

Investor Presentation

February 2020



Waldorf Astoria Maldives Ithaafushi

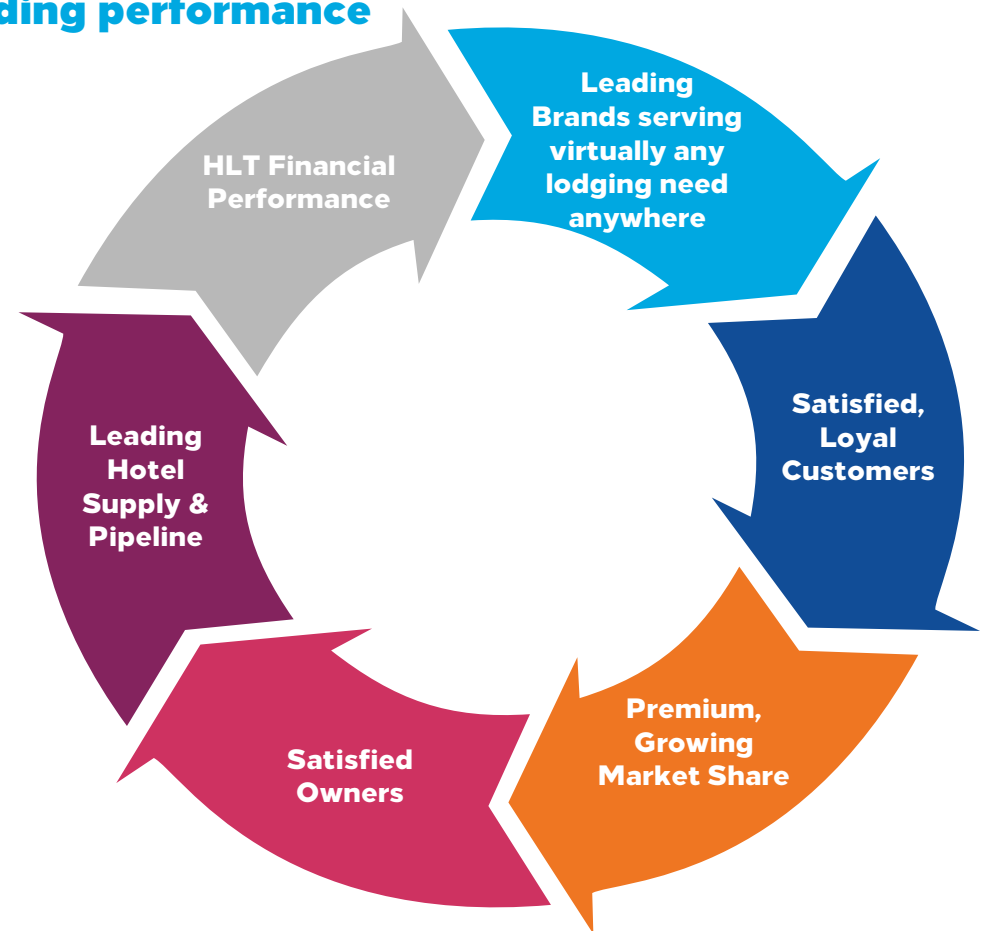


HLT VALUE PROPOSITION



Hilton's scale, global presence and leading brands at multiple price points drive a network effect delivering industry-leading performance

- **Award-winning brands that serve guests for virtually any lodging need they have anywhere in the world**
- **Leads to satisfied customers, including approximately 103 million Hilton Honors loyalty members**
- **Creates a network effect that drives a strong global RevPAR premium of 14%^(a)**
- **These premiums drive strong financial returns for the company and our hotel owners**
- **Satisfied owners continue to invest in growing Hilton's brands, driving leading organic net unit growth with de minimis use of capital**
- **We believe the reinforcing nature of these activities will allow Hilton to outperform the competition**



(a) Source: STR (year ended December 31, 2019). "RevPAR" or "Revenue per Available Room" represents hotel room revenue divided by room nights available to guests for a given period.

