

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For quarterly period ended September 30, 2024

OR

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

COMMISSION FILE NO. 1-38012

**Playa Hotels & Resorts N.V.**

(Exact name of registrant as specified in its charter)

The Netherlands

(State or other jurisdiction of incorporation or organization)

98-1346104

(IRS Employer Identification Number)

Keizersgracht 555

1017 DR Amsterdam, the Netherlands

(Address of Principal Executive Offices)

Not Applicable

(Zip Code)

+31 6 82 55 84 30

(Registrant's Telephone Number, Including Area Code)

Nieuwezijds Voorburgwal 104

1012 SG Amsterdam, the Netherlands

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

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

| <u>Title of each Class</u>       | <u>Trading Symbol(s)</u> | <u>Name of Each Exchange on Which Registered</u> |
|----------------------------------|--------------------------|--|
| Ordinary Shares, €0.10 par value | PLYA                     | The Nasdaq Stock Market LLC                      |

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 such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (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 (§232.405 of this chapter) 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 | <input checked="" type="checkbox"/> Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/> Smaller reporting company    | <input type="checkbox"/> |
|                         | <input type="checkbox"/> Emerging growth company      | <input type="checkbox"/> |

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 Act). Yes  No

As of October 31, 2024, there were 121,554,617 shares of the registrant's ordinary shares, €0.10 par value, outstanding.

**Playa Hotels & Resorts N.V.**  
**TABLE OF CONTENTS**

**PART I. FINANCIAL INFORMATION**

|   | <u>Page</u> |
|---|-------------|
| Item 1. <u>Financial Statements (unaudited)</u>   |             |
| <u>Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023</u>   | <u>1</u>    |
| <u>Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023</u>                  | <u>2</u>    |
| <u>Condensed Consolidated Statements of Comprehensive (Loss) Income for the three and nine months ended September 30, 2024 and 2023</u> | <u>3</u>    |
| <u>Condensed Consolidated Statements of Shareholders' Equity for the three and nine months ended September 30, 2024 and 2023</u>        | <u>4</u>    |
| <u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023</u>                            | <u>6</u>    |
| <u>Notes to the Condensed Consolidated Financial Statements</u>   | <u>8</u>    |
| Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>                                    | <u>25</u>   |
| Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>   | <u>58</u>   |
| Item 4. <u>Controls and Procedures</u>  | <u>59</u>   |

**PART II. OTHER INFORMATION**

|  |           |
|--|-----------|
| Item 1. <u>Legal Proceedings</u>   | <u>60</u> |
| Item 1A. <u>Risk Factors</u>   | <u>60</u> |
| Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u> | <u>60</u> |
| Item 3. <u>Defaults Upon Senior Securities</u>                             | <u>60</u> |
| Item 4. <u>Mine Safety Disclosures</u>                                     | <u>60</u> |
| Item 5. <u>Other Information</u>   | <u>60</u> |
| Item 6. <u>Exhibits</u>  | <u>61</u> |

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Playa Hotels & Resorts N.V.**  
**Condensed Consolidated Balance Sheets**  
**(\$ in thousands, except share data)**  
**(unaudited)**

|  | <u>As of September 30,</u><br><u>2024</u> | <u>As of December 31,</u><br><u>2023</u> |
|--|---|--|
| <b>ASSETS</b>  |   |  |
| Cash and cash equivalents  | \$ 211,137                                | \$ 272,520                               |
| Trade and other receivables, net   | 46,034                                    | 74,762                                   |
| Insurance recoverable  | 14,841                                    | 9,821                                    |
| Accounts receivable from related parties   | 990                                       | 5,861                                    |
| Inventories  | 16,450                                    | 19,963                                   |
| Prepayments and other assets   | 63,555                                    | 54,294                                   |
| Property and equipment, net  | 1,389,298                                 | 1,415,572                                |
| Derivative financial assets  | —   | 2,966                                    |
| Goodwill, net  | 60,642                                    | 60,642                                   |
| Other intangible assets  | 2,189                                     | 4,357                                    |
| Deferred tax assets  | 12,066                                    | 12,967                                   |
| <b>Total assets</b>  | <b>\$ 1,817,202</b>                       | <b>\$ 1,933,725</b>                      |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |   |  |
| Trade and other payables   | \$ 135,886                                | \$ 196,432                               |
| Payables to related parties  | 5,087                                     | 10,743                                   |
| Income tax payable   | 16,595                                    | 11,592                                   |
| Debt   | 1,070,759                                 | 1,061,376                                |
| Derivative financial liabilities   | 9,499                                     | —  |
| Other liabilities  | 28,156                                    | 33,970                                   |
| Deferred tax liabilities   | 54,604                                    | 64,815                                   |
| <b>Total liabilities</b>   | <b>1,320,586</b>                          | <b>1,378,928</b>                         |
| Commitments and contingencies (see Note 7)   |   |  |
| <b>Shareholders' equity</b>  |   |  |
| Ordinary shares (par value €0.10; 500,000,000 shares authorized, 172,016,422 shares issued and 124,554,587 shares outstanding as of September 30, 2024 and 169,423,980 shares issued and 136,081,891 shares outstanding as of December 31, 2023) | 19,104                                    | 18,822                                   |
| Treasury shares (at cost, 47,461,835 shares as of September 30, 2024 and 33,342,089 shares as of December 31, 2023)  | (374,076)                                 | (248,174)                                |
| Paid-in capital  | 1,213,583                                 | 1,202,175                                |
| Accumulated other comprehensive (loss) income  | (7,634)                                   | 1,112                                    |
| Accumulated deficit  | (354,361)                                 | (419,138)                                |
| <b>Total shareholders' equity</b>  | <b>496,616</b>                            | <b>554,797</b>                           |
| <b>Total liabilities and shareholders' equity</b>  | <b>\$ 1,817,202</b>                       | <b>\$ 1,933,725</b>                      |

The accompanying Notes form an integral part of the Condensed Consolidated Financial Statements.

**Playa Hotels & Resorts N.V.**  
**Condensed Consolidated Statements of Operations**  
(\$ in thousands, except share data)  
(unaudited)

|   | Three Months Ended September 30, |                    | Nine Months Ended September 30, |                  |
|---|----------------------------------|--------------------|---------------------------------|------------------|
|   | 2024                             | 2023               | 2024                            | 2023             |
| <b>Revenue</b>  |                                  |                    |                                 |                  |
| Package   | \$ 154,451                       | \$ 182,425         | \$ 611,136                      | \$ 624,349       |
| Non-package   | 23,778                           | 24,984             | 90,603                          | 91,589           |
| The Playa Collection  | 1,727                            | 1,051              | 4,326                           | 2,605            |
| Management fees   | 1,311                            | 1,369              | 5,246                           | 5,420            |
| Cost reimbursements   | 1,898                            | 2,785              | 7,135                           | 9,327            |
| Other revenues  | 352                              | 531                | 1,181                           | 1,697            |
| Total revenue   | 183,517                          | 213,145            | 719,627                         | 734,987          |
| <b>Direct and selling, general and administrative expenses</b>            |                                  |                    |                                 |                  |
| Direct  | 115,731                          | 126,356            | 381,077                         | 387,930          |
| Selling, general and administrative                                       | 49,825                           | 48,826             | 150,838                         | 141,567          |
| Depreciation and amortization   | 21,043                           | 22,548             | 58,760                          | 61,055           |
| Reimbursed costs  | 1,898                            | 2,785              | 7,135                           | 9,327            |
| (Gain) loss on sale of assets   | (18,179)                         | 6                  | (18,179)                        | 17               |
| Business interruption insurance recoveries                                | (47)                             | (47)               | (97)                            | (542)            |
| Gain on insurance proceeds  | (651)                            | (919)              | (2,013)                         | (4,713)          |
| Direct and selling, general and administrative expenses                   | 169,620                          | 199,555            | 577,521                         | 594,641          |
| Operating income  | 13,897                           | 13,590             | 142,106                         | 140,346          |
| Interest expense  | (21,949)                         | (26,552)           | (68,411)                        | (82,337)         |
| Loss on extinguishment of debt  | —                                | —                  | (1,043)                         | —                |
| Other income (expense)  | 334                              | (350)              | (761)                           | (321)            |
| Net (loss) income before tax  | (7,718)                          | (13,312)           | 71,891                          | 57,688           |
| Income tax benefit (provision)  | 4,984                            | 2,808              | (7,114)                         | (4,840)          |
| <b>Net (loss) income</b>  | <b>\$ (2,734)</b>                | <b>\$ (10,504)</b> | <b>\$ 64,777</b>                | <b>\$ 52,848</b> |
| <b>(Loss) earnings per share</b>  |                                  |                    |                                 |                  |
| Basic   | \$ (0.02)                        | \$ (0.07)          | \$ 0.49                         | \$ 0.35          |
| Diluted   | \$ (0.02)                        | \$ (0.07)          | \$ 0.48                         | \$ 0.34          |
| Weighted average number of shares outstanding during the period - Basic   | 127,975,787                      | 145,469,906        | 132,335,399                     | 151,536,334      |
| Weighted average number of shares outstanding during the period - Diluted | 127,975,787                      | 145,469,906        | 133,839,076                     | 153,606,281      |

The accompanying Notes form an integral part of the Condensed Consolidated Financial Statements.

**Playa Hotels & Resorts N.V.**  
**Condensed Consolidated Statements of Comprehensive (Loss) Income**  
(\$ in thousands)  
(unaudited)

|  | Three Months Ended September 30, |                   | Nine Months Ended September 30, |                  |
|--|----------------------------------|-------------------|---------------------------------|------------------|
|  | 2024                             | 2023              | 2024                            | 2023             |
| <b>Net (loss) income</b>   | \$ (2,734)                       | \$ (10,504)       | \$ 64,777                       | \$ 52,848        |
| <b>Other comprehensive (loss) income, net of taxes</b>                               |                                  |                   |                                 |                  |
| (Loss) gain on derivative financial instruments                                      | (13,482)                         | 2,111             | (12,360)                        | 13,564           |
| Release of foreign currency translation reserve related to resort sales (see Note 4) | 665                              | —                 | 665                             | —                |
| Pension obligation gain (loss)   | 3,151                            | (5)               | 2,949                           | (428)            |
| Total other comprehensive (loss) income  | (9,666)                          | 2,106             | (8,746)                         | 13,136           |
| <b>Comprehensive (loss) income</b>   | <b>\$ (12,400)</b>               | <b>\$ (8,398)</b> | <b>\$ 56,031</b>                | <b>\$ 65,984</b> |

The accompanying Notes form an integral part of the Condensed Consolidated Financial Statements.

**Playa Hotels & Resorts N.V.**  
**Condensed Consolidated Statements of Shareholders' Equity**  
(\$ in thousands, except share data)  
(unaudited)

|   | Ordinary Shares    |                  | Treasury Shares   |                     | Paid-In Capital     | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Total             |
|---|--------------------|------------------|-------------------|---------------------|---------------------|---|---------------------|-------------------|
|   | Shares             | Amount           | Shares            | Amount              |                     |   |                     |                   |
| <b>Balance at December 31, 2023</b>               | <b>136,081,891</b> | <b>\$ 18,822</b> | <b>33,342,089</b> | <b>\$ (248,174)</b> | <b>\$ 1,202,175</b> | <b>\$ 1,112</b>                               | <b>\$ (419,138)</b> | <b>\$ 554,797</b> |
| Net income  | —                  | —                | —                 | —                   | —                   | —   | 54,341              | 54,341            |
| Other comprehensive income                        | —                  | —                | —                 | —                   | —                   | 6,701   | —                   | 6,701             |
| Share-based compensation, net of tax withholdings | 2,579,278          | 282              | 13,164            | (109)               | 3,477               | —   | —                   | 3,650             |
| Repurchase of ordinary shares                     | (3,621,127)        | —                | 3,621,127         | (32,504)            | —                   | —   | —                   | (32,504)          |
| <b>Balance at March 31, 2024</b>                  | <b>135,040,042</b> | <b>\$ 19,104</b> | <b>36,976,380</b> | <b>\$ (280,787)</b> | <b>\$ 1,205,652</b> | <b>\$ 7,813</b>                               | <b>\$ (364,797)</b> | <b>\$ 586,985</b> |
| Net income  | —                  | —                | —                 | —                   | —                   | —   | 13,170              | 13,170            |
| Other comprehensive loss                          | —                  | —                | —                 | —                   | —                   | (5,781)                                       | —                   | (5,781)           |
| Share-based compensation                          | —                  | —                | —                 | —                   | 3,950               | —   | —                   | 3,950             |
| Repurchase of ordinary shares                     | (4,079,947)        | —                | 4,079,947         | (42,299)            | —                   | —   | —                   | (42,299)          |
| <b>Balance at June 30, 2024</b>                   | <b>130,960,095</b> | <b>\$ 19,104</b> | <b>41,056,327</b> | <b>\$ (323,086)</b> | <b>\$ 1,209,602</b> | <b>\$ 2,032</b>                               | <b>\$ (351,627)</b> | <b>\$ 556,025</b> |
| Net loss  | —                  | —                | —                 | —                   | —                   | —   | (2,734)             | (2,734)           |
| Other comprehensive loss                          | —                  | —                | —                 | —                   | —                   | (9,666)                                       | —                   | (9,666)           |
| Share-based compensation                          | —                  | —                | —                 | —                   | 3,981               | —   | —                   | 3,981             |
| Repurchase of ordinary shares                     | (6,405,508)        | —                | 6,405,508         | (50,990)            | —                   | —   | —                   | (50,990)          |
| <b>Balance at September 30, 2024</b>              | <b>124,554,587</b> | <b>\$ 19,104</b> | <b>47,461,835</b> | <b>\$ (374,076)</b> | <b>\$ 1,213,583</b> | <b>\$ (7,634)</b>                             | <b>\$ (354,361)</b> | <b>\$ 496,616</b> |

**Playa Hotels & Resorts N.V.**  
**Condensed Consolidated Statements of Shareholders' Equity (continued)**  
(\$ in thousands, except share data)  
(unaudited)

|                                      | Ordinary Shares    |                  | Treasury Shares   |                     | Paid-In Capital     | Accumulated Other Comprehensive (Loss) Income | Accumulated Deficit | Total             |
|--------------------------------------|--------------------|------------------|-------------------|---------------------|---------------------|---|---------------------|-------------------|
|                                      | Shares             | Amount           | Shares            | Amount              |                     |   |                     |                   |
| <b>Balance at December 31, 2022</b>  | <b>158,228,508</b> | <b>\$ 18,700</b> | <b>10,046,996</b> | <b>\$ (62,953)</b>  | <b>\$ 1,189,090</b> | <b>\$ (6,985)</b>                             | <b>\$ (472,990)</b> | <b>\$ 664,862</b> |
| Net income                           | —                  | —                | —                 | —                   | —                   | —   | 42,719              | 42,719            |
| Other comprehensive income           | —                  | —                | —                 | —                   | —                   | 2,677   | —                   | 2,677             |
| Share-based compensation             | 1,148,476          | 122              | —                 | —                   | 3,044               | —   | —                   | 3,166             |
| Repurchase of ordinary shares        | (4,974,132)        | —                | 4,974,132         | (40,890)            | —                   | —   | —                   | (40,890)          |
| <b>Balance at March 31, 2023</b>     | <b>154,402,852</b> | <b>\$ 18,822</b> | <b>15,021,128</b> | <b>\$ (103,843)</b> | <b>\$ 1,192,134</b> | <b>\$ (4,308)</b>                             | <b>\$ (430,271)</b> | <b>\$ 672,534</b> |
| Net income                           | —                  | —                | —                 | —                   | —                   | —   | 20,633              | 20,633            |
| Other comprehensive income           | —                  | —                | —                 | —                   | —                   | 8,353   | —                   | 8,353             |
| Share-based compensation             | —                  | —                | —                 | —                   | 3,442               | —   | —                   | 3,442             |
| Repurchase of ordinary shares        | (3,752,415)        | —                | 3,752,415         | (34,159)            | —                   | —   | —                   | (34,159)          |
| <b>Balance at June 30, 2023</b>      | <b>150,650,437</b> | <b>\$ 18,822</b> | <b>18,773,543</b> | <b>\$ (138,002)</b> | <b>\$ 1,195,576</b> | <b>\$ 4,045</b>                               | <b>\$ (409,638)</b> | <b>\$ 670,803</b> |
| Net loss                             | —                  | —                | —                 | —                   | —                   | —   | (10,504)            | (10,504)          |
| Other comprehensive income           | —                  | —                | —                 | —                   | —                   | 2,106   | —                   | 2,106             |
| Share-based compensation             | —                  | —                | —                 | —                   | 3,343               | —   | —                   | 3,343             |
| Repurchase of ordinary shares        | (10,013,025)       | —                | 10,013,025        | (76,570)            | —                   | —   | —                   | (76,570)          |
| <b>Balance at September 30, 2023</b> | <b>140,637,412</b> | <b>\$ 18,822</b> | <b>28,786,568</b> | <b>\$ (214,572)</b> | <b>\$ 1,198,919</b> | <b>\$ 6,151</b>                               | <b>\$ (420,142)</b> | <b>\$ 589,178</b> |

The accompanying Notes form an integral part of the Condensed Consolidated Financial Statements.

**Playa Hotels & Resorts N.V.**  
**Condensed Consolidated Statements of Cash Flows**  
(\$ in thousands)  
(unaudited)

|   | <b>Nine Months Ended September 30,</b> |                   |
|---|--|-------------------|
|   | <b>2024</b>                            | <b>2023</b>       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |  |                   |
| Net income  | \$ 64,777                              | \$ 52,848         |
| Adjustments to reconcile net income to net cash from operating activities |  |                   |
| Depreciation and amortization   | 58,760                                 | 61,055            |
| Amortization of debt discount and issuance costs                          | 4,504                                  | 5,168             |
| Loss on extinguishment of debt  | 1,043                                  | —                 |
| Share-based compensation  | 11,690                                 | 9,951             |
| Loss on derivative financial instruments                                  | 105                                    | 6,048             |
| Deferred income taxes   | (9,310)                                | 2,999             |
| (Gain) loss on sale of assets   | (18,179)                               | 17                |
| Amortization of key money   | (566)                                  | (579)             |
| Provision for doubtful accounts   | 1,950                                  | 663               |
| Other   | 738                                    | 313               |
| Changes in assets and liabilities:  |  |                   |
| Trade and other receivables, net  | 26,778                                 | (4,320)           |
| Insurance recoverable   | (5,020)                                | 6,273             |
| Accounts receivable from related parties                                  | 4,871                                  | 1,209             |
| Inventories   | 3,092                                  | (332)             |
| Prepayments and other assets  | (10,451)                               | (11,471)          |
| Trade and other payables  | (59,460)                               | (57,885)          |
| Payables to related parties   | (5,656)                                | 3,630             |
| Income tax payable  | 5,003                                  | (389)             |
| Other liabilities   | (2,009)                                | (33)              |
| <b>Net cash provided by operating activities</b>                          | <b>72,660</b>                          | <b>75,165</b>     |
| <b>INVESTING ACTIVITIES</b>   |  |                   |
| Capital expenditures  | (64,477)                               | (30,480)          |
| Purchase of intangibles   | (225)                                  | (190)             |
| Payment of key money  | (485)                                  | —                 |
| Proceeds from the sale of assets, net                                     | 65,297                                 | 22                |
| Property damage insurance proceeds  | —                                      | 17,808            |
| <b>Net cash provided by (used in) investing activities</b>                | <b>110</b>                             | <b>(12,840)</b>   |
| <b>FINANCING ACTIVITIES</b>   |  |                   |
| Issuance costs of debt  | (14)                                   | —                 |
| Repayments of debt  | (8,250)                                | (8,250)           |
| Repurchase of ordinary shares   | (125,310)                              | (153,287)         |
| Principal payments on finance lease obligations                           | (470)                                  | (325)             |
| Repurchase of ordinary shares for tax withholdings                        | (109)                                  | —                 |
| <b>Net cash used in financing activities</b>                              | <b>(134,153)</b>                       | <b>(161,862)</b>  |
| <b>DECREASE IN CASH AND CASH EQUIVALENTS</b>                              | <b>(61,383)</b>                        | <b>(99,537)</b>   |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>                 | <b>\$ 272,520</b>                      | <b>\$ 283,945</b> |
| <b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>                       | <b>\$ 211,137</b>                      | <b>\$ 184,408</b> |

The accompanying Notes form an integral part of the Condensed Consolidated Financial Statements.



**Playa Hotels & Resorts N.V.**  
**Condensed Consolidated Statements of Cash Flows (continued)**  
**(\$ in thousands)**  
**(unaudited)**

|  | <b>Nine Months Ended September 30,</b> |             |
|--|--|-------------|
|  | <b>2024</b>                            | <b>2023</b> |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>                                 |  |             |
| Cash paid for interest, net of interest capitalized                                      | \$ 65,323                              | \$ 71,494   |
| Cash paid for income taxes, net  | \$ 13,471                              | \$ 3,065    |
| <b>SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES</b>                                   |  |             |
| Capital expenditures incurred but not yet paid   | \$ 1,783                               | \$ 1,895    |
| Costs of sale not yet paid   | \$ 1,009                               | —           |
| Withholding tax on share repurchases not yet paid  | \$ 523                                 | —           |
| Right-of-use assets obtained in exchange for new financing lease liabilities             | \$ 25,889                              | \$ —        |
| Right-of-use assets terminated in exchange for settlement of financing lease liabilities | \$ (13,335)                            | \$ —        |
| Right-of-use assets obtained in exchange for new operating lease liabilities             | \$ —                                   | \$ 4,155    |
| Par value of vested restricted share awards  | \$ 282                                 | \$ 122      |

The accompanying Notes form an integral part of the Condensed Consolidated Financial Statements.

**Playa Hotels & Resorts N.V.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(unaudited)**

**Note 1. Organization, operations and basis of presentation**

***Background***

Playa Hotels & Resorts N.V. (“Playa” or the “Company”), through its subsidiaries, is a leading owner, operator and developer of all-inclusive resorts in prime beachfront locations in popular vacation destinations. We own and/or manage a portfolio of 24 resorts located in Mexico, the Dominican Republic and Jamaica. Unless otherwise indicated or the context requires otherwise, references in our condensed consolidated financial statements (our “Condensed Consolidated Financial Statements”) to “we,” “our,” “us” and similar expressions refer to Playa and its subsidiaries.

***Basis of preparation, presentation and measurement***

Our Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information. Certain information and disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. Accordingly, these unaudited interim Condensed Consolidated Financial Statements should be read in conjunction with our Consolidated Financial Statements as of and for the year ended December 31, 2023, included in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the “SEC”) on February 22, 2024 (the “Annual Report”).

In our opinion, the unaudited interim Condensed Consolidated Financial Statements have been prepared on the same basis as the annual Consolidated Financial Statements and include all adjustments, consisting of only normal recurring adjustments, necessary for fair presentation.

The results of operations for the three and nine months ended September 30, 2024 are not necessarily indicative of the results of operations to be expected for the full year ending December 31, 2024. All dollar amounts (other than per share amounts) in the following disclosures are in thousands of United States dollars, unless otherwise indicated.

**Note 2. Significant accounting policies**

***Derivative financial instruments***

Derivative financial instruments are initially recorded at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at period end. Changes in the fair value of a derivative contract that is qualified, designated and highly effective as a cash flow hedge are recorded in total other comprehensive (loss) income in our Condensed Consolidated Statements of Comprehensive (Loss) Income and reclassified into earnings in our Condensed Consolidated Statements of Operations in the same period or periods during which the hedged transaction occurs. If a derivative contract does not meet these criteria, then the total change in fair value is recognized in earnings. Cash flows from a derivative financial instrument that is classified as a cash flow hedge are recorded in the same category as the cash flows from the items being hedged in the Condensed Consolidated Statements of Cash Flows.

