Credit Lender" means, at any time, any Lender that has a Revolving Credit Commitment at such time or, if the Revolving Credit Commitments have terminated, Revolving Credit Exposure.

"Revolving Credit Loans" means any Revolving Credit Loan made pursuant to Section 2.01(b), Incremental Revolving Credit Loans, Other Revolving Credit Loans or Extended Revolving Credit Loans, as the context may require.

"Revolving Credit Note" means a promissory note of the Borrower payable to any Revolving Credit Lender or its registered assigns, in substantially the form of Exhibit D-2 hereto, evidencing the aggregate Indebtedness of the Borrower to such Revolving Credit Lender resulting from the Revolving Credit Loans made by such Revolving Credit Lender to the Borrower.

"RFR" means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Sterling, SONIA and (b) Yen, TONA.

"RFR Administrator" means the SONIA Administrator or the TONA Administrator, as applicable.

"RFR Business Day" means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London, and (b) Yen, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for the settlement of payments and foreign exchange transactions in Toyko.

"RFR Currency" means Sterling or Yen.

"RFR Determination Day" has the meaning assigned thereto in the definition of "Eurocurrency Rate".

"RFR Rate Day" has the meaning assigned thereto in the definition of "Eurocurrency Rate".

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"Same Day Funds" means immediately available funds.

"Sanction(s)" means any international economic sanction administered or enforced by the United States government (including without limitation, OFAC), the United Nations Security Council, the European Union or Her Majesty's Treasury.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Hedge Agreement" means any Swap Contract permitted under Article VII that is entered into by and between the Borrower or any Restricted Subsidiary and any Approved Counterparty.

"Secured Parties" means, collectively, the Administrative Agent, the Collateral Agent, the Lenders, any Approved Counterparty party to a Secured Hedge Agreement or Treasury Services Agreement, the Supplemental Agents and each co-agent or sub-agent appointed by the Administrative Agent or Collateral Agent from time to time pursuant to Section 9.02.

"Securities Act" means the Securities Act of 1933, as amended.

"Securitization Assets" means the accounts receivable, financing receivables, other receivables, royalty or other revenue streams and other rights to payment and any other assets related

"Similar Business" means (1) any business conducted or proposed to be conducted by the Borrower or any of its Restricted Subsidiaries on the Closing Date, and any reasonable extension thereof, or (2) any business or other activities that are reasonably similar, ancillary, incidental, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which the Borrower and its Restricted Subsidiaries are engaged or propose to be engaged on the Closing Date.

"Sold Entity or Business" has the meaning set forth in the definition of the term "Consolidated EBITDA."

"Solicited Discount Proration" has the meaning set forth in Section 2.05(a)(v)(D)(3).

"Solicited Discounted Prepayment Amount" has the meaning set forth in Section 2.05(a)(v)(D)(1).

"Solicited Discounted Prepayment Notice" means a written notice of the Borrower of Solicited Discounted Prepayment Offers made pursuant to Section 2.05(a)(v)(D) substantially in the form of Exhibit M-6.

"Solicited Discounted Prepayment Offer" means the irrevocable written offer by each Lender, substantially in the form of Exhibit M-7, submitted following the Administrative Agent's receipt of a Solicited Discounted Prepayment Notice.

"Solicited Discounted Prepayment Response Date" has the meaning set forth in Section 2.05(a)(v)(D)(1).

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the assets of such Person and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of such Person and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) such Person and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured and (d) such Person and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

"SONIA" means a rate equal to the Sterling Overnight Index Average as administered by the SONIA Administrator.

"SONIA Administrator" means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

"SONIA Administrator's Website" means the Bank of England's website, currently at http://www.bankofengland.co.uk, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

among Holdings, PHRI and HGVI and the other parties thereto, as amended, supplemented, waived or otherwise modified from time to time in a manner not materially adverse to the Lenders when taken as a whole, as compared to the Tax Matters Agreement as in effect immediately prior to such amendment, supplement, waiver or modification.

"Taxes" has the meaning set forth in Section 3.01(a).

"Term Borrowing" means a borrowing consisting of simultaneous Term Loans of the same Class and Type and, in the case of Eurocurrency Rate Loans denominated in a LIBO Currency, having the same Interest Period made by each of the Term Lenders pursuant to Section 2.01.