Investment Thesis

Hilton

- 1. THE BEST-PERFORMING PORTFOLIO OF BRANDS IN THE BUSINESS**
- 2. A RESILIENT, FEE-BASED BUSINESS**
- 3. A RECORD PIPELINE GENERATING SUBSTANTIAL RETURNS ON MINIMAL CAPITAL INVESTMENT**
- 4. SUPPORTED BY FAVORABLE FUNDAMENTALS AND A DISCIPLINED STRATEGY**
- 5. GENERATING SIGNIFICANT FREE CASH FLOW FOR SHAREHOLDERS**

1. THE BEST-PERFORMING PORTFOLIO OF BRANDS IN THE BUSINESS

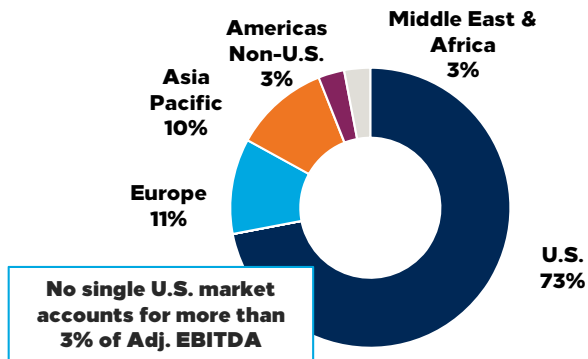


With ~6,100 properties & ~971,000 rooms in 119 countries and territories, Hilton is one of the world's largest and most diversified hotel companies

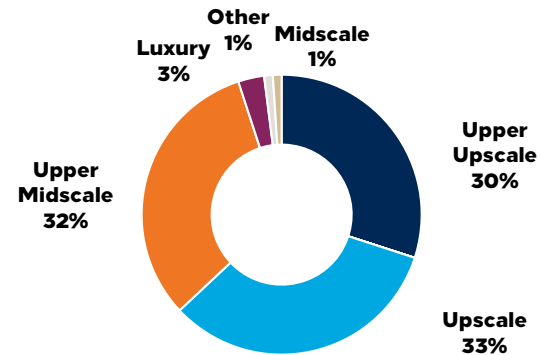
Industry-leading, clearly defined, global brands drive a 14% global RevPAR premium^(a)

Luxury & Lifestyle	Full Service	All Suites	Focused Service	Timeshare

ADJ. EBITDA BY GEOGRAPHY^(b)



ROOMS BY CHAIN SCALE^(c)



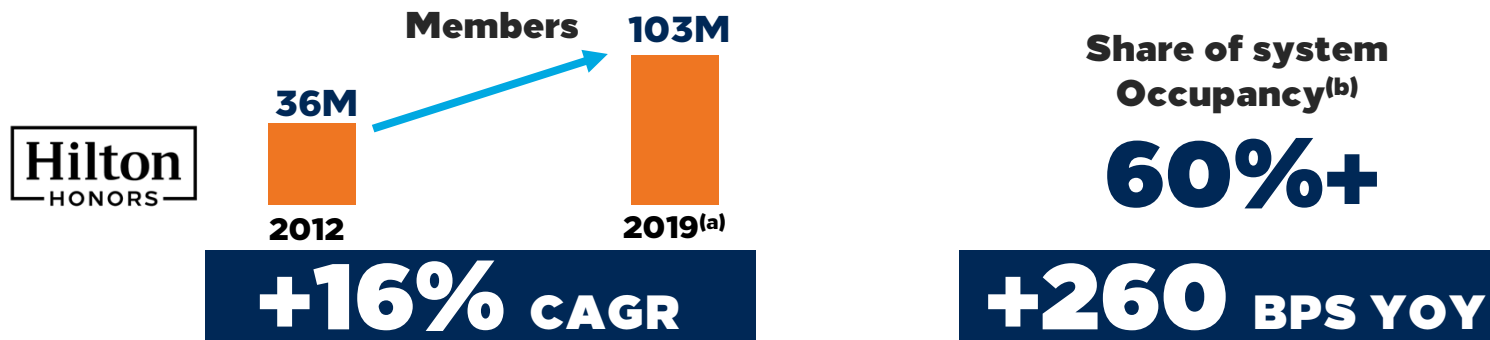
(a) Source: STR (year ended December 31, 2019).
 (b) Based on year ended December 31, 2019. For Adjusted EBITDA, excludes corporate and other.
 (c) Room count as of December 31, 2019. Other includes HGV.

