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 the quarterly period ended September 30, 2020

OR

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

For the transition period from____ to ____

Commission file number **001-38432**

Wyndham Hotels & Resorts, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**82-3356232**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
22 Sylvan Way **Parsippany, New Jersey**	**07054**
(Address of Principal Executive Offices)	*(Zip Code)*

(973) 753-6000

(Registrant's Telephone Number, Including Area Code)

None

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

Title of each class	*Trading Symbol*	*Name of each exchange on which registered*
Common Stock	**WH**	**New York Stock Exchange**

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date:
93,167,022 shares of common stock outstanding as of September 30, 2020.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Wyndham Hotels & Resorts, Inc.

Results of Review of Interim Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of Wyndham Hotels & Resorts, Inc. and subsidiaries (the "Company") as of September 30, 2020, the related condensed consolidated statements of income (loss), comprehensive income (loss), cash flows, and equity for the three-month and nine-month periods ended September 30, 2020 and 2019, and the related notes (collectively referred to as the "interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2019, and the related consolidated and combined statements of income, comprehensive income, cash flows, and equity for the year then ended (not presented herein); and in our report dated February 13, 2020, we expressed an unqualified opinion (which included an emphasis of a matter paragraph relating to expense allocations for certain corporate functions and services historically provided by Wyndham Worldwide Corporation) on those consolidated and combined financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2019, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

The interim financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP
New York, New York
October 29, 2020

WYNDHAM HOTELS & RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Net revenues				
Royalties and franchise fees	$ 96	$ 140	$ 250	$ 368
Marketing, reservation and loyalty	99	167	288	421
Management and other fees	12	12	50	88
License and other fees	21	35	63	97
Cost reimbursements	82	161	274	476
Other	27	45	79	111
Net revenues	337	560	1,004	1,561
Expenses				
Marketing, reservation and loyalty	107	160	311	437
Operating	25	43	82	124
General and administrative	28	33	82	98
Cost reimbursements	82	161	274	476
Depreciation and amortization	24	26	73	81
Impairments, net	—	—	206	45
Restructuring	—	—	29	—
Transaction-related, net	—	12	13	30
Separation-related	—	—	1	22
Contract termination	—	34	—	43
Total expenses	266	469	1,071	1,356
Operating income/(loss)	71	91	(67)	205
Interest expense, net	29	25	83	76
Income/(loss) before income taxes	42	66	(150)	129
Provision/(benefit) for income taxes	15	21	(25)	36
Net income/(loss)	$ 27	$ 45	$ (125)	$ 93
Earnings/(loss) per share				
Basic	$ 0.29	$ 0.47	$ (1.34)	$ 0.95
Diluted	0.29	0.47	(1.34)	0.95

See Notes to Condensed Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Net income/(loss)	$ 27	$ 45	$ (125)	$ 93
Other comprehensive income/(loss), net of tax				
Foreign currency translation adjustments	1	(1)	—	1
Unrealized gains/(losses) on cash flow hedges	4	(3)	(35)	(27)
Other comprehensive income/(loss), net of tax	5	(4)	(35)	(26)
Comprehensive income/(loss)	$ 32	$ 41	$ (160)	$ 67

See Notes to Condensed Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)
(Unaudited)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 735	$ 94
Trade receivables, net	324	304
Prepaid expenses	42	48
Other current assets	39	53
Total current assets	1,140	499
Property and equipment, net	284	307
Goodwill	1,525	1,539
Trademarks, net	1,203	1,395
Franchise agreements and other intangibles, net	522	551
Other non-current assets	220	242
Total assets	$ 4,894	$ 4,533
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	$ 21	$ 21
Accounts payable	41	30
Deferred revenues	78	132
Accrued expenses and other current liabilities	241	279
Total current liabilities	381	462
Long-term debt	2,814	2,101
Deferred income taxes	323	387
Deferred revenues	161	151
Other non-current liabilities	252	220
Total liabilities	3,931	3,321
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $0.01 par value, authorized 6.0 shares, none issued and outstanding	—	—
Common stock, $0.01 par value, authorized 600.0 shares, 100.8 and 100.6 issued and outstanding at September 30, 2020 and December 31, 2019	1	1
Treasury stock, at cost – 7.7 and 6.8 shares at September 30, 2020 and December 31, 2019	(408)	(363)
Additional paid-in capital	1,498	1,488
Retained earnings/(accumulated deficit)	(66)	113
Accumulated other comprehensive loss	(62)	(27)
Total stockholders' equity	963	1,212
Total liabilities and stockholders' equity	$ 4,894	$ 4,533

See Notes to Condensed Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	2020	**2019**
Operating activities		
Net (loss)/income	$ (125)	$ 93
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Depreciation and amortization	73	81
Impairments, net	209	45
Deferred income taxes	(52)	(12)
Stock-based compensation	15	15
Net change in assets and liabilities:		
Trade receivables	(32)	(46)
Prepaid expenses	6	(6)
Other current assets	6	(16)
Accounts payable, accrued expenses and other current liabilities	5	57
Payment of tax liability assumed in La Quinta acquisition	—	(188)
Deferred income	(43)	1
Payments of development advance notes, net	(11)	(10)
Other, net	6	(5)
Net cash provided by operating activities	57	9
Investing activities		
Property and equipment additions	(23)	(35)
Issuance of loans, net	(1)	(2)
Net cash used in investing activities	(24)	(37)
Financing activities		
Proceeds from borrowings	1,244	—
Principal payments on long-term debt	(522)	(12)
Finance lease payments	(4)	(4)
Debt issuance costs	(10)	—
Capital contribution from former Parent	—	68
Dividends to shareholders	(45)	(84)
Repurchases of common stock	(50)	(168)
Net share settlement of incentive equity awards	(4)	(5)
Other, net	—	1
Net cash provided by/(used in) financing activities	609	(204)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(1)	—
Net increase/(decrease) in cash, cash equivalents and restricted cash	641	(232)
Cash, cash equivalents and restricted cash, beginning of period	94	366
Cash, cash equivalents and restricted cash, end of period	$ 735	$ 134

See Notes to Condensed Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In millions)
(Unaudited)

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings/(Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
Balance as of December 31, 2019	94	$ 1	$ (363)	$ 1,488	$ 113	$ (27)	$ 1,212
Net income	—	—	—	—	22	—	22
Other comprehensive loss	—	—	—	—	—	(39)	(39)
Dividends	—	—	—	—	(30)	—	(30)
Repurchase of common stock	(1)	—	(45)	—	—	—	(45)
Net share settlement of incentive equity awards	—	—	—	(2)	—	—	(2)
Change in deferred compensation	—	—	—	4	—	—	4
Cumulative effect of change in accounting standard	—	—		—	(10)	—	(10)
Balance as of March 31, 2020	93	1	(408)	1,490	95	(66)	1,112
Net loss	—	—	—	—	(174)	—	(174)
Other comprehensive loss	—	—	—	—	—	(1)	(1)
Dividends	—	—	—	—	(8)	—	(8)
Net share settlement of incentive equity awards	—	—	—	(2)	—	—	(2)
Change in deferred compensation	—	—	—	6	—	—	6
Other	—	—	—	(1)	1	—	—
Balance as of June 30, 2020	93	1	(408)	1,493	(86)	(67)	933
Net income	—	—	—	—	27	—	27
Other comprehensive income	—	—	—	—	—	5	5
Dividends	—	—	—	—	(7)	—	(7)
Change in deferred compensation	—	—	—	5	—	—	5
Balance as of September 30, 2020	93	$ 1	$ (408)	$ 1,498	$ (66)	$ (62)	$ 963

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance as of December 31, 2018	98	$ 1	$ (119)	$ 1,475	$ 69	$ (8)	$ 1,418
Net income	—	—	—	—	21	—	21
Other comprehensive loss	—	—	—	—	—	(7)	(7)
Dividends	—	—	—	—	(29)	—	(29)
Repurchase of common stock	(1)	—	(44)	—	—	—	(44)
Change in deferred compensation	—	—	—	5	—	—	5
Other	—	—	(1)	1	—	—	—
Balance as of March 31, 2019	97	1	(164)	1,481	61	(15)	1,364
Net income	—	—	—	—	26	—	26
Other comprehensive loss	—	—	—	—	—	(15)	(15)
Dividends	—	—	—	—	(28)	—	(28)
Repurchase of common stock	(1)	—	(50)	—	—	—	(50)
Net share settlement of incentive equity awards	—	—	—	(4)	—	—	(4)
Change in deferred compensation	—	—	—	6	—	—	6
Other	—	—	—	1	—	—	1
Balance as of June 30, 2019	96	1	(214)	1,484	59	(30)	1,300
Net income	—	—	—	—	45	—	45
Other comprehensive loss	—	—	—	—	—	(4)	(4)
Dividends	—	—	—	—	(28)	—	(28)
Repurchase of common stock	(1)	—	(75)	—	—	—	(75)
Net share settlement of incentive equity awards	—	—	—	(1)	—	—	(1)
Change in deferred compensation	—	—	—	4	—	—	4
Other	—	—	—	—	1	—	1
Balance as of September 30, 2019	95	$ 1	$ (289)	$ 1,487	$ 77	$ (34)	$ 1,242

See Notes to Condensed Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except share and per share amounts)
(Unaudited)

1. BASIS OF PRESENTATION

Wyndham Hotels & Resorts, Inc. (collectively with its consolidated subsidiaries, "Wyndham Hotels" or the "Company") is a leading global hotel franchisor, licensing its renowned hotel brands to hotel owners in approximately 90 countries around the world.

The Condensed Consolidated Financial Statements have been prepared on a stand-alone basis. The Condensed Consolidated Financial Statements include Wyndham Hotels' assets, liabilities, revenues, expenses and cash flows and all entities in which Wyndham Hotels has a controlling financial interest. The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany balances and transactions have been eliminated in the Condensed Consolidated Financial Statements.

In presenting the Condensed Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates. In management's opinion, the Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results reported. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's 2019 Consolidated and Combined Financial Statements included in its most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") and any subsequent reports filed with the SEC.

Business description

Wyndham Hotels operates in the following segments:

- **Hotel Franchising —** licenses the Company's lodging brands and provides related services to third-party hotel owners and others.
- **Hotel Management —** provides hotel management services for full-service and limited-service hotels as well astwo hotels that are owned by the Company.

2. NEW ACCOUNTING PRONOUNCEMENTS

Recently adopted accounting pronouncements

Measurement of Credit Losses on Financial Instruments. In June 2016, the Financial Accounting Standards Board (the "FASB") issued guidance to replace the existing methodology for estimating credit losses with a methodology that reflects lifetime expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. The Company adopted the guidance on January 1, 2020, as required using the modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date to align the Company's current processes for establishing an allowance for credit losses with the new guidance. See Note 5 - Accounts Receivable for the impact of adoption.