"Term Commitment" means, as to each Term Lender, its obligation to make a Term Loan to the Borrower hereunder, expressed as an amount representing the maximum principal amount of the Term Loan to be made by such Term Lender under this Agreement, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Term Lender pursuant to an Assignment and Assumption, (ii) an Incremental Amendment, (iii) a Refinancing Amendment or (iv) an Extension.

"Term Lender" means, at any time, any Lender that has a Term Commitment or a Term Loan at such time.

"Term Loans" means any Series B-2 Term Loan or any Incremental Term Loan, Refinancing Term Loan or Extended Term Loan designated as a "Term Loan", as the context may require.

"Term Loan Extension Request" has the meaning set forth in Section 2.16(a).

"Term Loan Extension Series" has the meaning set forth in Section 2.16(a).

"Term Loan Increase" has the meaning set forth in Section 2.14(a).

"Term Loan Standstill Period" has the meaning provided in Section 8.01(b).

"Term Note" means a promissory note of the Borrower payable to any Term Lender or its registered assigns, in substantially the form of Exhibit D-1 hereto, evidencing the aggregate Indebtedness of the Borrower to such Term Lender resulting from the Term Loans of each Class made by such Term Lender.

"Terminated Covenants" has the meaning set forth in Article VII.

"Test Period" means, for any date of determination under this Agreement, the latest four consecutive fiscal quarters of the Borrower for which financial statements have been delivered to the Administrative Agent on or prior to the Closing Date and/or for which financial statements are required to be delivered pursuant to Section 6.01, as applicable.

"Threshold Amount" means $225,000,000.

"Timeshare Business" has the meaning assigned to such term in the Distribution Agreement.

"Timeshare Disposition" means any future direct or indirect sale, transfer or other disposition of all or a portion of the timeshare business of the Borrower and its Restricted Subsidiaries, all or substantially all of the assets thereof (for the avoidance of doubt, including a sale, transfer or other disposition of Equity Interests of any Person owning such assets, so long as substantially all of the assets of such Person consists of such assets).

"TONA" means a rate equal to the Tokyo Overnight Average Rate as administered by the TONA Administrator.

"TONA Administrator" means the Bank of Japan (or any successor administrator of the Tokyo Overnight Average Rate).

"TONA Administrator's Website" means the Bank of Japan's website, currently at http://www.boj.or.jp, or any successor source for the Tokyo Overnight Average Rate identified as such by the TONA Administrator from time to time.

"Total Assets" means the total assets of the Borrower and the Restricted Subsidiaries on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of Holdings delivered pursuant to Sections 6.01(a) or (b).

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Transaction Agreements" means collectively, the Distribution Agreement, the Employee Matters Agreement, the License Agreement, the Management and Franchise Agreements, the Stockholders Agreement, the Tax Matters Agreement, the Transition Services Agreement and each other instrument or agreement to be entered into in connection with the Spin-Off Transaction.

"Transaction Expenses" means any fees or expenses incurred or paid by the Investors, Parent, the Borrower or any of its (or their) Subsidiaries in connection with the Transactions (including expenses in connection with hedging transactions related to the Facilities and any original issue discount or upfront fees), the Investor Management Agreement (to the extent accrued on or prior to the Closing Date), this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby.

"Transactions" means, collectively, (a) the funding of the Initial Term Loans and any Initial Revolving Borrowing on the Closing Date and the execution and delivery of Loan Documents entered into on the Closing Date, (b) the Refinancing, (c) the issuance of the 5 5/8% Senior Notes and (d) the payment of Transaction Expenses.

"Transferred Guarantor" has the meaning set forth in Section 11.10.

"Transformative Acquisition" means any acquisition or Investment by the Borrower or any Restricted Subsidiary that is either (a) not permitted by the terms of this Agreement immediately prior to the consummation of such acquisition or Investment or (b) if permitted by the terms of this Agreement immediately prior to the consummation of such acquisition or Investment, would not provide the Borrower and its Restricted Subsidiaries with adequate flexibility under this Agreement for the continuation and/or expansion of their combined operations following such consummation, as

determined by the Borrower acting in good faith.