***Standards not yet adopted***

| <b>Standard</b>   | <b>Description</b>   | <b>Date of Adoption</b>                          | <b>Effect on the Financial Statements or Other Significant Matters</b>   |
|---|--|--|--|
| ASU No. 2023-07, <i>Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures</i> | The amendments in this update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses.   | Annual periods beginning after December 15, 2023 | We are in the process of evaluating the full impact of ASU No. 2023-07 with respect to our segment disclosures and expect to disclose significant segment expenses in the footnotes to the Consolidated Financial Statements for the year ended December 31, 2024. |
| ASU No. 2023-09, <i>Income Taxes (Topic 740): Improvements to Income Tax Disclosures</i>              | The amendments in this update require that public business entities on an annual basis (i) disclose specific categories in the rate reconciliation and (ii) provide additional information for reconciling items that meet a quantitative threshold. | Annual periods beginning after December 15, 2024 | We are in the process of evaluating the impact of ASU No. 2023-09 on the Condensed Consolidated Financial Statements with respect to our income tax disclosures.   |

### Note 3. Revenue

The following tables present our revenues disaggregated by geographic segment (refer to discussion of our reportable segments in Note 15) (*\$ in thousands*):

|                      | Three Months Ended September 30, 2024 |                  |                    |                  |                 |                   |
|----------------------|---------------------------------------|------------------|--------------------|------------------|-----------------|-------------------|
|                      | Yucatán Peninsula                     | Pacific Coast    | Dominican Republic | Jamaica          | Other           | Total             |
| Package revenue      | \$ 59,018                             | \$ 17,675        | \$ 45,410          | \$ 32,348        | \$ —            | \$ 154,451        |
| Non-package revenue  | 8,712                                 | 3,102            | 6,395              | 5,569            | —               | 23,778            |
| The Playa Collection | —                                     | —                | —                  | —                | 1,727           | 1,727             |
| Management fees      | 37                                    | —                | —                  | —                | 1,274           | 1,311             |
| Cost reimbursements  | —                                     | —                | —                  | 853              | 1,045           | 1,898             |
| Other revenues       | —                                     | —                | —                  | —                | 352             | 352               |
| <b>Total revenue</b> | <b>\$ 67,767</b>                      | <b>\$ 20,777</b> | <b>\$ 51,805</b>   | <b>\$ 38,770</b> | <b>\$ 4,398</b> | <b>\$ 183,517</b> |

|                      | Three Months Ended September 30, 2023 |                  |                    |                  |                 |                   |
|----------------------|---------------------------------------|------------------|--------------------|------------------|-----------------|-------------------|
|                      | Yucatán Peninsula                     | Pacific Coast    | Dominican Republic | Jamaica          | Other           | Total             |
| Package revenue      | \$ 59,956                             | \$ 27,234        | \$ 49,564          | \$ 45,671        | \$ —            | \$ 182,425        |
| Non-package revenue  | 7,623                                 | 2,935            | 7,661              | 6,765            | —               | 24,984            |
| The Playa Collection | —                                     | —                | —                  | —                | 1,051           | 1,051             |
| Management fees      | 40                                    | —                | —                  | —                | 1,329           | 1,369             |
| Cost reimbursements  | —                                     | —                | —                  | 1,257            | 1,528           | 2,785             |
| Other revenues       | —                                     | —                | —                  | —                | 531             | 531               |
| <b>Total revenue</b> | <b>\$ 67,619</b>                      | <b>\$ 30,169</b> | <b>\$ 57,225</b>   | <b>\$ 53,693</b> | <b>\$ 4,439</b> | <b>\$ 213,145</b> |

|                      | Nine Months Ended September 30, 2024 |                   |                    |                   |                  |                   |
|----------------------|--------------------------------------|-------------------|--------------------|-------------------|------------------|-------------------|
|                      | Yucatán Peninsula                    | Pacific Coast     | Dominican Republic | Jamaica           | Other            | Total             |
| Package revenue      | \$ 217,235                           | \$ 87,129         | \$ 173,480         | \$ 133,292        | \$ —             | \$ 611,136        |
| Non-package revenue  | 29,114                               | 14,797            | 25,819             | 20,873            | —                | 90,603            |
| The Playa Collection | —                                    | —                 | —                  | —                 | 4,326            | 4,326             |
| Management fees      | 113                                  | —                 | —                  | —                 | 5,133            | 5,246             |
| Cost reimbursements  | —                                    | —                 | —                  | 2,845             | 4,290            | 7,135             |
| Other revenues       | —                                    | —                 | —                  | —                 | 1,181            | 1,181             |
| <b>Total revenue</b> | <b>\$ 246,462</b>                    | <b>\$ 101,926</b> | <b>\$ 199,299</b>  | <b>\$ 157,010</b> | <b>\$ 14,930</b> | <b>\$ 719,627</b> |

|                      | Nine Months Ended September 30, 2023 |                   |                    |                   |                  |                   |
|----------------------|--------------------------------------|-------------------|--------------------|-------------------|------------------|-------------------|
|                      | Yucatán Peninsula                    | Pacific Coast     | Dominican Republic | Jamaica           | Other            | Total             |
| Package revenue      | \$ 208,992                           | \$ 97,823         | \$ 164,723         | \$ 152,811        | \$ —             | \$ 624,349        |
| Non-package revenue  | 26,859                               | 12,679            | 26,695             | 25,356            | —                | 91,589            |
| The Playa Collection | —                                    | —                 | —                  | —                 | 2,605            | 2,605             |
| Management fees      | 118                                  | —                 | —                  | —                 | 5,302            | 5,420             |
| Cost reimbursements  | —                                    | —                 | —                  | 3,864             | 5,463            | 9,327             |
| Other revenues       | —                                    | —                 | —                  | —                 | 1,697            | 1,697             |
| <b>Total revenue</b> | <b>\$ 235,969</b>                    | <b>\$ 110,502</b> | <b>\$ 191,418</b>  | <b>\$ 182,031</b> | <b>\$ 15,067</b> | <b>\$ 734,987</b> |

**Contract assets and liabilities**

We do not have any material contract assets as of September 30, 2024 and December 31, 2023 other than trade and other receivables on our Condensed Consolidated Balance Sheet. Our receivables are primarily the result of contracts with customers, which are reduced by an allowance for doubtful accounts that reflects our estimate of amounts that will not be collected.

We record contract liabilities when cash payments are received or due in advance of guests staying at our resorts, which are presented as advance deposits (see Note 14) within trade and other payables on our Condensed Consolidated Balance Sheet. Our advanced deposits are generally recognized as revenue within one year.

**Note 4. Property and equipment**

The balance of property and equipment, net is as follows (*\$ in thousands*):

|  | <b>As of September 30,<br/>2024</b> | <b>As of December 31,<br/>2023</b> |
|--|-------------------------------------|------------------------------------|
| <b>Property and equipment, gross</b>       |                                     |                                    |
| Land, buildings and improvements           | \$ 1,578,563                        | \$ 1,646,452                       |
| Fixtures and machinery <sup>(1)</sup>      | 98,169                              | 86,717                             |
| Furniture and other fixed assets           | 198,137                             | 203,639                            |
| Construction in progress                   | 65,814                              | 22,077                             |
| <b>Total property and equipment, gross</b> | <b>1,940,683</b>                    | <b>1,958,885</b>                   |
| Accumulated depreciation                   | (551,385)                           | (543,313)                          |
| <b>Total property and equipment, net</b>   | <b>\$ 1,389,298</b>                 | <b>\$ 1,415,572</b>                |

<sup>(1)</sup> Includes the gross balance of our finance lease right-of-use assets, which was \$18.2 million and \$6.3 million as of September 30, 2024 and December 31, 2023, respectively.

Depreciation expense for property and equipment was \$20.2 million and \$22.2 million for the three months ended September 30, 2024 and 2023, respectively and \$56.4 million and \$60.0 million for the nine months ended September 30, 2024 and 2023, respectively.

For the three and nine months ended September 30, 2024, we capitalized \$0.5 million and \$1.1 million of interest expense, respectively, on qualifying assets using the weighted-average interest rate of our debt. We did not capitalize any interest expense for the three and nine months ended September 30, 2023.

*Sale of Jewel Palm Beach*

On August 22, 2024, we entered into an agreement to sell our equity interest in the Jewel Palm Beach, which is reported within our Dominican Republic reportable segment, for \$68.0 million in cash consideration. On September 19, 2024, we completed the sale, received total net cash consideration of \$65.3 million, after customary closing costs, and recognized a gain of \$18.1 million within (gain) loss on sale of assets in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2024.

*Hurricane Fiona*

We received business interruption insurance proceeds of \$2.3 million during the nine months ended September 30, 2024 related to the impact of Hurricane Fiona in September 2022. We received an additional \$1.1 million of business interruption insurance proceeds in October 2024 related to Hurricane Fiona and expect to receive the remaining proceeds in 2024.

*Lessor contracts*

We rent certain real estate to third parties for office and retail space within our resorts. Our lessor contracts are considered operating leases and generally have a contractual term of one to three years. The following table presents our rental income for the three and nine months ended September 30, 2024 and 2023 (*\$ in thousands*):

| Leases                                | Three Months Ended September 30, |          | Nine Months Ended September 30, |          |
|---------------------------------------|----------------------------------|----------|---------------------------------|----------|
|                                       | 2024                             | 2023     | 2024                            | 2023     |
| Operating lease income <sup>(1)</sup> | \$ 954                           | \$ 1,007 | \$ 3,134                        | \$ 3,058 |

<sup>(1)</sup> Our operating lease income, which is recorded within non-package revenue in the Condensed Consolidated Statements of Operations, includes variable lease revenue which is typically calculated as a percentage of our tenant’s net sales.

**Note 5. Income taxes**

We file tax returns for our entities in key jurisdictions including Mexico, the Dominican Republic, Jamaica, the United States, and the Netherlands. We are domiciled in the Netherlands and our Dutch subsidiaries are subject to a Dutch general tax rate of 25.8%. Our other operating subsidiaries are subject to tax rates of up to 30% in the jurisdictions in which they are domiciled.

The Netherlands enacted the Dutch Minimum Tax Act 2024 in December 2023. The Dutch Minimum Tax Act 2024 implements measures to ensure that large multinational groups of companies pay a minimum corporate tax rate of 15% in accordance with the European Union’s Pillar 2 Directive. As we are incorporated in the Netherlands, we are subject to certain provisions of the Dutch Minimum Tax Act 2024 from January 1, 2024. The Dutch Minimum Tax Act 2024 resulted in additional income tax expense incurred in the Netherlands. The expected impact for the year ended December 31, 2024 has been materially recognized through our income tax provision for the nine months ended September 30, 2024 and increased our effective tax rate (“ETR”) by 23.1%. As a result, our ETR was 10.0% for the nine months ended September 30, 2024 compared to 8.5% for the nine months ended September 30, 2023.

Our Dominican Republic taxes are determined based upon Advanced Pricing Agreements (“APA”) approved by the Ministry of Finance of the Dominican Republic. The Company’s most recent APAs were approved in May 2024 and are effective from January 1, 2022 through December 31, 2025. Our estimated annual effective tax rate calculation reflects the terms of the APAs that are expected to apply for the year ending December 31, 2024.

We had no uncertain tax positions or unrecognized tax benefits as of September 30, 2024. We expect no significant changes in unrecognized tax benefits over the next twelve months.

We regularly assess the realizability of our deferred tax assets by evaluating historical and projected future operating results, the reversal of existing temporary differences, taxable income in permitted carry back years, and the availability of tax planning strategies. As of September 30, 2024, a valuation allowance has been maintained as a reserve on a portion of our net deferred tax assets due to the uncertainty of realization of our loss carry forwards and other deferred tax assets. If our operating results continue to improve and our projections show continued utilization of tax attributes, we may consider that as significant positive evidence and our future reassessment may result in the determination that all or a portion of the valuation allowance is no longer required. The exact timing and amount of the valuation allowance releases are ultimately contingent upon the level of profitability achieved in future periods.

**Note 6. Related party transactions**

***Relationship with Hyatt***

Hyatt Hotels Corporation (“Hyatt”) is considered a related party due to its ownership of our ordinary shares by its affiliated entities. We pay Hyatt fees associated with the franchise agreements of our resorts operating under the all-ages Hyatt Ziva and adults-only Hyatt Zilara brands and receive reimbursements for guests that pay for their stay using the World of Hyatt® guest loyalty program. Hyatt also owns Apple Leisure Group (“ALG”), the brand management platform AMResorts, and various tour operators and travel agencies.

***Relationship with Sagikor***

Sagikor Financial Corporation Limited and its affiliated entities (collectively “Sagikor”) is considered a related party due to its ownership of our ordinary shares and representation on our Board of Directors (our “Board”). We pay Sagikor for employee insurance

coverage at one of our Jamaica properties. Sagicor is also a part owner of the Jewel Grande Montego Bay Resort & Spa and compensates us as manager of the property.

***Lease with our Chief Executive Officer***

One of our offices is owned by our Chief Executive Officer and we sublease the space at that location from a third party.

***Transactions with related parties***

Transactions between us and related parties during the three and nine months ended September 30, 2024 and 2023 were as follows (\$ in thousands):

| Related Party           | Transaction                        | Three Months Ended September 30, |          | Nine Months Ended September 30, |           |
|-------------------------|------------------------------------|----------------------------------|----------|---------------------------------|-----------|
|                         |                                    | 2024                             | 2023     | 2024                            | 2023      |
| <b>Revenues</b>         |                                    |                                  |          |                                 |           |
| Sagicor                 | Cost reimbursements <sup>(1)</sup> | \$ 853                           | \$ 1,258 | \$ 2,845                        | \$ 4,005  |
| <b>Expenses</b>         |                                    |                                  |          |                                 |           |
| Hyatt                   | Franchise fees <sup>(2)</sup>      | \$ 7,117                         | \$ 7,531 | \$ 27,679                       | \$ 26,794 |
| Sagicor                 | Insurance premiums <sup>(2)</sup>  | \$ 435                           | \$ 396   | \$ 1,232                        | \$ 1,093  |
| Chief Executive Officer | Lease expense <sup>(3)</sup>       | \$ 168                           | \$ 186   | \$ 483                          | \$ 535    |
| AMResorts               | Management fees <sup>(2)</sup>     | \$ —                             | \$ —     | \$ —                            | \$ 41     |
| AMResorts               | Marketing fees <sup>(3)</sup>      | \$ —                             | \$ —     | \$ —                            | \$ 37     |

<sup>(1)</sup> Equivalent amount included as reimbursed costs in the Condensed Consolidated Statements of Operations.

<sup>(2)</sup> Included in direct expense in the Condensed Consolidated Statements of Operations with the exception of certain immaterial fees associated with the Hyatt franchise agreements, which are included in selling, general, and administrative expense.

<sup>(3)</sup> Included in selling, general, and administrative expense in the Condensed Consolidated Statements of Operations.

**Note 7. Commitments and contingencies**

We are involved in various claims and lawsuits arising in the normal course of business, including proceedings involving tort and other general liability claims, and workers' compensation and other employee claims. Most occurrences involving liability and claims of negligence are covered by insurance with solvent insurance carriers. We recognize a liability when we believe the loss is probable and reasonably estimable. We currently believe that the ultimate outcome of such lawsuits and proceedings will not, individually or in the aggregate, have a material effect on our Condensed Consolidated Financial Statements.

The Dutch Corporate Income Tax Act provides the option of a fiscal unity, which is a consolidated tax regime wherein the profits and losses of group companies can be offset against each other. With the exception of Playa Hotels & Resorts N.V., our Dutch companies file as a fiscal unity. Playa Resorts Holding B.V. is the head of our Dutch fiscal unity and is jointly and severally liable for the tax liabilities of the fiscal unity as a whole.

During the second quarter of 2024, we entered into an arrangement for the future minimum purchase of liquified natural gas to fuel the equipment we leased to produce electricity and hot water at the Hilton Rose Hall Resort & Spa (see Note 11). Future payments under this noncancellable unconditional purchase will be made through the second quarter of 2036 and the remaining obligation was \$7.3 million as of September 30, 2024.

**Note 8. Ordinary shares**

Our Board previously authorized a \$200.0 million share repurchase program pursuant to which we may repurchase our outstanding ordinary shares as market conditions and our liquidity warrant. The repurchase program is subject to certain limitations under Dutch law, including the existing repurchase authorization granted by our shareholders. Repurchases may be made from time to time in the open market, in privately negotiated transactions or by other means (including Rule 10b5-1 trading plans). Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time without prior notice.

During the three months ended September 30, 2024, we repurchased 6,405,508 ordinary shares under the program at an average price of \$7.83 per share, excluding taxes. As of September 30, 2024, we had approximately \$77.1 million remaining under the \$200.0 million share repurchase program.

As of September 30, 2024, our ordinary share capital consisted of 124,554,587 ordinary shares outstanding, which have a par value of €0.10 per share. In addition, 5,049,986 restricted shares and performance share awards and 36,272 restricted share units were outstanding under the 2017 Plan (as defined in Note 9). The holders of restricted shares and performance share awards are entitled to vote, but not to dispose of, such shares until they vest. The holders of restricted share units are neither entitled to vote nor dispose of such shares until they vest.

## Note 9. Share-based compensation

We adopted our 2017 Omnibus Incentive Plan (the “2017 Plan”) to attract and retain independent directors, executive officers and other key employees. As of September 30, 2024, there were 10,080,318 shares available for future grants under the 2017 Plan.

Restricted share awards consist of restricted shares and restricted share units that are granted to eligible employees, executives, and board members and consist of ordinary shares (or the right to receive ordinary shares).

A summary of our restricted share awards from January 1, 2024 to September 30, 2024 is as follows:

|   | Number of Shares | Weighted-Average<br>Grant Date Fair Value |
|---|------------------|---|
| <b>Unvested balance at January 1, 2024</b>    | <b>2,733,532</b> | <b>\$ 6.84</b>                            |
| Granted                                       | 1,456,506        | 8.03                                      |
| Vested  | (1,417,634)      | 6.61                                      |
| Forfeited                                     | (45,077)         | 7.49                                      |
| <b>Unvested balance at September 30, 2024</b> | <b>2,727,327</b> | <b>\$ 7.58</b>                            |

Performance share awards consist of ordinary shares that may become earned and vested at the end of a three-year performance period based on the achievement of performance targets adopted by our Compensation Committee. Our performance shares have market conditions where either 25% or 50% of the performance share awards will vest based on the total shareholder return (“TSR”) of our ordinary shares relative to those of our peer group and either 50% or 75% will vest based on the compound annual growth rate of the price of our ordinary shares. The peer shareholder return component may vest between 0% and 200% of target, with the award capped at 100% of target should Playa’s TSR be negative. The growth rate component may vest up to 100% of target.

The table below summarizes the key inputs used in the Monte-Carlo simulation to determine the grant date fair value of our performance share awards (*\$ in thousands*):

| Performance Award Grant Date | Percentage of<br>Total Award | Grant Date<br>Fair Value by<br>Component | Volatility <sup>(1)</sup> | Interest<br>Rate <sup>(2)</sup> | Dividend Yield |
|------------------------------|------------------------------|--|---------------------------|---------------------------------|----------------|
| <b>January 17, 2024</b>      |                              |  |                           |                                 |                |
| Peer Shareholder Return      | 50 %                         | \$ 2,915                                 | 39.05 %                   | 4.09 %                          | — %            |
| Growth Rate                  | 50 %                         | \$ 2,066                                 | 39.05 %                   | 4.09 %                          | — %            |
| <b>February 8, 2024</b>      |                              |  |                           |                                 |                |
| Growth Rate                  | 100 %                        | \$ 4,369                                 | 38.21 %                   | 4.20 %                          | — %            |

<sup>(1)</sup> Expected volatility was determined based on Playa’s historical share prices.

<sup>(2)</sup> The risk-free rate was based on U.S. Treasury zero coupon issues with a remaining term equal to the remaining term of the measurement period.

A summary of our performance share awards from January 1, 2024 to September 30, 2024 is as follows:

|   | Number of Shares | Weighted-Average<br>Grant Date Fair Value |
|---|------------------|---|
| <b>Unvested balance at January 1, 2024</b>    | <b>2,048,350</b> | <b>\$ 6.34</b>                            |
| Granted                                       | 1,509,519        | 7.39                                      |
| Vested  | (1,174,808)      | 5.38                                      |
| Forfeited                                     | (24,130)         | 6.01                                      |
| <b>Unvested balance at September 30, 2024</b> | <b>2,358,931</b> | <b>\$ 7.35</b>                            |



## Note 10. Earnings per share

Basic and diluted earnings per share (“EPS”) are as follows (*\$ in thousands, except share data*):

|  | Three Months Ended September 30, |                  | Nine Months Ended September 30, |                |
|--|----------------------------------|------------------|---------------------------------|----------------|
|  | 2024                             | 2023             | 2024                            | 2023           |
| <b>Numerator</b>   |                                  |                  |                                 |                |
| Net (loss) income  | \$ (2,734)                       | \$ (10,504)      | \$ 64,777                       | \$ 52,848      |
| <b>Denominator</b>   |                                  |                  |                                 |                |
| Denominator for basic EPS - weighted-average number of shares outstanding            | 127,975,787                      | 145,469,906      | 132,335,399                     | 151,536,334    |
| <b>Effect of dilutive securities</b>   |                                  |                  |                                 |                |
| Unvested performance share awards  | —                                | —                | 761,068                         | 1,196,199      |
| Unvested restricted share awards   | —                                | —                | 742,609                         | 873,748        |
| Denominator for diluted EPS - adjusted weighted-average number of shares outstanding | 127,975,787                      | 145,469,906      | 133,839,076                     | 153,606,281    |
| <b>EPS - Basic</b>   | <b>\$ (0.02)</b>                 | <b>\$ (0.07)</b> | <b>\$ 0.49</b>                  | <b>\$ 0.35</b> |
| <b>EPS - Diluted</b>   | <b>\$ (0.02)</b>                 | <b>\$ (0.07)</b> | <b>\$ 0.48</b>                  | <b>\$ 0.34</b> |

For the three months ended September 30, 2024 and 2023, unvested performance share awards in the amounts of 2,358,931 and 2,048,350 shares, respectively, were not included in the computation of diluted EPS as their effect would have been anti-dilutive. We had no anti-dilutive unvested performance share awards for the nine months ended September 30, 2024 and 2023. The performance targets of our unvested performance share awards were partially achieved as of September 30, 2024 and 2023.

For the three months ended September 30, 2024 and 2023, unvested restricted share awards of 2,727,327 and 2,793,647 shares, respectively, were not included in the computation of diluted EPS as their effect would have been anti-dilutive. We had no anti-dilutive unvested restricted share awards for the nine months ended September 30, 2024 and 2023.

## Note 11. Debt

Our debt consists of the following (*\$ in thousands*):

|  | Interest Rate | Maturity Date   | Outstanding Balance as of |                     |
|--|---------------|-----------------|---------------------------|---------------------|
|  |               |                 | September 30, 2024        | December 31, 2023   |
| <b>Senior Secured Credit Facilities</b>                  |               |                 |                           |                     |
| Revolving Credit Facility <sup>(1)</sup>                 | SOFR + 3.50%  | January 5, 2028 | \$ —                      | \$ —                |
| Term Loan due 2029 <sup>(2)</sup>                        | SOFR + 2.75%  | January 5, 2029 | 1,080,750                 | 1,089,000           |
| Total Senior Secured Credit Facilities (at stated value) |               |                 | 1,080,750                 | 1,089,000           |
| Unamortized discount                                     |               |                 | (21,998)                  | (26,466)            |
| Unamortized debt issuance costs                          |               |                 | (5,316)                   | (6,380)             |
| Total Senior Secured Credit Facilities, net              |               |                 | \$ 1,053,436              | \$ 1,056,154        |
| <b>Finance lease obligations</b>                         |               |                 | \$ 17,323                 | \$ 5,222            |
| <b>Total debt, net</b>                                   |               |                 | <b>\$ 1,070,759</b>       | <b>\$ 1,061,376</b> |

<sup>(1)</sup> We had an available balance on our Revolving Credit Facility of \$225.0 million as of September 30, 2024 and December 31, 2023.

<sup>(2)</sup> The effective interest rate for the Term Loan due 2029 was 7.60% and 8.59% as of September 30, 2024 and December 31, 2023, respectively.

### Credit Agreement Amendment

On June 24, 2024, we entered into the Second Amendment to Second Amended and Restated Credit Agreement (the “Second Amendment”) to decrease the interest rate applicable to the Term Loan due 2029 by 0.50% to, at our option, either a base rate plus a



margin of 1.75% or the Secured Overnight Financing Rate (“SOFR”) plus a margin of 2.75%. All other terms of the Senior Secured Credit Facility remain unchanged.

The repricing of the Term Loan due 2029 was accounted for as a partial modification and partial extinguishment of debt, which resulted in a loss on extinguishment of debt of \$1.0 million and transaction costs of \$1.3 million. The transaction costs are included in selling, general, and administrative expense in the Condensed Consolidated Statements of Operations.

### **Finance lease obligations**

During the six months ended June 30, 2024, we entered into multiple finance lease arrangements with various third-parties. The following arrangements resulted in the recognition of a \$14.5 million right-of-use asset and \$14.1 million lease liability within property and equipment, net and debt, respectively, on the Condensed Consolidated Balance Sheet for the following:

- A ten-year finance lease arrangement for the use of equipment to produce electricity and hot water at the Hilton Rose Hall Resort & Spa;
- A twelve-year finance lease arrangement for the use of equipment to store liquified natural gas at the Hilton Rose Hall Resort & Spa; and
- A finance lease arrangement for the use of two condo units at the Hyatt Ziva Los Cabos.

During the three months ended September 30, 2024, we terminated our existing finance lease at the Hyatt Ziva Los Cabos and our ten-year finance lease at the Hilton Rose Hall Resort & Spa, which resulted in the de-recognition of a \$13.3 million right-of-use asset and lease liability. Concurrent with the termination of our ten-year finance lease at the Hilton Rose Hall Resort & Spa, we executed a new fifteen-year finance lease with another third-party for the use of equipment to produce electricity and chilled and hot water at the same resort. The new fifteen-year finance lease resulted in the recognition of a \$11.8 million right-of-use asset and lease liability.