1. THE BEST-PERFORMING PORTFOLIO OF BRANDS IN THE BUSINESS



Hilton Honors loyalty program enables a better, more personalized hotel stay, driving incremental value to the system

HILTON HONORS IS OFFERING MORE VALUE TO MORE MEMBERS



INNOVATIVE NEW FEATURES & PARTNERSHIPS



POINTS & MONEY 2.0

Can choose any combination of Points and money to pay for a stay, using an interactive “Slider.”



SHOP WITH POINTS

The first hotel loyalty program to enable members to use their Points on Amazon.com.



POINTS POOLING

Can pool Points into a single account (for free), generating incremental reward stays and increasing engagement.



RIDESHARING

When a member rides with Lyft, they earn Hilton Honors Points

(a) As of December 31, 2019.
 (b) For the year ended December 31, 2019.

1. THE BEST-PERFORMING PORTFOLIO OF BRANDS IN THE BUSINESS



We are the most innovative hotel company, leading in delivering personalized experiences for guests in every interaction they have with Hilton

Our Hilton Honors app is one example of how we offer end-to-end experiences for guests:

- Our Digital Key and welcome experience empowers guests to pick their room before arrival and bypass the front desk
- At nearly 3,500 of our hotels, Hilton Explore allows guests to explore neighborhoods surrounding their hotel like locals
- Connected Room enables guests to control lighting, HVAC and entertainment options
- We partner with SHOWTIME and Netflix to allow guests to stream their favorite content
- Digital Check-Out gives guests the convenience of checking out of their room in the app



4800+

Digital Key hotels

22 million

Digital Keys downloaded

84 million

Doors opened with Digital Key



~12,000

Connected Rooms

~103 million

Hilton Honors Members

+20% YOY

1. THE BEST-PERFORMING PORTFOLIO OF BRANDS IN THE BUSINESS



We are committed to sustainable travel and tourism

Our Travel with Purpose initiatives aim to drive positive social and environmental change across our operations, supply chain, and communities

GOALS FOR 2030 FOCUS ON



ENVIRONMENTAL IMPACT

- Energy
- Carbon
- Water
- Waste
- Responsible Sourcing



SOCIAL IMPACT


- Youth
- Diversity & Inclusion
- Community Investment
- Disaster Relief
- Human Rights

LEADING THE WAY TO POSITIVELY CHANGE THE WORLD



Expanded industry-leading soap recycling program to **5,300 properties**

MEMBER OF
Dow Jones Sustainability Indices

In collaboration with 

Named 2019 Global Industry Leader on the **Dow Jones Sustainability Indices (DJSI)**



Became the only hospitality company on **Fortune's 2019 Change the World list** for the second year in a row

OPERATION: OPPORTUNITY
OUR MISSION IS YOUR SUCCESS

Achieved goal of hiring **30,000 veterans, military spouses and caregivers** since 2013 with an **additional 25,000 hires** pledged by the end of 2025

2. A RESILIENT, FEE-BASED BUSINESS

Hilton

Top-Line Driven

90% Adj. EBITDA from fees,
90% revenue driven^(a)

+/- 1% of RevPAR growth is roughly
+/- 1% of Adjusted EBITDA growth

Majority Franchise Fees

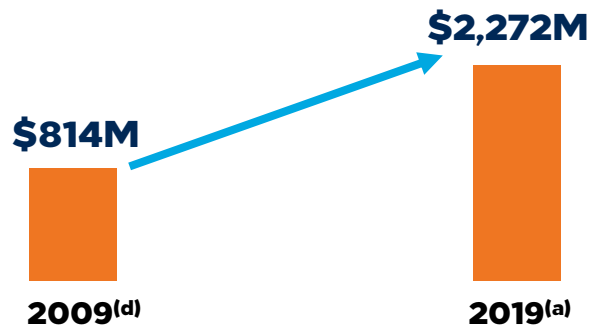
~75% of total fees
franchise driven^(a)

Increasing franchise fees as contracts
roll over at higher published rates

4.9% in-place
rate vs. 5.6%
published rate^(b) → ~\$140M annual
Adj. EBITDA

Meaningful Fee Growth

MANAGEMENT & FRANCHISE FEES^(c)



+11% CAGR

Capital Efficient Growth

~7% NUG^(e)

~\$250M Total HLT investment in
pipeline, with **~50% under construction** and
average contract term of **19 years**

(a) Based on year ended 12/31/19. For Adjusted EBITDA, excludes corporate and other.