"Transition Services Agreement" means the Master Transition Services Agreement, to be dated on or prior to the Spin-Off Date, containing substantially the terms described in the Offering Memorandum, by and among Holdings, PHRI and HGVI, as amended, supplemented, waived or otherwise modified from time to time in a manner not materially adverse to the Lenders when taken as a whole, as compared to the Transition Services Agreement as in effect immediately prior to such amendment, supplement, waiver or modification.

"Treasury Services Agreement" means any agreement between the Borrower or any Subsidiary and any Approved Counterparty relating to treasury, depository, credit card, debit card, stored value cards, purchasing or procurement cards and cash management services or automated clearinghouse transfer of funds or any similar services.

"Type" means, with respect to a Loan, its character as a Base Rate Loan, a Eurocurrency Rate Loan denominated in a LIBO Currency or a Eurocurrency Rate Loan denominated in an RFR Currency.

"Unaudited Financial Statements" means the unaudited consolidated balance sheets of Holdings and its Subsidiaries as of March 31, 2013 and June 30, 2013 and related consolidated statements of income, stockholders' equity and cash flows of Holdings and its Subsidiaries for the year to date period ended March 31, 2013 and June 30, 2013.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

"United States" and "U.S." mean the United States of America.

"United States Tax Compliance Certificate" means a certificate substantially in the form of Exhibits K-1, K-2, K-3 and K-4 hereto, as applicable.

"Unreimbursed Amount" has the meaning set forth in Section 2.03(c)(i).

"Unrestricted Subsidiary" means (i) each Subsidiary of the Borrower listed on Schedule 1.01F, (ii) any Subsidiary of the Borrower designated by the board of managers of the Borrower as an Unrestricted Subsidiary pursuant to Section 6.14 subsequent to the Closing Date and (iii) any Subsidiary of an Unrestricted Subsidiary.

"USA PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 10756, as amended or modified from time to time.

"U.S. Special Resolution Regimes" has the meaning set forth in Section 10.24.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of

(a) Each Term Borrowing, each Revolving Credit Borrowing, each conversion of Term Loans or Revolving Credit Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 1:00 p.m. New York City time (i) three Business Days (or, in the case of any Eurocurrency Rate Loan denominated in an RFR Currency, five Business Days) prior to the requested date of any Borrowing or continuation of Eurocurrency Rate Loans or any conversion of Base Rate Loans to Eurocurrency Rate Loans, and (ii) one (1) Business Day before the requested date of any Borrowing of Base Rate Loans; provided that the notice referred to in subclause (i) above may be delivered no later than one (1) Business Day prior to the Closing Date in the case of initial Credit Extensions denominated in Dollars. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Except as provided in Section 2.14(a), each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans shall be in a minimum principal amount of (A) if such Eurocurrency Rate Loan is denominated in Dollars, $2,000,000, or a whole multiple of $1,000,000 in excess thereof, (B) if such Eurocurrency Rate Loan is denominated in Sterling, £1,000,000, or a whole multiple of £500,000 in excess thereof, (C) if such Eurocurrency Rate Loan is denominated in euros, €2,000,000, or a whole multiple of €1,000,000 in excess thereof, (D) if such Eurocurrency Rate Loan is denominated in Australian Dollars, A$2,000,000, or a whole multiple of A$1,000,000 in excess thereof and (E) if such Eurocurrency Rate Loan is denominated in Yen, ¥2,000,000,000, or a whole multiple of ¥1,000,000,000 in excess thereof. Except as provided in Sections 2.03(c), 2.04(c), 2.14(a) or the last sentence of this paragraph, each Borrowing of or conversion to Base Rate Loans shall be in a minimum principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Term Borrowing of a particular Class, a Revolving Credit Borrowing, a conversion of Term Loans of any Class or Revolving Credit Loans from one Type to the other, or a continuation of Eurocurrency Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Term Loans of a Class or Revolving Credit Loans are to be converted, (v) in the case of a Revolving Credit Borrowing, the relevant Approved Currency in which such Revolving Credit Borrowing is to be denominated and (vi) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify an Approved Currency of a Loan in a Committed Loan Notice, such Loan shall be made in Dollars. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or fails to give a timely notice requesting a conversion or continuation, then the applicable Term Loans or Revolving Credit Loans shall be made as or converted to (x) in the case of any Loan denominated in Dollars, Base Rate Loans or (y) in the case of any Loan denominated in an Approved Foreign Currency, Eurocurrency Rate Loans in the Approved Currency, and with respect to Eurocurrency Rate Loans denominated in a LIBO Currency, having an Interest Period of one month, as applicable. Any such automatic conversion to Base Rate Loans or one-month Eurocurrency Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans denominated in a LIBO Currency in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. No Loan may be converted into or continued as a Loan denominated in another Approved Currency, but instead must be prepaid in the original Approved Currency or reborrowed in another Approved Currency.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount (and Approved Currency) of its Pro Rata Share or other applicable share provided for under this Agreement of the applicable Class of Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion or continuation described in Section 2.02(a). In the case of each Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office not later than 1:00 p.m. (New York City time) on the Business Day specified in the applicable Committed Loan Notice. The Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent by wire transfer of such funds in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a Eurocurrency Rate Loan denominated in a LIBO Currency may be continued or converted only on the last day of an Interest Period for such Eurocurrency Rate Loan unless the Borrower pays the amount due, if any, under Section 3.05 in connection therewith. During the existence of an Event of Default, the Administrative Agent or the Required Lenders may require that no Loans in any Approved Currency may be converted to or continued as Eurocurrency Rate Loans denominated in a LIBO Currency and the Required Lenders may demand that any or all of the then outstanding Eurocurrency Rate Loans denominated in ~~an Approved Foreign~~a LIBO Currency be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans denominated in a LIBO Currency upon determination of such interest rate. The determination of the Eurocurrency Rate by the Administrative Agent shall be conclusive in the absence of manifest error. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in the Prime Rate used in determining the Base Rate promptly following the announcement of such change.