### **Financial maintenance covenants**

We were in compliance with all applicable covenants as of September 30, 2024. A summary of our applicable covenants and restrictions is as follows:

| <b>Debt</b>                    | <b>Covenant Terms</b>  |
|--------------------------------|--|
| Senior Secured Credit Facility | We are subject to a total net leverage ratio of 5.20x if we have more than 35% drawn on the Revolving Credit Facility. |

## **Note 12. Derivative financial instruments**

### *Interest rate swaps*

We have entered into interest rate swaps to mitigate the interest rate risk inherent to our floating rate debt. Our interest rate swaps outstanding during the three and nine months ended September 30, 2024 and 2023 are as follows:

| <b>Notional Amount</b>                                     | <b>Interest Rate Received</b> | <b>Fixed Rate Paid</b> | <b>Effective Date</b> | <b>Maturity Date</b> |
|--|-------------------------------|------------------------|-----------------------|----------------------|
| <b>Designated as Cash Flow Hedges</b>                      |                               |                        |                       |                      |
| \$275 million  | One-month SOFR                | 4.05%                  | April 15, 2023        | April 15, 2025       |
| \$275 million  | One-month SOFR                | 3.71%                  | April 15, 2023        | April 15, 2026       |
| <b>Not Designated as Hedging Instrument <sup>(1)</sup></b> |                               |                        |                       |                      |
| \$800 million  | One-month LIBOR               | 2.85%                  | March 29, 2018        | March 31, 2023       |

<sup>(1)</sup> Our LIBOR-based interest rate swaps were designated as cash flow hedges in March 2019, but were deemed ineffective in February 2020 due to the decrease in interest rates.

### *Foreign currency forward contracts*

We have entered into foreign currency forward contracts to mitigate the risk of foreign exchange fluctuations on certain direct expenses, such as salaries and wages and food and beverage costs, which are denominated in Mexican Pesos. As of September 30,

2024, the total outstanding notional amount of the forward contracts was \$166.0 million, or \$3.2 billion Mexican Pesos, which will be settled monthly with maturity dates between October 2024 and December 2025.

*Quantitative disclosures about derivative financial instruments*

The following tables present the effect of our derivative financial instruments, net of tax, in the Condensed Consolidated Statements of Comprehensive (Loss) Income and Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023 (\$ in thousands):

|  | Three Months Ended September 30,   |  |                     |                     |  |                     |
|--|------------------------------------|--|---------------------|---------------------|--|---------------------|
|  | 2024                               |  |                     | 2023                |  |                     |
|  | Interest rate swaps <sup>(1)</sup> | Foreign currency forwards <sup>(2)</sup> | Interest rate swaps | Interest rate swaps | Foreign currency forwards <sup>(2)</sup> | Interest rate swaps |
| Change in fair value                               | \$ 4,673                           | \$ 8,602                                 | \$ (4,054)          |                     |  |                     |
| Reclassification from AOCI to the income statement | \$ 1,993                           | \$ (1,786)                               | \$ 1,943            |                     |  |                     |
|  | Nine Months Ended September 30,    |  |                     |                     |  |                     |
|  | 2024                               |  |                     | 2023                |  |                     |
|  | Interest rate swaps <sup>(1)</sup> | Foreign currency forwards <sup>(2)</sup> | Interest rate swaps | Interest rate swaps | Foreign currency forwards <sup>(2)</sup> | Interest rate swaps |
| Change in fair value                               | \$ (2,953)                         | \$ 10,479                                | \$ (13,928)         |                     |  |                     |
| Reclassification from AOCI to the income statement | \$ 6,027                           | \$ (1,193)                               | \$ 364              |                     |  |                     |

<sup>(1)</sup> Amounts are reclassified from AOCI to interest expense. As of September 30, 2024, the total amount of net gains expected to be reclassified during the next twelve months is \$0.5 million.

<sup>(2)</sup> Amounts are reclassified from AOCI to direct expenses. As of September 30, 2024, the total amount of net losses expected to be reclassified during the next twelve months is \$7.8 million.

| Derivative Financial Instruments             | Financial Statement Classification | Three Months Ended September 30, |            | Nine Months Ended September 30, |            |
|--|------------------------------------|----------------------------------|------------|---------------------------------|------------|
|  |                                    | 2024                             | 2023       | 2024                            | 2023       |
| <b>Designated as Cash Flow Hedges</b>        |                                    |                                  |            |                                 |            |
| Interest rate swaps                          | Interest expense                   | \$ (1,993)                       | \$ (1,943) | \$ (6,027)                      | \$ (3,259) |
| Foreign currency forwards                    | Direct expenses                    | \$ 2,145                         | \$ —       | \$ 2,072                        | \$ —       |
| <b>Not Designated as Hedging Instruments</b> |                                    |                                  |            |                                 |            |
| Interest rate swaps <sup>(1)</sup>           | Interest expense                   | \$ —                             | \$ —       | \$ —                            | \$ 3,013   |

<sup>(1)</sup> Includes the loss from the change in fair value of our interest rate swaps and the cash interest paid or received for the monthly settlements of the derivative.

The following table presents the effect of our derivative financial instruments in the Condensed Consolidated Balance Sheet as of September 30, 2024 and December 31, 2023 (\$ in thousands):

| Derivative Financial Instruments      | Financial Statement Classification | As of September 30, | As of December 31, |
|---------------------------------------|------------------------------------|---------------------|--------------------|
|                                       |                                    | 2024                | 2023               |
| <b>Designated as Cash Flow Hedges</b> |                                    |                     |                    |
| Interest rate swaps                   | Derivative financial liabilities   | \$ 213              | \$ —               |
| Foreign currency forwards             | Derivative financial liabilities   | \$ 9,286            | \$ —               |
| Interest rate swaps                   | Derivative financial assets        | \$ —                | \$ 2,966           |

Derivative financial instruments expose us to credit risk in the event of non-performance by the counterparty under the terms of each instrument. We incorporate these counterparty credit risks in our fair value measurements (see Note 13) and believe we minimize this credit risk by transacting with major creditworthy financial institutions.

### Note 13. Fair value of financial instruments

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. U.S. GAAP establishes a hierarchical disclosure framework, which prioritizes and ranks the level of observability of inputs used in measuring fair value as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices for similar assets or liabilities in active markets, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Inputs are unobservable and reflect our judgments about assumptions that market participants would use in pricing an asset or liability.

We believe the carrying value of our financial instruments, excluding our debt, approximate their fair values as of September 30, 2024 and December 31, 2023. We did not have any Level 3 instruments during any of the periods presented in our Condensed Consolidated Financial Statements.

The following tables present our fair value hierarchy for our financial instruments measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023 (*\$ in thousands*):

| <b>Financial Liabilities</b>                        | <b>September 30, 2024</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|---|---------------------------|----------------|----------------|----------------|
| <b>Fair value measurements on a recurring basis</b> |                           |                |                |                |
| Interest rate swaps                                 | \$ 213                    | \$ —           | \$ 213         | \$ —           |
| Foreign currency forwards                           | \$ 9,286                  | \$ —           | \$ 9,286       | \$ —           |
| <b>Financial Assets</b>                             |                           |                |                |                |
| <b>December 31, 2023</b>                            |                           |                |                |                |
| <b>Fair value measurements on a recurring basis</b> |                           |                |                |                |
| Interest rate swaps                                 | \$ 2,966                  | \$ —           | \$ 2,966       | \$ —           |

The following tables present our fair value hierarchy for our financial liabilities not measured at fair value as of September 30, 2024 and December 31, 2023 (*\$ in thousands*):

|   | <b>Carrying Value</b>           | <b>Fair Value</b> |                |                |
|---|---------------------------------|-------------------|----------------|----------------|
|   | <b>As of September 30, 2024</b> | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> |
| <b>Financial liabilities not recorded at fair value</b> |                                 |                   |                |                |
| Term Loan due 2029                                      | \$ 1,053,436                    | \$ —              | \$ —           | \$ 1,083,540   |
| <b>Financial liabilities not recorded at fair value</b> |                                 |                   |                |                |
| <b>December 31, 2023</b>                                |                                 |                   |                |                |
| <b>Financial liabilities not recorded at fair value</b> |                                 |                   |                |                |
| Term Loan due 2029                                      | \$ 1,056,154                    | \$ —              | \$ —           | \$ 1,097,081   |

The following table summarizes the valuation techniques used to estimate the fair value of our financial instruments measured at fair value on a recurring basis and our financial instruments not measured at fair value:

|   | <b>Valuation Technique</b>   |
|---|--|
| <b>Financial instruments recorded at fair value</b>     |  |
| Foreign currency forwards                               | The fair value of the foreign currency forwards is estimated based on the expected future cash flows by incorporating the notional amount of the forward contract, the maturity date of the contract, and observable inputs including spot rates, forward rates, and interest rate curves (including discount factors). The fair value also incorporates credit valuation adjustments to appropriately reflect nonperformance risk. The fair value is largely dependent on prevailing foreign currency forward rates as of the measurement date and maturing on the maturity dates of any existing forwards. If, in subsequent periods, any prevailing foreign currency forward rate differs from the corresponding contracted foreign currency rate, we will recognize a gain or loss.                            |
| Interest rate swaps                                     | The fair value of the interest rate swaps is estimated based on the expected future cash flows by incorporating the notional amount of the swaps, the contractual period to maturity, and observable market-based inputs, including interest rate curves. The fair value also incorporates credit valuation adjustments to appropriately reflect nonperformance risk. The fair value of our interest rate swaps is largely dependent on forecasted SOFR as of the measurement date. If, in subsequent periods, forecasted SOFR exceeds the fixed rates we pay on our interest rate swaps, we will recognize a gain and future cash inflows. Conversely, if forecasted SOFR falls below the fixed rates we pay on our interest rate swaps in subsequent periods, we will recognize a loss and future cash outflows. |
| <b>Financial instruments not recorded at fair value</b> |  |
| Term Loan due 2029                                      | The fair value of our Term Loan due 2029 is estimated using cash flow projections over the remaining contractual period by applying market forward rates and discounting back at the appropriate discount rate.  |
| Revolving Credit Facility                               | The valuation technique of our Revolving Credit Facility is consistent with our Term Loan due 2029. The fair value of the Revolving Credit Facility generally approximates its carrying value as the expected term is significantly shorter in duration.   |

## Note 14. Other balance sheet items

### *Trade and other receivables, net*

The following summarizes the balances of trade and other receivables, net as of September 30, 2024 and December 31, 2023 (\$ in thousands):

|  | <b>As of September 30,<br/>2024</b> | <b>As of December 31,<br/>2023</b> |
|--|-------------------------------------|------------------------------------|
| Gross trade and other receivables <sup>(1)</sup> | \$ 47,323                           | \$ 75,051                          |
| Allowance for doubtful accounts                  | (1,289)                             | (289)                              |
| <b>Total trade and other receivables, net</b>    | <b>\$ 46,034</b>                    | <b>\$ 74,762</b>                   |

<sup>(1)</sup> The opening balance as of January 1, 2023 was \$63.4 million.

We have not experienced any significant write-offs to our accounts receivable during the three and nine months ended September 30, 2024 and 2023.

**Prepayments and other assets**

The following summarizes the balances of prepayments and other assets as of September 30, 2024 and December 31, 2023 (*\$ in thousands*):

|   | <b>As of September 30,<br/>2024</b> | <b>As of December 31,<br/>2023</b> |
|---|-------------------------------------|------------------------------------|
| Advances to suppliers                     | \$ 26,231                           | \$ 18,213                          |
| Prepaid income taxes                      | 11,791                              | 11,510                             |
| Prepaid other taxes <sup>(1)</sup>        | 6,836                               | 5,641                              |
| Operating lease right-of-use assets       | 5,871                               | 6,426                              |
| Key money                                 | 6,755                               | 6,475                              |
| Other assets                              | 6,071                               | 6,029                              |
| <b>Total prepayments and other assets</b> | <b>\$ 63,555</b>                    | <b>\$ 54,294</b>                   |

<sup>(1)</sup> Includes recoverable value-added tax, general consumption tax, and other sales tax accumulated by our Mexico, Jamaica, Dutch and Dominican Republic entities.

**Goodwill**

We recognized no goodwill impairment losses on our reporting units nor any additions to goodwill during the three and nine months ended September 30, 2024. The gross carrying values and accumulated impairment losses of goodwill by reportable segment (refer to discussion of our reportable segments in Note 15) as of September 30, 2024 and December 31, 2023 are as follows (*\$ in thousands*):

|                               | <b>Yucatán<br/>Peninsula</b> | <b>Pacific Coast</b> | <b>Dominican<br/>Republic</b> | <b>Jamaica</b>   | <b>Total</b>     |
|-------------------------------|------------------------------|----------------------|-------------------------------|------------------|------------------|
| Gross carrying value          | \$ 51,731                    | \$ —                 | \$ —                          | \$ 33,879        | \$ 85,610        |
| Accumulated impairment losses | (6,168)                      | —                    | —                             | (18,800)         | (24,968)         |
| <b>Net carrying value</b>     | <b>\$ 45,563</b>             | <b>\$ —</b>          | <b>\$ —</b>                   | <b>\$ 15,079</b> | <b>\$ 60,642</b> |

**Other intangible assets**

Other intangible assets as of September 30, 2024 and December 31, 2023 consisted of the following (\$ in thousands):

|  | As of September 30,<br>2024 | As of December 31,<br>2023 |
|--|-----------------------------|----------------------------|
| <b>Gross carrying value</b>              |                             |                            |
| Casino and other licenses <sup>(1)</sup> | \$ —                        | \$ 607                     |
| Management contract                      | 1,900                       | 1,900                      |
| Enterprise resource planning system      | 6,352                       | 6,352                      |
| Other                                    | 1,601                       | 4,674                      |
| <b>Total gross carrying value</b>        | <b>9,853</b>                | <b>13,533</b>              |
| <b>Accumulated amortization</b>          |                             |                            |
| Management contract                      | (594)                       | (523)                      |
| Enterprise resource planning system      | (5,836)                     | (4,349)                    |
| Other                                    | (1,234)                     | (4,304)                    |
| <b>Total accumulated amortization</b>    | <b>(7,664)</b>              | <b>(9,176)</b>             |
| <b>Net carrying value</b>                |                             |                            |
| Casino and other licenses <sup>(1)</sup> | —                           | 607                        |
| Management contract                      | 1,306                       | 1,377                      |
| Enterprise resource planning system      | 516                         | 2,003                      |
| Other                                    | 367                         | 370                        |
| <b>Total net carrying value</b>          | <b>\$ 2,189</b>             | <b>\$ 4,357</b>            |

<sup>(1)</sup> Our casino and other licenses have indefinite lives. Accordingly, there is no associated amortization expense or accumulated amortization.

Amortization expense for intangible assets was \$0.8 million and \$0.4 million for the three months ended September 30, 2024 and 2023, respectively, and \$2.3 million and \$1.1 million for the nine months ended September 30, 2024 and 2023, respectively.

**Trade and other payables**

The following summarizes the balances of trade and other payables as of September 30, 2024 and December 31, 2023 (\$ in thousands):

|  | As of September 30,<br>2024 | As of December 31,<br>2023 |
|--|-----------------------------|----------------------------|
| Trade payables                                     | \$ 20,256                   | \$ 25,929                  |
| Advance deposits <sup>(1)</sup>                    | 52,130                      | 80,506                     |
| Withholding and other taxes payable                | 10,692                      | 15,164                     |
| Interest payable                                   | —                           | 2,603                      |
| Payroll and related accruals                       | 26,211                      | 31,466                     |
| Accrued expenses and other payables <sup>(2)</sup> | 26,597                      | 40,764                     |
| <b>Total trade and other payables</b>              | <b>\$ 135,886</b>           | <b>\$ 196,432</b>          |

<sup>(1)</sup> The opening balance as of January 1, 2023 was \$83.3 million.

<sup>(2)</sup> As of September 30, 2024 and December 31, 2023, accrued expenses and other payables includes \$6.4 million and \$16.8 million, respectively, of unpaid clean up and repair expenses related to Hurricane Fiona.

**Other liabilities**

The following summarizes the balances of other liabilities as of September 30, 2024 and December 31, 2023 (\$ in thousands):

|                                      | As of September 30,<br>2024 | As of December 31,<br>2023 |
|--------------------------------------|-----------------------------|----------------------------|
| Pension obligation <sup>(1)(2)</sup> | \$ 5,602                    | \$ 9,980                   |
| Operating lease liabilities          | 6,394                       | 6,973                      |
| Unfavorable ground lease liability   | 1,666                       | 1,748                      |
| Key money                            | 13,558                      | 14,331                     |
| Other                                | 936                         | 938                        |
| <b>Total other liabilities</b>       | <b>\$ 28,156</b>            | <b>\$ 33,970</b>           |

<sup>(1)</sup> For the three months ended September 30, 2024 and 2023, the service cost component of net periodic pension cost was \$0.3 million and \$0.3 million, respectively. For the nine months ended September 30, 2024 and 2023, the service cost component was \$1.0 million and \$0.9 million, respectively.

<sup>(2)</sup> For the three months ended September 30, 2024 and 2023, the non-service cost components of net periodic pension cost were (\$0.8) million and (\$0.2) million, respectively. For the nine months ended September 30, 2024 and 2023, the non-service cost components were (\$1.4) million and \$1.5 million, respectively.

**Note 15. Business segments**

We consider each one of our owned resorts to be an operating segment, none of which meets the threshold for a reportable segment. We also allocate resources and assess operating performance based on individual resorts. Our operating segments meet the aggregation criteria and thus, we report four separate reportable segments by geography: (i) Yucatán Peninsula, (ii) Pacific Coast, (iii) Dominican Republic and (iv) Jamaica.

Our operating segments are components of the business that are managed discretely and for which discrete financial information is reviewed regularly by our Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, all of whom represent our chief operating decision maker (“CODM”). Financial information for each reportable segment is reviewed by the CODM to assess performance and make decisions regarding the allocation of resources. For the three and nine months ended September 30, 2024 and 2023, we have excluded the immaterial amounts of management fees, cost reimbursements, The Playa Collection revenues and other from our segment reporting.

The performance of our business is evaluated primarily on adjusted earnings before interest expense, income tax benefit (provision), and depreciation and amortization expense (“Adjusted EBITDA”) and the performance of our segments is evaluated on Adjusted EBITDA before corporate expenses, The Playa Collection revenue and management fees (“Owned Resort EBITDA”). Adjusted EBITDA and Owned Resort EBITDA should not be considered alternatives to net (loss) income or other measures of financial performance or liquidity derived in accordance with U.S. GAAP.

We define Adjusted EBITDA as net (loss) income, determined in accordance with U.S. GAAP, for the periods presented, before interest expense, income tax benefit (provision), and depreciation and amortization expense, further adjusted to exclude the following items: (a) (gain) loss on sale of assets; (b) loss on extinguishment of debt; (c) other income (expense); (d) repairs from hurricanes and severe weather; (e) share-based compensation; (f) other tax expense; (g) transaction expenses; and (h) severance expense. Adjusted EBITDA includes corporate expenses, which are overhead costs that are essential to support the operation of the Company, including the operations and development of our resorts.

There are limitations to using financial measures such as Adjusted EBITDA and Owned Resort EBITDA. For example, other companies in our industry may define Adjusted EBITDA differently than we do. As a result, it may be difficult to use Adjusted EBITDA or similarly named financial measures that other companies publish to compare the performance of those companies to our performance. Because of these limitations, Adjusted EBITDA should not be considered as a measure of the income or loss generated by our business or discretionary cash available for investment in our business and investors should carefully consider our U.S. GAAP results presented in our Condensed Consolidated Financial Statements.

The following table presents segment Owned Net Revenue, defined as total revenue less compulsory tips paid to employees, cost reimbursements, management fees, The Playa Collection revenue, and other miscellaneous revenue not derived from segment operations, and a reconciliation to total revenue for the three and nine months ended September 30, 2024 and 2023 (\$ in thousands):

|                                  | <b>Three Months Ended September 30,</b> |                   | <b>Nine Months Ended September 30,</b> |                   |
|----------------------------------|---|-------------------|--|-------------------|
|                                  | <b>2024</b>                             | <b>2023</b>       | <b>2024</b>                            | <b>2023</b>       |
| <b>Owned net revenue</b>         |   |                   |  |                   |
| Yucatán Peninsula                | \$ 65,290                               | \$ 65,138         | \$ 238,366                             | \$ 228,777        |
| Pacific Coast                    | 20,083                                  | 29,236            | 98,955                                 | 107,527           |
| Dominican Republic               | 51,736                                  | 57,142            | 199,005                                | 191,038           |
| Jamaica                          | 35,904                                  | 49,838            | 147,034                                | 170,233           |
| <b>Segment owned net revenue</b> | <b>173,013</b>                          | <b>201,354</b>    | <b>683,360</b>                         | <b>697,575</b>    |
| Other revenues                   | 352                                     | 531               | 1,181                                  | 1,697             |
| Management fees                  | 1,311                                   | 1,369             | 5,246                                  | 5,420             |
| The Playa Collection             | 1,727                                   | 1,051             | 4,326                                  | 2,605             |
| Cost reimbursements              | 1,898                                   | 2,785             | 7,135                                  | 9,327             |
| Compulsory tips                  | 5,216                                   | 6,055             | 18,379                                 | 18,363            |
| <b>Total revenue</b>             | <b>\$ 183,517</b>                       | <b>\$ 213,145</b> | <b>\$ 719,627</b>                      | <b>\$ 734,987</b> |



[Table of Contents](#)

The following table presents segment Owned Resort EBITDA, Adjusted EBITDA and a reconciliation to net (loss) income for the three and nine months ended September 30, 2024 and 2023 (\$ in thousands):

|   | Three Months Ended September 30, |                    | Nine Months Ended September 30, |                  |
|---|----------------------------------|--------------------|---------------------------------|------------------|
|   | 2024                             | 2023               | 2024                            | 2023             |
| <b>Owned Resort EBITDA</b>  |                                  |                    |                                 |                  |
| Yucatán Peninsula   | \$ 16,158                        | \$ 16,844          | \$ 81,922                       | \$ 79,107        |
| Pacific Coast   | 3,178                            | 7,947              | 34,443                          | 40,353           |
| Dominican Republic  | 14,041                           | 12,673             | 75,966                          | 61,501           |
| Jamaica   | 3,191                            | 15,333             | 43,358                          | 64,337           |
| <b>Segment Owned Resort EBITDA</b>  | <b>36,568</b>                    | <b>52,797</b>      | <b>235,689</b>                  | <b>245,298</b>   |
| Other corporate   | (14,487)                         | (14,706)           | (42,973)                        | (42,201)         |
| The Playa Collection  | 1,727                            | 1,051              | 4,326                           | 2,605            |
| Management fees   | 1,311                            | 1,369              | 5,246                           | 5,420            |
| <b>Adjusted EBITDA</b>  | <b>25,119</b>                    | <b>40,511</b>      | <b>202,288</b>                  | <b>211,122</b>   |
| Interest expense  | (21,949)                         | (26,552)           | (68,411)                        | (82,337)         |
| Depreciation and amortization   | (21,043)                         | (22,548)           | (58,760)                        | (61,055)         |
| Gain (loss) on sale of assets   | 18,179                           | (6)                | 18,179                          | (17)             |
| Loss on extinguishment of debt  | —                                | —                  | (1,043)                         | —                |
| Other income (expense)  | 334                              | (350)              | (761)                           | (321)            |
| Repairs from hurricanes and severe weather  | (1,935)                          | (77)               | (1,935)                         | 815              |
| Share-based compensation  | (3,981)                          | (3,343)            | (11,690)                        | (9,951)          |
| Other tax expense   | —                                | —                  | (64)                            | —                |
| Transaction expenses  | (278)                            | (742)              | (3,106)                         | (2,107)          |
| Severance expense   | (1,398)                          | —                  | (1,398)                         | —                |
| Non-service cost components of net periodic pension (benefit) cost <sup>(1)</sup> | (766)                            | (205)              | (1,408)                         | 1,539            |
| <b>Net (loss) income before tax</b>   | <b>(7,718)</b>                   | <b>(13,312)</b>    | <b>71,891</b>                   | <b>57,688</b>    |
| Income tax benefit (provision)  | 4,984                            | 2,808              | (7,114)                         | (4,840)          |
| <b>Net (loss) income</b>  | <b>\$ (2,734)</b>                | <b>\$ (10,504)</b> | <b>\$ 64,777</b>                | <b>\$ 52,848</b> |

<sup>(1)</sup> Represents the non-service cost components of net periodic pension cost or benefit recorded within other income (expense) in the Condensed Consolidated Statements of Operations. We include these costs in calculating Adjusted EBITDA as they are considered part of our ongoing resort operations.