(b) As of or for year ended 12/31/19. Effective franchise rate is up 95 bps since FY 2007 and is calculated as the total franchise fee revenue divided by total franchise room revenue. Published franchise rate is calculated as the weighted average of current published brand franchise fee rates.

(c) Excludes amortization of contract acquisition costs recorded as contra-revenue.

(d) Does not include the effect of the revenue recognition standard adopted on January 1, 2018.

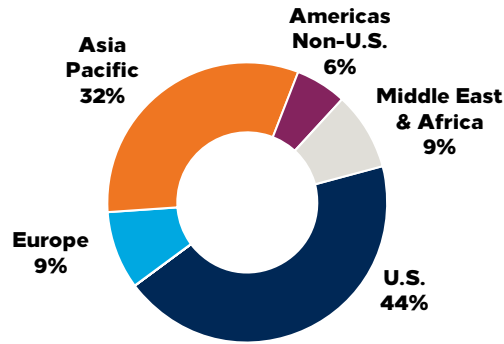
(e) Net Unit Growth ("NUG") based on year ended 12/31/19.

3. A RECORD PIPELINE GENERATING SUBSTANTIAL RETURNS ON MINIMAL CAPITAL INVESTMENT



DIVERSIFIED PIPELINE OF BEST PERFORMING BRANDS

PIPELINE BY GEOGRAPHY^(a)

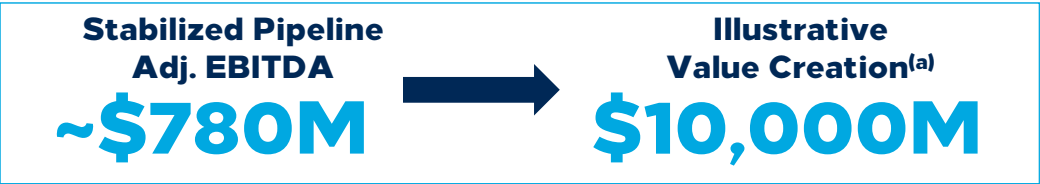


PIPELINE BY SEGMENT^(a)



Resulting in: Record pipelines across all brand segments with minimal HLT capital investment

Pipeline rooms	% Under Construction	% New Brands	3 rd Party Investment	HLT Investment ^(b)
387K	50%	~30%	\$50B	~\$250M



(a) Based on 135 Illustrative Adjusted EBITDA. Figure is illustrative only and does not reflect the actual valuation or the view of Hilton with respect to proper valuation. The market may attribute a different valuation. Pipeline as of 12/31/2019.

(b) Reflects committed investment.

3. A RECORD PIPELINE GENERATING SUBSTANTIAL RETURNS ON MINIMAL CAPITAL INVESTMENT

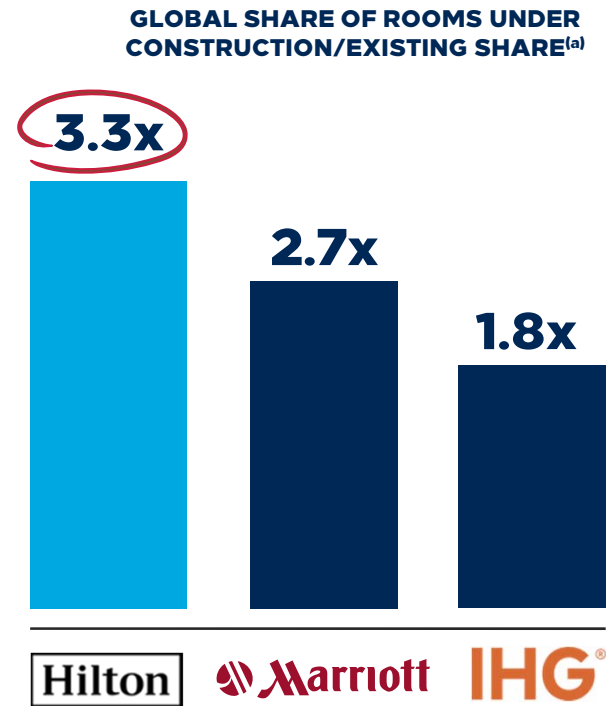


Development focused on balanced global growth
Brand portfolio drives high quality, high return, industry-leading organic growth enabled by demand patterns around the world