Simplifying the Test for Goodwill Impairment. In January 2017, the FASB issued guidance which simplifies the current two-step goodwill impairment test by eliminating Step 2 of the test. The guidance requires a one-step impairment test in which an entity compares the fair value of a reporting unit with its carrying amount and recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, if any. This guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, and should be applied on a prospective basis. The Company adopted the guidance on January 1, 2020, as required. There was no material impact on its Condensed Consolidated Financial Statements and related disclosures.

Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. In August 2018, the FASB issued guidance to address a customer's accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. The guidance aligns the requirements for capitalizing implementation costs incurred in such arrangements with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This guidance is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years. This guidance should be applied on either a retrospective or prospective basis. The Company adopted the guidance on January 1, 2020, as required. There was no material impact on its Condensed Consolidated Financial Statements and related disclosures.

Reference Rate Reform: Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In March 2020, the FASB issued optional guidance for a limited time to ease the potential burden in accounting for reference rate reform. The new guidance provides optional expedients and exceptions for applying U.S. Generally Accepted Accounting Principles ("GAAP") to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. These amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company adopted the guidance upon issuance, as required. There was no material impact on its Condensed Consolidated Financial Statements and related disclosures.

3. REVENUE RECOGNITION

Deferred revenues

Deferred revenues, or contract liabilities, generally represent payments or consideration received in advance for goods or services that the Company has not yet provided to the customer. Deferred revenues as of September 30, 2020 and December 31, 2019 are as follows:

	September 30, 2020	December 31, 2019
Deferred initial franchise fee revenues	$ 137	$ 136
Deferred loyalty program revenues	75	86
Deferred co-branded credit card program revenues	6	34
Deferred hotel management fee revenues	1	—
Deferred other revenues	20	27
Total	$ 239	$ 283

Deferred initial franchise fees represent payments received in advance from prospective franchisees upon the signing of a franchise agreement and are generally recognized to revenue within 12 years. Deferred loyalty revenues represent the portion of loyalty program fees charged to franchisees, net of estimated redemption costs, that have been deferred and will be recognized over time based upon loyalty point redemption patterns. Deferred co-branded credit card program revenue represents payments received in advance from the Company's co-branded credit card partners primarily for card member activity, which is typically recognized within one year.

As a result of the negative impact that the coronavirus pandemic ("COVID-19") has had on travel demand, the Company's assumptions related to redemptions, including estimated member redemption rate, member redemption pattern, and the estimated cost to satisfy such redemptions, have changed. Accordingly, the Company recognized a $16 million cumulative adjustment, which resulted in an increase to loyalty revenues during the second quarter of 2020. Such increase is included within marketing, reservation and loyalty and other revenues on the Condensed Consolidated Statement of Income for the nine months ended September 30, 2020.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to a customer. The consideration received from a customer is allocated to each distinct performance obligation and recognized as revenue when, or as, each performance obligation is satisfied. The following table summarizes the Company's remaining performance obligations for the twelve-month periods set forth below:

	10/1/2020 - 9/30/2021	10/1/2021 - 9/30/2022	10/1/2022 - 9/30/2023	Thereafter	Total
Initial franchise fee revenues	$ 22	$ 9	$ 8	$ 98	$ 137
Loyalty program revenues	39	23	11	2	75
Co-branded credit card program revenues	6	—	—	—	6
Hotel management fee revenues	1	—	—	—	1
Other revenues	10	2	1	7	20
Total	$ 78	$ 34	$ 20	$ 107	$ 239

Disaggregation of net revenues

The table below presents a disaggregation of the Company's net revenues from contracts with customers by major services and products for each of the Company's segments:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Hotel Franchising				
Royalties and franchise fees	$ 91	$ 136	$ 234	$ 359
Marketing, reservation and loyalty	99	166	287	418
License and other fees	21	35	63	97
Other	25	42	77	105
Total Hotel Franchising	236	379	661	979
Hotel Management				
Royalties and franchise fees	5	4	16	9
Marketing, reservation and loyalty	—	1	1	3
Owned hotel revenues	5	18	29	67
Management fees [(a)]	7	(6)	21	21
Cost reimbursements	82	161	274	476
Other	2	2	2	2
Total Hotel Management	101	180	343	578
Corporate and Other	—	1	—	4
Net revenues	$ 337	$ 560	$ 1,004	$ 1,561

(a) 2019 periods include a $20 million fee credit for past services with a customer. See Note 14 - Other Expenses and Charges for more information.

Capitalized contract costs

The Company incurs certain direct and incremental sales commissions costs in order to obtain hotel franchise and management contracts. Such costs are capitalized and subsequently amortized beginning upon hotel opening over the first non-cancellable period of the agreement. In the event an agreement is terminated prior to the end of the first non-cancellable period, any unamortized cost is immediately expensed. In addition, the Company also capitalizes costs associated with the sale and installation of property management systems to its franchisees, which are amortized over the remaining non-cancellable period of the franchise agreement. As of September 30, 2020 and December 31, 2019, capitalized contract costs were $31 million and $33 million, respectively, of which $6 million and $8 million, respectively, were included in other current assets, and $25 million for both periods were included in other non-current assets on its Condensed Consolidated Balance Sheets.

4. EARNINGS PER SHARE

The computation of basic and diluted earnings (loss) per share (“EPS”) is based on net income (loss) divided by the basic weighted average number of common shares and diluted weighted average number of common shares, respectively.

The following table sets forth the computation of basic and diluted EPS (in millions, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income/(loss)	$ 27	$ 45	$ (125)	$ 93
Basic weighted average shares outstanding	93.3	96.2	93.4	97.0
Stock options and restricted stock units (“RSUs”)[(a)]	0.1	0.1	—	0.2
Diluted weighted average shares outstanding	93.4	96.3	93.4	97.2
Earnings/(loss) per share:				
Basic	$ 0.29	$ 0.47	$ (1.34)	$ 0.95
Diluted	0.29	0.47	(1.34)	0.95
Dividends:				
Cash dividends declared per share	$ 0.08	$ 0.29	$ 0.48	$ 0.87
Aggregate dividends paid to shareholders	$ 7	$ 28	$ 45	$ 84

(a) Due to the anti-dilutive effect resulting from the reported net loss for the nine months ended September 30, 2020, 0.1 million of anti-dilutive shares were omitted from the calculation of weighted average shares outstanding for the period.

Stock repurchase program

The following table summarizes stock repurchase activity under the current stock repurchase program (in millions, except per share data):

	Shares	Cost	Average Price Per Share
As of January 1, 2020	6.8	$ 363	$ 53.67
For the nine months ended September 30, 2020	0.9	45	51.57
As of September 30, 2020	7.7	$ 408	$ 53.43

The Company had $191 million of remaining availability under its program as of September 30, 2020. On March 17, 2020, the Company suspended its share repurchase activity and as a condition of the amendment to its revolving credit agreement, the Company is restricted from repurchasing shares of its stock until the waiver amendment expires at the beginning of the second quarter of 2021, unless the Company elects to terminate the amendment earlier.

5. ACCOUNTS RECEIVABLE

Allowance for doubtful accounts

The Company generates trade receivables in the ordinary course of its business and provides for estimated bad debts on such receivables. The Company adopted the new accounting guidance, *ASU 2016-13, Measurement of Credit Losses on Financial Instruments* on January 1, 2020. As a result of adopting the new guidance, the Company recorded a $10 million (net of a $2 million income tax benefit) cumulative effect adjustment to retained earnings at January 1, 2020. Since adoption, the Company measures the expected credit losses of its receivables on a collective (pool) basis which aggregates receivables with similar risk characteristics and uses historical collection attrition rates for periods ranging from seven to ten years to estimate its expected credit losses. As such, the Company measures the expected credit losses of its receivables by segment and geographical area. Beginning January 1, 2020, the Company provides an estimate of expected credit losses for its receivables immediately upon origination or acquisition and may adjust this estimate in subsequent reporting periods as required. When the

Company determines that an account is not collectible, the account is written-off to the allowance for doubtful accounts. The Company also considers whether the historical economic conditions are comparable to current economic conditions. If current or expected future conditions differ from the conditions in effect when the historical experience was generated, the Company would adjust the allowance for doubtful accounts to reflect the expected effects of the current environment on the collectability of the Company's trade receivables which may be material.

The following table sets forth the activity in the Company's allowance for doubtful accounts on trade accounts receivables for the nine months ended:

		September 30, 2020
Beginning balance	$	47
Cumulative effect of change in accounting standard		12
Provision for doubtful accounts		32
Bad debt write-offs		(17)
Ending balance	$	74

Notes receivable

The Company had notes receivables of $16 million, net of a $2 million allowance as of September 30, 2020. For a significant portion of such notes receivables, the Company has received personal guarantees from the owners of these hotels. In addition, the Company had $17 million of notes receivables which are fully offset in deferred revenues.

6. LONG-LIVED ASSETS

Property, plant and equipment

As a result of COVID-19 and the related governmental preventative and protective actions to slow the spread of the virus, the travel industry is continuing to experience a sharp decline in travel demand. As a result, the Company closed its two owned hotels temporarily for April and May 2020. Due to the temporary closure of such hotels and the continued decrease in travel demand, the Company has evaluated the recoverability of its net property plant and equipment associated with its two owned hotels for impairment in each of the quarters of 2020 and believes that it is more likely than not that the carrying value of those assets are recoverable from future expected cash flows, on an undiscounted basis, from such assets.

Although the Company believes that it is more likely than not that the carrying values of its net property, plant and equipment for its two owned hotels are not impaired, the impact of COVID-19 and the ultimate duration remains highly uncertain. Should the current effects of COVID-19 persist for a prolonged duration, the Company's results of operations may continue to be negatively impacted and the property, plant and equipment associated with its owned hotels may be exposed to impairment.

Property, plant and equipment, net as of September 30, 2020 and December 31, 2019 was $284 million and $307 million, respectively.

Intangible assets

As a result of COVID-19 and the significant negative impact it has had on travel demand, the Company performed an impairment analysis on all its intangible assets in the second quarter of 2020. The Company evaluated the carrying value of each of its indefinite-lived intangible assets compared to their respective estimated fair values. The fair value of each of its indefinite-lived intangible assets is estimated using a discounted cash flow methodology. The Company also evaluated the recoverability of its amortizable intangible assets by comparing the respective carrying values of the assets to the future expected cash flows on an undiscounted basis, to be generated from such assets. The Company has determined through such analyses that certain of its trademarks, as well as, goodwill associated with its owned hotel reporting unit were impaired. Accordingly, the Company recorded impairment charges totaling $205 million in the second quarter of 2020 to reduce the carrying value of those assets to their estimated fair values. Such charges were reported within impairments, net on the Condensed Consolidated Statement of Income and $191 million and $14 million were charged to the hotel franchising segment and the hotel management segment, respectively.