The following table presents segment property and equipment, gross and a reconciliation to total property and equipment, net as of September 30, 2024 and December 31, 2023 (\$ in thousands):

|  | As of September 30, | As of December 31,  |
|--|---------------------|---------------------|
|  | 2024                | 2023                |
| <b>Segment property and equipment, gross</b>       |                     |                     |
| Yucatán Peninsula                                  | \$ 689,589          | \$ 683,073          |
| Pacific Coast                                      | 342,079             | 305,588             |
| Dominican Republic                                 | 456,848             | 541,629             |
| Jamaica  | 445,237             | 422,772             |
| <b>Total segment property and equipment, gross</b> | <b>1,933,753</b>    | <b>1,953,062</b>    |
| Corporate property and equipment, gross            | 6,930               | 5,823               |
| Accumulated depreciation                           | (551,385)           | (543,313)           |
| <b>Total property and equipment, net</b>           | <b>\$ 1,389,298</b> | <b>\$ 1,415,572</b> |

The following table presents segment capital expenditures and a reconciliation to total capital expenditures for the nine months ended September 30, 2024 and 2023 (\$ in thousands):

|  | <b>Nine Months Ended September 30,</b> |                  |
|--|--|------------------|
|  | <b>2024</b>                            | <b>2023</b>      |
| <b>Segment capital expenditures</b>                      |  |                  |
| Yucatán Peninsula  | \$ 9,390                               | \$ 8,754         |
| Pacific Coast <sup>(2)</sup>                             | 37,614                                 | 8,652            |
| Dominican Republic                                       | 3,749                                  | 7,775            |
| Jamaica <sup>(2)</sup>                                   | 27,854                                 | 5,138            |
| <b>Total segment capital expenditures <sup>(1)</sup></b> | <b>78,607</b>                          | <b>30,319</b>    |
| Corporate  | 2,482                                  | 377              |
| <b>Total capital expenditures <sup>(1)</sup></b>         | <b>\$ 81,089</b>                       | <b>\$ 30,696</b> |

<sup>(1)</sup> Represents gross additions to property and equipment.

<sup>(2)</sup> Includes the gross balance of finance lease right-of-use assets terminated during the nine months ended September 30, 2024.

## Note 16. Subsequent events

During the period from October 1, 2024 through October 31, 2024, we purchased 2,999,970 ordinary shares at an average price of \$8.33 per share. As of October 31, 2024, we had \$52.1 million remaining under our \$200.0 million share repurchase program.

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

The following discussion and analysis of Playa Hotels & Resorts N.V.'s ("Playa") financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements (our "Condensed Consolidated Financial Statements") and the notes related thereto which are included in "Item 1. Financial Statements" of this Quarterly Report on Form 10-Q. Unless the context otherwise requires, "we," "us," "our" and the "Company" refer to Playa and its subsidiaries.

### **Cautionary Note Regarding Forward-Looking Statements**

This quarterly report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect our current expectations and projections about future events at the time, and thus involve uncertainty and risk. The words "believe," "expect," "anticipate," "will," "could," "would," "should," "may," "plan," "estimate," "intend," "predict," "potential," "continue," and the negatives of these words and other similar expressions generally identify forward looking statements. Forward-looking statements are subject to various factors that could cause actual outcomes or results to differ materially from those indicated in these statements, including the risks described under the sections entitled "Risk Factors" of our Annual Report on Form 10-K, filed with the SEC on February 22, 2024 and in this Quarterly Report on Form 10-Q, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. The following factors, among others, could also cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- general economic uncertainty and the effect of general economic conditions, including inflation, elevated interest rates and worsening global economic conditions or low levels of economic growth, on consumer discretionary spending and the lodging industry in particular;
- changes in consumer preferences, including the popularity of the all-inclusive resort model, particularly in the luxury segment of the resort market, and the popularity of tropical beach-front vacations compared to other vacation options or destinations;
- changes in economic, social or political conditions in the regions we operate, including changes in perception of public-safety, changes in unemployment rates and labor force availability, and changes in the supply of rooms from competing resorts;
- the success and continuation of our relationships with Hyatt Hotels Corporation ("Hyatt"), Hilton Worldwide Holdings, Inc. ("Hilton"), and Wyndham Hotels & Resorts, Inc. ("Wyndham");
- the volatility of currency exchange rates;
- the success of our branding or rebranding initiatives with our current portfolio and resorts that may be acquired in the future;
- our failure to successfully complete acquisition, expansion, repair and renovation projects in the timeframes and at the costs and returns anticipated;
- changes we may make in timing and scope of our development and renovation projects;
- significant increases in construction and development costs;
- significant increases in utilities, labor or other resort costs;
- our ability to obtain and maintain financing arrangements on attractive terms or at all;
- our ability to obtain and maintain ample liquidity to fund operations and service debt;
- the impact of and changes in governmental regulations or the enforcement thereof, tax laws and rates (including increases in our corporate tax rate pursuant to the Dutch Minimum Tax Act 2024), accounting guidance and similar matters in regions in which we operate;
- the ability of our guests to reach our resorts given government-mandated travel restrictions or travel advisories, such as those related to COVID-19 or other public health crises, or airline service/capacity issues, as well as changes in demand

## Table of Contents

*for our resorts resulting from government-mandated safety protocols and/or health concerns, including those related to COVID-19 or other public health crises;*

- the effectiveness of our internal controls and our corporate policies and procedures;*
- changes in personnel and availability of qualified personnel;*
- extreme weather events, such as hurricanes, tsunamis, tornados, floods and extreme heat waves, which may increase in frequency and severity as a result of climate change, and other natural or man-made disasters such as droughts, wildfires or oil spills;*
- dependence on third parties to provide Internet, telecommunications and network connectivity to our data centers;*
- cybersecurity incidents and information technology failures;*
- the volatility of the market price and liquidity of our ordinary shares and other of our securities; and*
- the increasingly competitive environment in which we operate.*

*While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. The Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes after the date of this quarterly report, except as required by applicable law. You should not place undue reliance on any forward-looking statements, which are based only on information currently available to us (or to third parties making the forward-looking statements).*

### **Overview**

Playa, through its subsidiaries, is a leading owner, operator and developer of all-inclusive resorts in prime beachfront locations in popular vacation destinations in Mexico and the Caribbean. As of September 30, 2024, Playa owned and/or managed a total portfolio consisting of 24 resorts (8,627 rooms) located in Mexico, Jamaica, and the Dominican Republic:

- In Mexico, we own and manage the Hyatt Zilara Cancún, Hyatt Ziva Cancún, Wyndham Alltra Cancún, Wyndham Alltra Playa del Carmen, Hilton Playa del Carmen All-Inclusive Resort, Hyatt Ziva Puerto Vallarta, and Hyatt Ziva Los Cabos;
- In Jamaica, we own and manage the Hyatt Zilara Rose Hall, Hyatt Ziva Rose Hall, Hilton Rose Hall Resort & Spa, Jewel Grande Montego Bay Resort & Spa, and Jewel Paradise Cove Beach Resort & Spa;
- In the Dominican Republic, we own and manage the Hilton La Romana All-Inclusive Family Resort, Hilton La Romana All-Inclusive Adult Resort, Hyatt Zilara Cap Cana, and Hyatt Ziva Cap Cana; and
- We also manage eight resorts on behalf of third-party owners.

Playa currently owns and/or manages resorts under the following brands: Hyatt Zilara, Hyatt Ziva, Hilton All-Inclusive, Tapestry Collection by Hilton, Wyndham Alltra, Seadust, Kimpton, Jewel Resorts and The Luxury Collection. Playa leverages years of all-inclusive resort operating expertise and relationships with globally recognized hospitality brands to provide a best-in-class experience and exceptional value to guests, while building a direct relationship to improve customer acquisition cost and drive repeat business.

For the three months ended September 30, 2024, we generated a net loss of \$2.7 million, Total Revenue of \$183.5 million, Net Package RevPAR of \$252.12 and Adjusted EBITDA of \$25.1 million. For the three months ended September 30, 2023, we generated a net loss of \$10.5 million, Total Revenue of \$213.1 million, Net Package RevPAR of \$269.50 and Adjusted EBITDA of \$40.5 million.

For the nine months ended September 30, 2024, we generated net income of \$64.8 million, Total Revenue of \$719.6 million, Net Package RevPAR of \$334.28 and Adjusted EBITDA of \$202.3 million. For the nine months ended September 30, 2023, we generated net income of \$52.8 million, Total Revenue of \$735.0 million, Net Package RevPAR of \$312.16 and Adjusted EBITDA of \$211.1 million.

## Our Portfolio of Resorts

As of September 30, 2024, the following table presents an overview of our resorts and is organized by our four geographic business segments: the Yucatán Peninsula, the Pacific Coast, the Dominican Republic and Jamaica.

| Name of Resort                                       | Location                          | Brand and Type                                     | Operator | Year Built;<br>Significant<br>Renovations | Rooms        |
|--|-----------------------------------|--|----------|---|--------------|
| <b>Owned Resorts</b>                                 |                                   |  |          |   |              |
| <i>Yucatán Peninsula</i>                             |                                   |  |          |   |              |
| Hyatt Ziva Cancún                                    | Cancún, Mexico                    | Hyatt Ziva (all ages)                              | Playa    | 1975; 1980; 1986;<br>2002; 2015           | 547          |
| Hyatt Zilara Cancún                                  | Cancún, Mexico                    | Hyatt Zilara (adults-only)                         | Playa    | 2006; 2009; 2013;<br>2017                 | 310          |
| Wyndham Alltra Cancún                                | Cancún, Mexico                    | Wyndham (all ages)                                 | Playa    | 1985; 2009; 2017                          | 458          |
| Hilton Playa del Carmen All-Inclusive Resort         | Playa del Carmen, Mexico          | Hilton (adults-only)                               | Playa    | 2002; 2009; 2019                          | 524          |
| Wyndham Alltra Playa del Carmen                      | Playa del Carmen, Mexico          | Wyndham (adults-only)                              | Playa    | 1996; 2006; 2012;<br>2017                 | 287          |
| <i>Pacific Coast</i>                                 |                                   |  |          |   |              |
| Hyatt Ziva Los Cabos                                 | Cabo San Lucas, Mexico            | Hyatt Ziva (all ages)                              | Playa    | 2007; 2009; 2015                          | 591          |
| Hyatt Ziva Puerto Vallarta                           | Puerto Vallarta, Mexico           | Hyatt Ziva (all ages)                              | Playa    | 1969; 1990; 2002;<br>2009; 2014; 2017     | 335          |
| <i>Dominican Republic</i>                            |                                   |  |          |   |              |
| Hilton La Romana All-Inclusive Resort                | La Romana,<br>Dominican Republic  | Hilton (adults-only)                               | Playa    | 1997; 2008; 2019                          | 356          |
| Hilton La Romana All-Inclusive Resort                | La Romana,<br>Dominican Republic  | Hilton (all ages)                                  | Playa    | 1997; 2008; 2019                          | 418          |
| Hyatt Ziva Cap Cana                                  | Cap Cana,<br>Dominican Republic   | Hyatt Ziva (all ages)                              | Playa    | 2019                                      | 375          |
| Hyatt Zilara Cap Cana                                | Cap Cana,<br>Dominican Republic   | Hyatt Zilara (adults-only)                         | Playa    | 2019                                      | 375          |
| <i>Jamaica</i>                                       |                                   |  |          |   |              |
| Hyatt Ziva Rose Hall                                 | Montego Bay, Jamaica              | Hyatt Ziva (all ages)                              | Playa    | 2000; 2014; 2017                          | 276          |
| Hyatt Zilara Rose Hall                               | Montego Bay, Jamaica              | Hyatt Zilara (adults-only)                         | Playa    | 2000; 2014; 2017                          | 344          |
| Hilton Rose Hall Resort & Spa                        | Montego Bay, Jamaica              | Hilton (all ages)                                  | Playa    | 1974; 2008; 2017                          | 495          |
| Jewel Paradise Cove Beach Resort & Spa               | Runaway Bay, Jamaica              | Jewel (adults-only)                                | Playa    | 2013                                      | 225          |
| Jewel Grande Montego Bay Resort & Spa <sup>(1)</sup> | Montego Bay, Jamaica              | Jewel (all ages)                                   | Playa    | 2016; 2017                                | 88           |
| <b>Total Rooms Owned</b>                             |                                   |  |          |   | <b>6,004</b> |
| <b>Managed Resorts <sup>(2)</sup></b>                |                                   |  |          |   |              |
| Sanctuary Cap Cana                                   | Punta Cana,<br>Dominican Republic | The Luxury Collection by<br>Marriott (adults-only) | Playa    | 2008; 2015; 2018                          | 324          |
| Jewel Grande Montego Bay Resort & Spa                | Montego Bay, Jamaica              | Jewel (condo-hotel)                                | Playa    | 2016; 2017                                | 129          |
| The Yucatán Playa del Carmen All-Inclusive Resort    | Playa del Carmen, Mexico          | Tapestry Collection by<br>Hilton (adults-only)     | Playa    | 2012                                      | 60           |
| Seadust Cancún Family Resort                         | Cancún, Mexico                    | Seadust (all ages)                                 | Playa    | 2006; 2022                                | 502          |
| Kimpton Tres Ríos Riviera Maya <sup>(3)</sup>        | Playa del Carmen, Mexico          | Kimpton (all ages)                                 | Playa    | 2008; 2023                                | 255          |
| Wyndham Alltra Vallarta                              | Nuevo Vallarta, Mexico            | Wyndham (all ages)                                 | Playa    | 2009; 2022                                | 229          |
| Wyndham Alltra Samaná <sup>(4)</sup>                 | Samaná, Dominican<br>Republic     | Wyndham (all ages)                                 | Playa    | 1994; 1998; 2004;<br>2023                 | 404          |
| Jewel Punta Cana <sup>(5)</sup>                      | Punta Cana,<br>Dominican Republic | Jewel (all ages)                                   | Playa    | 2004                                      | 620          |
| Paraiso de la Bonita <sup>(6)</sup>                  | Riviera Maya, Mexico              | The Luxury Collection by<br>Marriott (adults-only) | Playa    | 2001; 2024                                | 100          |
| <b>Total Rooms Operated</b>                          |                                   |  |          |   | <b>2,623</b> |
| <b>Total Rooms Owned and Operated</b>                |                                   |  |          |   | <b>8,627</b> |

<sup>(1)</sup> Represents an 88-unit tower and spa owned by us. We manage the majority of the units within the remaining two condo-hotel towers owned by Sagicor Financial Corporation Limited that comprise the Jewel Grande Montego Bay Resort & Spa.

<sup>(2)</sup> Owned by a third party.

<sup>(3)</sup> We entered into a management agreement to operate this resort during the second quarter of 2022. The resort is currently undergoing renovations and we expect to commence operations in early 2025.

<sup>(4)</sup> We entered into a management agreement to operate this resort during the first quarter of 2023. We commenced operations in March 2024.

<sup>(5)</sup> In connection with the resort's sale in December 2023, we entered into a management agreement to operate this resort. The resort is currently closed for renovations and we expect to commence operations in early 2025.

<sup>(6)</sup> We entered into a management agreement to operate this resort during the second quarter of 2024. The resort is currently closed for renovations and we expect to commence operations in early 2025.

**Results of Operations**

**Three Months Ended September 30, 2024 and 2023**

The following table summarizes our results of operations on a consolidated basis for the three months ended September 30, 2024 and 2023 (\$ in thousands):

|  | Three Months Ended September 30, |                    | Increase / Decrease |               |
|--|----------------------------------|--------------------|---------------------|---------------|
|  | 2024                             | 2023               | Change              | % Change      |
| <b>Revenue</b>   |                                  |                    |                     |               |
| Package  | \$ 154,451                       | \$ 182,425         | \$ (27,974)         | (15.3) %      |
| Non-package  | 23,778                           | 24,984             | (1,206)             | (4.8) %       |
| The Playa Collection   | 1,727                            | 1,051              | 676                 | 64.3 %        |
| Management fees  | 1,311                            | 1,369              | (58)                | (4.2) %       |
| Cost reimbursements  | 1,898                            | 2,785              | (887)               | (31.8) %      |
| Other revenues   | 352                              | 531                | (179)               | (33.7) %      |
| Total revenue  | 183,517                          | 213,145            | (29,628)            | (13.9) %      |
| <b>Direct and selling, general and administrative expenses</b> |                                  |                    |                     |               |
| Direct   | 115,731                          | 126,356            | (10,625)            | (8.4) %       |
| Selling, general and administrative                            | 49,825                           | 48,826             | 999                 | 2.0 %         |
| Depreciation and amortization                                  | 21,043                           | 22,548             | (1,505)             | (6.7) %       |
| Reimbursed costs   | 1,898                            | 2,785              | (887)               | (31.8) %      |
| (Gain) loss on sale of assets                                  | (18,179)                         | 6                  | (18,185)            | (303,083.3) % |
| Business interruption insurance recoveries                     | (47)                             | (47)               | —                   | — %           |
| Gain on insurance proceeds                                     | (651)                            | (919)              | 268                 | 29.2 %        |
| Direct and selling, general and administrative expenses        | 169,620                          | 199,555            | (29,935)            | (15.0) %      |
| <b>Operating income</b>  | <b>13,897</b>                    | <b>13,590</b>      | <b>307</b>          | <b>2.3 %</b>  |
| Interest expense   | (21,949)                         | (26,552)           | 4,603               | 17.3 %        |
| Other income (expense)   | 334                              | (350)              | 684                 | 195.4 %       |
| <b>Net loss before tax</b>                                     | <b>(7,718)</b>                   | <b>(13,312)</b>    | <b>5,594</b>        | <b>42.0 %</b> |
| Income tax benefit   | 4,984                            | 2,808              | 2,176               | 77.5 %        |
| <b>Net loss</b>  | <b>\$ (2,734)</b>                | <b>\$ (10,504)</b> | <b>\$ 7,770</b>     | <b>74.0 %</b> |

The tables below set forth information for our total portfolio with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Management Fee Revenue, Total Net Revenue, Adjusted EBITDA and Adjusted EBITDA Margin. For a description of these operating metrics and non-U.S. GAAP measures, see “Key Indicators of Financial and Operating Performance” below. For discussion of Adjusted EBITDA and reconciliation to the most comparable U.S. GAAP financial measures, see “Key Indicators of Financial and Operating Performance” and “Non-U.S. GAAP Financial Measures” below.

Our comparable portfolio for the three months ended September 30, 2024 excludes the Jewel Palm Beach, which was sold in September 2024, Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta, which were partially closed for renovations during the three months ended September 30, 2024, and Jewel Punta Cana, which was sold in December 2023.

**Total Portfolio**

|                              | Three Months Ended September 30, |            | Increase / Decrease |          |
|------------------------------|----------------------------------|------------|---------------------|----------|
|                              | 2024                             | 2023       | Change              | % Change |
| Occupancy                    | 63.4 %                           | 70.7 %     | (7.3)pts            | (10.3)%  |
| Net Package ADR              | \$ 397.69                        | \$ 381.41  | \$ 16.28            | 4.3 %    |
| Net Package RevPAR           | \$ 252.12                        | \$ 269.50  | \$ (17.38)          | (6.4)%   |
| <b>(\$ in thousands)</b>     |                                  |            |                     |          |
| Net Package Revenue          | \$ 149,475                       | \$ 176,634 | \$ (27,159)         | (15.4)%  |
| Net Non-package Revenue      | 23,538                           | 24,720     | (1,182)             | (4.8)%   |
| The Playa Collection Revenue | 1,727                            | 1,051      | 676                 | 64.3 %   |
| Management Fee Revenue       | 1,311                            | 1,369      | (58)                | (4.2)%   |
| Other Revenues               | 352                              | 531        | (179)               | (33.7)%  |
| Total Net Revenue            | 176,403                          | 204,305    | (27,902)            | (13.7)%  |
| Adjusted EBITDA              | \$ 25,119                        | \$ 40,511  | \$ (15,392)         | (38.0)%  |
| Adjusted EBITDA Margin       | 14.2 %                           | 19.8 %     | (5.6)pts            | (28.3)%  |

**Comparable Portfolio <sup>(1)</sup>**

|                              | Three Months Ended September 30, |            | Increase / Decrease |          |
|------------------------------|----------------------------------|------------|---------------------|----------|
|                              | 2024                             | 2023       | Change              | % Change |
| Occupancy                    | 67.5 %                           | 73.4 %     | (5.9)pts            | (8.0)%   |
| Net Package ADR              | \$ 408.77                        | \$ 415.04  | \$ (6.27)           | (1.5)%   |
| Net Package RevPAR           | \$ 275.97                        | \$ 304.66  | \$ (28.69)          | (9.4)%   |
| <b>(\$ in thousands)</b>     |                                  |            |                     |          |
| Net Package Revenue          | \$ 128,928                       | \$ 142,329 | \$ (13,401)         | (9.4)%   |
| Net Non-package Revenue      | 19,985                           | 20,382     | (397)               | (1.9)%   |
| The Playa Collection Revenue | 1,727                            | 1,051      | 676                 | 64.3 %   |
| Management Fee Revenue       | 1,311                            | 1,369      | (58)                | (4.2)%   |
| Other Revenues               | 352                              | 531        | (179)               | (33.7)%  |
| Total Net Revenue            | 152,303                          | 165,662    | (13,359)            | (8.1)%   |
| Adjusted EBITDA              | \$ 22,681                        | \$ 35,934  | \$ (13,253)         | (36.9)%  |
| Adjusted EBITDA Margin       | 14.9 %                           | 21.7 %     | (6.8)pts            | (31.3)%  |

<sup>(1)</sup> For the three months ended September 30, 2024, our comparable portfolio excludes the Jewel Palm Beach, which was sold in September 2024, Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta, which were partially closed for renovations during the three months ended September 30, 2024, and Jewel Punta Cana, which was sold in December 2023.

**Total Revenue and Total Net Revenue**

Our Total Revenue for the three months ended September 30, 2024 decreased \$29.6 million, or 13.9%, compared to the three months ended September 30, 2023, and our Total Net Revenue for the three months ended September 30, 2024 decreased \$27.9 million, or 13.7%, compared to the three months ended September 30, 2023. The results for the three months ended September 30, 2024 were heavily impacted by reduced demand in our Jamaica segment due to the Jamaica travel advisory issued by the United States government on January 23, 2024; reduced Occupancy resulting from Hurricane Beryl that mainly affected our Jamaica and Yucatán Peninsula segments; and reduced Occupancy due to renovation work at Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta.

The decreases in Total Revenue and Total Net Revenue were due to the following:

- a decrease in Occupancy of 7.3 percentage points;
- Excluding Jewel Punta Cana, which was sold in December 2023, and Jewel Palm Beach, which was sold in September 2024, Occupancy decreased 8.1 percentage points compared to the three months ended September 30, 2023 as a result of lower Occupancy levels at our resorts in our Jamaica, Yucatán Peninsula and Pacific Coast segments from the above-mentioned travel advisory, Hurricane Beryl impacts and renovations, respectively;



## Table of Contents

- a decrease in Net Non-package Revenue of \$1.2 million, or 4.8%;
  - Excluding Jewel Punta Cana and Jewel Palm Beach, Net Non-package Revenue decreased \$0.2 million, or 0.9%, compared to the three months ended September 30, 2023; partially offset by
- an increase in Net Package ADR of 4.3%;
  - Excluding Jewel Punta Cana and Jewel Palm Beach, Net Package ADR decreased 2.5%.

### ***Adjusted EBITDA and Adjusted EBITDA Margin***

Our Adjusted EBITDA for the three months ended September 30, 2024 decreased \$15.4 million, or 38.0%, compared to the three months ended September 30, 2023.

- Excluding Jewel Punta Cana and Jewel Palm Beach, Adjusted EBITDA decreased \$18.0 million compared to the three months ended September 30, 2023 due to:
  - a decline in our Jamaica segment profit due to weaker demand from the travel advisory issued by the United States government;
  - a decline in our Jamaica and Yucatán Peninsula segment profit in July as a result of the impact from Hurricane Beryl;
  - the renovation work at the Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta; and
  - a decrease in the benefit from business interruption insurance related to the disruption caused by Hurricane Fiona in our Dominican Republic segment in the second half of 2022.
    - Adjusted EBITDA includes a positive impact from business interruption insurance of \$0.7 million during the three months ended September 30, 2024 compared to \$1.0 million during the three months ended September 30, 2023; partially offset by
  - a \$3.0 million favorable contribution from the depreciation of the Mexican Peso, inclusive of the impact of our foreign currency forward contracts (refer to discussion of our derivative financial instruments in Note 12).

Our Adjusted EBITDA Margin for the three months ended September 30, 2024 decreased 5.6 percentage points, or 28.3%, compared to the three months ended September 30, 2023.

- Excluding Jewel Punta Cana and Jewel Palm Beach, Adjusted EBITDA Margin decreased 7.5 percentage points compared to the three months ended September 30, 2023. Adjusted EBITDA Margin was positively impacted by 160 basis points due to the depreciation of the Mexican Peso and by 40 basis points from business interruption proceeds and recoverable expenses related to Hurricane Fiona. For the three months ended September 30, 2023, Adjusted EBITDA Margin was positively impacted by 50 basis points from business interruption proceeds and recoverable expenses related to Hurricane Fiona.
  - Excluding these impacts, Adjusted EBITDA Margin would have been 12.9%, a decrease of 9.1 percentage points compared to the three months ended September 30, 2023, resulting from the impact to our Jamaica resorts from the travel advisory, the impact from Hurricane Beryl in our Jamaica and Yucatán Peninsula segments, as well as renovation work at Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta.