LEADING SHARE OF FUTURE DEVELOPMENT IN EVERY REGION^(a)

	Existing Room Supply	Rooms Under Construction
	% of Total	% of Total
United States	13%	23%
Americas ex. U.S.	3%	16%
Europe	2%	8%
Middle East, Africa	3%	13%
Asia Pacific	2%	20%
Global System	5%	17%

DEVELOPMENT MARKET SHARE IS ~3X+ LARGER THAN CURRENT SHARE



(a) Source: STR Global Census, January 2020 (adjusted to December 2019) and STR Global New Development Pipeline, January 2020.

3. A RECORD PIPELINE GENERATING SUBSTANTIAL RETURNS ON MINIMAL CAPITAL INVESTMENT

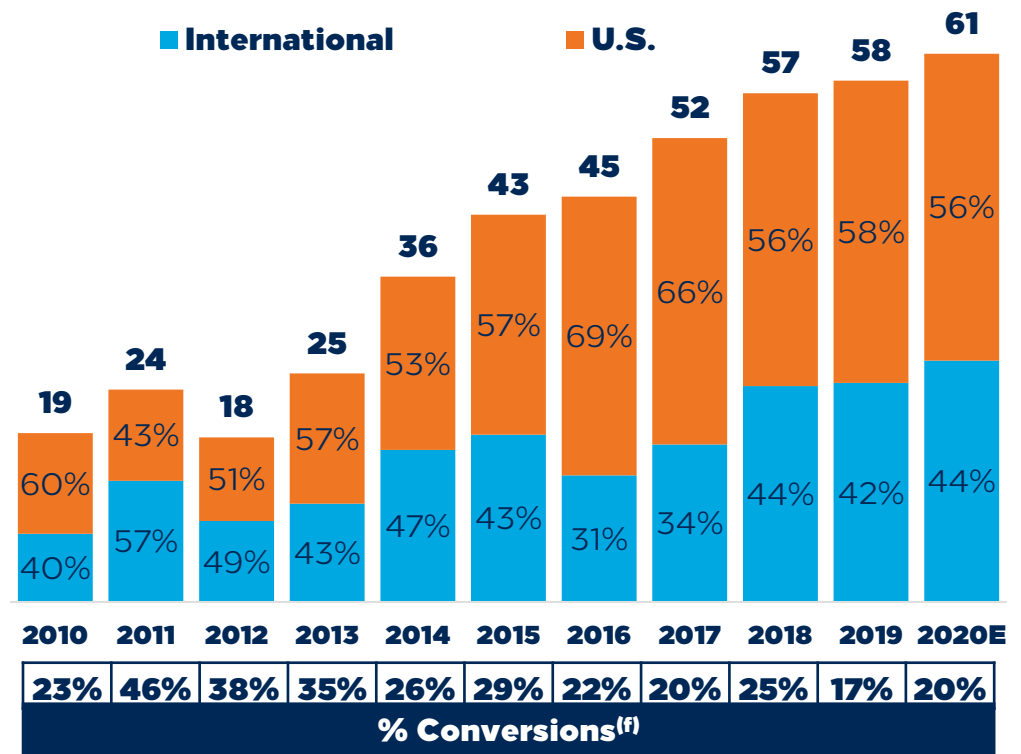


Industry-leading growth with great sight lines into future development

GLOBAL SYSTEM ROOM GROWTH 2007-TODAY^(a)

	96%
	84%
	74%
	57%
	53%
	52%
	32%

HLT NET UNIT GROWTH (000s of rooms)



(a) Note: "2007" metrics are as of 6/30/07, except for H which is as of 12/31/07; "Today" metrics are as of most recent reporting as of 02/21/20 for HLT and peers.
 (b) Room count reflects Hyatt's acquisition of Two Roads Hospitality in both periods, adding 12,000 rooms.
 (c) Reflects MAR acquisition of HOT in both periods.
 (d) Excl. timeshare properties due to lack of 2007 data availability for WYN.
 (e) Accor data reflects sale of Motel 6 and Studio 6 brands and the acquisition of Fairmont Raffles Hotels International Group.
 (f) As a % of gross room openings.