(e) After giving effect to all Term Borrowings, all Revolving Credit Borrowings, all conversions of Term Loans or Revolving Credit Loans from one Type to the other, and all continuations of Term Loans or Revolving Credit Loans as the same Type, there shall not be more than fifteen (15) Interest Periods in effect.

(f) The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of any Borrowing.

SECTION 2.03 Letters of Credit.

(a) The Letter of Credit Commitment. (i) Subject to the terms and conditions set forth herein and in any agreement entered into between Borrower and the applicable L/C Issuer, (A) each L/C Issuer agrees, in reliance upon the agreements of the other Revolving Credit Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date to issue Letters of Credit at sight denominated in any Approved Currency for the account of the Borrower or any Subsidiary of the Borrower and to

earliest occurring maturity date such Swing Line Loan shall be deemed reallocated to the tranche or tranches of the Non-Expiring Credit Commitments on a pro rata basis; provided that (x) to the extent that the amount of such reallocation would cause the aggregate credit exposure to exceed the aggregate amount of such Non-Expiring Credit Commitments, immediately prior to such reallocation the amount of Swing Line Loans to be reallocated equal to such excess shall be repaid or Cash Collateralized and (y) notwithstanding the foregoing, if a Default or Event of Default has occurred and is continuing, the Borrower shall still be obligated to pay Swing Line Loans allocated to the Revolving Credit Lenders holding the Expiring Credit Commitments at the maturity date of the Expiring Credit Commitment or if the Loans have been accelerated prior to the maturity date of the Expiring Credit Commitment. Upon the maturity date of any tranche of Revolving Credit Commitments, the sublimit for Swing Line Loans may be reduced as agreed between the Swing Line Lender and the Borrower, without the consent of any other Person.

SECTION 2.05 Prepayments.