[Table of Contents](#)

The following table shows a reconciliation of Net Package Revenue and Net Non-package Revenue to Total Revenue for the three months ended September 30, 2024 and 2023 (\$ in thousands):

|  | Three Months Ended September 30, |                   | Increase/Decrease  |                |
|--|----------------------------------|-------------------|--------------------|----------------|
|  | 2024                             | 2023              | Change             | % Change       |
| <b>Net Package Revenue</b>             |                                  |                   |                    |                |
| Comparable Net Package Revenue         | \$ 128,928                       | \$ 142,329        | \$ (13,401)        | (9.4)%         |
| Non-comparable Net Package Revenue     | 20,547                           | 34,305            | (13,758)           | (40.1)%        |
| <b>Net Package Revenue</b>             | <b>149,475</b>                   | <b>176,634</b>    | <b>(27,159)</b>    | <b>(15.4)%</b> |
| <b>Net Non-package Revenue</b>         |                                  |                   |                    |                |
| Comparable Net Non-package Revenue     | 19,985                           | 20,382            | (397)              | (1.9)%         |
| Non-comparable Net Non-package Revenue | 3,553                            | 4,338             | (785)              | (18.1)%        |
| <b>Net Non-package Revenue</b>         | <b>23,538</b>                    | <b>24,720</b>     | <b>(1,182)</b>     | <b>(4.8)%</b>  |
| <b>The Playa Collection Revenue</b>    | <b>1,727</b>                     | <b>1,051</b>      | <b>676</b>         | <b>64.3 %</b>  |
| <b>Management Fee Revenue</b>          | <b>1,311</b>                     | <b>1,369</b>      | <b>(58)</b>        | <b>(4.2)%</b>  |
| <b>Other Revenues</b>                  | <b>352</b>                       | <b>531</b>        | <b>(179)</b>       | <b>(33.7)%</b> |
| <b>Total Net Revenue</b>               |                                  |                   |                    |                |
| Comparable Total Net Revenue           | 152,303                          | 165,662           | (13,359)           | (8.1)%         |
| Non-comparable Total Net Revenue       | 24,100                           | 38,643            | (14,543)           | (37.6)%        |
| <b>Total Net Revenue</b>               | <b>176,403</b>                   | <b>204,305</b>    | <b>(27,902)</b>    | <b>(13.7)%</b> |
| Compulsory tips                        | 5,216                            | 6,055             | (839)              | (13.9)%        |
| Cost Reimbursements                    | 1,898                            | 2,785             | (887)              | (31.8)%        |
| <b>Total revenue</b>                   | <b>\$ 183,517</b>                | <b>\$ 213,145</b> | <b>\$ (29,628)</b> | <b>(13.9)%</b> |

**Direct Expenses**

The following table shows a reconciliation of our direct expenses to Net Direct Expenses for the three months ended September 30, 2024 and 2023 (\$ in thousands):

|                            | Three Months Ended September 30, |                   | Increase/Decrease |               |
|----------------------------|----------------------------------|-------------------|-------------------|---------------|
|                            | 2024                             | 2023              | Change            | % Change      |
| Direct expenses            | \$ 115,731                       | \$ 126,356        | \$ (10,625)       | (8.4)%        |
| Less: compulsory tips      | 5,216                            | 6,055             | (839)             | (13.9)%       |
| <b>Net Direct Expenses</b> | <b>\$ 110,515</b>                | <b>\$ 120,301</b> | <b>\$ (9,786)</b> | <b>(8.1)%</b> |

Our direct expenses include resort expenses, such as food and beverage, salaries and wages, utilities and other ongoing operational expenses. Direct operating expenses fluctuate based on various factors, including changes in Occupancy, labor costs, utilities, repair and maintenance costs and licenses and property taxes. Management fees and franchise fees, which are computed as a percentage of revenue, increase or decrease as a result of changes in revenues.

Our Net Direct Expenses were \$110.5 million, or 62.6% of Total Net Revenue, for the three months ended September 30, 2024 and \$120.3 million, or 58.9% of Total Net Revenue, for the three months ended September 30, 2023. Net Direct Expenses for the three months ended September 30, 2024 decreased \$9.8 million, or 8.1%, compared to the three months ended September 30, 2023 primarily due to the following:

- the sale of Jewel Punta Cana in December 2023;
- decreased Occupancy in our Jamaica and Pacific Coast segments which resulted in fewer expenses compared to the three months ended September 30, 2023; and
- depreciation of the Mexican Peso compared to the three months ended September 30, 2023.

Partially offset by:

- increased labor and related expenses as a result of union-negotiated and government-mandated wage and benefit increases compared to the three months ended September 30, 2023.

Net Direct Expenses consists of the following (*\$ in thousands*):

***Total Portfolio***

|                                       | Three Months Ended September 30, |                   | Increase/Decrease |               |
|---------------------------------------|----------------------------------|-------------------|-------------------|---------------|
|                                       | 2024                             | 2023              | Change            | % Change      |
| Food and beverages                    | \$ 23,248                        | \$ 27,616         | \$ (4,368)        | (15.8)%       |
| Guest costs                           | 5,370                            | 4,944             | 426               | 8.6 %         |
| Salaries and wages                    | 47,434                           | 49,035            | (1,601)           | (3.3)%        |
| Repairs and maintenance               | 5,401                            | 5,588             | (187)             | (3.3)%        |
| Utilities and sewage                  | 10,955                           | 13,125            | (2,170)           | (16.5)%       |
| Licenses and property taxes           | 926                              | 1,004             | (78)              | (7.8)%        |
| Franchise fees                        | 9,531                            | 9,840             | (309)             | (3.1)%        |
| Transportation and travel expenses    | 1,583                            | 1,798             | (215)             | (12.0)%       |
| Laundry and cleaning expenses         | 1,376                            | 1,801             | (425)             | (23.6)%       |
| Property and equipment rental expense | 556                              | 1,013             | (457)             | (45.1)%       |
| Entertainment expenses and decoration | 2,599                            | 2,705             | (106)             | (3.9)%        |
| Office supplies                       | 240                              | 286               | (46)              | (16.1)%       |
| Other operational expenses            | 1,296                            | 1,546             | (250)             | (16.2)%       |
| <b>Total Net Direct Expenses</b>      | <b>\$ 110,515</b>                | <b>\$ 120,301</b> | <b>\$ (9,786)</b> | <b>(8.1)%</b> |

**Comparable Portfolio**

|                                       | Three Months Ended September 30, |                  | Increase/Decrease |                |
|---------------------------------------|----------------------------------|------------------|-------------------|----------------|
|                                       | 2024                             | 2023             | Change            | % Change       |
| Food and beverages                    | \$ 20,026                        | \$ 21,494        | \$ (1,468)        | (6.8) %        |
| Guest costs                           | 5,067                            | 4,251            | 816               | 19.2 %         |
| Salaries and wages                    | 39,114                           | 39,124           | (10)              | 0.0 %          |
| Repairs and maintenance               | 4,598                            | 4,134            | 464               | 11.2 %         |
| Utilities and sewage                  | 9,270                            | 9,674            | (404)             | (4.2) %        |
| Licenses and property taxes           | 815                              | 799              | 16                | 2.0 %          |
| Franchise fees                        | 8,237                            | 8,104            | 133               | 1.6 %          |
| Transportation and travel expenses    | 1,289                            | 1,295            | (6)               | (0.5) %        |
| Laundry and cleaning expenses         | 1,224                            | 1,535            | (311)             | (20.3) %       |
| Property and equipment rental expense | 483                              | 856              | (373)             | (43.6) %       |
| Entertainment expenses and decoration | 2,292                            | 2,190            | 102               | 4.7 %          |
| Office supplies                       | 200                              | 209              | (9)               | (4.3) %        |
| Other operational expenses            | 1,088                            | 1,076            | 12                | 1.1 %          |
| <b>Total Net Direct Expenses</b>      | <b>\$ 93,703</b>                 | <b>\$ 94,741</b> | <b>\$ (1,038)</b> | <b>(1.1) %</b> |

***Selling, General and Administrative Expenses***

Our selling, general and administrative expenses for the three months ended September 30, 2024 increased \$1.0 million, or 2.0%, compared to the three months ended September 30, 2023. The increase was primarily driven by a \$2.3 million increase in hurricane and severe weather repair expenses due to Hurricane Beryl and Hurricane Helene in September 2024, a \$0.8 million increase in professional fees and a \$0.7 million increase in the provision for doubtful accounts. We also experienced a \$0.6 million increase in share-based compensation expense due to an increase in the number of restricted and performance share awards granted in 2024. These increases were partially offset by a \$1.9 million decrease in travel agent and tour operator commission expense due to lower Occupancies as a result of renovation work in the Pacific Coast segment and the sale of Jewel Punta Cana, as well as a \$0.7 million decrease in advertising expenses, a \$0.5 million decrease in transaction expenses and a \$0.3 million decrease in credit card commissions for the three months ended September 30, 2024.

***Depreciation and Amortization Expense***

Our depreciation and amortization expense for the three months ended September 30, 2024 decreased \$1.5 million, or 6.7%, compared to the three months ended September 30, 2023 due to accelerated depreciation on asset disposals at Hyatt Zilara Cancun during the three months ended September 30, 2023 and the sale of Jewel Punta Cana in December 2023, which were partially offset by additional depreciation on asset disposals during the three months ended September 30, 2024 for ongoing renovations of the Hyatt Ziva Los Cabos.

***Gain on Insurance Proceeds***

Our gain on insurance proceeds for the three months ended September 30, 2024 decreased \$0.3 million, or 29.2%, compared to the three months ended September 30, 2023 as a result of fewer business interruption insurance proceeds received in 2024 related to the temporary closure of two of our resorts in the Dominican Republic due to Hurricane Fiona in the second half of 2022.

***Interest Expense***

Our interest expense for the three months ended September 30, 2024 decreased \$4.6 million, or 17.3%, compared to the three months ended September 30, 2023. The decrease in interest expense was driven primarily by a \$4.2 million decrease from the repricing of our Term Loan due 2029, which reduced the interest incurred to SOFR plus a margin of 2.75% from SOFR plus a margin of 4.25%. Our SOFR-based interest rate swaps effective in April 2023 meet the criteria for hedge accounting and therefore, changes in fair value are recognized through other comprehensive income.

Cash interest paid was \$22.2 million for the three months ended September 30, 2024, representing a \$2.2 million, or 8.9% decrease as compared to the three months ended September 30, 2023 due to a \$2.2 million decrease from the repricing of our Term Loan due 2029.

**Income Tax Benefit**

For the three months ended September 30, 2024, our income tax benefit was \$5.0 million, compared to a \$2.8 million income tax benefit for the three months ended September 30, 2023. The increase of \$2.2 million was primarily driven by a \$0.9 million decreased tax expense related to favorable foreign exchange rate fluctuation at our Mexico entities and a \$1.4 million decreased tax expense at our Jamaica entities related to lower pre-tax book income.

**Results of Operations**

**Nine Months Ended September 30, 2024 and 2023**

The following table summarizes our results of operations on a consolidated basis for the nine months ended September 30, 2024 and 2023 (\$ in thousands):

|  | Nine Months Ended September 30, |                  | Increase / Decrease |               |
|--|---------------------------------|------------------|---------------------|---------------|
|  | 2024                            | 2023             | Change              | % Change      |
| <b>Revenue</b>   |                                 |                  |                     |               |
| Package  | \$ 611,136                      | \$ 624,349       | \$ (13,213)         | (2.1) %       |
| Non-package  | 90,603                          | 91,589           | (986)               | (1.1) %       |
| The Playa Collection   | 4,326                           | 2,605            | 1,721               | 66.1 %        |
| Management fees  | 5,246                           | 5,420            | (174)               | (3.2) %       |
| Cost reimbursements  | 7,135                           | 9,327            | (2,192)             | (23.5) %      |
| Other revenues   | 1,181                           | 1,697            | (516)               | (30.4) %      |
| Total revenue  | 719,627                         | 734,987          | (15,360)            | (2.1) %       |
| <b>Direct and selling, general and administrative expenses</b> |                                 |                  |                     |               |
| Direct   | 381,077                         | 387,930          | (6,853)             | (1.8) %       |
| Selling, general and administrative                            | 150,838                         | 141,567          | 9,271               | 6.5 %         |
| Depreciation and amortization                                  | 58,760                          | 61,055           | (2,295)             | (3.8) %       |
| Reimbursed costs   | 7,135                           | 9,327            | (2,192)             | (23.5) %      |
| (Gain) loss on sale of assets                                  | (18,179)                        | 17               | (18,196)            | (107,035.3) % |
| Business interruption insurance recoveries                     | (97)                            | (542)            | 445                 | 82.1 %        |
| Gain on insurance proceeds                                     | (2,013)                         | (4,713)          | 2,700               | 57.3 %        |
| Direct and selling, general and administrative expenses        | 577,521                         | 594,641          | (17,120)            | (2.9) %       |
| <b>Operating income</b>  | <b>142,106</b>                  | <b>140,346</b>   | <b>1,760</b>        | <b>1.3 %</b>  |
| Interest expense   | (68,411)                        | (82,337)         | 13,926              | 16.9 %        |
| Loss on extinguishment of debt                                 | (1,043)                         | —                | (1,043)             | (100.0) %     |
| Other expense  | (761)                           | (321)            | (440)               | (137.1) %     |
| <b>Net income before tax</b>                                   | <b>71,891</b>                   | <b>57,688</b>    | <b>14,203</b>       | <b>24.6 %</b> |
| Income tax provision   | (7,114)                         | (4,840)          | (2,274)             | (47.0) %      |
| <b>Net income</b>  | <b>\$ 64,777</b>                | <b>\$ 52,848</b> | <b>\$ 11,929</b>    | <b>22.6 %</b> |

The tables below set forth information for our total portfolio and comparable portfolio with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Management Fee Revenue, Total Net Revenue, Adjusted EBITDA and Adjusted EBITDA Margin. For a description of these operating metrics and non-U.S. GAAP measures, see “Key Indicators of Financial and Operating Performance” below. For discussion of Adjusted EBITDA and reconciliation to the most comparable U.S. GAAP financial measures, see “Key Indicators of Financial and Operating Performance” and “Non-U.S. GAAP Financial Measures” below.

Our comparable portfolio for the nine months ended September 30, 2024 excludes the Jewel Palm Beach, which was sold in September 2024, Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta, which were partially closed for renovations during the nine months ended September 30, 2024, and Jewel Punta Cana, which was sold in December 2023.

**Total Portfolio**

|                              | Nine Months Ended September 30, |            | Increase / Decrease |          |
|------------------------------|---------------------------------|------------|---------------------|----------|
|                              | 2024                            | 2023       | Change              | % Change |
| Occupancy                    | 73.5 %                          | 71.7 %     | 1.8 pts             | 2.5 %    |
| Net Package ADR              | \$ 455.10                       | \$ 435.67  | \$ 19.43            | 4.5 %    |
| Net Package RevPAR           | \$ 334.28                       | \$ 312.16  | \$ 22.12            | 7.1 %    |
| <b>(\$ in thousands)</b>     |                                 |            |                     |          |
| Net Package Revenue          | \$ 593,879                      | \$ 607,098 | \$ (13,219)         | (2.2)%   |
| Net Non-package Revenue      | 89,481                          | 90,477     | (996)               | (1.1)%   |
| The Playa Collection Revenue | 4,326                           | 2,605      | 1,721               | 66.1 %   |
| Management Fee Revenue       | 5,246                           | 5,420      | (174)               | (3.2)%   |
| Other Revenues               | 1,181                           | 1,697      | (516)               | (30.4)%  |
| Total Net Revenue            | 694,113                         | 707,297    | (13,184)            | (1.9)%   |
| Adjusted EBITDA              | \$ 202,288                      | \$ 211,122 | \$ (8,834)          | (4.2)%   |
| Adjusted EBITDA Margin       | 29.1 %                          | 29.8 %     | (0.7)pts            | (2.3)%   |

**Comparable Portfolio <sup>(1)</sup>**

|                              | Nine Months Ended September 30, |            | Increase / Decrease |          |
|------------------------------|---------------------------------|------------|---------------------|----------|
|                              | 2024                            | 2023       | Change              | % Change |
| Occupancy                    | 75.4 %                          | 77.8 %     | (2.4)pts            | (3.1)%   |
| Net Package ADR              | \$ 471.35                       | \$ 458.46  | \$ 12.89            | 2.8 %    |
| Net Package RevPAR           | \$ 355.53                       | \$ 356.89  | \$ (1.36)           | (0.4)%   |
| <b>(\$ in thousands)</b>     |                                 |            |                     |          |
| Net Package Revenue          | \$ 494,673                      | \$ 494,764 | \$ (91)             | 0.0 %    |
| Net Non-package Revenue      | 73,208                          | 75,271     | (2,063)             | (2.7)%   |
| The Playa Collection Revenue | 4,326                           | 2,605      | 1,721               | 66.1 %   |
| Management Fee Revenue       | 5,246                           | 5,420      | (174)               | (3.2)%   |
| Other Revenues               | 1,181                           | 1,697      | (516)               | (30.4)%  |
| Total Net Revenue            | 578,634                         | 579,757    | (1,123)             | (0.2)%   |
| Adjusted EBITDA              | \$ 168,473                      | \$ 183,309 | \$ (14,836)         | (8.1)%   |
| Adjusted EBITDA Margin       | 29.1 %                          | 31.6 %     | (2.5)pts            | (7.9)%   |

<sup>(1)</sup> For the nine months ended September 30, 2024, our comparable portfolio excludes the Jewel Palm Beach, which was sold in September 2024, Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta, which were partially closed for renovations during the three months ended September 30, 2024, and Jewel Punta Cana, which was sold in December 2023.

**Total Revenue and Total Net Revenue**

Our Total Revenue for the nine months ended September 30, 2024 decreased \$15.4 million, or 2.1%, compared to the nine months ended September 30, 2023 and our Total Net Revenue for the nine months ended September 30, 2024 decreased \$13.2 million, or 1.9%, compared to the nine months ended September 30, 2023.

The decreases in Total Revenue and Total Net Revenue were primarily due to:

- reduced demand in our Jamaica segment, which was heavily impacted by the Jamaica travel advisory issued by the United States government on January 23, 2024;
- reduced Occupancy in July as a result of Hurricane Beryl that mainly affected our Jamaica and Yucatán Peninsula segments;
- renovation work at Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta; and
- a decrease in Net Non-package Revenue of \$1.0 million, or 1.1%;
  - Excluding Jewel Punta Cana and Jewel Palm Beach, Net Non-package Revenue was flat compared to the nine months ended September 30, 2023; partially offset by

## [Table of Contents](#)

- an increase in Occupancy of 1.8 percentage points as a result of the temporary closure of Jewel Palm Beach for a majority of the first quarter of 2023, as we transitioned management of the resort to us from a third-party.
  - Excluding Jewel Palm Beach and Jewel Punta Cana, Occupancy decreased 3.2 percentage points compared to the nine months ended September 30, 2023 as a result of lower Occupancy levels at our resorts in our Jamaica and Pacific Coast segments from the above-mentioned travel advisory, Hurricane Beryl impacts and renovations, respectively;
- an increase in Net Package ADR of 4.5%;
  - Excluding Jewel Palm Beach and Jewel Punta Cana, Net Package ADR increased 2.0%, despite a decrease in the Jamaica segment as a result of the travel advisory as well as the impact from ongoing renovations at Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta.

### ***Adjusted EBITDA and Adjusted EBITDA Margin***

Our Adjusted EBITDA for the nine months ended September 30, 2024 decreased \$8.8 million, or 4.2%, compared to the nine months ended September 30, 2023.

- Excluding Jewel Punta Cana and Jewel Palm Beach, Adjusted EBITDA decreased \$20.7 million compared to the nine months ended September 30, 2023 due to:
  - the negative impact to our Jamaica segment from the travel advisory issued by the United States government;
  - a decline in our Jamaica and Yucatán Peninsula segment profit in July as a result of the impact from Hurricane Beryl;
  - the renovation work at the Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta;
  - a \$3.3 million unfavorable impact due to the appreciation of the Mexican Peso, inclusive of the impact of our foreign currency forward contracts (refer to discussion of our derivative financial instruments in Note 12);
  - increased insurance premiums and labor and related expenses compared to the nine months ended September 30, 2023; and
  - a decrease in the benefit from business interruption insurance related to the disruption caused by Hurricane Fiona in our Dominican Republic segment in the second half of 2022.
    - Adjusted EBITDA includes a positive impact of \$2.1 million from business interruption insurance proceeds during the nine months ended September 30, 2024 compared to \$5.3 million during the nine months ended September 30, 2023.

Our Adjusted EBITDA Margin for the nine months ended September 30, 2024 decreased 0.7 percentage points, or 2.3%, compared to the nine months ended September 30, 2023.

- Excluding Jewel Punta Cana and Jewel Palm Beach, Adjusted EBITDA Margin decreased 2.6 percentage points compared to the nine months ended September 30, 2023. Adjusted EBITDA Margin was negatively impacted by 50 basis points due to the depreciation of the Mexican Peso and positively impacted by 30 basis points from business interruption proceeds and recoverable expenses related to Hurricane Fiona. For the nine months ended September 30, 2023, Adjusted EBITDA Margin was positively impacted by 70 basis points from business interruption proceeds and recoverable expenses related to Hurricane Fiona.
  - Excluding these impacts, our Adjusted EBITDA Margin would have been 30.1%, a decrease of 1.7 percentage points compared to the nine months ended September 30, 2023, resulting from the impact to our Jamaica resorts from the travel advisory, impact to our Jamaica and Yucatan resorts as a result of Hurricane Beryl, as well as renovation work at Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta.

[Table of Contents](#)

The following table shows a reconciliation of comparable Net Package Revenue and Net Non-package Revenue to Total Revenue for the nine months ended September 30, 2024 and 2023 (\$ in thousands):

|  | Nine Months Ended September 30, |                   | Increase/Decrease  |                |
|--|---------------------------------|-------------------|--------------------|----------------|
|  | 2024                            | 2023              | Change             | % Change       |
| <b>Net Package Revenue</b>             |                                 |                   |                    |                |
| Comparable Net Package Revenue         | \$ 494,673                      | \$ 494,764        | \$ (91)            | 0.0 %          |
| Non-comparable Net Package Revenue     | 99,206                          | 112,334           | (13,128)           | (11.7)%        |
| <b>Net Package Revenue</b>             | <b>593,879</b>                  | <b>607,098</b>    | <b>(13,219)</b>    | <b>(2.2)%</b>  |
| <b>Net Non-package Revenue</b>         |                                 |                   |                    |                |
| Comparable Net Non-package Revenue     | 73,208                          | 75,271            | (2,063)            | (2.7)%         |
| Non-comparable Net Non-package Revenue | 16,273                          | 15,206            | 1,067              | 7.0 %          |
| <b>Net Non-package Revenue</b>         | <b>89,481</b>                   | <b>90,477</b>     | <b>(996)</b>       | <b>(1.1)%</b>  |
| <b>The Playa Collection Revenue</b>    | <b>4,326</b>                    | <b>2,605</b>      | <b>1,721</b>       | <b>66.1 %</b>  |
| <b>Management Fee Revenue</b>          | <b>5,246</b>                    | <b>5,420</b>      | <b>(174)</b>       | <b>(3.2)%</b>  |
| <b>Other Revenues</b>                  | <b>1,181</b>                    | <b>1,697</b>      | <b>(516)</b>       | <b>(30.4)%</b> |
| <b>Total Net Revenue</b>               |                                 |                   |                    |                |
| Comparable Total Net Revenue           | 578,634                         | 579,757           | (1,123)            | (0.2)%         |
| Non-comparable Total Net Revenue       | 115,479                         | 127,540           | (12,061)           | (9.5)%         |
| <b>Total Net Revenue</b>               | <b>694,113</b>                  | <b>707,297</b>    | <b>(13,184)</b>    | <b>(1.9)%</b>  |
| Compulsory tips                        | 18,379                          | 18,363            | 16                 | 0.1 %          |
| Cost Reimbursements                    | 7,135                           | 9,327             | (2,192)            | (23.5)%        |
| <b>Total revenue</b>                   | <b>\$ 719,627</b>               | <b>\$ 734,987</b> | <b>\$ (15,360)</b> | <b>(2.1)%</b>  |

**Direct Expenses**

The following table shows a reconciliation of our direct expenses to Net Direct Expenses for the nine months ended September 30, 2024 and 2023 (\$ in thousands):

|                            | Nine Months Ended September 30, |                   | Increase/Decrease |               |
|----------------------------|---------------------------------|-------------------|-------------------|---------------|
|                            | 2024                            | 2023              | Change            | % Change      |
| Direct expenses            | \$ 381,077                      | \$ 387,930        | \$ (6,853)        | (1.8)%        |
| Less: compulsory tips      | 18,379                          | 18,363            | 16                | 0.1 %         |
| <b>Net Direct Expenses</b> | <b>\$ 362,698</b>               | <b>\$ 369,567</b> | <b>\$ (6,869)</b> | <b>(1.9)%</b> |

Our direct expenses include resort expenses, such as food and beverage, salaries and wages, utilities and other ongoing operational expenses. Direct operating expenses fluctuate based on various factors, including changes in Occupancy, labor costs, utilities, repair and maintenance costs and licenses and property taxes. Management fees and franchise fees, which are computed as a percentage of revenue, increase or decrease as a result of changes in revenues.

Our Net Direct Expenses were \$362.7 million, or 52.3%, of Total Net Revenue for the nine months ended September 30, 2024 and \$369.6 million, or 52.3%, of Total Net Revenue for the nine months ended September 30, 2023. Net Direct Expenses for the nine months ended September 30, 2024 decreased \$6.9 million, or 1.9%, compared to the nine months ended September 30, 2023, primarily due to the following:

- decreased expenses from the sale of Jewel Punta Cana in December 2023; and
- decreased Occupancy in Jamaica and the Pacific Coast segments which resulted in fewer expenses compared to the nine months ended September 30, 2023.