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 Source: Company filings.

4. SUPPORTED BY STRONG FUNDAMENTALS...



GROWING CUSTOMER BASE THAT CAN & WANT TO TRAVEL

GLOBAL MIDDLE CLASS

60%

Expected proportion of population by 2030

GLOBAL TRAVEL SPEND

2x

Annual spend expected to approximately double over next 10 years

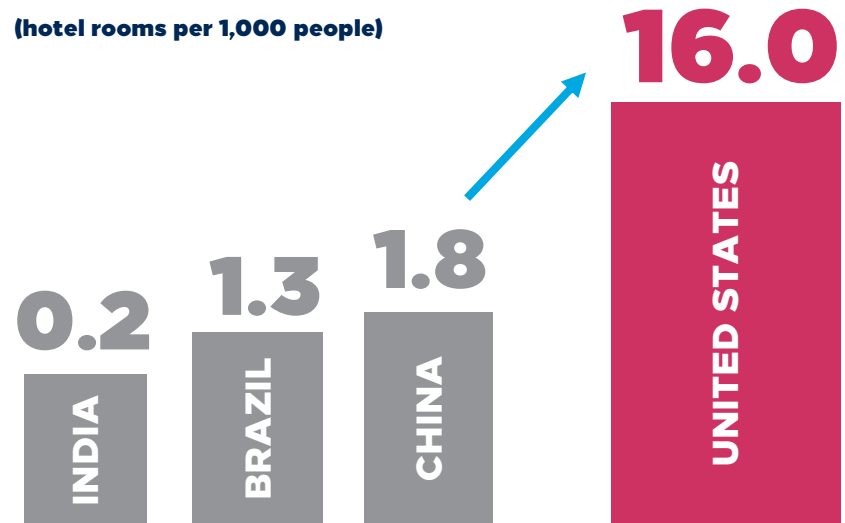
GLOBAL TOURIST ARRIVALS

1.8BN

400M more annual trips expected by 2030

HOTEL UNDER-PENETRATION IN HIGH GROWTH MARKETS

(hotel rooms per 1,000 people)