The following is the breakout of the intangible impairment charges recorded in the second quarter of 2020:

Intangible Asset	Book Value	Impairment Charges	Adjusted Fair Value
Owned hotel reporting unit goodwill	$ 14	$ (14)	$ —
La Quinta trademark	710	(155)	555
Other trademarks [a]	103	(36)	67
Total	$ 827	$ (205)	$ 622

(a) Represents the impairments of three of the Company's trademarks.

During the third quarter of 2020, the Company has determined through its analysis, that for its intangible assets and goodwill, it is more likely than not that the fair value of its goodwill and trademarks and the future expected cash flows on an undiscounted basis for its franchise agreements and management contracts are in excess of their carrying values. However, should the current effects of COVID-19 persist for a prolonged duration, the Company's results of operations may continue to be negatively impacted and its intangible assets within its hotel franchising and hotel management reporting units may be exposed to future impairments. To the extent estimated market-based valuation multiples and/or discounted cash flows are revised downward, the Company may be required to write-down all or a portion of its remaining goodwill, trademarks, franchise agreements and management contracts, which would adversely impact earnings.

Intangible assets as of September 30, 2020 and December 31, 2019 consisted of the following:

	September 30, 2020			December 31, 2019		
	Gross Carrying Amount	Accumulated Impairment	Net Carrying Amount	Gross Carrying Amount	Accumulated Impairment	Net Carrying Amount
Goodwill	$ 1,539	$ 14	$ 1,525	$ 1,539	$ —	$ 1,539

	September 30, 2020			December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized intangible assets:						
Trademarks			$ 1,202			$ 1,393
Amortized intangible assets:						
Franchise agreements	$ 895	$ 480	$ 415	$ 895	$ 460	$ 435
Management agreements	136	30	106	137	23	114
Trademarks	2	1	1	3	1	2
Other	2	1	1	3	1	2
	$ 1,035	$ 512	$ 523	$ 1,038	$ 485	$ 553

7. FRANCHISING, MARKETING AND RESERVATION ACTIVITIES

Royalties and franchise fee revenues on the Condensed Consolidated Statements of Income include initial franchise fees of $5 million for the three months ended September 30, 2020 and 2019, and $13 million and $12 million for the nine months ended September 30, 2020 and 2019, respectively.

In accordance with its franchise agreements, generally Wyndham Hotels is contractually obligated to expend the marketing and reservation fees it collects from franchisees for the operation of an international, centralized, brand-specific reservation system and for marketing purposes such as advertising, promotional and co-marketing programs, and training for the respective franchisees. Additionally, the Company is required to provide certain services to its franchisees, including technology and purchasing programs.

Development advance notes

The Company may, at its discretion, provide development advance notes to certain franchisees or hotel owners in order to assist them in converting to one of Wyndham Hotels' brands, in building a new hotel to be flagged under one of Wyndham Hotels' brands or in assisting in other franchisee expansion efforts. Provided the franchisee/hotel owner is in compliance with the terms of the franchise/management agreement, all or a portion of the development advance notes may be forgiven by Wyndham Hotels over the period of the franchise/management agreement, which typically ranges from 10 to 20 years. Otherwise, the related principal is due and payable to Wyndham Hotels. In certain instances, Wyndham Hotels may earn interest on unpaid franchisee development advance notes.

As a result of COVID-19 and the significant negative impact it has had on travel demand, the Company performed a qualitative assessment on its development advance notes and determined that it is more likely than not that the carrying value of those assets are recoverable from future expected cash flows as of September 30, 2020.

The following tables set forth the amounts recorded on the Company's Condensed Consolidated Financial Statements related to development advance notes:

Condensed Consolidated Balance Sheets:	**September 30, 2020**	**December 31, 2019**
Development advance notes [(a)]	$ 88	$ 84

(a) Included within other non-current assets.

Condensed Consolidated Statements of Income:	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2020	**2019**	**2020**	**2019**
Forgiveness of notes [(a)]	$ 2	$ 2	$ 7	$ 6
Bad debt expense related to notes	—	—	1	2
Interest earned on unpaid notes	—	—	—	1

(a) Amounts are recorded as a reduction of royalties and franchise fees and marketing, reservation and loyalty revenues.

Condensed Consolidated Statements of Cash Flows:	**Nine Months Ended September 30,**	
	2020	**2019**
Payments of development advance notes	$ (11)	$ (11)
Proceeds from development advance notes	—	1
Payments of development advance notes, net	$ (11)	$ (10)

8. INCOME TAXES

The Company files income tax returns in the U.S. federal and state jurisdictions, as well as in foreign jurisdictions. Through May 31, 2018, the Company was part of a consolidated U.S. federal income tax return and consolidated and combined state returns with its former Parent. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2015. The Company is no longer subject to state and local, or foreign, income tax examinations for years prior to 2010.

The Company received income tax refunds, net of payments, of $17 million and made cash income tax payments, net of refunds, of $53 million for the nine months ended September 30, 2020 and 2019, respectively. The 2019 payments exclude $188 million of tax payments related to assumed liabilities in connection with the La Quinta acquisition.

The Company's effective tax rates were 35.7% and 31.8% during the three months ended September 30, 2020 and 2019, respectively. The increase was primarily due to higher foreign taxes which is impacted by the jurisdictional mix of earnings and losses in any given period as the foreign jurisdictions in which the Company operates have tax rates that differ from the U.S. statutory rate and a non-deductible payment the Company agreed to make in 2019 related to the La Quinta acquisition.

The Company's effective tax rates were 16.7% on pre-tax loss and 27.9% on pre-tax income during the nine months ended September 30, 2020 and 2019, respectively. The decrease was primarily related to goodwill impairment charges that are nondeductible for tax purposes and the absence of the favorable tax impact from a settlement with state taxing authorities in the first quarter of 2019, partially offset by a non-deductible payment the Company agreed to make in 2019 related to the La Quinta acquisition.

9. LONG-TERM DEBT AND BORROWING ARRANGEMENTS

The Company's indebtedness consisted of:

Long-term debt: [(a)]	September 30, 2020 Amount	September 30, 2020 Weighted Average Rate [(b)]	December 31, 2019 Amount	December 31, 2019 Weighted Average Rate [(b)]
$750 million revolving credit facility (due May 2023)	$ 234	2.75%	$ —	
Term loan (due May 2025)	1,558	3.20%	1,568	4.00%
5.375% senior unsecured notes (due April 2026)	495	5.38%	494	5.38%
4.375% senior unsecured notes (due August 2028)	492	4.38%	—	
Finance leases	56	4.50%	60	4.50%
Total long-term debt	2,835		2,122	
Less: Current portion of long-term debt	21		21	
Long-term debt	$ 2,814		$ 2,101	

(a) The carrying amount of the term loan and senior unsecured notes are net of deferred debt issuance costs of $23 million and $18 million as of September 30, 2020 and December 31, 2019, respectively.
(b) Weighted average interest rates are based on period-end balances, including the effects from hedging.

Maturities and capacity

The Company's outstanding debt as of September 30, 2020 matures as follows:

	Long-Term Debt
Within 1 year	$ 21
Between 1 and 2 years	21
Between 2 and 3 years	255
Between 3 and 4 years	22
Between 4 and 5 years	1,500
Thereafter	1,016
Total	$ 2,835

As of September 30, 2020, the available capacity under the Company's revolving credit facility was as follows:

	Revolving Credit Facility
Total capacity	$ 750
Less: Borrowings	234
Less: Letters of credit	15
Available capacity	$ 501

Deferred debt issuance costs

The Company classifies deferred debt issuance costs related to its revolving credit facility within other non-current assets on the Condensed Consolidated Balance Sheets. Such deferred debt issuance costs were $4 million as of September 30, 2020 and December 31, 2019.

Cash flow hedge

In 2018, the Company hedged a portion of its $1.6 billion term loan. As of September 30, 2020, the pay-fixed/receive-variable interest rate swaps hedge $1.1 billion of the Company's term loan interest rate exposure, of which $600 million expires in the second quarter of 2024 and has a weighted average fixed rate of 2.53% and $500 million expires in the fourth quarter of 2024 and has a weighted average fixed rate of 1.38%. The variable rates of the swap agreements are based on one-month

LIBOR. The aggregate fair value of these interest rate swaps was a liability of $79 million and $34 million as of September 30, 2020 and December 31, 2019, respectively, which was included within other non-current liabilities on the Condensed Consolidated Balance Sheets. The effect of interest rate swaps on interest expense, net on the Condensed Consolidated Statements of Income was $7 million and $15 million of expense for the three and nine months ended September 30, 2020, respectively, and $1 million for the three and nine months ended September 30, 2019. There was no hedging ineffectiveness recognized in the nine months ended September 30, 2020 and 2019. The Company expects to reclassify approximately $26 million of losses from accumulated other comprehensive income ("AOCI") (loss) to interest expense during the next 12 months.

4.375% senior unsecured notes

In August 2020, the Company issued $500 million of senior unsecured notes, which mature in 2028 and bear interest at a rate of 4.375% per year, for net proceeds of $492 million. Interest is payable semi-annually in arrears on February 15 and August 15 of each year, commencing on February 15, 2021. The Company used the net cash proceeds from the notes to reduce the borrowings outstanding under its revolving credit facility.

Revolving credit facility

In April 2020, the Company completed an amendment to its revolving credit facility agreement to waive the quarterly-tested leverage covenant until the second quarter of 2021. The covenant was also modified for the second, third and potentially fourth quarters of 2021 to use a form of annualized EBITDA, as defined in the credit agreement, rather than the last twelve months EBITDA, as previously required. In return for this modification, the Company agreed to maintain minimum liquidity of $200 million, which is defined in the credit agreement as the total of unrestricted cash on hand and available capacity under the Company's revolving credit facility, pay a higher interest rate on outstanding borrowings, restrict share repurchases and reduce payment of dividends, or restrict dividends to $0.01 per share in the event the Company's liquidity is below $300 million.

Interest expense, net

Wyndham Hotels incurred net interest expense of $29 million and $25 million for the three months ended September 30, 2020 and 2019, respectively, and $83 million and $76 million for the nine months ended September 30, 2020 and 2019, respectively. Cash paid related to such interest was $71 million and $69 million for the nine months ended September 30, 2020 and 2019, respectively.