[Table of Contents](#)

Partially offset by:

- appreciation of the Mexican Peso compared to the nine months ended September 30, 2023, which impacts the majority of our expenses but primarily impacted labor and food and beverage expenses during the nine months ended September 30, 2024; and
- increased labor and related expenses as a result of union-negotiated and government-mandated wage and benefit increases compared to the nine months ended September 30, 2023.

Net Direct Expenses consists of the following (*\$ in thousands*):

**Total Portfolio**

|                                       | Nine Months Ended September 30, |                   | Increase/Decrease |                |
|---------------------------------------|---------------------------------|-------------------|-------------------|----------------|
|                                       | 2024                            | 2023              | Change            | % Change       |
| Food and beverages                    | \$ 79,357                       | \$ 85,145         | \$ (5,788)        | (6.8) %        |
| Guest costs                           | 15,161                          | 16,507            | (1,346)           | (8.2) %        |
| Salaries and wages                    | 150,300                         | 145,261           | 5,039             | 3.5 %          |
| Repairs and maintenance               | 16,812                          | 17,702            | (890)             | (5.0) %        |
| Utilities and sewage                  | 33,460                          | 35,664            | (2,204)           | (6.2) %        |
| Licenses and property taxes           | 3,190                           | 2,707             | 483               | 17.8 %         |
| Incentive and management fees         | —                               | 41                | (41)              | (100.0) %      |
| Franchise fees                        | 36,712                          | 36,201            | 511               | 1.4 %          |
| Transportation and travel expenses    | 5,130                           | 5,295             | (165)             | (3.1) %        |
| Laundry and cleaning expenses         | 4,638                           | 5,317             | (679)             | (12.8) %       |
| Property and equipment rental expense | 4,311                           | 4,922             | (611)             | (12.4) %       |
| Entertainment expenses and decoration | 8,859                           | 9,169             | (310)             | (3.4) %        |
| Office supplies                       | 803                             | 1,009             | (206)             | (20.4) %       |
| Other operational expenses            | 3,965                           | 4,627             | (662)             | (14.3) %       |
| <b>Total Net Direct Expenses</b>      | <b>\$ 362,698</b>               | <b>\$ 369,567</b> | <b>\$ (6,869)</b> | <b>(1.9) %</b> |

**Comparable Portfolio**

|                                       | Nine Months Ended September 30, |                   | Increase/Decrease |              |
|---------------------------------------|---------------------------------|-------------------|-------------------|--------------|
|                                       | 2024                            | 2023              | Change            | % Change     |
| Food and beverages                    | \$ 65,776                       | \$ 67,988         | \$ (2,212)        | (3.3) %      |
| Guest costs                           | 13,679                          | 14,036            | (357)             | (2.5) %      |
| Salaries and wages                    | 123,240                         | 115,807           | 7,433             | 6.4 %        |
| Repairs and maintenance               | 14,072                          | 13,130            | 942               | 7.2 %        |
| Utilities and sewage                  | 27,563                          | 26,906            | 657               | 2.4 %        |
| Licenses and property taxes           | 2,794                           | 2,160             | 634               | 29.4 %       |
| Franchise fees                        | 30,551                          | 29,813            | 738               | 2.5 %        |
| Transportation and travel expenses    | 4,111                           | 3,956             | 155               | 3.9 %        |
| Laundry and cleaning expenses         | 4,063                           | 4,566             | (503)             | (11.0) %     |
| Property and equipment rental expense | 3,722                           | 4,070             | (348)             | (8.6) %      |
| Entertainment expenses and decoration | 7,168                           | 7,265             | (97)              | (1.3) %      |
| Office supplies                       | 664                             | 746               | (82)              | (11.0) %     |
| Other operational expenses            | 3,249                           | 3,476             | (227)             | (6.5) %      |
| <b>Total Net Direct Expenses</b>      | <b>\$ 300,652</b>               | <b>\$ 293,919</b> | <b>\$ 6,733</b>   | <b>2.3 %</b> |



### ***Selling, General and Administrative Expenses***

Our selling, general and administrative expenses for the nine months ended September 30, 2024 increased \$9.3 million, or 6.5%, compared to the nine months ended September 30, 2023. The increase was primarily driven by a \$3.2 million increase in hurricane and severe weather repair expenses, a \$2.8 million increase in insurance expense due to higher insurance premiums for the current year, a \$1.9 million increase in corporate and property expenses, a \$1.3 million increase in the provision for doubtful accounts and a \$1.0 million increase in transaction expenses as a result of the repricing of our Term Loan due 2029 in June 2024. We also experienced an increase in share-based compensation expense of \$1.7 million due to an increase in the number of restricted and performance share awards granted in 2024 and a \$1.4 million increase in professional fees. These increases were partially offset by a \$1.6 million decrease in corporate personnel costs, a \$1.4 million decrease in travel agent and tour operator commission expense due to lower occupancies in the Jamaica segment as a result of the Jamaica travel advisory issued by the United States government, renovation work in the Pacific Coast segment and the sale of Jewel Punta Cana, a \$0.6 million decrease in advertising expenses and a \$0.4 million decrease in credit card commissions.

### ***Depreciation and Amortization Expense***

Our depreciation and amortization expense for the nine months ended September 30, 2024 decreased \$2.3 million, or 3.8%, compared to the nine months ended September 30, 2023 due to the sale of Jewel Punta Cana in December 2023 and accelerated asset disposals at Hyatt Zilara Cancun during the nine months ended September 30, 2023, which were partially offset by additional depreciation on asset disposals during the nine months ended September 30, 2024 for ongoing renovations of the Hyatt Ziva Los Cabos.

### ***Gain on Insurance Proceeds***

Our gain on insurance proceeds for the nine months ended September 30, 2024 decreased \$2.7 million, or 57.3%, compared to the nine months ended September 30, 2023 as a result of fewer business interruption insurance proceeds received in 2024 related to the temporary closure of two of our resorts in the Dominican Republic due to Hurricane Fiona in the second half of 2022.

### ***Interest Expense***

Our interest expense for the nine months ended September 30, 2024 decreased \$13.9 million, or 16.9%, compared to the nine months ended September 30, 2023. The decrease in interest expense was driven primarily by a \$6.3 million decrease due to the change in fair value of our prior LIBOR-based interest rate swaps recognized during the nine months ended September 30, 2023 and a \$6.7 million decrease from the repricing of our Term Loan due 2029 to incur interest based on SOFR plus a margin of 2.75%, a decrease from SOFR plus a margin of 4.25%. Our SOFR-based interest rate swaps effective in April 2023 meet the criteria for hedge accounting and therefore, changes in fair value are recognized through other comprehensive income.

Cash interest paid was \$66.4 million for the nine months ended September 30, 2024, representing a \$5.1 million, or 7.1%, decrease as compared to the nine months ended September 30, 2023 primarily due to a \$4.7 million decrease from the repricing of our Term Loan due 2029.

### ***Income Tax Provision***

For the nine months ended September 30, 2024, our income tax provision was \$7.1 million, compared to a \$4.8 million income tax provision for the nine months ended September 30, 2023. The increase of \$2.3 million was primarily driven by a \$12.6 million increased tax expense related to higher pre-tax book income, including increased tax in the Netherlands under the Dutch Minimum Tax Act 2024. The increase was offset by a \$9.3 million benefit related to favorable foreign exchange rate fluctuations, primarily at our Mexico and Netherlands entities, and a \$1.3 million benefit recorded for the finalization of the capital gain tax due on the 2023 Jewel Punta Cana sale compared to the nine months ended September 30, 2023.

## Key Indicators of Financial and Operating Performance

We use a variety of financial and other information to monitor the financial and operating performance of our business. Some of this is financial information prepared in accordance with U.S. GAAP, while other information, though financial in nature, is not prepared in accordance with U.S. GAAP. For reconciliations of non-U.S. GAAP financial measures to the most comparable U.S. GAAP financial measure, see “Non-U.S. GAAP Financial Measures.” Our management also uses other information that is not financial in nature, including statistical information and comparative data that are commonly used within the lodging industry to evaluate the financial and operating performance of our portfolio. Our management uses this information to measure the performance of our segments and consolidated portfolio. We use this information for planning and monitoring our business, as well as in determining management and employee compensation. These key indicators include:

- Net Package Revenue
- Net Non-package Revenue
- Owned Net Revenue
- Management Fee Revenue
- Total Net Revenue
- Occupancy
- Net Package ADR
- Net Package RevPAR
- Net Direct Expenses
- EBITDA
- Adjusted EBITDA
- Adjusted EBITDA Margin
- Owned Resort EBITDA
- Owned Resort EBITDA Margin
- Comparable Non-U.S. GAAP Financial Measures

### ***Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Management Fee Revenue, Cost Reimbursements, Total Net Revenue and Net Direct Expenses***

“Net Package Revenue” is derived from the sale of all-inclusive packages, which include room accommodations and premium room upgrades, food and beverage services, and entertainment activities, net of compulsory tips paid to employees. Government mandated compulsory tips in the Dominican Republic are not included in this adjustment, as they are already excluded from revenue. Revenue is recognized, net of discounts and rebates, when the rooms are occupied and/or the relevant services have been rendered. Advance deposits received from guests are deferred and included in trade and other payables until the rooms are occupied and/or the relevant services have been rendered, at which point the revenue is recognized.

“Net Non-package Revenue” includes revenue associated with premium services and amenities that are not included in net package revenue, such as dining experiences, wines and spirits, and spa packages, net of compulsory tips paid to employees. Government mandated compulsory tips in the Dominican Republic are not included in this adjustment, as they are already excluded from revenue. Net Non-package Revenue is recognized after the completion of the sale when the product or service is transferred to the customer. Food and beverage revenue not included in a guest's all-inclusive package is recognized when the goods are consumed.

“Owned Net Revenue” represents Net Package Revenue and Net Non-Package Revenue. Owned Net Revenue represents a key indicator to assess the overall performance of our business and analyze trends, such as consumer demand, brand preference and competition. In analyzing our Owned Net Revenues, our management differentiates between Net Package Revenue and Net Non-package Revenue. Guests at our resorts purchase packages at stated rates, which include room accommodations, food and beverage services and entertainment activities, in contrast to other lodging business models, which typically only include the room accommodations in the stated rate. The amenities at all-inclusive resorts typically include a variety of buffet and à la carte restaurants, bars, activities, and shows and entertainment throughout the day.

“Management Fee Revenue” is derived from fees earned for managing resorts owned by third-parties. The fees earned are typically composed of a base fee, which is computed as a percentage of resort revenue, and an incentive fee, which is computed as a

percentage of resort profitability. Management Fee Revenue was a minor contributor to our operating results for the three and nine months ended September 30, 2024 and 2023, but we expect Management Fee Revenue to be a more relevant indicator to assess the overall performance of our business in the future to the extent that we are successful in entering into more management contracts.

“Total Net Revenue” represents Net Package Revenue, Net Non-package Revenue, Management Fee Revenue, The Playa Collection revenue and certain Other revenues. “Cost reimbursements” is excluded from Total Net Revenue as it is not considered a key indicator of financial and operating performance. Cost reimbursements is derived from the reimbursement of certain costs incurred by Playa on behalf of resorts managed by Playa and owned by third parties. This revenue is fully offset by reimbursable costs and has no net impact on operating income or net (loss) income. Contract termination fees, which are recorded as Other Revenues, are also excluded from Total Net Revenue as they are not an indicator of the performance of our ongoing business.

“Net Direct Expenses” represents direct expenses, net of compulsory tips paid to employees.

### ***Occupancy***

“Occupancy” represents the total number of rooms sold for a period divided by the total number of rooms available during such period. The total number of rooms available excludes any rooms considered “Out of Order” due to renovation or a temporary problem rendering them inadequate for occupancy for an extended period of time. Occupancy is a useful measure of the utilization of a resort’s total available capacity and can be used to gauge demand at a specific resort or group of properties during a given period. Occupancy levels also enable us to optimize Net Package ADR (as defined below) by increasing or decreasing the stated rate for our all-inclusive packages as demand for a resort increases or decreases.

### ***Net Package ADR***

“Net Package ADR” represents total Net Package Revenue for a period divided by the total number of rooms sold during such period. Net Package ADR trends and patterns provide useful information concerning the pricing environment and the nature of the guest base of our portfolio or comparable portfolio, as applicable. Net Package ADR is a commonly used performance measure in the all-inclusive segment of the lodging industry and is commonly used to assess the stated rates that guests are willing to pay through various distribution channels.

### ***Net Package RevPAR***

“Net Package RevPAR” is the product of Net Package ADR and the average daily occupancy percentage. Net Package RevPAR does not reflect the impact of Net Non-package Revenue. Although Net Package RevPAR does not include this additional revenue, it generally is considered the key performance statistic in the all-inclusive segment of the lodging industry to identify trend information with respect to net room revenue produced by our portfolio or comparable portfolio, as applicable, and to evaluate operating performance on a consolidated basis or a regional basis, as applicable.

### ***EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Owned Resort EBITDA, and Owned Resort EBITDA Margin***

We define EBITDA, a non-U.S. GAAP financial measure, as net income or loss, determined in accordance with U.S. GAAP, for the period presented before interest expense, income tax and depreciation and amortization expense. EBITDA and Adjusted EBITDA (as defined below) include corporate expenses, which are overhead costs that are essential to support the operation of the Company, including the operations and development of our resorts. We define Adjusted EBITDA, a non-U.S. GAAP financial measure, as EBITDA further adjusted to exclude the following items:

- Other miscellaneous non-operating income or expense
- Pre-opening expense
- Losses or gains on sales of assets
- Share-based compensation
- Other tax expense
- Transaction expenses
- Severance expense for employee terminations resulting from non-recurring or unusual events, such as the departure of an executive officer or the disposition of a resort
- Gains from property damage insurance proceeds (i.e., property damage insurance proceeds in excess of repair and clean up costs incurred)

## Table of Contents

- Repairs from hurricanes and severe weather events (i.e., significant repair and clean up costs incurred which are not offset by property damage insurance proceeds)
- Loss on extinguishment of debt
- Other items which may include, but are not limited to the following: contract termination fees; gains or losses from legal settlements; and impairment losses.

We include the non-service cost components of net periodic pension cost or benefit recorded within other income or expense in the Condensed Consolidated Statements of Operations in our calculation of Adjusted EBITDA as they are considered part of our ongoing resort operations.

“Adjusted EBITDA Margin” represents Adjusted EBITDA as a percentage of Total Net Revenue.

“Owned Resort EBITDA” represents Adjusted EBITDA before corporate expenses, The Playa Collection revenue and Management Fee Revenue.

“Owned Resort EBITDA Margin” represents Owned Resort EBITDA as a percentage of Owned Net Revenue.

### ***Usefulness and Limitation of Non-U.S. GAAP Measures***

We believe that each of Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Total Net Revenue, Net Package ADR, Net Package RevPAR, and Net Direct Expenses are all useful to investors as they more accurately reflect our operating results by excluding compulsory tips. These tips have a margin of zero and do not represent our operating results.

We also believe that Adjusted EBITDA is useful to investors for two principal reasons. First, we believe Adjusted EBITDA assists investors in comparing our performance over various reporting periods on a consistent basis by removing from our operating results the impact of items that do not reflect our core operating performance. For example, changes in foreign exchange rates (which are the principal driver of changes in other income or expense), and expenses related to capital raising, strategic initiatives and other corporate initiatives, such as expansion into new markets (which are the principal drivers of changes in transaction expenses), are not indicative of the operating performance of our resorts. The other adjustments included in our definition of Adjusted EBITDA relate to items that occur infrequently and therefore would obstruct the comparability of our operating results over reporting periods. For example, revenue from insurance policies, other than business interruption insurance policies, is infrequent in nature, and we believe excluding these expense and revenue items permits investors to better evaluate the core operating performance of our resorts over time. We believe Adjusted EBITDA Margin provides our investors a useful measurement of operating profitability for the same reasons we find Adjusted EBITDA useful.

The second principal reason that we believe Adjusted EBITDA is useful to investors is that it is considered a key performance indicator by our board of directors (our “Board”) and management. In addition, the compensation committee of our Board determines a portion of the annual variable compensation for certain members of our management, including our executive officers, based, in part, on consolidated Adjusted EBITDA. We believe that Adjusted EBITDA is useful to investors because it provides investors with information utilized by our Board and management to assess our performance and may (subject to the limitations described below) enable investors to compare the performance of our portfolio to our competitors.

We believe that Owned Resort EBITDA and Owned Resort EBITDA Margin are useful to investors as they allow investors to measure resort-level performance and profitability by excluding expenses not directly tied to our resorts, such as corporate expenses, and excluding ancillary revenues not derived from our resorts, such as management fee revenue. We believe Owned Resort EBITDA is also helpful to investors that use it in estimating the value of our resort portfolio. Management uses these measures to monitor property-level performance and profitability.

Our non-U.S. GAAP financial measures are not substitutes for revenue, net income or any other measure determined in accordance with U.S. GAAP. There are limitations to the utility of non-U.S. GAAP financial measures, such as Adjusted EBITDA. For example, other companies in our industry may define Adjusted EBITDA differently than we do. As a result, it may be difficult to use Adjusted EBITDA or similarly named non-U.S. GAAP financial measures that other companies publish to compare the performance of those companies to our performance. Because of these limitations, our non-U.S. GAAP financial measures should not be considered as a measure of the income or loss generated by our business or discretionary cash available for investment in our business, and investors should carefully consider our U.S. GAAP results presented.

For a reconciliation of EBITDA, Adjusted EBITDA and Owned Resort EBITDA to net (loss) income as computed under U.S. GAAP, see “Non-U.S. GAAP Financial Measures.”

***Comparable Non-U.S. GAAP Measures***

We believe that presenting Adjusted EBITDA, Owned Resort EBITDA, Total Net Revenue, Net Package Revenue, Net Non-package Revenue and Net Direct Expenses on a comparable basis is useful to investors because these measures include only the results of resorts owned and in operation for the entirety of the periods presented and thereby eliminate disparities in results due to the acquisition or disposition of resorts or the impact of resort closures or re-openings in connection with redevelopment or renovation projects. As a result, we believe these measures provide more consistent metrics for comparing the performance of our operating resorts. We calculate Comparable Adjusted EBITDA, Comparable Owned Resort EBITDA, Comparable Total Net Revenue, Comparable Net Package Revenue and Comparable Net Non-package Revenue as the total amount of each respective measure less amounts attributable to non-comparable resorts, by which we mean resorts that were not owned or in operation during some or all of the relevant reporting period.

Our comparable portfolio for the three and nine months ended September 30, 2024 excludes Jewel Palm Beach, which was sold in September 2024, the Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta, which were partially closed for renovations during the three and nine months ended September 30, 2024, Jewel Punta Cana, which was sold in December 2023.

A reconciliation of net income as computed under U.S. GAAP to Comparable Adjusted EBITDA is presented in “Non-U.S. GAAP Financial Measures,” below. For a reconciliation of Comparable Net Package Revenue, Comparable Net Non-package Revenue, and Comparable Total Net Revenue to total revenue as computed under U.S. GAAP, see “Results of Operations.”

**Segment Results**

**Three Months Ended September 30, 2024 and 2023**

We evaluate our business segment operating performance using segment Owned Net Revenue and segment Owned Resort EBITDA. The following tables summarize segment Owned Net Revenue and segment Owned Resort EBITDA for the three months ended September 30, 2024 and 2023 (\$ in thousands):

|                                  | Three Months Ended September 30, |                   | Increase / Decrease |                |
|----------------------------------|----------------------------------|-------------------|---------------------|----------------|
|                                  | 2024                             | 2023              | Change              | % Change       |
| <b>Owned Net Revenue</b>         |                                  |                   |                     |                |
| Yucatán Peninsula                | \$ 65,290                        | \$ 65,138         | \$ 152              | 0.2 %          |
| Pacific Coast                    | 20,083                           | 29,236            | (9,153)             | (31.3) %       |
| Dominican Republic               | 51,736                           | 57,142            | (5,406)             | (9.5) %        |
| Jamaica                          | 35,904                           | 49,838            | (13,934)            | (28.0) %       |
| <b>Segment Owned Net Revenue</b> | <b>173,013</b>                   | <b>201,354</b>    | <b>(28,341)</b>     | <b>(14.1)%</b> |
| Other revenues                   | 352                              | 531               | (179)               | (33.7) %       |
| The Playa Collection             | 1,727                            | 1,051             | 676                 | 64.3 %         |
| Management fees                  | 1,311                            | 1,369             | (58)                | (4.2) %        |
| <b>Total Net Revenue</b>         | <b>\$ 176,403</b>                | <b>\$ 204,305</b> | <b>\$ (27,902)</b>  | <b>(13.7)%</b> |

|                                    | Three Months Ended September 30, |                  | Increase / Decrease |                |
|------------------------------------|----------------------------------|------------------|---------------------|----------------|
|                                    | 2024                             | 2023             | Change              | % Change       |
| <b>Owned Resort EBITDA</b>         |                                  |                  |                     |                |
| Yucatán Peninsula                  | \$ 16,158                        | \$ 16,844        | \$ (686)            | (4.1) %        |
| Pacific Coast                      | 3,178                            | 7,947            | (4,769)             | (60.0) %       |
| Dominican Republic                 | 14,041                           | 12,673           | 1,368               | 10.8 %         |
| Jamaica                            | 3,191                            | 15,333           | (12,142)            | (79.2) %       |
| <b>Segment Owned Resort EBITDA</b> | <b>36,568</b>                    | <b>52,797</b>    | <b>(16,229)</b>     | <b>(30.7)%</b> |
| Other corporate                    | (14,487)                         | (14,706)         | 219                 | 1.5 %          |
| The Playa Collection               | 1,727                            | 1,051            | 676                 | 64.3 %         |
| Management fees                    | 1,311                            | 1,369            | (58)                | (4.2) %        |
| <b>Total Adjusted EBITDA</b>       | <b>\$ 25,119</b>                 | <b>\$ 40,511</b> | <b>\$ (15,392)</b>  | <b>(38.0)%</b> |

For a reconciliation of segment Owned Net Revenue and segment Owned Resort EBITDA to total revenue and net income, respectively, each as computed under U.S. GAAP, see Note 15 to our Condensed Consolidated Financial Statements.

**Yucatán Peninsula**

The following tables set forth information with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Owned Resort EBITDA and Owned Resort EBITDA Margin for our Yucatán Peninsula segment for the three months ended September 30, 2024 and 2023 for the total segment portfolio:

|                            | Three Months Ended September 30, |           | Increase / Decrease |          |
|----------------------------|----------------------------------|-----------|---------------------|----------|
|                            | 2024                             | 2023      | Change              | % Change |
| Occupancy                  | 71.2 %                           | 73.9 %    | (2.7)pts            | (3.7)%   |
| Net Package ADR            | \$ 407.15                        | \$ 399.10 | \$ 8.05             | 2.0 %    |
| Net Package RevPAR         | \$ 290.07                        | \$ 294.84 | \$ (4.77)           | (1.6)%   |
|                            | (\$ in thousands)                |           |                     |          |
| Net Package Revenue        | \$ 56,735                        | \$ 57,668 | \$ (933)            | (1.6)%   |
| Net Non-package Revenue    | 8,555                            | 7,470     | 1,085               | 14.5 %   |
| Owned Net Revenue          | 65,290                           | 65,138    | 152                 | 0.2 %    |
| Owned Resort EBITDA        | \$ 16,158                        | \$ 16,844 | \$ (686)            | (4.1)%   |
| Owned Resort EBITDA Margin | 24.7 %                           | 25.9 %    | (1.2)pts            | (4.6)%   |

*Segment Owned Net Revenue.* Our Owned Net Revenue for the three months ended September 30, 2024 increased \$0.2 million, or 0.2%, compared to the three months ended September 30, 2023 and was driven by:

- an increase in Net Package ADR of 2.0%; and
- an increase in Net Non-package Revenue of \$1.1 million, or 14.5%.
  - Net Non-package Revenue per sold room increased 18.8%, primarily driven by higher realized fees related to no-shows, cancellations and loyalty point redemption settlements compared to the three months ended September 30, 2023; partially offset by
- a decrease in Occupancy of 2.7 percentage points, which was significantly impacted by Hurricane Beryl.

*Segment Owned Resort EBITDA.* Our Owned Resort EBITDA for the three months ended September 30, 2024 decreased \$0.7 million, or 4.1%, compared to the three months ended September 30, 2023 and was driven by:

- a decrease in Occupancy of 2.7 percentage points, which was largely driven by disruption related to Hurricane Beryl;
- a headwind from increased labor and related expenses; partially offset by
- an increase in Net Package ADR compared to the three months ended September 30, 2023 in addition to expense efficiency measures put in place to lower direct expenses; and
- a favorable contribution of \$2.2 million due to the depreciation of the Mexican Peso, net of the impact of our foreign currency forward contracts (refer to discussion of our derivative financial instruments in Note 12).
- Our Owned Resort EBITDA Margin for the three months ended September 30, 2024 was 24.7%, a decrease of 1.2 percentage points compared to the three months ended September 30, 2023. Owned Resort EBITDA Margin was positively impacted by 330 basis points due to the depreciation of the Mexican Peso and negatively impacted by 210 basis points from increases in labor and related expenses compared to the three months ended September 30, 2023. Excluding the impact from the depreciation of the Mexican Peso, Owned Resort EBITDA Margin for the three months ended September 30, 2024 would have been 21.4%, a decrease of 4.5 percentage points compared to the three months ended September 30, 2023.