... AND A DISCIPLINED STRATEGY

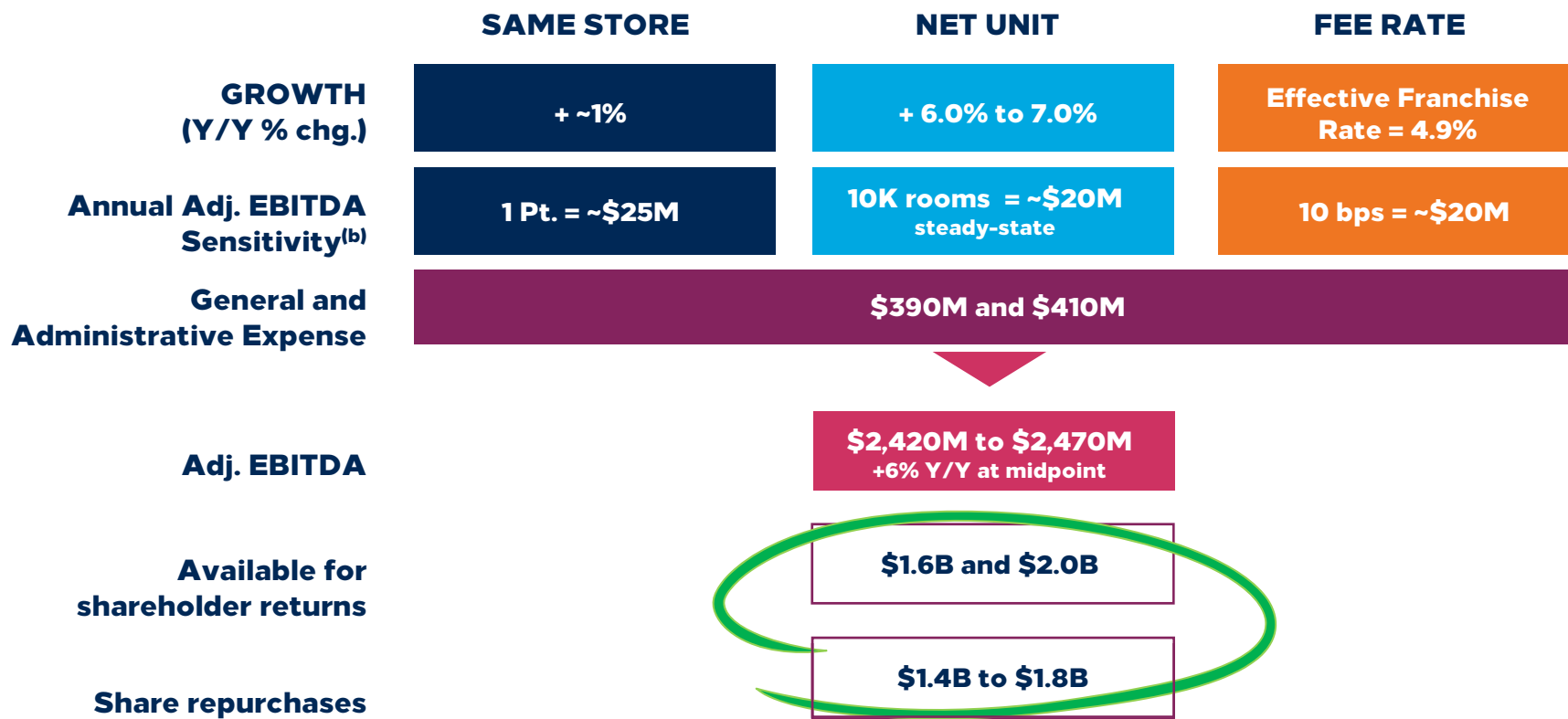


ALIGN CULTURE & ORGANIZATION	<ul style="list-style-type: none">• Performance-driven, purpose-led culture based on common vision, mission, values and key strategic priorities
WIN ON CUSTOMER EXPERIENCE	<ul style="list-style-type: none">• Maximize relevance of existing brands, strategically add new brands• Build on leading commercial capabilities to maximize revenues• Lead in digital and personalization capabilities• Drive deeper loyalty and more direct relationships with guests through Hilton Honors
EXPAND GLOBAL FOOTPRINT	<ul style="list-style-type: none">• Deliver industry-leading, high-quality organic net unit growth• Fill gaps with the right brand in the right location at the right time• Expand luxury portfolio; execute international growth strategy
MAXIMIZE PERFORMANCE	<ul style="list-style-type: none">• Grow market share• Grow free cash flow per share, preserve strong balance sheet and accelerate return of capital

5. GENERATING SIGNIFICANT FREE CASH FLOW AND CAPITAL RETURN POTENTIAL



2020 OUTLOOK^(a)



(a) Outlook as of 02/11/2020.
 (b) Sensitivity within the ranges given.