10. FAIR VALUE

Wyndham Hotels measures its financial assets and liabilities at fair value on a recurring basis and utilizes the fair value hierarchy to determine such fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value driver is observable.

Level 3: Unobservable inputs used when little or no market data is available. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls has been determined based on the lowest level input (closest to Level 3) that is significant to the fair value measurement. Wyndham Hotels' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The carrying amounts of cash and cash equivalents, trade receivables, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities. The carrying amounts and estimated fair values of all other financial instruments are as follows:

	September 30, 2020	
	Carrying Amount	Estimated Fair Value
Debt	$ 2,835	$ 2,801

The Company estimates the fair value of its debt using Level 2 inputs based on indicative bids from investment banks or quoted market prices with the exception of finance leases, which are estimated at carrying value.

Financial instruments

Changes in interest rates and foreign exchange rates expose the Company to market risk. The Company uses cash flow hedges as part of its overall strategy to manage its exposure to market risks associated with fluctuations in interest rates and foreign currency exchange rates. As a matter of policy, the Company only enters into transactions that it believes will be highly effective at offsetting the underlying risk, and it does not use derivatives for trading or speculative purposes. The Company estimates the fair value of its derivatives using Level 2 inputs.

Interest rate risk

A portion of debt used to finance the Company's operations is exposed to interest rate fluctuations. The Company uses various hedging strategies and derivative financial instruments to create a desired mix of fixed and floating rate assets and liabilities. Derivative instruments currently used in these hedging strategies include interest rate swaps. The derivatives used to manage the risk associated with the Company's floating rate debt are derivatives designated as cash flow hedges. See Note 9 - Long-Term Debt and Borrowing Arrangements for the impact of such cash flow hedges.

Foreign currency risk

The Company has foreign currency rate exposure to exchange rate fluctuations worldwide, particularly with respect to the Canadian Dollar, the Chinese Yuan, the Euro, the British Pound and the Argentine Peso. The Company uses foreign currency forward contracts at various times to manage and reduce the foreign currency exchange rate risk associated with its foreign currency denominated receivables and payables, forecasted royalties and forecasted earnings and cash flows of foreign subsidiaries and other transactions. The Company recognized gains of $2 million in income from freestanding foreign currency exchange contracts for the three months ended September 30, 2020 and recognized immaterial losses for the nine months ended September 30, 2020. Losses recognized in income from freestanding foreign currency exchange contracts were $2 million and $3 million during the three and nine months ended September 30, 2019, respectively. Such gains or losses are included in operating expenses in the Condensed Consolidated Statements of Income.

The Company accounts for Argentina as a highly inflationary economy. Foreign currency exchange losses related to Argentina were $1 million and $2 million for the three and nine months ended September 30, 2020, respectively. The Company incurred foreign currency exchange losses related to Argentina of $3 million and $4 million during the three and nine months ended September 30, 2019, respectively. Such losses are included in operating expenses in the Condensed Consolidated Statements of Income.

Credit risk and exposure

The Company is exposed to counterparty credit risk in the event of nonperformance by counterparties to various agreements and sales transactions. The Company manages such risk by evaluating the financial position and creditworthiness of such counterparties and often by requiring collateral in instances in which financing is provided. The Company mitigates counterparty credit risk associated with its derivative contracts by monitoring the amounts at risk with each counterparty to such contracts, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing its risk among multiple counterparties.

11. COMMITMENTS AND CONTINGENCIES

Litigation

The Company is involved, at times, in claims, legal and regulatory proceedings and governmental inquiries arising in the ordinary course of its business, including but not limited to: breach of contract, fraud and bad faith claims with franchisees in connection with franchise agreements and with owners in connection with management contracts, as well as negligence, breach of contract, fraud, employment, consumer protection and other statutory claims asserted in connection with alleged acts or occurrences at owned, franchised or managed properties or in relation to guest reservations and bookings. The Company may also at times be involved in claims, legal and regulatory proceedings and governmental inquiries relating to bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy, employment matters, claims of infringement upon third parties' intellectual property rights, claims relating to information security, privacy and consumer protection, fiduciary duty/trust claims, tax claims, environmental claims and landlord/tenant disputes. Along with many of its competitors, the Company and/or certain of its subsidiaries have been named as defendants in litigation matters filed in state and federal courts, alleging statutory and common law claims related to purported incidents of sex trafficking at certain franchised and managed hotel facilities. These matters are in the pleading or discovery stages at this time. As of September 30, 2020, the Company is aware of approximately 40 cases filed naming the Company and/or subsidiaries. Based upon the status of these matters, the Company has not made a determination as to the likelihood of loss of any one of these matters and is unable to estimate a range of losses at this time.

The Company records an accrual for legal contingencies when it determines, after consultation with outside counsel, that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome, and when it is probable that a liability has been incurred, its ability to make a reasonable estimate of loss. The Company reviews these accruals each reporting period and makes revisions based on changes in facts and circumstances, including changes to its strategy in dealing with these matters.

The Company believes that it has adequately accrued for such matters with reserves of $8 million and $7 million as of September 30, 2020 and December 31, 2019, respectively. The Company also had receivables of $1 million and $2 million as of September 30, 2020 and December 31, 2019, respectively, for certain matters which are covered by insurance and were included in other current assets on its Condensed Consolidated Balance Sheets. Litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings and/or cash flows in any given reporting period. As of September 30, 2020, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to approximately $5 million in excess of recorded accruals. However, the Company does not believe that the impact of such litigation will result in a material liability to the Company in relation to its combined financial position or liquidity.

Guarantees

Hotel-management guarantees

The Company had previously entered into hotel-management agreements that provided the hotel owner with a guarantee of a certain level of profitability based upon various metrics. Under such agreements, the Company was required to compensate the hotel owner for any profitability shortfall over the life of the management agreement up to a specified aggregate amount. For certain agreements, the Company may have been able to recapture all or a portion of the shortfall payments in the event that future operating results exceed targets.

As a result of the significant economic impacts of COVID-19, on June 30, 2020, the Company provided notice of termination of its remaining managed hotel performance guarantee pursuant to a force majeure provision in the hotel-management agreement. The notice provides for termination of the management agreement as of the 90th day following the notice date. Such termination has not yet occurred as the hotel's owner and the Company are engaged in alternate dispute resolution. As a result of the Company's notice of termination of the management agreement, the Company's receivable of $4 million became fully impaired as of June 30, 2020 and the charge was recorded within impairments, net on the Condensed Consolidated Statements of Income. As of December 31, 2019, the Company had a total receivable of $5 million, of which $1 million was included in other current assets and $4 million was included in other non-current assets on its Condensed Consolidated Balance Sheet. Such receivable was the result of payments previously made under the guarantee that were subject to recapture and which the Company believed, pre COVID-19, were recoverable from future operating performance.

During 2019, the Company determined it would exit two unprofitable hotel-management agreements. In connection with such hotel-management agreements, the Company had a $10 million liability as of December 31, 2019, which was included in accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet and was paid in the first quarter of 2020.

Separation-related guarantees

The Company assumed one-third of certain contingent and other corporate liabilities of Wyndham Worldwide incurred prior to the spin-off, including liabilities of Wyndham Worldwide related to, arising out of or resulting from certain terminated or divested businesses, certain general corporate matters of Wyndham Worldwide and any actions with respect to the separation plan or the distribution made or brought by any third party.

12. STOCK-BASED COMPENSATION

The Company has a stock-based compensation plan available to grant non-qualified stock options, incentive stock options, stock-settled appreciation rights ("SSARs"), RSUs, performance-vesting restricted stock units ("PSUs") and other stock-based awards to key employees, non-employee directors, advisors and consultants. Under the Wyndham Hotels & Resorts, Inc. 2018 Equity and Incentive Plan ("Stock Plan"), which became effective on May 14, 2018, a maximum of 10.0 million shares of common stock may be awarded. As of September 30, 2020, 5.8 million shares remained available.

Incentive equity awards granted by the Company

Wyndham Hotels' Board of Directors approved incentive equity award grants to employees of Wyndham Hotels in the form of RSUs, stock options and PSUs.

The activity related to the Company's incentive equity awards for the nine months ended September 30, 2020 consisted of the following:

	RSUs		PSUs	
	Number of RSUs	Weighted Average Grant Price	Number of PSUs	Weighted Average Grant Price
Balance as of December 31, 2019	0.8	$ 55.75	0.1	$ 52.44
Granted [(a)]	0.6	53.01	0.1	53.40
Vested	(0.3)	56.10	—	—
Canceled	(0.2)	54.76	—	—
Balance as of September 30, 2020	0.9 [(b)]	$ 54.16	0.2 [(c)]	$ 52.93

(a) Represents awards granted by the Company primarily in February 2020.

(b) RSUs outstanding as of September 30, 2020 are expected to vest over time and have an aggregate unrecognized compensation expense of $ 41 million, which is expected to be recognized over a weighted average period of 2.9 years.

(c) PSUs outstanding as of September 30, 2020 are expected to vest over time and have an aggregate unrecognized compensation expense of $ 9 million, which may be recognized over a weighted average period of 1.9 years.

The activity related to stock options granted by the Company for the nine months ended September 30, 2020 consisted of the following:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2019	0.9	$ 56.96		
Granted	0.6	53.40		
Exercised	—	—		
Canceled	(0.1)	54.72		
Expired	—	—		
Outstanding as of September 30, 2020	1.4	$ 55.57	5.8	$ —
Unvested as of September 30, 2020	1.0 [(a)]	$ 54.54	5.9	$ —
Exercisable as of September 30, 2020	0.4	$ 57.94	5.4	$ —

(a) Unvested options as of September 30, 2020 are expected to vest over time and have an aggregate unrecognized compensation expense of $ 8 million, which is expected to be recognized over a weighted average period of 2.8 years.

The fair value of stock options granted by the Company during 2020 and 2019 were estimated on the date of the grant using the Black-Scholes option-pricing model with the relevant assumptions outlined in the table below. Expected volatility is based on both historical and implied volatilities of the stock of comparable companies over the estimated expected life of the options. The expected life represents the period of time the options are expected to be outstanding. The risk-free interest rate is based on yields on U.S. Treasury strips with a maturity similar to the estimated expected life of the options. The projected dividend yield was based on the Company's anticipated annual dividend divided by the price of the Company's stock on the date of the grant.

	2020	2019
Grant date fair value	$8.59	$10.46
Grant date strike price	$53.40	$52.44
Expected volatility	24.30%	22.24%
Expected life	4.25 years	6.25 years
Risk-free interest rate	1.21%	2.63%
Projected dividend yield	2.40%	2.21%

Stock-based compensation expense

Stock-based compensation expense was $5 million and $4 million for the three months ended September 30, 2020 and 2019, respectively. Further, stock-based compensation expense was $15 million for the nine months ended September 30, 2020 and 2019. For the nine months ended September 30, 2020, $1 million was recorded within restructuring costs and for the nine months ended September 30, 2019, $4 million was recorded within separation-related costs on the Condensed Consolidated Statements of Income.