(a) Optional. (i) The Borrower may, upon, subject to clause (iii) below, written notice to the Administrative Agent by the Borrower, at any time or from time to time voluntarily prepay Term Loans and Revolving Credit Loans in whole or in part without premium or penalty (subject to Section 2.05(a)(iv); provided that (1) such notice must be received by the Administrative Agent not later than 1:00 p.m. New York City time (A) three Business Days prior to any date of prepayment of Eurocurrency Rate Loans ~~and (B~~denominated in a LIBO Currency, (B) five Business Days prior to any date of prepayment of Eurocurrency Rate Loans denominated in an RFR Currency and (C) one (1) Business Day prior to any prepayment of Base Rate Loans; (2) any prepayment of Eurocurrency Rate Loans shall be in a minimum Principal Amount of $2,000,000, or a whole multiple of $1,000,000 in excess thereof; and (3) any prepayment of Base Rate Loans shall be in a minimum Principal Amount of $1,000,000 or a whole multiple of $500,000 in excess thereof or, in each case, if less, the entire Principal Amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Class(es) and Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Appropriate Lender of its receipt of each such notice, and of the amount of such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be accompanied by all accrued interest thereon to such date, together with any additional amounts required pursuant to Section 3.05. In the case of each prepayment of the Loans pursuant to this Section 2.05(a), the Borrower may in its sole discretion select the Borrowing or Borrowings and, subject to the pro rata application within any Class of Loans, any Class to be repaid, and such payment shall be paid to the Appropriate Lenders in accordance with their respective Pro Rata Shares or other applicable share as provided for under this Agreement.

(ii) The Borrower may, upon, subject to clause (iii) below, written notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (1) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. noon New York City time on the date of the prepayment, and (2) any such prepayment shall be in a minimum Principal Amount of $500,000 or a whole multiple of $100,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such

Loans and Swing Line Loans such aggregate Outstanding Amount exceeds the aggregate Revolving Credit Commitments then in effect.

(vi) Except with respect to Loans incurred in connection with any Refinancing Amendment, Term Loan Extension Request, Revolver Extension Request or any Incremental Amendment (which may be prepaid on a less than pro rata basis in accordance with its terms), (A) each prepayment of Term Loans pursuant to this Section 2.05(b) shall be applied ratably to each Class of Term Loans then outstanding (provided that (i) any prepayment of Term Loans with the Net Proceeds of Credit Agreement Refinancing Indebtedness shall be applied solely to each applicable Class of Refinanced Debt, and (ii) any Class of Incremental Term Loans may specify that one or more other Classes of Term Loans and Incremental Term Loans may be prepaid prior to such Class of Incremental Term Loans); (B) with respect to each Class of Term Loans, each prepayment pursuant to clauses (i) through (iv) of this Section 2.05(b) shall be applied to the scheduled installments of principal thereof following the date of prepayment pursuant to Section 2.07(a) in direct order of maturity; and (C) each such prepayment shall be paid to the Lenders in accordance with their respective Pro Rata Shares of such prepayment.

(vii) The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to clauses (i) through (iv) of this Section 2.05(b) at least four (4) Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the amount of such prepayment. The Administrative Agent will promptly notify each Appropriate Lender of the contents of the Borrower's prepayment notice and of such Appropriate Lender's Pro Rata Share of the prepayment.

(viii) Funding Losses, Etc. All prepayments under this Section 2.05 shall be made together with, in the case of any such prepayment of a Eurocurrency Rate Loan denominated in a LIBO Currency on a date other than the last day of an Interest Period therefor, any amounts owing in respect of such Eurocurrency Rate Loan pursuant to Section 3.05. Notwithstanding any of the other provisions of Section 2.05(b), so long as no Event of Default shall have occurred and be continuing, if any prepayment of Eurocurrency Rate Loans denominated in a LIBO Currency is required to be made under this Section 2.05(b), prior to the last day of the Interest Period therefor, the Borrower may, in its sole discretion, deposit the amount of any such prepayment otherwise required to be made thereunder into a Cash Collateral Account until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from the Borrower or any other Loan Party) to apply such amount to the prepayment of such Loans in accordance with this Section 2.05(b). Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from the Borrower or any other Loan Party) to apply such amount to the prepayment of the outstanding Loans in accordance with this Section 2.05(b).

(ix) Term Opt-out of Prepayment. With respect to each prepayment of Term Loans required pursuant to Section 2.05(b), (A) each Lender of Term Loans will have the right to refuse such offer of prepayment by giving written notice of such refusal to the Administrative Agent within one (1) Business Day after such Lender's receipt of notice from the Administrative Agent of such offer of prepayment (and the Borrower shall not prepay

Credit Facilities of a given Class the aggregate principal amount of all of its Revolving Credit Loans of such Class outstanding on such date.