**Pacific Coast**

The following table sets forth information with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Owned Resort EBITDA and Owned Resort EBITDA Margin for our Pacific Coast segment for the three months ended September 30, 2024 and 2023 for the total segment portfolio:

**Total Portfolio**

|                            | Three Months Ended September 30, |           | Increase / Decrease |          |
|----------------------------|----------------------------------|-----------|---------------------|----------|
|                            | 2024                             | 2023      | Change              | % Change |
| Occupancy                  | 44.1 %                           | 64.5 %    | (20.4)pts           | (31.6)%  |
| Net Package ADR            | \$ 451.89                        | \$ 478.83 | \$ (26.94)          | (5.6)%   |
| Net Package RevPAR         | \$ 199.48                        | \$ 309.05 | \$ (109.57)         | (35.5)%  |
|                            | <b>(\$ in thousands)</b>         |           |                     |          |
| Net Package Revenue        | \$ 16,994                        | \$ 26,328 | \$ (9,334)          | (35.5)%  |
| Net Non-package Revenue    | 3,089                            | 2,908     | 181                 | 6.2 %    |
| Owned Net Revenue          | 20,083                           | 29,236    | (9,153)             | (31.3)%  |
| Owned Resort EBITDA        | \$ 3,178                         | \$ 7,947  | \$ (4,769)          | (60.0)%  |
| Owned Resort EBITDA Margin | 15.8 %                           | 27.2 %    | (11.4)pts           | (41.9)%  |

**Comparable Portfolio <sup>(1)</sup>**

<sup>(1)</sup> For the three months ended September 30, 2024, our comparable portfolio excludes both properties in this segment, Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta, which were partially closed for renovations during the three months ended September 30, 2024.

**Segment Owned Net Revenue.** Our Owned Net Revenue for the three months ended September 30, 2024 decreased \$9.2 million, or 31.3%, compared to the three months ended September 30, 2023 and was driven by:

- a decrease in Occupancy of 20.4 percentage points due to the renovation work at both resorts in this segment; and
- a decrease in Net Package ADR of 5.6%; partially offset by
- an increase in Net Non-package Revenue of \$0.2 million, or 6.2%.
  - Net Non-package Revenue per sold room increased 55.3%, partially driven by higher realized fees related to no-shows, cancellations and loyalty point redemption settlements compared to the three months ended September 30, 2023.

**Segment Owned Resort EBITDA.** Our Owned Resort EBITDA for the three months ended September 30, 2024 decreased \$4.8 million, or 60.0%, compared to the three months ended September 30, 2023 and was driven by:

- a decrease in Occupancy and Net Package ADR compared to three months ended September 30, 2023 as a result of renovation work at the resorts in this segment; partially offset by
- a favorable contribution of \$0.7 million due to the depreciation of the Mexican Peso, net of the impact of our foreign currency forward contracts (refer to discussion of our derivative financial instruments in Note 12).
- Our Owned Resort EBITDA Margin for the three months ended September 30, 2024 was 15.8%, a decrease of 11.4 percentage points compared to the three months ended September 30, 2023. Owned Resort EBITDA Margin was positively impacted by 330 basis points due to the depreciation of the Mexican Peso. Excluding this impact, Owned Resort EBITDA Margin would have been 12.5%, a decrease of 14.7 percentage points compared to the three months ended September 30, 2023.



**Dominican Republic**

The following table sets forth information with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Owned Resort EBITDA and Owned Resort EBITDA Margin for our Dominican Republic segment for the three months ended September 30, 2024 and 2023 for the total segment portfolio:

**Total Portfolio**

|                            | Three Months Ended September 30, |           | Increase / Decrease |          |
|----------------------------|----------------------------------|-----------|---------------------|----------|
|                            | 2024                             | 2023      | Change              | % Change |
| Occupancy                  | 63.9 %                           | 66.4 %    | (2.5)pts            | (3.8)%   |
| Net Package ADR            | \$ 393.32                        | \$ 306.69 | \$ 86.63            | 28.2 %   |
| Net Package RevPAR         | \$ 251.29                        | \$ 203.76 | \$ 47.53            | 23.3 %   |
| (\$ in thousands)          |                                  |           |                     |          |
| Net Package Revenue        | \$ 45,410                        | \$ 49,565 | \$ (4,155)          | (8.4)%   |
| Net Non-package Revenue    | 6,326                            | 7,577     | (1,251)             | (16.5)%  |
| Owned Net Revenue          | 51,736                           | 57,142    | (5,406)             | (9.5)%   |
| Owned Resort EBITDA        | \$ 14,041                        | \$ 12,673 | \$ 1,368            | 10.8 %   |
| Owned Resort EBITDA Margin | 27.1 %                           | 22.2 %    | 4.9 pts             | 22.1 %   |

**Comparable Portfolio <sup>(1)</sup>**

|                            | Three Months Ended September 30, |           | Increase / Decrease |          |
|----------------------------|----------------------------------|-----------|---------------------|----------|
|                            | 2024                             | 2023      | Change              | % Change |
| Occupancy                  | 66.0 %                           | 68.8 %    | (2.8)pts            | (4.1)%   |
| Net Package ADR            | \$ 452.01                        | \$ 431.31 | \$ 20.70            | 4.8 %    |
| Net Package RevPAR         | \$ 298.53                        | \$ 296.61 | \$ 1.92             | 0.6 %    |
| (\$ in thousands)          |                                  |           |                     |          |
| Net Package Revenue        | \$ 41,857                        | \$ 41,588 | \$ 269              | 0.6 %    |
| Net Non-package Revenue    | 5,862                            | 6,147     | (285)               | (4.6)%   |
| Owned Net Revenue          | 47,719                           | 47,735    | (16)                | 0.0 %    |
| Owned Resort EBITDA        | \$ 14,781                        | \$ 16,043 | \$ (1,262)          | (7.9)%   |
| Owned Resort EBITDA Margin | 31.0 %                           | 33.6 %    | (2.6)pts            | (7.7)%   |

<sup>(1)</sup> For the three months ended September 30, 2024, our comparable portfolio excludes Jewel Palm Beach, which was sold in September 2024, and Jewel Punta Cana, which was sold in December 2023.

**Segment Comparable Owned Net Revenue.** Our Comparable Owned Net Revenue for the three months ended September 30, 2024 was flat compared to the three months ended September 30, 2023, and includes the following:

- an increase in Comparable Net Package ADR of 4.8%; offset by
- a decrease in Occupancy of 2.8 percentage points; and
- a decrease in Comparable Net Non-package Revenue of \$0.3 million, or 4.6%.
  - Comparable Net Non-package Revenue per sold room decreased 0.7% compared to the three months ended September 30, 2023, primarily driven by a lower group guest mix.

**Segment Comparable Owned Resort EBITDA.** Our Comparable Owned Resort EBITDA for the three months ended September 30, 2024 decreased \$1.3 million, or 7.9%, compared to the three months ended September 30, 2023, and includes a \$0.7 million benefit from business interruption insurance proceeds and recoverable expenses related to Hurricane Fiona. Comparable Owned Resort EBITDA for the three months ended September 30, 2023 included a \$1.0 million benefit from business interruption insurance proceeds and recoverable expenses related to Hurricane Fiona. Excluding the aforementioned business interruption benefit from both periods, Comparable Owned Resort EBITDA for the three months ended September 30, 2024 would have decreased \$1.0 million compared to the three months ended September 30, 2023, partially due to an increase in the provision for doubtful accounts during the three months ended September 30, 2024.

[Table of Contents](#)

- Our Comparable Owned Resort EBITDA Margin for the three months ended September 30, 2024 was 31.0%, a decrease of 2.6 percentage points compared to the three months ended September 30, 2023 and includes a favorable impact from business interruption proceeds and recoverable expenses related to Hurricane Fiona of 150 basis points, which decreased 50 basis points compared to a 200 basis points benefit during the three months ended September 30, 2023. Excluding the aforementioned business interruption benefit, Comparable Owned Resort EBITDA Margin for the three months ended September 30, 2024 would have been 29.5%, a decrease of 2.1 percentage points compared to the three months ended September 30, 2023.

**Jamaica**

The following table sets forth information with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Owned Resort EBITDA and Owned Resort EBITDA Margin for our Jamaica segment for the three months ended September 30, 2024 and 2023 for the total segment portfolio:

|                            | Three Months Ended September 30, |           | Increase / Decrease |          |
|----------------------------|----------------------------------|-----------|---------------------|----------|
|                            | 2024                             | 2023      | Change              | % Change |
| Occupancy                  | 63.5 %                           | 77.6 %    | (14.1)pts           | (18.2)%  |
| Net Package ADR            | \$ 363.50                        | \$ 422.23 | \$ (58.73)          | (13.9)%  |
| Net Package RevPAR         | \$ 230.91                        | \$ 327.86 | \$ (96.95)          | (29.6)%  |
| <b>(\$ in thousands)</b>   |                                  |           |                     |          |
| Net Package Revenue        | \$ 30,336                        | \$ 43,073 | \$ (12,737)         | (29.6)%  |
| Net Non-package Revenue    | 5,568                            | 6,765     | (1,197)             | (17.7)%  |
| Owned Net Revenue          | 35,904                           | 49,838    | (13,934)            | (28.0)%  |
| Owned Resort EBITDA        | \$ 3,191                         | \$ 15,333 | \$ (12,142)         | (79.2)%  |
| Owned Resort EBITDA Margin | 8.9 %                            | 30.8 %    | (21.9)pts           | (71.1)%  |

*Segment Owned Net Revenue.* Our Owned Net Revenue for the three months ended September 30, 2024 decreased \$13.9 million, or 28.0%, compared to the three months ended September 30, 2023. The decrease was driven by the travel advisory issued for Jamaica by the United States government on January 24, 2024 and Hurricane Beryl which negatively impacted this segment during the three months ended September 30, 2024, resulting in:

- a decrease in Occupancy of 14.1 percentage points;
- a decrease in Net Package ADR of 13.9%; and
- a decrease in Net Non-package Revenue of \$1.2 million, or 17.7%.
  - Net Non-package Revenue per sold room increased 0.6%, partially driven by higher realized fees related to no-shows, cancellations and loyalty point redemption settlements compared to the three months ended September 30, 2023.

*Segment Owned Resort EBITDA.* Our Owned Resort EBITDA for the three months ended September 30, 2024 decreased \$12.1 million compared to the three months ended September 30, 2023.

- Our Owned Resort EBITDA Margin for the three months ended September 30, 2024 was 8.9%, a decrease of 21.9 percentage points compared to the three months ended September 30, 2023, primarily driven by the travel advisory issued for Jamaica and disruption related to Hurricane Beryl compared to the three months ended September 30, 2023.

**Segment Results**

***Nine Months Ended September 30, 2024 and 2023***

We evaluate our business segment operating performance using segment Owned Net Revenue and segment Owned Resort EBITDA. The following tables summarize segment Owned Net Revenue and segment Owned Resort EBITDA for the nine months ended September 30, 2024 and 2023 (*\$ in thousands*):

|                                  | <b>Nine Months Ended September 30,</b> |                   | <b>Increase / Decrease</b> |                 |
|----------------------------------|--|-------------------|----------------------------|-----------------|
|                                  | <b>2024</b>                            | <b>2023</b>       | <b>Change</b>              | <b>% Change</b> |
| <b>Owned Net Revenue</b>         |  |                   |                            |                 |
| Yucatán Peninsula                | \$ 238,366                             | \$ 228,777        | \$ 9,589                   | 4.2 %           |
| Pacific Coast                    | 98,955                                 | 107,527           | (8,572)                    | (8.0) %         |
| Dominican Republic               | 199,005                                | 191,038           | 7,967                      | 4.2 %           |
| Jamaica                          | 147,034                                | 170,233           | (23,199)                   | (13.6) %        |
| <b>Segment Owned Net Revenue</b> | <b>683,360</b>                         | <b>697,575</b>    | <b>(14,215)</b>            | <b>(2.0)%</b>   |
| Other                            | 1,181                                  | 1,697             | (516)                      | (30.4) %        |
| The Playa Collection             | 4,326                                  | 2,605             | 1,721                      | 66.1 %          |
| Management Fee Revenue           | 5,246                                  | 5,420             | (174)                      | (3.2) %         |
| <b>Total Net Revenue</b>         | <b>\$ 694,113</b>                      | <b>\$ 707,297</b> | <b>\$ (13,184)</b>         | <b>(1.9)%</b>   |

|                                    | <b>Nine Months Ended September 30,</b> |                   | <b>Increase / Decrease</b> |                 |
|------------------------------------|--|-------------------|----------------------------|-----------------|
|                                    | <b>2024</b>                            | <b>2023</b>       | <b>Change</b>              | <b>% Change</b> |
| <b>Owned Resort EBITDA</b>         |  |                   |                            |                 |
| Yucatán Peninsula                  | \$ 81,922                              | \$ 79,107         | \$ 2,815                   | 3.6 %           |
| Pacific Coast                      | 34,443                                 | 40,353            | (5,910)                    | (14.6) %        |
| Dominican Republic                 | 75,966                                 | 61,501            | 14,465                     | 23.5 %          |
| Jamaica                            | 43,358                                 | 64,337            | (20,979)                   | (32.6) %        |
| <b>Segment Owned Resort EBITDA</b> | <b>235,689</b>                         | <b>245,298</b>    | <b>(9,609)</b>             | <b>(3.9)%</b>   |
| Other corporate                    | (42,973)                               | (42,201)          | (772)                      | (1.8) %         |
| The Playa Collection               | 4,326                                  | 2,605             | 1,721                      | 66.1 %          |
| Management Fee Revenue             | 5,246                                  | 5,420             | (174)                      | (3.2) %         |
| <b>Total Adjusted EBITDA</b>       | <b>\$ 202,288</b>                      | <b>\$ 211,122</b> | <b>\$ (8,834)</b>          | <b>(4.2)%</b>   |

For a reconciliation of segment Owned Net Revenue and segment Owned Resort EBITDA to total revenue and net income, respectively, each as computed under U.S. GAAP, see Note 15 to our Condensed Consolidated Financial Statements.

**Yucatán Peninsula**

The following tables set forth information with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Owned Resort EBITDA and Owned Resort EBITDA Margin for our Yucatán Peninsula segment for the nine months ended September 30, 2024 and 2023 for the total segment portfolio:

|                            | Nine Months Ended September 30, |            | Increase / Decrease |          |
|----------------------------|---------------------------------|------------|---------------------|----------|
|                            | 2024                            | 2023       | Change              | % Change |
| Occupancy                  | 78.3 %                          | 78.1 %     | 0.2 pts             | 0.3 %    |
| Net Package ADR            | \$ 460.30                       | \$ 446.69  | \$ 13.61            | 3.0 %    |
| Net Package RevPAR         | \$ 360.27                       | \$ 348.89  | \$ 11.38            | 3.3 %    |
|                            | (\$ in thousands)               |            |                     |          |
| Net Package Revenue        | \$ 209,865                      | \$ 202,498 | \$ 7,367            | 3.6 %    |
| Net Non-package Revenue    | 28,501                          | 26,279     | 2,222               | 8.5 %    |
| Owned Net Revenue          | 238,366                         | 228,777    | 9,589               | 4.2 %    |
| Owned Resort EBITDA        | \$ 81,922                       | \$ 79,107  | \$ 2,815            | 3.6 %    |
| Owned Resort EBITDA Margin | 34.4 %                          | 34.6 %     | (0.2)pts            | (0.6)%   |

*Segment Owned Net Revenue.* Our Owned Net Revenue for the nine months ended September 30, 2024 increased \$9.6 million, or 4.2%, compared to the nine months ended September 30, 2023. The increase was due to the following:

- an increase in Occupancy of 0.2 percentage points, despite the negative impact of Hurricane Beryl during the nine months ended September 30, 2024;
- an increase in Net Package ADR of 3.0%; and
- an increase in Net Non-package Revenue of \$2.2 million, or 8.5%.
  - Net Non-package Revenue per sold room increased 7.8%, primarily driven by higher realized fees related to no-shows, cancellations and loyalty point redemption settlements compared to the nine months ended September 30, 2023.

*Segment Owned Resort EBITDA.* Our Owned Resort EBITDA for the nine months ended September 30, 2024 increased \$2.8 million, or 3.6%, compared to the nine months ended September 30, 2023 and was driven by:

- an increase in Net Package ADR in addition to expense efficiency measures put in place to lower direct expenses; partially offset by
- an unfavorable impact of \$2.0 million due to the appreciation of the Mexican Peso, net of the impact of our foreign currency forward contracts (refer to discussion of our derivative financial instruments in Note 12);
- a headwind from increased labor and related expenses, which were partially due to union-negotiated and government-mandated wage benefit increases; and
- an increase in insurance premiums.
- Our Owned Resort EBITDA Margin for the nine months ended September 30, 2024 was 34.4%, a decrease of 0.2 percentage points compared to the nine months ended September 30, 2023. Owned Resort EBITDA Margin for the nine months ended September 30, 2024 was negatively impacted by 80 basis points due to the appreciation of the Mexican Peso and 100 basis points from increases in labor and related expenses compared to the nine months ended September 30, 2023. Excluding the impact from the appreciation of the Mexican Peso, Owned Resort EBITDA Margin would have been 35.2%, an increase of 0.6 percentage points compared to the nine months ended September 30, 2023.

**Pacific Coast**

The following tables set forth information with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Owned Resort EBITDA and Owned Resort EBITDA Margin for our Pacific Coast segment for the nine months ended September 30, 2024 and 2023 for the total segment portfolio:

**Total Portfolio**

|  | Nine Months Ended September 30, |           | Increase / Decrease |          |
|--|---------------------------------|-----------|---------------------|----------|
|  | 2024                            | 2023      | Change              | % Change |
| Occupancy                              | 64.5 %                          | 71.8 %    | (7.3)pts            | (10.2)%  |
| Net Package ADR                        | \$ 515.51                       | \$ 523.16 | \$ (7.65)           | (1.5)%   |
| Net Package RevPAR                     | \$ 332.54                       | \$ 375.80 | \$ (43.26)          | (11.5)%  |
|  | (\$ in thousands)               |           |                     |          |
| Net Package Revenue <sup>(1)</sup>     | \$ 84,373                       | \$ 95,000 | \$ (10,627)         | (11.2)%  |
| Net Non-package Revenue <sup>(1)</sup> | 14,582                          | 12,527    | 2,055               | 16.4 %   |
| Owned Net Revenue                      | 98,955                          | 107,527   | (8,572)             | (8.0)%   |
| Owned Resort EBITDA                    | \$ 34,443                       | \$ 40,353 | \$ (5,910)          | (14.6)%  |
| Owned Resort EBITDA Margin             | 34.8 %                          | 37.5 %    | (2.7)pts            | (7.2)%   |

**Comparable Portfolio <sup>(1)</sup>**

<sup>(1)</sup> For the nine months ended September 30, 2024, our comparable portfolio excludes both properties in the segment, Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta, which were partially closed for renovations during the nine months ended September 30, 2024.

**Segment Owned Net Revenue.** Our Owned Net Revenue for the nine months ended September 30, 2024 decreased \$8.6 million, or 8.0%, compared to the nine months ended September 30, 2023. The decrease was due to the following:

- a decrease in Occupancy of 7.3 percentage points as a result of renovation work at the resorts in this segment; and
- a decrease in Net Package ADR of 1.5%; partially offset by
- an increase in Net Non-package Revenue of \$2.1 million, or 16.4%, primarily driven by higher realized fees related to no-shows, cancellations and loyalty point redemption settlements compared to the nine months ended September 30, 2023.
  - Net Non-package Revenue per sold room increased 29.1%.

**Segment Owned Resort EBITDA.** Our Owned Resort EBITDA for the nine months ended September 30, 2024 decreased \$5.9 million, or 14.6%, compared to the nine months ended September 30, 2023 and was driven by:

- a decrease in Occupancy and Net Package ADR; in addition to
- an unfavorable impact of \$1.3 million due to the appreciation of the Mexican Peso, net of the impact of our foreign currency forward contracts (refer to discussion of our derivative financial instruments in Note 12); and
- an increase in insurance premiums.
- Our Owned Resort EBITDA Margin for the nine months ended September 30, 2024 was 34.8%, a decrease of 2.7 percentage points compared to the nine months ended September 30, 2023. Owned Resort EBITDA Margin during the nine months ended September 30, 2024 was negatively impacted by 130 basis points due to the appreciation of the Mexican Peso. Excluding the impact from the appreciation of the Mexican Peso, Owned Resort EBITDA Margin would have been 36.1%, a decrease of 1.4 percentage points compared to the nine months ended September 30, 2023.

**Dominican Republic**

The following tables set forth information with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Owned Resort EBITDA and Owned Resort EBITDA Margin for our Dominican Republic segment for the nine months ended September 30, 2024 and 2023 for the total segment portfolio and comparable segment portfolio:

**Total Portfolio**

|                            | Nine Months Ended September 30, |            | Increase / Decrease |          |
|----------------------------|---------------------------------|------------|---------------------|----------|
|                            | 2024                            | 2023       | Change              | % Change |
| Occupancy                  | 72.9 %                          | 61.4 %     | 11.5 pts            | 18.7 %   |
| Net Package ADR            | \$ 433.61                       | \$ 371.51  | \$ 62.10            | 16.7 %   |
| Net Package RevPAR         | \$ 315.95                       | \$ 228.21  | \$ 87.74            | 38.4 %   |
| (\$ in thousands)          |                                 |            |                     |          |
| Net Package Revenue        | \$ 173,480                      | \$ 164,723 | \$ 8,757            | 5.3 %    |
| Net Non-package Revenue    | 25,525                          | 26,315     | (790)               | (3.0)%   |
| Owned Net Revenue          | 199,005                         | 191,038    | 7,967               | 4.2 %    |
| Owned Resort EBITDA        | \$ 75,966                       | \$ 61,501  | \$ 14,465           | 23.5 %   |
| Owned Resort EBITDA Margin | 38.2 %                          | 32.2 %     | 6.0 pts             | 18.6 %   |

**Comparable Portfolio <sup>(1)</sup>**

|                            | Nine Months Ended September 30, |            | Increase / Decrease |          |
|----------------------------|---------------------------------|------------|---------------------|----------|
|                            | 2024                            | 2023       | Change              | % Change |
| Occupancy                  | 73.8 %                          | 74.7 %     | (0.9)pts            | (1.2)%   |
| Net Package ADR            | \$ 514.60                       | \$ 474.43  | \$ 40.17            | 8.5 %    |
| Net Package RevPAR         | \$ 379.92                       | \$ 354.26  | \$ 25.66            | 7.2 %    |
| (\$ in thousands)          |                                 |            |                     |          |
| Net Package Revenue        | \$ 158,647                      | \$ 147,389 | \$ 11,258           | 7.6 %    |
| Net Non-package Revenue    | 23,834                          | 23,636     | 198                 | 0.8 %    |
| Owned Net Revenue          | 182,481                         | 171,025    | 11,456              | 6.7 %    |
| Owned Resort EBITDA        | \$ 76,594                       | \$ 74,041  | \$ 2,553            | 3.4 %    |
| Owned Resort EBITDA Margin | 42.0 %                          | 43.3 %     | (1.3)pts            | (3.0)%   |

<sup>(1)</sup> For the nine months ended September 30, 2024, our comparable portfolio excludes Jewel Palm Beach, which was sold in September 2024, and Jewel Punta Cana, which was sold in December 2023.

**Segment Comparable Owned Net Revenue.** Our Comparable Owned Net Revenue for the nine months ended September 30, 2024 increased \$11.5 million, or 6.7%, compared to the nine months ended September 30, 2023. The increase was due to the following:

- an increase in Comparable Net Package ADR of 8.5%; and
- an increase in Comparable Net Non-package Revenue of \$0.2 million, or 0.8%, compared to the nine months ended September 30, 2023.
  - Comparable Net Non-package Revenue per sold room increased 1.6% compared to the nine months ended September 30, 2023 due to the addition of a new non-package food and beverage outlet at one of the resorts in this segment; partially offset by
- a decrease in Occupancy of 0.9 percentage points.

**Segment Comparable Owned Resort EBITDA.** Our Comparable Owned Resort EBITDA for the nine months ended September 30, 2024 increased \$2.6 million, or 3.4%, compared to the nine months ended September 30, 2023, and includes a \$2.1 million benefit from business interruption insurance proceeds and recoverable expenses related to Hurricane Fiona. Comparable Owned Resort EBITDA for the nine months ended September 30, 2023 included a \$5.3 million benefit from business interruption insurance proceeds and recoverable expenses related to Hurricane Fiona. Excluding the aforementioned business interruption benefit from both periods,

[Table of Contents](#)

Comparable Owned Resort EBITDA for the nine months ended September 30, 2024 would have increased \$5.7 million compared to the nine months ended September 30, 2023, primarily due to an increase in Net Package Revenue which was partially offset by increased insurance premiums.