13. SEGMENT INFORMATION

The reportable segments presented below represent the Company's operating segments for which separate financial information is available and is utilized on a regular basis by its chief operating decision maker to assess performance and allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management evaluates the operating results of each of its reportable segments based upon net revenues and "adjusted EBITDA", which is defined as net income (loss) excluding interest expense, depreciation and amortization, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition- or separation-related), foreign currency impacts of highly inflationary countries, stock-based compensation expense and income taxes. Wyndham Hotels believes that adjusted EBITDA is a useful measure of performance for its segments which, when considered with U.S. GAAP measures, allows a more complete understanding of its operating performance. The Company uses these measures internally to assess operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of selected compensation decisions. The Company's presentation of adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

	Three Months Ended September 30,			
	2020		2019	
	Net Revenues	Adjusted EBITDA	Net Revenues	Adjusted EBITDA
Hotel Franchising	$ 236	$ 117	$ 379	$ 195
Hotel Management	101	2	180	13
Total Reportable Segments	337	119	559	208
Corporate and Other	—	(18)	1	(18)
Total Company	$ 337	$ 101	$ 560	$ 190

The table below is a reconciliation of net income to adjusted EBITDA.

	Three Months Ended September 30,	
	2020	2019
Net income	$ 27	$ 45
Provision for income taxes	15	21
Depreciation and amortization	24	26
Interest expense, net	29	25
Stock-based compensation expense	5	4
Transaction-related expenses, net	—	12
Contract termination costs	—	34
Transaction-related item	—	20
Foreign currency impact of highly inflationary countries	1	3
Adjusted EBITDA	$ 101	$ 190

	Nine Months Ended September 30, 2020			
	2020		2019	
	Net Revenues	Adjusted EBITDA	Net Revenues	Adjusted EBITDA
Hotel Franchising	$ 661	$ 308	$ 979	$ 470
Hotel Management	343	14	578	45
Total Reportable Segments	1,004	322	1,557	515
Corporate and Other	—	(51)	4	(54)
Total Company	$ 1,004	$ 271	$ 1,561	$ 461

The table below is a reconciliation of net income (loss) to adjusted EBITDA.

	Nine Months Ended September 30, 2020	
	2020	2019
Net (loss)/income	$ (125)	$ 93
(Benefit)/provision for income taxes	(25)	36
Depreciation and amortization	73	81
Interest expense, net	83	76
Stock-based compensation expense	14	11
Impairments, net	206	45
Restructuring costs	29	—
Transaction-related expenses, net	13	30
Separation-related expenses	1	22
Contract termination costs	—	43
Transaction-related item	—	20
Foreign currency impact of highly inflationary countries	2	4
Adjusted EBITDA	$ 271	$ 461

14. OTHER EXPENSES AND CHARGES

Impairments, net

As a result of COVID-19 and the significant negative impact it has had on travel demand, the Company reviewed its intangible assets for potential impairment and determined that the carrying value of certain intangible assets were in excess of their fair values. Accordingly, the Company recorded impairment charges of $205 million, in the second quarter of 2020, primarily related to certain trademarks and goodwill associated with its owned hotel reporting unit. See Note 6 - Long-Lived Assets for more information. Additionally, in the second quarter of 2020, the Company incurred a $4 million non-cash impairment charge for the write-off of a receivable as a result of the Company's notice of termination of an unprofitable management agreement. See Note 11 - Commitments and Contingencies for more information. In the second quarter of 2020, the Company also received $3 million of cash related to a previously impaired asset. These charges were all reported within impairments, net on the Condensed Consolidated Statement of Income.

During the second quarter of 2019, the Company incurred a non-cash net impairment charge associated with the planned termination of a hotel-management arrangement, which is comprised of a $48 million write-off of receivables, a $10 million write-off of a guarantee asset and the derecognition of a $13 million guarantee liability.

Restructuring

The Company incurred $29 million of charges during the nine months ended September 30, 2020, related to three restructuring initiatives implemented in response to COVID-19. The first quarter of 2020 plan resulted in a reduction of 262 employees for a charge of $13 million. During the second quarter of 2020, the Company initiated another plan to further reduce headcount by 180 employees and to consolidate its corporate facilities resulting in a charge of $16 million. During the third quarter of 2020, the Company initiated another restructuring plan to further reduce headcount by 186 full and part-time employees, primarily at the Company's owned hotels, resulting in a charge of less than $1 million. In addition, during the fourth quarter of 2019, the Company had implemented restructuring initiatives, primarily focused on enhancing its organizational efficiency and rationalizing its operations. Below is the activity for the nine months ended September 30, 2020 relating to restructuring activities by plan:

		2020 Activity			
	Liability as of December 31, 2019	Costs Recognized	Cash Payments	Other [(a)]	Liability as of September 30, 2020
2019 Plan					
Personnel-related	$ 8	$ —	$ (6)	$ (1)	$ 1
2020 Plans					
Personnel-related	—	23	(17)	(1)	5
Facility-related	—	5	(1)	—	4
Other	—	1	(1)	—	—
Total 2020 Plans	—	29	(19)	(1)	9
Total accrued restructuring	$ 8	$ 29	$ (25)	$ (2)	$ 10

(a) Represents non-cash payments in Company stock.

Restructuring charges by segment for the nine months ended September 30, 2020 were as follows:

	Nine Months Ended September 30, 2020
Hotel Franchising	$ 15
Hotel Management	2
Corporate and Other	12
Total	$ 29

Transaction-related, net

Transaction-related expenses incurred by the Company were not material during the three months ended September 30, 2020 and $12 million during the three months ended September 30, 2019. For the nine months ended September 30, 2020 and 2019, the Company incurred transaction-related expenses of $13 million and $30 million, respectively. These expenses were primarily related to La Quinta integration activities during 2020 and in 2019, reflects costs associated with La Quinta integration activities as well as tax matters associated with the 2018 acquisition of La Quinta.

Separation-related

Separation-related costs associated with the Company's spin-off from Wyndham Worldwide were $1 million and $22 million for the nine months ended September 30, 2020 and 2019, respectively. These costs primarily consist of severance, stock-based compensation and other employee-related costs.

Contract termination

During the second quarter of 2019, the Company incurred a contract termination charge of $9 million in connection with an obligation associated with the expected termination of a hotel-management agreement, which was paid in the second quarter of 2020.

During the third quarter of 2019, the Company entered into an agreement to terminate a hotel-management agreement which contained operating performance guarantees and covered eight hotel properties. In conjunction with this termination, the Company incurred a contract termination charge of $34 million.

CorePoint agreement

In October 2019, the Company entered into an agreement with CorePoint Lodging Inc. ("CorePoint"), a franchisee with which the Company also has hotel-management agreements, to resolve open issues between the two companies. As part of the agreement, the Company recorded a $20 million fee credit for past services in the third quarter of 2019, representing payments it was required to make to CorePoint pursuant to the agreement. Such charge is reflected as a reduction to hotel management revenues on the Condensed Consolidated Statements of Income. In addition, the two companies also agreed to finalize outstanding tax matters related to the acquisition of La Quinta. As a result, the Company also recorded a $6 million charge in the third quarter of 2019 related to the resolution of the tax matters, which is reflected in transaction-related costs on the Condensed Consolidated Statements of Income. The Company paid $5 million and $18 million to CorePoint in the nine months ended September 30, 2020 and the full year 2019, respectively, related to such charges; the remaining amounts are expected to be paid through 2021.

15. TRANSACTIONS WITH FORMER PARENT

The Company has a number of arrangements with its former Parent for services provided between both parties as described below.

License agreement and other agreements with former Parent

In connection with the Company's spin-off, the Company and Wyndham Worldwide entered into long-term exclusive license agreements to retain Wyndham Destinations' affiliations with one of the hospitality industry's top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-sell initiatives.

The Company also entered into several agreements with Wyndham Destinations that govern the relationship of the parties following the spin-off, including a separation and distribution agreement, an employee matters agreement, a tax matters agreement and a transition services agreement. Revenues recorded in connection with these agreements were not material for the three and nine months ended September 30, 2020 and were $1 million and $4 million for the three and nine months ended September 30, 2019, respectively. Such revenues are reported within other revenues on the Condensed Consolidated Statements of Income.

In addition, Wyndham Hotels recorded revenues from Wyndham Destinations in the amount of $16 million and $29 million for the three months ended September 30, 2020 and 2019, respectively, and $49 million and $76 million for the nine months ended September 30, 2020 and 2019, respectively, for a license, development and non-competition agreement. Further, the Company recorded revenues of $3 million and $4 million for the three months ended September 30, 2020 and 2019, respectively, and $10 million and $15 million for the nine months ended September 30, 2020 and 2019, respectively, for activities associated with the Wyndham Rewards program. The Company also recorded revenues from a former affiliate for license fees of $2 million for the three months ended September 30, 2020 and 2019, and $4 million and $6 million for the nine months ended September 30, 2020 and 2019, respectively. Such fees are recorded within license and other fees on the Condensed Consolidated Statements of Income.

Transfer of former Parent liabilities and issuances of guarantees to former Parent and affiliates

Upon the distribution of the Company's common stock to Wyndham Worldwide shareholders, the Company entered into certain guarantee commitments with its former Parent. These guarantee arrangements relate to certain former Parent contingent tax and other corporate liabilities. The Company assumed and is responsible for one-third of such contingent liabilities while its former Parent is responsible for the remaining two-thirds. The amount of liabilities assumed by the Company in connection with the spin-off was $19 million and $22 million as of September 30, 2020 and December 31, 2019, respectively, which were included within other non-current liabilities on its Condensed Consolidated Balance Sheets. The Company also had a $4 million and $2 million liability due to its former Parent which was included within current liabilities on its Condensed Consolidated

Balance Sheets as of September 30, 2020 and December 31, 2019, respectively. In addition, the Company had $4 million of receivables due from former Parent as of September 30, 2020 and December 31, 2019, which were included within current assets on its Condensed Consolidated Balance Sheets.

16. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of AOCI are as follows:

Net of Tax	Foreign Currency Translation Adjustments	Cash Flow Hedges	Accumulated Other Comprehensive Income/(Loss)
Balance as of December 31, 2019	$ (1)	$ (26)	$ (27)
Period change	(3)	(36)	(39)
Balance as of March 31, 2020	(4)	(62)	(66)
Period change	1	(2)	(1)
Balance as of June 30, 2020	(3)	(64)	(67)
Period change	1	4	5
Balance as of September 30, 2020	$ (2)	$ (60)	$ (62)
Net of Tax			
Balance as of December 31, 2018	$ (4)	$ (4)	$ (8)
Period change	1	(8)	(7)
Balance as of March 31, 2019	(3)	(12)	(15)
Period change	1	(16)	(15)
Balance as of June 30, 2019	(2)	(28)	(30)
Period change	(1)	(3)	(4)
Balance as of September 30, 2019	$ (3)	$ (31)	$ (34)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.
(Unless otherwise noted, all amounts are in millions, except share and per share amounts)

Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended. These statements include, but are not limited to, statements related to our expectations regarding our strategy and the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. Forward-looking statements include those that convey management’s expectations as to the future based on plans, estimates and projections and may be identified by words such as “will,” “expect,” “believe,” “plan,” “anticipate,” “intend,” “goal,” “future,” “outlook,” “guidance,” “target,” “objective,” “estimate” and similar words or expressions, including the negative version of such words and expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Wyndham Hotels to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report.

Factors that could cause actual results to differ materially from those in the forward-looking statements include without limitation general economic conditions; the continuation or worsening of the effects from the coronavirus pandemic, (“COVID-19”); its scope and duration and impact on our business operations, financial results, cash flows and liquidity, as well as the impact on our franchisees and property owners, guests and team members, the hospitality industry and overall demand for travel; the success of our mitigation efforts in response to the COVID-19 pandemic; our performance in any recovery from the COVID-19 pandemic, the performance of the financial and credit markets; the economic environment for the hospitality industry; operating risks associated with the hotel franchising and management businesses; our relationships with franchisees and property owners; the impact of war, terrorist activity or political strife; concerns with or threats of pandemics, contagious diseases or health epidemics, including the effects of the COVID-19 pandemic and any resurgence of the virus and actions governments, businesses and individuals take in response to the pandemic, including stay-in-place directives and other travel restrictions; risks related to restructuring or strategic initiatives; risks related to our relationship with CorePoint Lodging; our spin-off as a newly independent company; the Company’s ability to satisfy obligations and agreements under its outstanding indebtedness, including the payment of principal and interest and compliance with the covenants thereunder; risks related to our ability to obtain financing, including access to liquidity and capital as a result of COVID-19; and the Company's limitations related to share repurchases and ability to pay dividends under its credit facility and the timing and amount of any future dividends, as well as the risks described in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") and subsequent reports filed with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, subsequent events or otherwise.

We may use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Disclosures of this nature will be included on our website in the Investors section, which can currently be accessed at www.investor.wyndhamhotels.com. Accordingly, investors should monitor this section of our website in addition to following our press releases, filings submitted with the SEC and any public conference calls or webcasts.

References herein to “Wyndham Hotels,” the “Company,” “we,” “our” and “us” refer to both (i) Wyndham Hotels & Resorts, Inc. and its consolidated subsidiaries for time periods following the consummation of the spin-off and (ii) the Wyndham Hotels & Resorts businesses for time periods prior to the consummation of our spin-off from Wyndham Worldwide. Unless the context otherwise suggests, references herein to “Wyndham Worldwide,” “Wyndham Destinations” and “former Parent” refer to Wyndham Worldwide Corporation and its consolidated subsidiaries.

BUSINESS AND OVERVIEW

Wyndham Hotels & Resorts is a leading global hotel franchisor, licensing its renowned hotel brands to hotel owners in approximately 90 countries around the world.

Wyndham Hotels operates in the following segments:

- **Hotel Franchising —** licenses our lodging brands and provides related services to third-party hotel owners and others.
- **Hotel Management —** provides hotel management services for full-service and limited-service hotels as well as two hotels that are owned by us.

The Condensed Consolidated Financial Statements presented herein have been prepared on a stand-alone basis. The Condensed Consolidated Financial Statements include Wyndham Hotels’ assets, liabilities, revenues, expenses and cash flows and all entities in which Wyndham Hotels has a controlling financial interest.

RESULTS OF OPERATIONS

Discussed below are our key operating statistics, combined results of operations and the results of operations for each of our reportable segments. The reportable segments presented below represent our operating segments for which discrete financial information is available and used on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon net revenues and adjusted EBITDA. Adjusted EBITDA is defined as net income (loss) excluding interest expense, depreciation and amortization, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition- or separation-related), foreign currency impacts of highly inflationary countries, stock-based compensation expense and income taxes. We believe that adjusted EBITDA is a useful measure of performance for our segments and, when considered with U.S. Generally Accepted Accounting Principles ("GAAP") measures, gives a more complete understanding of our operating performance. We use these measures internally to assess operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of selected compensation decisions. Adjusted EBITDA is not a recognized term under U.S. GAAP and should not be considered as an alternative to net income (loss) or other measures of financial performance or liquidity derived in accordance with U.S. GAAP. Our presentation of adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

We generate royalties and franchise fees, management fees and other revenues from hotel franchising and hotel management activities, as well as fees from licensing our “Wyndham” trademark, certain other trademarks and intellectual property. In addition, pursuant to our franchise and management contracts with third-party hotel owners, we generate marketing, reservation and loyalty fee revenues and cost reimbursement revenues that over time are offset, respectively, by the marketing, reservation and loyalty costs and property operating costs that we incur.

COVID-19

Our industry is experiencing a sharp decline in travel demand due to COVID-19 and the related government preventative and protective actions to slow the spread of the virus. We and the entire industry are experiencing significant revenue losses as a result of steep RevPAR declines, which may continue for some time.

As a result of the financial impact of COVID-19, we have taken the following preventative measures to conserve our liquidity, strengthen our balance sheet and support our franchisees through these unprecedented times:

- Issued $500 million of senior unsecured notes at 4.375% due in August 2028;
- Suspended our share repurchase program as of March 17, 2020;
- Reduced our quarterly cash dividend per share to $0.08 per share from $0.32 per share in the first quarter of 2020;
- Workforce reductions, including the elimination of 628 team members across the globe;
- Advertising reductions and elimination of all discretionary spend;
- Capital expenditures reductions to focus on only the highest priority projects;
- Temporary closure of our two owned hotels for April and May 2020; and
- Our Chief Executive Officer elected to forgo his base salary and our Board of Directors ("Board") elected to forgo the cash portion of their fees for a portion of the year.

Our franchisees' financial health and long-term success is a top priority for us, and we have taken the following proactive steps to help them preserve cash during this period:

- Suspended non-room revenue related fees, such as Wyndham Rewards retraining fees;
- Deferred property improvement plans and certain non-essential brand standards requiring cash outlays, such as hot breakfast requirements;
- Provided payment relief by deferring receivables and suspending interest charges and late fees through September 1, 2020;
- Partnered with industry associations to advocate for government relief for our franchisees and their employees;
- Guided owners through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and its evolving guidance and urged the government to expand and clarify these loan programs, for which the majority of our owners qualify; and
- Revised cleaning protocols and secured critical cleaning and disinfection supplies pursuant to new U.S. Centers for Disease Control and Prevention ("CDC") guidelines through our procurement network at reduced costs for our franchisees as well as funding and deferring repayment of these costs to help our franchisees conserve cash during this pandemic.

For our guests whose travel plans have changed, we have modified cancellation policies, paused Wyndham Rewards point expirations until December 31, 2020 and are maintaining loyalty member level status through the end of 2021.

Nearly 90% of our domestic hotels are located along highways and in suburban and small metro areas. Our brands in the economy and midscale segments are utilized by the truckers, contractors, construction workers, healthcare workers, emergency crews and others who still need overnight accommodations even in this COVID-19 crisis. These travelers are looking for well-known service providers they can depend on for quality and enhanced safety measures. Our recovery is less reliant on air travel or international travel demands which now factor in additional safety concerns for guests or group business. While we believe our hotels will be able to quickly recover once the pandemic abates, the ultimate timing of any recovery remains uncertain. In the meantime, our results of operations may continue to be negatively impacted and certain additional intangible assets, such as our trademarks, and our franchised and managed goodwill may be exposed to additional impairments. For further discussion on the effect of COVID-19 on our financial condition and liquidity, see the section below Financial Condition, Liquidity and Capital Resources.

OPERATING STATISTICS

The table below presents our operating statistics for the three and nine months ended September 30, 2020 and 2019. "Rooms" represent the number of hotel rooms at the end of the period which are either under franchise and/or management agreements, or are Company-owned, and properties under affiliation agreements for which we receive a fee for reservation and/or other services provided. "RevPAR" represents the room rental revenues generated by our franchisees divided by the number of available room-nights in the period. These operating statistics are drivers of our revenues and therefore provide an enhanced understanding of our business. Refer to the section below for a discussion as to how these operating statistics affected our business for the periods presented.

	As of September 30,		
	2020	2019	% Change
Rooms			
United States	497,700	509,200	(2%)
International	306,300	312,600	(2%)
Total rooms	804,000	821,800	(2%)

	Three Months Ended September 30,		
	2020	2019	% Change
RevPAR			
United States	$ 36.31	$ 53.79	(32%)
International [(a)]	17.72	35.63	(50%)
Total RevPAR [(a)]	29.23	46.94	(38%)

	Nine Months Ended September 30,		
	2020	2019	% Change
RevPAR			
United States	$ 30.99	$ 48.52	(36%)
International [(b)]	14.69	32.39	(55%)
Total RevPAR [(b)]	24.73	42.46	(42%)

(a) Excluding currency effects, international RevPAR decreased 50% and total RevPAR decreased 38%.
(b) Excluding currency effects, international RevPAR decreased 54% and total RevPAR decreased 41%.

Rooms as of September 30, 2020 decreased 2% compared to the prior year reflecting our previously announced removal of approximately 9,200 unprofitable, non-compliant and operationally challenged hotel rooms during the third quarter.

Total RevPAR for the three and nine months ended September 30, 2020 decreased 38% to $29.23 and 42% to $24.73, respectively, compared to the prior-year periods due to COVID-19 and the related travel restrictions.