(c) *Swing Line Loans.* The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date five (5) Business Days after such Loan is made and (ii) the Maturity Date for the Revolving Credit Facility (although Swing Line Loans may thereafter be reborrowed, in accordance with the terms and conditions hereof, if there are one or more Classes of Revolving Credit Commitments which remain in effect).

SECTION 2.08 Interest.

(a) Subject to the provisions of Section 2.08(b), (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period (if applicable) at a rate per annum equal to the Eurocurrency Rate for such Interest Period (if applicable) plus the Applicable Rate; (ii) each Base Rate Loan (other than a Swing Line Loan) shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for Revolving Credit Loans.

(b) During the continuance of a Default under Section 8.01(a), the Borrower shall pay interest on past due amounts owing by it hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws; *provided* that no interest at the Default Rate shall accrue or be payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender. Accrued and unpaid interest on such amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

SECTION 2.09 Fees.

In addition to certain fees described in Sections 2.03(h) and (i):

(a) *Commitment Fee.* The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Credit Lender under each Facility in accordance with its Pro Rata Share or other applicable share provided for under this Agreement, a commitment fee in Dollars equal to the Applicable Rate with respect to Revolving Credit Loan commitment fees, times the actual daily amount by which the aggregate Revolving Credit Commitment for the applicable Facility exceeds the sum of (A) the Outstanding Amount of Revolving Credit Loans for such Facility and (B) the Outstanding Amount of L/C Obligations for such Facility; *provided* that any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender, except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time; and *provided, further*, that no commitment fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. The commitment fee on each

Revolving Credit Facility shall accrue at all times from the Closing Date until the Maturity Date for the Revolving Credit Commitments, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date during the first full fiscal quarter to occur after the Closing Date and on the Maturity Date for the Revolving Credit Commitments. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Other Fees. The Borrower shall pay to the Agents such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever (except as expressly agreed between the Borrower and the applicable Agent).

SECTION 2.10 Computation of Interest and Fees.

All computations of interest computed by reference to SONIA and interest for Base Rate Loans when the Base Rate is determined by the Prime Rate shall be made on the basis of a year of three hundred and sixty-five (365) days, or three hundred and sixty-six (366) days, as applicable, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a three hundred and sixty (360) day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one (1) day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.11 Evidence of Indebtedness.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and evidenced by one or more entries in the Register maintained by the Administrative Agent, acting solely for purposes of Treasury Regulation Section 5f.103-1(c), as agent for the Borrower, in each case in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be prima facie evidence absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note payable to such Lender, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount, currency and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records

agrees promptly to return such refund (plus any penalties, interest or other charges imposed by the relevant taxing authority) to such party in the event such party is required to repay such refund to the relevant taxing authority. This section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to Taxes that it deems confidential) to the Borrower or any other person.

(g) For the avoidance of doubt, the term "Lender" for purposes of this Section 3.01 shall include each L/C Issuer and Swing Line Lender.

(h) For purposes of determining withholding Taxes imposed under FATCA, from and after the Amendment No. 1 Effective Date, the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

SECTION 3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurocurrency Rate Loans (whether denominated in Dollars or any other Approved Currency), or to determine or charge interest rates based upon the Eurocurrency Rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurocurrency Rate Loans in the affected currency or currencies, or, in the case of Eurocurrency Rate Loans denominated in Dollars, to convert Base Rate Loans to Eurocurrency Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable and such Loans are denominated in Dollars, convert all applicable Eurocurrency Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or promptly, if such Lender may not lawfully continue to maintain such Eurocurrency Rate Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted and all amounts due, if any, in connection with such prepayment or conversion under Section 3.05. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

SECTION 3.03 Inability to Determine Rates.

(a) If the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the applicable Eurocurrency Rate for any requested Interest Period, as applicable, with respect to a proposed Eurocurrency Rate Loan in a given Approved Currency, or that the Eurocurrency Rate for any requested Interest Period, as applicable, with respect to a proposed Eurocurrency Rate Loan in such Approved Currency does not adequately and fairly reflect the cost to such Lenders of funding such Loan, or that deposits in the applicable Approved Currency in which such proposed Eurocurrency Rate Loan is to be denominated are not being offered to banks in the applicable offshore interbank market for the applicable amount and the Interest Period, as applicable, of such Eurocurrency Rate Loan in the applicable Approved Currency, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected Approved

Currency shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in the affected Approved Currency or, failing that, will be deemed to have converted such request, if applicable, into a request for a Borrowing of Base Rate Loan in the amount specified therein.