Waldorf Astoria Edinburgh

Appendix

Hilton

FLEXIBLE CAPITAL STRUCTURE WITH SIGNIFICANT LIQUIDITY



CAPITAL STRUCTURE OVERVIEW

Net debt
\$7.4B

Net leverage^(b)
3.2x

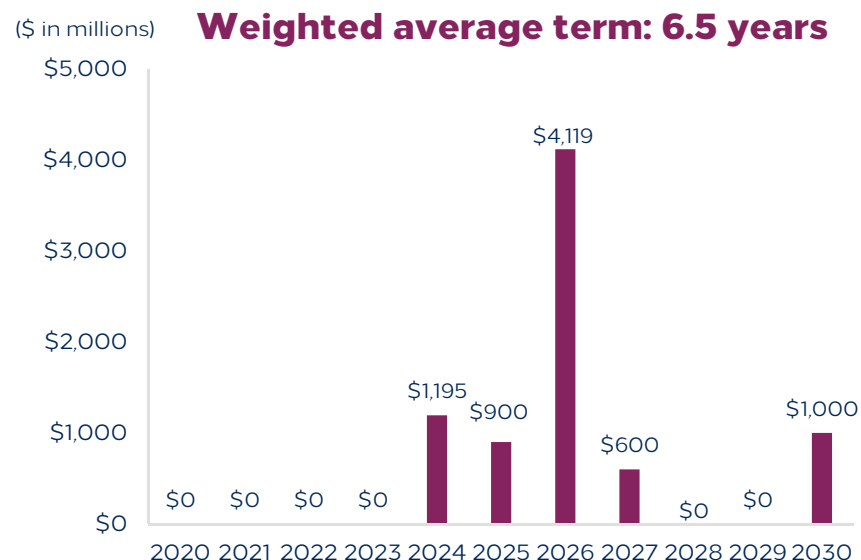
WACD
4.4%

DEBT BREAKDOWN / SCHEDULED AMORTIZATION AND MATURITIES^(a)

% fixed
84%

% unsecured
64%

% freely prepayable
36%



(a) Excludes finance lease liabilities and other debt of our consolidated variable interest entities.
(b) Ratio of net debt as of 12/31/2019 to year ended 12/31/2019 Adjusted EBITDA.



RECONCILIATIONS

(\$ in millions)

	FY 2019
Net income	\$ 886
Interest expense	414
Income tax expense	358
Depreciation and amortization	346
EBITDA	<u>2,004</u>
Gain on sale of assets	(81)
Loss on foreign currency transactions	2
FF&E replacement reserves (a)	59
Share-based compensation expense	154
Amortization of contract acquisition costs	29
Net other expenses from managed and franchised properties	77
Other adjustment items (b)	64
Adjusted EBITDA	<u>\$ 2,308</u>
	 As of
	December 31, 2019
Long-term debt, including current maturities	\$ 7,993
Add: unamortized deferred financing costs and discount	<u>83</u>
Long-term debt, including current maturities and excluding unamortized deferred financing costs and discount	8,076
Add: Hilton's share of unconsolidated affiliate debt, excluding unamortized deferred financing costs	2
Less: cash and cash equivalents	(538)
Less: restricted cash and cash equivalents	(92)
Net debt	<u>\$ 7,448</u>
 Net debt/Adjusted EBITDA ratio	 3.2

(a) Represents furniture, fixture & equipment ("FF&E") replacement reserves established for the benefit of lessors for requisition of capital assets under certain lease agreements.

(b) Includes impairment losses and, for all periods, includes expenses recognized in connection with the refinancings and repayments of the senior secured credit facilities, severance, and other items.

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This presentation 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. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. 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, 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 United States and our indebtedness, as well as those described under the section entitled “Risk Factors” in Hilton Worldwide Holdings Inc.’s Annual Report on Form 10-K for the year ended December 31, 2019, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (“SEC”), which are accessible on the SEC’s website at www.sec.gov. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in our filings with the SEC. 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.

This presentation includes certain financial measures, including adjusted earnings before interest expense, taxes, depreciation and amortization (“Adj. EBITDA”), Net Debt, and Net Debt to Adj. EBITDA ratio, that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). These non-GAAP financial measures should be considered only as supplemental to, and not as a substitute for or superior to, financial measures prepared in accordance with U.S. GAAP. Please refer to the Appendix and footnotes of this presentation for a reconciliation of the historical non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with U.S. GAAP.

Slides in this presentation include certain Adj. EBITDA amounts that are used only for illustrative purposes to present illustrative Adj. EBITDA amounts by applying assumptions to existing rooms pipeline, increases of in-place rates and increases in RevPAR, as applicable, in each case based on information for the year ended December 31, 2019. These amounts do not represent projections of future results and may not be realized. Value information on such slides that is derived from such illustrative Adj. EBITDA amounts is indicative only, based upon a number of assumptions, and does not reflect actual valuation. Please review carefully the detailed footnotes in this presentation.

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We Are **HOSPITALITY**

Hilton



LXR

CONRAD

canopy

Signia
by Hilton



CURIO
COLLECTION



TAPESTRY
COLLECTION



TEMPO

MOTTO

Hilton
Garden Inn



HOMEWOOD
SUITES

HOME2
SUITES



Hilton
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