THREE MONTHS ENDED SEPTEMBER 30, 2020 VS. THREE MONTHS ENDED SEPTEMBER 30, 2019

	Three Months Ended September 30,		
	2020	2019	Change
Net revenues	$ 337	$ 560	$ (223)
Expenses	266	469	(203)
Operating income	71	91	(20)
Interest expense, net	29	25	4
Income before income taxes	42	66	(24)
Provision for income taxes	15	21	(6)
Net income	$ 27	$ 45	$ (18)

Net revenues for the three months ended September 30, 2020 decreased $223 million, or 40%, compared to the prior-year period, primarily driven by:

- $79 million of lower cost-reimbursement revenues in our hotel management business as a result of CorePoint Lodging asset sales and the termination of unprofitable hotel-management agreements during 2019;
- $68 million of lower marketing, reservation and loyalty fees, reflecting a 38% decline in RevPAR due to lower travel demand as a result of COVID-19;

- $44 million of lower royalty and franchise fees due to the decline in RevPAR;
- $14 million of lower license and other fees due to lower travel demand resulting from COVID-19;
- $13 million of lower owned hotel revenues due to lower travel demand as a result of COVID-19; partially offset by
- $13 million of higher management fees reflecting the absence of a $20 million fee credit for past services with a customer in 2019 and lower management fees due to a 38% decline in RevPAR primarily as a result of lower travel demand from COVID-19.

Total expenses for the three months ended September 30, 2020 decreased $203 million, or 43%, compared to the prior-year period, primarily driven by:

- $79 million of lower cost reimbursement expenses as discussed above;
- $53 million of lower marketing, reservation and loyalty expenses primarily due to cost reductions in response to COVID-19;
- $34 million of lower contract termination costs;
- $23 million of lower operating expenses and general and administrative costs, primarily due to cost containment efforts in response to COVID-19; and
- $12 million of lower transaction-related expenses.

Our effective tax rate increased to 35.7% from 31.8% during the three months ended September 30, 2020 and 2019, respectively, primarily due to higher foreign taxes which is impacted by the jurisdictional mix of earnings and losses in any given period as the foreign jurisdictions in which we operate have tax rates that differ from the U.S. statutory tax rate and a non-deductible payment we agreed to make in 2019 related to the La Quinta acquisition.

As a result of these items, net income for the three months ended September 30, 2020, decreased $18 million compared to the prior-year period.

The table below is a reconciliation of net income to adjusted EBITDA.

	Three Months Ended September 30,	
	2020	**2019**
Net income	$ 27	$ 45
Provision for income taxes	15	21
Depreciation and amortization	24	26
Interest expense, net	29	25
Stock-based compensation expense	5	4
Transaction-related expenses, net	—	12
Contract termination costs	—	34
Transaction-related item	—	20
Foreign currency impact of highly inflationary countries	1	3
Adjusted EBITDA	$ 101	$ 190

Following is a discussion of the results of each of our segments and Corporate and Other for the three months ended September 30, 2020 compared to the three months ended September 30, 2019:

	Net Revenues			Adjusted EBITDA		
	2020	**2019**	**% Change**	**2020**	**2019**	**% Change**
Hotel Franchising	236	$ 379	(38%)	$ 117	$ 195	(40%)
Hotel Management	101	180	(44%)	2	13	(85%)
Corporate and Other	—	1	n/a	(18)	(18)	n/a
Total Company	$ 337	$ 560	(40%)	$ 101	$ 190	(47%)

Hotel Franchising

	Three Months Ended September 30, 2020	2019	% Change
Rooms			
United States	459,600	460,100	—%
International	288,600	298,300	(3%)
Total rooms	748,200	758,400	(1%)
RevPAR			
United States	$ 36.06	$ 51.93	(31%)
International [(a)]	17.39	34.79	(50%)
Total RevPAR [(a)]	28.83	45.23	(36%)

(a) Excluding currency effects, international RevPAR decreased 50% and total RevPAR decreased 36%.

Net revenues decreased $143 million, or 38%, compared to the third quarter of 2019, primarily driven by:

- $67 million of lower marketing, reservation and loyalty revenues due to the 36% decline in RevPAR primarily as a result of COVID-19 on travel demand;
- $45 million of lower royalty and franchise fees due to the decline in RevPAR; and
- $14 million of lower license and other fees as a result of the impact of COVID-19 on travel demand.

Adjusted EBITDA decreased $78 million, or 40%, compared to the third quarter of 2019, primarily driven by the changes in net revenues discussed above, partially offset by:

- $52 million of lower marketing, reservation and loyalty expenses primarily due to cost reductions in response to COVID-19; and
- $12 million of lower operating and general and administrative expenses primarily due to cost containment efforts in response to COVID-19.

Hotel Management

	Three Months Ended September 30, 2020	2019	% Change
Rooms			
United States	38,100	49,100	(22%)
International	17,700	14,300	24%
Total rooms	55,800	63,400	(12%)
RevPAR			
United States	$ 39.12	$ 70.75	(45%)
International [(a)]	23.16	52.49	(56%)
Total RevPAR [(a)]	34.34	66.65	(48%)

(a) Excluding currency effects, international RevPAR decreased 56% and total RevPAR decreased 48%.

Net revenues decreased $79 million, or 44%, compared to the prior-year period, primarily driven by:

- $79 million of lower cost-reimbursement revenues as discussed above, which have no impact on adjusted EBITDA;
- $13 million of lower owned hotel revenues due to lower travel demand as a result of COVID-19; partially offset by
- $13 million of higher management fees reflecting the absence of a $20 million fee credit for past services with a customer in 2019 and lower management fees due to a 48% decline in RevPAR primarily as a result of lower travel demand from COVID-19.

Adjusted EBITDA decreased $11 million, or 85%, compared to the prior-year period, primarily driven by the revenue decreases discussed above, partially offset by $8 million of lower operating expenses, resulting from cost containment efforts in response to COVID-19.

Corporate and Other

Corporate and Other revenues decreased $1 million during the three months ended September 30, 2020 compared to the same period in 2019, due to the completion of transition services previously in place following our separation from Wyndham Worldwide.

Adjusted EBITDA remained consistent for the three months ended September 30, 2020 and 2019.

NINE MONTHS ENDED SEPTEMBER 30, 2020 VS. NINE MONTHS ENDED SEPTEMBER 30, 2019

	Nine Months Ended September 30,		
	2020	2019	Change
Net revenues	$ 1,004	$ 1,561	$ (557)
Expenses	1,071	1,356	(285)
Operating (loss)/income	(67)	205	(272)
Interest expense, net	83	76	7
(Loss)/income before income taxes	(150)	129	(279)
(Benefit)/provision for income taxes	(25)	36	(61)
Net (loss)/income	$ (125)	$ 93	$ (218)

Net revenues for the nine months ended September 30, 2020 decreased $557 million, or 36%, compared to the prior-year period, primarily driven by:

- $202 million of lower cost-reimbursement revenues in our hotel management business as a result of CorePoint Lodging asset sales and the termination of unprofitable hotel-management agreements during 2019;
- $118 million of lower royalty and franchise fees reflecting a 42% decline in RevPAR due to lower travel demand as a result of COVID-19;
- $133 million of lower marketing, reservation and loyalty fees (inclusive of a $13 million benefit in loyalty revenues from a change in our member redemption assumption) due to the RevPAR decline;
- $38 million of lower management and other fees due to a $38 million reduction in owned hotel revenues and $20 million of lower management fees resulting from a decline in RevPAR primarily due to lower travel demand from COVID-19, partially offset by the absence of a $20 million fee credit for past services with a customer in 2019; and
- $34 million of lower license and other fees due to lower travel demand resulting from COVID-19.

Total expenses for the nine months ended September 30, 2020, decreased $285 million, or 21%, compared to the prior-year period, primarily driven by:

- $202 million of lower cost reimbursement expenses as discussed above;
- $126 million of lower marketing, reservation and loyalty expenses primarily due to cost reductions in response to COVID-19;
- $58 million of lower operating and general and administrative expenses primarily due to cost containment efforts in response to COVID-19;
- $43 million of lower contract termination costs;
- $38 million of lower separation and transaction-related expenses; partially offset by
- $161 million of higher impairment charges, driven by the $206 million of impairment charges during the second quarter of 2020, primarily related to certain of our trademarks, principally La Quinta, as well as goodwill for our owned hotel reporting unit. Such trademark impairments were primarily due to a higher discount rate as a result of increased share price volatility, consistent with the lodging sector and broader equity markets; and
- $29 million of higher restructuring charges due to cost saving initiatives implemented in response to COVID-19.

Our effective tax rate decreased to 16.7% on pre-tax loss from 27.9% on pre-tax income during the nine months ended September 30, 2020 and 2019, respectively, primarily due to goodwill impairment charges that are nondeductible for tax purposes and the absence of the favorable tax impact from a settlement with state taxing authorities in the first quarter of 2019, partially offset by a non-deductible payment we agreed to make in 2019 related to the La Quinta acquisition.

As a result of these items, net income for the nine months ended September 30, 2020, decreased $218 million compared to the prior-year period.

The table below is a reconciliation of net income (loss) to adjusted EBITDA.

	Nine Months Ended September 30,	
	2020	2019
Net (loss)/income	$ (125)	$ 93
(Benefit)/provision for income taxes	(25)	36
Depreciation and amortization	73	81
Interest expense, net	83	76
Stock-based compensation expense	14	11
Impairments, net	206	45
Restructuring costs	29	—
Transaction-related expenses, net	13	30
Separation-related expenses	1	22
Contract termination costs	—	43
Transaction-related item	—	20
Foreign currency impact of highly inflationary countries	2	4
Adjusted EBITDA	$ 271	$ 461

Following is a discussion of the results of each of our segments and Corporate and Other for the nine months ended September 30, 2020 compared to September 30, 2019:

	Net Revenues			Adjusted EBITDA		
	2020	2019	% Change	2020	2019	% Change
Hotel Franchising	$ 661	$ 979	(32%)	$ 308	$ 470	(34%)
Hotel Management	343	578	(41%)	14	45	(69%)
Corporate and Other	—	4	n/a	(51)	(54)	n/a
Total Company	$ 1,004	$ 1,561	(36%)	$ 271	$ 461	(41%)

Hotel Franchising

	Nine Months Ended September 30,		
	2020	2019	% Change
RevPAR			
United States	$ 30.24	$ 46.18	(35%)
International [(a)]	14.12	31.37	(55%)
Total RevPAR [(a)]	23.92	40.42	(41%)

(a) Excluding currency effects, international RevPAR decreased 54% and total RevPAR decreased 41%.

Net revenues for the nine months ended September 30, 2020 decreased $318 million, or 32%, compared to the prior-year period, primarily driven by:

- $131 million of lower marketing, reservation and loyalty revenues (inclusive of a $13 million benefit in loyalty revenues from a change in our member redemption assumption) due primarily to the 41% decline in RevPAR primarily as a result of COVID-19 on travel demand;
- $125 million of lower royalty and franchise fees due to the decline in RevPAR; and
- $34 million of lower license and other fees due to lower travel demand as a result of COVID-19.