(b) If prior to the commencement of any Interest Period, as applicable, for a Eurocurrency Rate Loan, the Borrower and the Administrative Agent reasonably determine in good faith that adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate or LIBOR, as applicable, for such Interest Period and that (i) such circumstances are unlikely to be temporary or (ii) such circumstances have not arisen but the supervisor for the administrator of LIBOR or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the applicable RFR shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to LIBOR or such RFR, as applicable, that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable which shall include a method for determining adjustments to such alternate rate of interest and this Agreement to not increase or decrease pricing in effect for the Interest Period on the Business Day immediately preceding the Business Day on which such alternate rate is selected pursuant to this provision (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Rate). Notwithstanding anything to the contrary in Section 10.01, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date that such amendment is provided to the Lenders, a written notice from the Required Lenders of each Class stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b), (x) any Committed Loan Notice that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Rate Loan shall be ineffective and (y) if any Committed Loan Notice requests a Eurocurrency Rate Loan, such Borrowing shall be made as a Base Rate Loan; provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

SECTION 3.04 Increased Cost and Reduced Return; Capital Adequacy; Reserves on Eurocurrency Rate Loans.

(a) If any Lender reasonably determines that as a result of the introduction of or any change in or in the interpretation of any Law, in each case after the Closing Date, or such Lender's compliance therewith, there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining any Eurocurrency Rate Loans or (as the case may be) issuing or participating in Letters of Credit, or a reduction in the amount received or receivable by such Lender in connection with any of the foregoing (excluding for purposes of this Section 3.04(a) any such increased costs or reduction in amount resulting from (i) Indemnified Taxes or Other Taxes, or any Taxes excluded from the definition of Indemnified Taxes under exceptions (i)(B) through (vi) thereof or (ii) reserve requirements contemplated by Section 3.04(c)) and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining the Eurocurrency Rate Loan (or of maintaining its obligations to make any Loan), or to reduce the amount of any sum received or receivable by such Lender, then from time to time within fifteen (15) days after demand

(e) If any Lender requests compensation under this Section 3.04, then such Lender will, if requested by the Borrower, use commercially reasonable efforts to designate another Lending Office for any Loan or Letter of Credit affected by such event; provided that such efforts are made on terms that, in the reasonable judgment of such Lender, cause such Lender and its Lending Office(s) to suffer no material economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section 3.04(e) shall affect or postpone any of the Obligations of the Borrower or the rights of such Lender pursuant to Sections 3.04(a), (b), (c) or (d).

SECTION 3.05 Funding Losses.

Upon written demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense actually incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Eurocurrency Rate Loan denominated in a LIBO Currency of the Borrower on a day other than the last day of the Interest Period for such Loan;

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurocurrency Rate Loan of the Borrower on the date or in the amount notified by the Borrower, including any loss or expense (excluding loss of anticipated profits) arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained; or

(c) any failure by the Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Approved Foreign Currency on its scheduled due date or any payment thereof in a difference currency.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurocurrency Rate Loan made by it at the Eurocurrency Rate for such Loan by a matching deposit or other borrowing in the offshore interbank market for the applicable currency for a comparable amount and for a comparable period if applicable, whether or not such Eurocurrency Rate Loan was in fact so funded.

SECTION 3.06 Matters Applicable to All Requests for Compensation.

(a) Any Agent or any Lender claiming compensation under this Article III shall deliver a certificate to the Borrower setting forth the additional amount or amounts to be paid to it hereunder which shall be conclusive in the absence of manifest error. In determining such amount, such Agent or such Lender may use any reasonable averaging and attribution methods.