- Our Comparable Owned Resort EBITDA Margin for the nine months ended September 30, 2024 was 42.0%, a decrease of 1.3 percentage points compared to the nine months ended September 30, 2023 and includes a favorable impact from business interruption proceeds and recoverable expenses related to Hurricane Fiona of 120 basis points, which decreased 190 basis points compared to a 310 basis points benefit during the nine months ended September 30, 2023. Excluding the aforementioned business interruption benefit, Comparable Owned Resort EBITDA Margin for the nine months ended September 30, 2024 was 40.8%, an increase of 0.6 percentage points compared to the nine months ended September 30, 2023.

**Jamaica**

The following table sets forth information with respect to our Occupancy, Net Package ADR, Net Package RevPAR, Net Package Revenue, Net Non-package Revenue, Owned Net Revenue, Owned Resort EBITDA and Owned Resort EBITDA Margin for our Jamaica segment for the nine months ended September 30, 2024 and 2023 for the total segment portfolio:

|                            | Nine Months Ended September 30, |            | Increase / Decrease |          |
|----------------------------|---------------------------------|------------|---------------------|----------|
|                            | 2024                            | 2023       | Change              | % Change |
| Occupancy                  | 72.9 %                          | 80.8 %     | (7.9)pts            | (9.8)%   |
| Net Package ADR            | \$ 442.28                       | \$ 459.66  | \$ (17.38)          | (3.8)%   |
| Net Package RevPAR         | \$ 322.44                       | \$ 371.63  | \$ (49.19)          | (13.2)%  |
|                            | (\$ in thousands)               |            |                     |          |
| Net Package Revenue        | \$ 126,161                      | \$ 144,877 | \$ (18,716)         | (12.9)%  |
| Net Non-package Revenue    | 20,873                          | 25,356     | (4,483)             | (17.7)%  |
| Owned Net Revenue          | 147,034                         | 170,233    | (23,199)            | (13.6)%  |
| Owned Resort EBITDA        | \$ 43,358                       | \$ 64,337  | \$ (20,979)         | (32.6)%  |
| Owned Resort EBITDA Margin | 29.5 %                          | 37.8 %     | (8.3)pts            | (22.0)%  |

*Segment Owned Net Revenue.* Our Owned Net Revenue for the nine months ended September 30, 2024 decreased \$23.2 million, or 13.6%, compared to the nine months ended September 30, 2023. The decrease was driven by the travel advisory issued for Jamaica by the United States government and Hurricane Beryl which negatively impacted this segment during the three months ended September 30, 2024, which resulted in:

- a decrease in Occupancy of 7.9 percentage points;
- a decrease in Net Package ADR of 3.8%; and
- a decrease in Net Non-package Revenue of \$4.5 million, or 17.7%.
  - Net Non-package Revenue per sold room decreased 9.0% as a result of reduced Occupancy compared to the nine months ended September 30, 2023.

*Segment Owned Resort EBITDA.* Our Owned Resort EBITDA for the nine months ended September 30, 2024 decreased \$21.0 million, or 32.6%, compared to the nine months ended September 30, 2023.

- Our Owned Resort EBITDA Margin for the nine months ended September 30, 2024 was 29.5%, a decrease of 8.3 percentage points, or 22.0%, compared to the nine months ended September 30, 2023. The decrease was primarily driven by the travel advisory issued for Jamaica and disruption related to Hurricane Beryl compared to the nine months ended September 30, 2023.



## Non-U.S. GAAP Financial Measures

### Reconciliation of Net Income to Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

The following is a reconciliation of our U.S. GAAP net (loss) income to EBITDA, Adjusted EBITDA, Owned Resort EBITDA and Comparable Owned Resort EBITDA for the three and nine months ended September 30, 2024 and 2023 (\$ in thousands):

|  | Three Months Ended September 30, |                  | Nine Months Ended September 30, |                   |
|--|----------------------------------|------------------|---------------------------------|-------------------|
|  | 2024                             | 2023             | 2024                            | 2023              |
| <b>Net (loss) income</b>   | \$ (2,734)                       | \$ (10,504)      | \$ 64,777                       | \$ 52,848         |
| Interest expense   | 21,949                           | 26,552           | 68,411                          | 82,337            |
| Income tax (benefit) provision                                     | (4,984)                          | (2,808)          | 7,114                           | 4,840             |
| Depreciation and amortization                                      | 21,043                           | 22,548           | 58,760                          | 61,055            |
| <b>EBITDA</b>  | <b>35,274</b>                    | <b>35,788</b>    | <b>199,062</b>                  | <b>201,080</b>    |
| Other expense <sup>(a)</sup>                                       | (334)                            | 350              | 761                             | 321               |
| Share-based compensation   | 3,981                            | 3,343            | 11,690                          | 9,951             |
| Loss on extinguishment of debt                                     | —                                | —                | 1,043                           | —                 |
| Transaction expense <sup>(b)</sup>                                 | 278                              | 742              | 3,106                           | 2,107             |
| Severance expense <sup>(c)</sup>                                   | 1,398                            | —                | 1,398                           | —                 |
| Other tax expense  | —                                | —                | 64                              | —                 |
| Repairs from hurricanes and severe weather <sup>(d)</sup>          | 1,935                            | 77               | 1,935                           | (815)             |
| (Gain) loss on sale of assets                                      | (18,179)                         | 6                | (18,179)                        | 17                |
| Non-service cost components of net periodic pension benefit (cost) | 766                              | 205              | 1,408                           | (1,539)           |
| <b>Adjusted EBITDA</b>   | <b>25,119</b>                    | <b>40,511</b>    | <b>202,288</b>                  | <b>211,122</b>    |
| Other corporate <sup>(e)(f)</sup>                                  | 14,487                           | 14,706           | 42,973                          | 42,201            |
| The Playa Collection   | (1,727)                          | (1,051)          | (4,326)                         | (2,605)           |
| Management fees  | (1,311)                          | (1,369)          | (5,246)                         | (5,420)           |
| <b>Owned Resort EBITDA</b>   | <b>36,568</b>                    | <b>52,797</b>    | <b>235,689</b>                  | <b>245,298</b>    |
| Less: Non-comparable Owned Resort EBITDA                           | 2,438                            | 4,577            | 33,815                          | 27,813            |
| <b>Comparable Owned Resort EBITDA <sup>(g)</sup></b>               | <b>\$ 34,130</b>                 | <b>\$ 48,220</b> | <b>\$ 201,874</b>               | <b>\$ 217,485</b> |

<sup>(a)</sup> Represents changes in foreign exchange and other miscellaneous non-operating expenses or income.

<sup>(b)</sup> Represents expenses incurred in connection with corporate initiatives, such as: system implementations, debt refinancing costs; other capital raising efforts; and strategic initiatives, such as the launch of a new resort or possible expansion into new markets.

<sup>(c)</sup> Includes severance expenses for employee terminations resulting from non-recurring or unusual events, such as the departure of an executive officer or the disposition of a resort. It does not include severance expenses for employee terminations resulting from our ongoing resort operations. For the three and nine months ended September 30, 2024, represents severance expenses for terminated employees related to the sale of the Jewel Palm Beach.

<sup>(d)</sup> Includes significant repair and clean-up expenses incurred from severe weather events which are not expected to be offset by property damage insurance proceeds, which includes Hurricane Beryl and Hurricane Helene for the three and nine months ended September 30, 2024. It does not include repair and clean-up costs from weather events that are not considered significant.

<sup>(e)</sup> For the three months ended September 30, 2024 and 2023, represents corporate salaries and benefits of \$9.0 million for 2024 and \$10.3 million for 2023, professional fees of \$3.0 million for 2024 and \$2.4 million for 2023, corporate rent and insurance of \$1.2 million for 2024 and \$1.0 million for 2023, and corporate travel, software licenses, board fees and other miscellaneous corporate expenses of \$1.3 million for 2024 and \$1.0 million for 2023.

<sup>(f)</sup> For the nine months ended September 30, 2024 and 2023, represents corporate salaries and benefits of \$27.6 million for 2024 and \$30.0 million for 2023, professional fees of \$7.8 million for 2024 and \$6.2 million for 2023, corporate rent and insurance of \$3.6 million for 2024 and \$2.9 million for 2023, and corporate travel, software licenses, board fees and other miscellaneous corporate expenses of \$4.0 million for 2024 and \$3.1 million for 2023.

<sup>(g)</sup> Our comparable portfolio for the three and nine months ended September 30, 2024 excludes Jewel Palm Beach, which was sold in September 2024, the Hyatt Ziva Los Cabos and Hyatt Ziva Puerto Vallarta, which were partially closed for renovations during the three months ended September 30, 2024, and Jewel Punta Cana, which was sold in December 2023.

## Inflation

We have experienced an elevated level of inflationary pressure on our direct resort expenses since the beginning of 2022. Inflation effects were experienced mostly through higher labor costs, food and beverage prices, and utility costs. Although we have experienced some improvement, we expect that inflationary pressures may remain elevated through 2024, but could continue for longer. While we, like most operators of lodging properties, have the ability to adjust room rates to reflect the effects of inflation, competitive pricing pressures may limit our ability to raise room rates to fully offset inflationary cost increases.



## **Seasonality**

The seasonality of the lodging industry and the location of our resorts in Mexico, Jamaica and the Dominican Republic have historically resulted in the greatest demand for our resorts occurring between mid-December and April of each year, yielding higher occupancy levels and package rates during this period. This seasonality in demand has resulted in predictable fluctuations in revenue, results of operations, and liquidity, which are consistently higher during the first quarter of each year than in successive quarters.

## **Liquidity and Capital Resources**

Our net cash provided by operating activities for the nine months ended September 30, 2024 was \$72.7 million. We believe that our sources of cash, which consist of available cash and cash from operations, together with the available borrowing capacity under our Revolving Credit Facility and our access to the capital markets, will be adequate to meet our cash requirements, including our contractual obligations, over the next twelve months and beyond.

### ***Sources of Cash***

As of September 30, 2024, we had \$211.1 million of available cash, as compared to \$272.5 million as of December 31, 2023. Our primary short-term cash needs are paying operating expenses, maintaining our resorts, and servicing our outstanding indebtedness. We expect to meet our short-term liquidity requirements generally through our existing cash balances, net cash provided by operations, equity issuances or short-term borrowings under our Revolving Credit Facility.

Further, we had no restricted cash balance as of September 30, 2024. As of October 31, 2024, we had approximately \$192.6 million of available cash and also had \$225.0 million available on our Revolving Credit Facility, which does not mature until January 2028.

We expect to meet our long-term liquidity requirements generally through the sources of cash available for short-term needs, net cash provided by operations, as well as equity or debt issuances or proceeds from the potential disposal of assets.

### ***Cash Requirements***

Our expected material cash requirements for the remainder of 2024 and thereafter consist of (i) contractually obligated expenditures, including payments of principal and interest; (ii) other essential expenditures, including operating expenses and maintenance of our resorts; and (iii) opportunistic expenditures, including possible property developments, expansions, renovations, repositioning and rebranding projects, potential acquisitions, the repayment of indebtedness and discretionary repurchases of our securities.

As of September 30, 2024, there have been no significant changes to our “Contractual Obligations” table in Item 7, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 22, 2024, other than an off-balance sheet arrangement entered into for the future purchase of liquefied natural gas at one of our resorts (see Note 7 to our Condensed Consolidated Financial Statements) and a fifteen-year finance lease obligation to produce electricity and hot water (see Note 11 to our Condensed Consolidated Financial Statements). As of September 30, 2024, we had \$21.3 million of scheduled contractual obligations remaining in 2024 which we expect to pay with available cash.

We are continuing to monitor our liquidity and we may pursue additional sources of liquidity as needed. The availability of additional liquidity options will depend on the economic and financial environment, our credit, our historical and projected financial and operating performance and continued compliance with financial covenants. If operating conditions decline or are materially adversely impacted, we may not be able to maintain our current liquidity position or access additional sources of liquidity at acceptable terms or at all.

### ***Financing Strategy***

We intend to use other financing sources that may be available to us from time to time, including financing from banks, institutional investors or other lenders, such as bridge loans, letters of credit, joint ventures and other arrangements. Future financings may be unsecured or may be secured by mortgages or other interests in our assets. In addition, we may issue publicly or privately placed debt or equity securities. When possible and desirable, we will seek to replace short-term financing with long-term financing. We may use the proceeds from any financings to refinance existing indebtedness, to finance resort projects or acquisitions or for general working capital or other purposes.

## [Table of Contents](#)

Our indebtedness may be recourse, non-recourse or cross-collateralized and may be fixed rate or variable rate. If the indebtedness is non-recourse, the obligation to repay such indebtedness will generally be limited to the particular resort or resorts pledged to secure such indebtedness. In addition, we may invest in resorts subject to existing loans secured by mortgages or similar liens on the resorts or may refinance resorts acquired on a leveraged basis.

### ***Recent Transactions Affecting Our Liquidity and Capital Resources***

The following table summarizes our net cash provided by or used in operating activities, investing activities and financing activities for the periods indicated and should be read in conjunction with our Condensed Consolidated Statements of Cash Flows and accompanying notes thereto (*\$ in thousands*):

|   | <b>Nine Months Ended September 30,</b> |                    |
|---|--|--------------------|
|   | <b>2024</b>                            | <b>2023</b>        |
| Net cash provided by operating activities           | \$ 72,660                              | \$ 75,165          |
| Net cash provided by (used in) investing activities | \$ 110                                 | \$ (12,840)        |
| Net cash used in financing activities               | \$ (134,153)                           | \$ (161,862)       |
| <b>Decrease in cash and cash equivalents</b>        | <b>\$ (61,383)</b>                     | <b>\$ (99,537)</b> |

### ***Cash Flows from Operating Activities***

Our net cash from operating activities is generated primarily from operating income of our resorts. For the nine months ended September 30, 2024, our net cash provided by operating activities was \$72.7 million compared to \$75.2 million for the nine months ended September 30, 2023.

### ***Cash Flows from Investing Activities***

Our net cash provided by investing activities was \$0.1 million for the nine months ended September 30, 2024 compared to \$12.8 million used in investing activities for the nine months ended September 30, 2023.

Activity for the nine months ended September 30, 2024:

- Purchases of property and equipment of \$64.5 million, consisting of maintenance capital expenditures as well as renovation costs of the Hyatt Ziva Puerto Vallarta and Hyatt Ziva Los Cabos; and
- Net proceeds from the sale of assets, primarily consisting of the Jewel Palm Beach, of \$65.3 million.

Activity for the nine months ended September 30, 2023:

- Purchases of property and equipment of \$30.5 million, consisting of maintenance capital expenditures as well as renovation costs of the Hyatt Ziva Puerto Vallarta and Hyatt Ziva Los Cabos; and
- Property damage insurance proceeds related to the impacts of Hurricane Fiona in the Dominican Republic of \$17.8 million.

### ***Capital Expenditures***

We maintain each of our properties in good repair and condition and in conformity with applicable laws and regulations, franchise and license agreements and management agreements. Capital expenditures made to extend the service life or increase the capacity of our assets, including expenditures for the replacement, improvement or expansion of existing capital assets (i.e., maintenance capital expenditures), differ from ongoing repair and maintenance expense items, which do not in our judgment extend the service life or increase the capacity of assets and are charged to expense as incurred. From time to time, certain of our resorts may be undergoing renovations as a result of our decision to upgrade portions of the resorts, such as guestrooms, public space, meeting space, gyms, spas and/or restaurants, in order to better compete with other resorts in our markets.

### ***Cash Flows from Financing Activities***

Our net cash used in financing activities was \$134.2 million for the nine months ended September 30, 2024 compared to \$161.9 million for the nine months ended September 30, 2023.

Activity for the nine months ended September 30, 2024:

- Principal payments on our Term Loan due 2029 of \$8.3 million; and

## [Table of Contents](#)

- Repurchases of ordinary shares of \$125.3 million.

Activity for the nine months ended September 30, 2023:

- Principal payments on our Term Loan due 2029 of \$8.3 million; and
- Repurchases of ordinary shares of \$153.3 million.

### **Critical Accounting Estimates**

Our Condensed Consolidated Financial Statements included herein have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts and related disclosures. A number of our significant accounting policies involve a higher degree of judgement and estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. We believe our estimates, assumptions and judgments with respect to our such policies are reasonable based upon information presently available. However, actual results may differ significantly from these estimates under different assumptions, judgments or conditions, which could have a material effect on our financial position, results of operations and related disclosures.

We have discussed those estimates that we believe are critical and require the use of complex judgment in their application in our Consolidated Financial Statements included within our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 22, 2024. There have been no material changes to our critical accounting policies or the methodologies or assumptions we apply under them except for those disclosed in Note 2 to our Condensed Consolidated Financial Statements.

### **Fair Value of Financial Instruments**

Our financial instruments consist of cash and cash equivalents, restricted cash, trade and other receivables, accounts receivable from related parties, certain prepayments and other assets, trade and other payables, payables to related parties, derivative financial instruments, other liabilities, including our pension obligation, and debt (excluding the financing lease obligations). See Note 13, “Fair value of financial instruments,” to our Condensed Consolidated Financial Statements for more information.

### **Related Party Transactions**

See Note 6, “Related party transactions,” to our Condensed Consolidated Financial Statements for information on these transactions.

### **Recent Accounting Pronouncements**

See the recent accounting pronouncements in Note 2 to our Condensed Consolidated Financial Statements.

**Item 3. *Quantitative and Qualitative Disclosures About Market Risk.***

In the normal course of operations, we are exposed to interest rate risk and foreign currency risk which may impact future income and cash flows.

***Interest Rate Risk***

The risk from market interest rate fluctuations mainly affects long-term debt bearing interest at a variable interest rate. We currently use two interest rate swaps (see Note 12 of our Condensed Consolidated Financial Statements) to manage our exposure to this risk. As of September 30, 2024, 49% of our outstanding indebtedness bore interest at floating rates, as our Term Loan due 2029 incurs interest based on SOFR plus a margin of 2.75%.

- If market rates of interest on our floating rate debt were to increase by 1.0%, the increase in interest expense on our floating rate debt would decrease our future earnings and cash flows by approximately \$5.3 million annually, assuming the balance outstanding under our Revolving Credit Facility remained at \$0 million.
- If market rates of interest on our floating rate debt were to decrease by 1.0%, the decrease in interest expense on our floating rate debt would increase our future earnings and cash flows by approximately \$5.3 million annually, assuming the balance outstanding under our Revolving Credit Facility remained at \$0 million.

***Foreign Currency Risk***

We are exposed to exchange rate fluctuations because all of our resort investments are based in locations where the local currency is not the U.S. dollar, which is our reporting currency. For the nine months ended September 30, 2024 less than 1% of our revenues were denominated in currencies other than the U.S. dollar. As a result, our revenues reported on our Condensed Consolidated Statements of Operations are affected by movements in exchange rates.

Approximately 72.3% of our resort-level operating expenses for the nine months ended September 30, 2024 were denominated in the local currencies in the countries in which we operate. During 2024, we entered into foreign currency forward contracts to hedge 50% of our estimated operating expenses that are denominated in Mexican Pesos. However, our operating expenses reported on our Condensed Consolidated Statements of Operations continue to be affected by movements in exchange rates, including the Mexican Peso, Dominican Peso and the Jamaican Dollar.

- The effect of an immediate 5% adverse change in foreign exchange rates on Mexican Peso-denominated expenses at September 30, 2024 would have impacted our Owned Resort EBITDA by approximately \$4.1 million on a year-to-date basis, inclusive of the impact from our foreign currency forward contracts.
- The effect of an immediate 5% adverse change in foreign exchange rates on Dominican Peso-denominated expenses at September 30, 2024 would have impacted our Owned Resort EBITDA by approximately \$4.6 million on a year-to-date basis.
- The effect of an immediate 5% adverse change in foreign exchange rates on Jamaican Dollar-denominated expenses at September 30, 2024 would have impacted our Owned Resort EBITDA by approximately \$4.1 million on a year-to-date basis.

**Item 4. Controls and Procedures.**

*Disclosure Controls and Procedures.*

We maintain a set of disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) designed to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this quarterly report, an evaluation was carried out under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures. Based on that evaluation, our Principal Executive Officer and Principal 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.

*Changes in Internal Control Over Financial Reporting.*

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. *Legal Proceedings.***

In the ordinary course of our business, we are subject to claims and administrative proceedings, none of which we believe are material or would be expected to have, individually or in the aggregate, a material adverse effect on our financial condition, cash flows or results of operations. The outcome of claims, lawsuits and legal proceedings brought against us, however, is subject to significant uncertainties. Refer to Note 7 to our financial statements included in “Item 1. Financial Statements” of this Form 10-Q for a more detailed description of such proceedings and contingencies.

**Item 1A. *Risk Factors.***

As of September 30, 2024, there have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 22, 2024, which is accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov).

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

**(a) Unregistered Sale of Securities**

None.

**(b) Use of Proceeds**

None.

**(c) Issuer Purchases of Equity Securities**

The following table sets forth information regarding our purchases of our ordinary shares under our share repurchase program during the three months ended September 30, 2024:

|   | <b>Total number of shares purchased</b> | <b>Average price paid per share<sup>(1)</sup></b> | <b>Total number of shares purchased as part of publicly announced program<sup>(2)</sup></b> | <b>Maximum approximate dollar value of shares that may yet be purchased under the program (\$ in thousands)<sup>(2)</sup></b> |
|---|---|---|---|---|
| July 1, 2024 to July 31, 2024           | 1,433,223                               | \$ 8.43   | 1,433,223   | \$ 115,132  |
| August 1, 2024 to August 31, 2024       | 2,661,514                               | 7.60  | 2,661,514   | 94,916  |
| September 1, 2024 to September 30, 2024 | 2,310,771                               | 7.73  | 2,310,771   | 77,056  |
| <b>Total</b>                            | <b>6,405,508</b>                        | <b>\$ 7.83</b>                                    | <b>6,405,508</b>  | <b>\$ 77,056</b>  |

<sup>(1)</sup> The average price paid per share and maximum approximate dollar value of shares disclosed above include broker commissions and exclude taxes.

<sup>(2)</sup> On December 7, 2023, our Board established a \$200.0 million share repurchase program, pursuant to which we may repurchase our outstanding ordinary shares as market conditions and our liquidity warrant. The share repurchase authorization has no expiration date. Repurchases may be made from time to time in the open market, in privately negotiated transactions or by other means (including Rule 10b5-1 trading plans). Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time without prior notice.

**Item 3. *Defaults Upon Senior Securities.***

None.

**Item 4. *Mine Safety Disclosures.***

Not applicable.

**Item 5. *Other Information.***

During the three months ended September 30, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits.**

The following exhibits are filed as part of this Form 10-Q:

| Exhibit Number | Exhibit Description   |
|----------------|---|
| 10.1*          | <a href="#">Fifth Amendment to 2017 Omnibus Incentive Plan</a> **   |
| 10.2           | <a href="#">Executive Employment Agreement, dated as of September 25, 2024, by and between Playa Resorts Management, LLC and Bruce D. Wardinski (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Company on September 27, 2024).</a> **  |
| 10.3           | <a href="#">Executive Employment Agreement, dated as of September 25, 2024, by and between Playa Resorts Management, LLC and Ryan Hymel (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by the Company on September 27, 2024).</a> **  |
| 10.4           | <a href="#">Executive Employment Agreement, dated as of September 25, 2024, by and between Playa Resorts Management, LLC and Tracy M.J. Colden (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by the Company on September 27, 2024).</a> **   |
| 10.5           | <a href="#">Executive Employment Agreement, dated as of September 25, 2024, by and between Playa Resorts Management, LLC and Greg Maliassas (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed by the Company on September 27, 2024).</a> **  |
| 10.6           | <a href="#">Executive Employment Agreement, dated as of September 25, 2024, by and between Playa Resorts Management, LLC and Fernando Mulet (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed by the Company on September 27, 2024).</a> **  |
| 31.1           | <a href="#">Certification of the Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   |
| 31.2           | <a href="#">Certification of the Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>   |
| 32.1           | <a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>   |
| 32.2           | <a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>   |
| 101            | The following materials from Playa Hotels & Resorts N.V.'s Quarterly Report on Form 10-Q for the period ended September 30, 2024, formatted in XBRL (eXtensible Business Reporting Language): (i) <a href="#">Condensed Consolidated Balance Sheets</a> , (ii) <a href="#">Condensed Consolidated Statements of Operations</a> , (iii) <a href="#">Condensed Consolidated Statements of Comprehensive Income</a> (iv) <a href="#">Condensed Consolidated Statements of Shareholders' Equity</a> , (v) <a href="#">Condensed Consolidated Statements of Cash Flows</a> , and (vi) <a href="#">the Notes to the Condensed Consolidated Financial Statements</a> |
| 104            | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)  |

\* Filed herewith

\*\* Indicates management contract and/or compensatory plan and arrangement

## 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.

### **Playa Hotels & Resorts N.V.**

Date: November 6, 2024

By: /s/ Bruce D. Wardinski  
**Bruce D. Wardinski**  
**Chairman and Chief Executive Officer**  
**(Principal Executive Officer)**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the undersigned, in his capacity as the principal financial officer of the registrant.

### **Playa Hotels & Resorts N.V.**

Date: November 6, 2024

By: /s/ Ryan Hymel  
**Ryan Hymel**  
**Chief Financial Officer**  
**(Principal Financial Officer)**