(b) With respect to any Lender's claim for compensation under Sections 3.01, 3.02, 3.03 or 3.04, the Borrower shall not be required to compensate such Lender for any amount incurred more than one hundred and eighty (180) days prior to the date that such Lender notifies the Borrower of the event that gives rise to such claim; provided that if the circumstance giving rise to such claim is retroactive, then such 180-day period referred to above shall be extended to include the period of retroactive effect thereof. If any Lender requests compensation by the Borrower under Section 3.04, the Borrower may, by notice to such Lender (with a copy to the Administrative Agent), suspend the

obligation of such Lender to make or continue from one Interest Period to another applicable Eurocurrency Rate ~~Loan~~Loans denominated in a LIBO Currency, or, if applicable, to convert Base Rate Loans into Eurocurrency Rate Loans, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 3.06(c) shall be applicable); provided that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(c) If the obligation of any Lender to make or continue any Eurocurrency Rate Loan, or to convert Base Rate Loans into Eurocurrency Rate Loans shall be suspended pursuant to Section 3.06(b) hereof, such Lender's applicable Eurocurrency Rate Loans shall be automatically converted into Base Rate Loans (or, if such conversion is not possible, repaid) on the last day(s) of the then current Interest Period(s) for such Eurocurrency Rate Loans denominated in a LIBO Currency (or, in the case of an immediate conversion required by Section 3.02, on such earlier date as required by Law) and, unless and until such Lender gives notice as provided below that the circumstances specified in Sections 3.02, 3.03 or 3.04 hereof that gave rise to such conversion no longer exist:

(i) to the extent that such Lender's Eurocurrency Rate Loans have been so converted, all payments and prepayments of principal that would otherwise be applied to such Lender's applicable Eurocurrency Rate Loans shall be applied instead to its Base Rate Loans; and

(ii) all Loans that would otherwise be made or continued from one Interest Period to another by such Lender as Eurocurrency Rate Loans denominated in a LIBO Currency shall be made or continued instead as Base Rate Loans (if possible), and all Base Rate Loans of such Lender that would otherwise be converted into Eurocurrency Rate Loans shall remain as Base Rate Loans.

(d) If any Lender gives notice to the Borrower (with a copy to the Administrative Agent) that the circumstances specified in Sections 3.02, 3.03 or 3.04 hereof that gave rise to the conversion of any of such Lender's Eurocurrency Rate Loans pursuant to this Section 3.06 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Eurocurrency Rate Loans denominated in a LIBO currency made by other Lenders under the applicable Facility are outstanding, if applicable, such Lender's Base Rate Loans shall be automatically converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Eurocurrency Rate Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding Eurocurrency Rate Loans under such Facility and by such Lender are held pro rata (as to principal amounts, interest rate basis, and Interest Periods) in accordance with their respective Commitments for the applicable Facility.

SECTION 3.07 Replacement of Lenders under Certain Circumstances.

(a) If at any time (i) the Borrower becomes obligated to pay additional amounts or indemnity payments described in Section 3.01 (with respect to Indemnified Taxes) or 3.04 as a result of any condition described in such Sections or any Lender ceases to make any Eurocurrency Rate Loans as a result of any condition described in Section 3.02 or Section 3.04, (ii) any Lender becomes a Defaulting Lender or (iii) any Lender becomes a Non-Consenting Lender, then the Borrower may so long as no Event of Default has occurred and is continuing, at its sole cost and expense, on ten (10) Business Days' prior written notice to the Administrative Agent and such Lender, (x) replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Christopher J. Nassetta, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 of Hilton Worldwide Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Christopher J. Nassetta

Christopher J. Nassetta
President and Chief Executive Officer
(Principal Executive Officer)
October 27, 2021

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Kevin J. Jacobs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 of Hilton Worldwide Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Kevin J. Jacobs

Kevin J. Jacobs
Chief Financial Officer and President, Global Development
(Principal Financial Officer)
October 27, 2021

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Hilton Worldwide Holdings Inc. (the "Company") for the fiscal quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher J. Nassetta, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Christopher J. Nassetta

Christopher J. Nassetta
President and Chief Executive Officer
(Principal Executive Officer)

October 27, 2021

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Hilton Worldwide Holdings Inc. (the "Company") for the fiscal quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin J. Jacobs, Chief Financial Officer and President, Global Development of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Kevin J. Jacobs

Kevin J. Jacobs
Chief Financial Officer and President, Global Development
(Principal Financial Officer)

October 27, 2021

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.