Adjusted EBITDA for the nine months ended September 30, 2020 decreased $162 million, or 34%, compared to the prior-year period, primarily driven by the changes in net revenues discussed above, partially offset by:

- $125 million of lower marketing, reservation and loyalty expenses primarily due to cost reductions in response to COVID-19; and

- $30 million of lower operating and general and administrative expenses primarily due to cost containment efforts in response to COVID-19.

Hotel Management

	Nine Months Ended September 30,		
	2020	2019	% Change
RevPAR			
United States	$ 39.11	$ 69.31	(44%)
International [(a)]	25.07	52.37	(52%)
Total RevPAR [(a)]	35.20	65.52	(46%)

(a) Excluding currency effects, international RevPAR decreased 50% and total RevPAR decreased 46%.

Net revenues for the nine months ended September 30, 2020 decreased $235 million, or 41%, compared to the prior-year period, primarily driven by:

- $202 million of lower cost-reimbursement revenues as discussed above, which have no impact on adjusted EBITDA;
- $38 million of lower management and other fees due to a $38 million reduction in owned hotel revenues and $20 million of lower management fees resulting from a decline in RevPAR primarily due to lower travel demand from COVID-19, partially offset by the absence of a $20 million fee credit for past services with a customer in 2019; partially offset by
- $8 million of higher termination fees related to CorePoint Lodging asset sales.

Adjusted EBITDA for the nine months ended September 30, 2020 decreased $31 million, or 69%, compared to the prior-year period, primarily driven by the revenue decreases discussed above, partially offset by $20 million in lower operating expenses primarily due to cost containment efforts in response to COVID-19.

Corporate and Other

Corporate and Other revenues decreased $4 million during the nine months ended September 30, 2020 compared to the same period in 2019, due to the completion of transition services previously in place following our separation from Wyndham Worldwide.

Adjusted EBITDA for the nine months ended September 30, 2020 increased $3 million compared to the prior-year period, primarily due to $7 million in lower general and administrative costs primarily due to cost containment efforts in response to COVID-19, partially offset by the $4 million decrease in net revenues discussed above.

RESTRUCTURING

We incurred $29 million of charges related to restructuring initiatives implemented in response to COVID-19 during the nine months ended September 30, 2020. These initiatives resulted in a reduction of 628 employees and are comprised primarily of employee separation and facility closure costs. We paid $25 million in restructuring payments relating to our 2019 and 2020 plans, during the nine months ended September 30, 2020. As of September 30, 2020, we had a $10 million liability related to all our restructuring plans which is expected to be paid by the end of 2021. We expect that annual savings realized will be $50 million to $55 million.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial condition

	September 30, 2020	December 31, 2019	Change
Total assets	$ 4,894	$ 4,533	$ 361
Total liabilities	3,931	3,321	610
Total stockholders’ equity	963	1,212	(249)

Total assets increased $361 million from December 31, 2019 to September 30, 2020 primarily driven by an increase in cash due to borrowings under our revolving credit facility, partially offset by impairments of certain intangible assets. Total liabilities increased $610 million from December 31, 2019 to September 30, 2020 primarily due to the August 2020 issuance of $500 million in senior unsecured notes and borrowings under our revolving credit facility, partially offset by a decrease in deferred income tax liabilities. Total equity decreased $249 million from December 31, 2019 to September 30, 2020 primarily due to our net loss for the period, stock repurchases and dividend payments.

Liquidity and capital resources

Historically, we have used the cash flow generated by our operations to create value for stockholders. Our asset-light business model, with low fixed costs and stable, recurring franchise fee revenue, has generated attractive margins and cash flow. In addition to investments in the business, we would normally expect to return capital to our stockholders through the payment of dividends and/or share repurchases. However, due to the negative impact that COVID-19 is currently having on the travel industry, during March 2020, we suspended share repurchase activity. In addition, we are restricted from making share repurchases under the amendment to our credit facility discussed below. Furthermore, although we paid dividends in the first three quarters of 2020, and intend to continue paying dividends, the amount of any future dividend payment cannot be guaranteed and is subject to evaluation based on the current economic environment, overall demand for travel and restrictions that may be imposed on us from the amendment to our revolving credit facility agreement.

During March 2020, we borrowed $734 million, representing substantially all of our outstanding availability under our revolving credit facility. We repaid $500 million of those borrowings during August 2020 in concurrence with the issuance of new senior unsecured notes and now have $501 million of availability under our revolving credit facility. As of September 30, 2020, we had $735 million of cash on hand.

In April 2020, we completed an amendment to our revolving credit facility agreement to waive the quarterly-tested leverage covenant until the second quarter of 2021. The covenant was also modified for the second, third and potentially fourth quarters of 2021 to use a form of annualized EBITDA, as defined in the credit agreement, rather than the last twelve months EBITDA, as previously required. In return for this modification, we agreed to maintain minimum liquidity of $200 million, which is defined in the credit agreement as the total of unrestricted cash on hand and available capacity under our revolving credit facility, pay a higher interest rate on outstanding borrowings, restrict share repurchases and reduce payment of dividends, or restrict dividends to $0.01 per share in the event our liquidity is below $300 million.

As of September 30, 2020, we had a term loan with an aggregate principal amount of $1.6 billion maturing in 2025 and a five-year revolving credit facility maturing in 2023 with an aggregate principal amount of $750 million, of which $234 million was outstanding and $15 million was allocated to outstanding letters of credit. The interest rate per annum applicable to our term loan is equal to, at our option, either a base rate plus a margin of 0.75% or LIBOR plus a margin of 1.75%. The revolving credit facility is subject to an interest rate per annum equal to, at our option, either a base rate plus a margin ranging from 0.50% to 1.00% or LIBOR plus a margin ranging from 1.50% to 2.00%, in either case based upon the total leverage ratio of the Company and its restricted subsidiaries. After the April 2020 amendment discussed above, the revolving credit facility is subject to an interest rate per annum equal to, at our option, either a base rate plus a margin of 1.25% or LIBOR plus a margin of 2.25%. During the amendment period, the LIBOR rate is subject to a 0.50% floor.

As of September 30, 2020, $1.1 billion of our $1.6 billion term loan is hedged with pay-fixed/receive-variable interest rate swaps hedging of our term loan interest rate exposure. The aggregate fair value of these interest rate swaps was a $79 million liability as of September 30, 2020.

The Federal Reserve has established the Alternative Reference Rates Committee to identify alternative reference rates in the event that LIBOR ceases to exist after 2021. Our credit facility, which includes our revolving credit facility and term loan, gives us the option to use LIBOR as a base rate and our interest rate swaps are based on the one-month U.S. dollar LIBOR rate. In the event that LIBOR is no longer published, the credit facility allows us and the administrative agent of the facility to replace LIBOR with an alternative benchmark rate, subject to the rejection of the majority of the lenders. The International Swaps and Derivatives Association issued protocols to allow swap parties to amend their existing contracts, though the Company's existing swaps will continue to reference LIBOR for the foreseeable future.

As of September 2020, our credit rating was Ba1 from Moody's Investors Service and BB from Standard and Poor’s Rating Agency. A credit rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Reference in this report to any such credit rating is intended for the limited purpose of discussing or referring to aspects of our liquidity and of our costs of funds. Any reference to a credit rating is not intended to be any guarantee or assurance of, nor should there be any undue reliance upon, any credit rating or change in credit rating, nor is any such reference intended as any inference concerning future performance, future liquidity or any future credit rating.

Our liquidity and access to capital may be impacted by our credit ratings, financial performance and global credit market conditions. Our industry has seen a significant decline in travel demand due to COVID-19 and if the effects of COVID-19 persist for a prolonged duration, our credit ratings, financial performance and access to credit markets may be negatively impacted. We may not be able to obtain future borrowings on terms as favorable as our existing terms or at all. We believe that our existing cash, cash equivalents, cash generated through operations and our expected access to financing facilities, will be sufficient to fund our operating activities, anticipated capital expenditures and growth needs.

CASH FLOW

The following table summarizes the changes in cash, cash equivalents and restricted cash during the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30,		
	2020	2019	Change
Cash provided by/(used in)			
Operating activities	$ 57	$ 9	$ 48
Investing activities	(24)	(37)	13
Financing activities	609	(204)	813
Effects of changes in exchange rates on cash, cash equivalents and restricted cash	(1)	—	(1)
Net change in cash, cash equivalents and restricted cash	$ 641	$ (232)	$ 873

Net cash provided by operating activities increased $48 million compared to the prior-year period primarily due to the absence of payment of $188 million of tax liabilities assumed in the La Quinta acquisition during 2019, partially offset by lower net income (excluding non-cash impairment and depreciation expenses) in 2020.

Net cash used in investing activities decreased $13 million compared to the prior-year period, primarily due to lower capital expenditures.

Net cash provided by financing activities increased $813 million compared to the prior-year period, primarily due to the issuance of our $500 million 4.375% senior unsecured notes due 2028 and net borrowings under our revolving credit facility in 2020 and $118 million of lower share repurchase activity.

Capital deployment

Our primary financial goal is liquidity. We expect to remain prudent in our capital allocation policy through the COVID-19 pandemic and until travel demand nears full recovery. While we believe our current quarterly dividend of $0.08 per share is supportable from a financial profile, we cannot make any assurances as to future dividend payments.

During the nine months ended September 30, 2020, we spent $23 million on capital expenditures, primarily related to information technology. During 2020, we anticipate spending approximately $35 million on capital expenditures as we have accelerated spend relating to guest-facing technology initiatives that support franchisee recovery in this environment.

In addition, during the nine months ended September 30, 2020, we spent $11 million on development advance notes to acquire new hotel franchise agreements and hotel-management contracts. In an effort to support growth in our business, we intend to continue to provide development advance notes of approximately $20 million in 2020. We may also continue to provide other forms of financial support.

During the nine months ended September 30, 2020, we paid $58 million of separation, transaction and contract termination costs incurred in 2019 as well as severance costs relating to restructuring initiatives implemented in response to COVID-19, net of cash proceeds of a previously impaired asset.

We expect all our cash needs to be funded from cash on hand and cash generated through operations.

Stock repurchase program

In May 2018, our Board approved a share repurchase plan pursuant to which we were authorized to purchase up to $300 million of our common stock. In August 2019, the Board increased the capacity of the program by another $300 million. Under the plan, we may, from time to time, purchase our common stock through various means, including, without limitation, open market transactions, privately negotiated transactions or tender offers, subject to the terms of the tax matters agreement entered into in connection with our spin-off.

We repurchased approximately 0.9 million shares at an average price of $51.57 for a cost of $45 million during the nine months ended September 30, 2020, all of which was repurchased on or before March 17, 2020, the date we suspended our share repurchase activity due to COVID-19. As of September 30, 2020, we had $191 million of remaining availability under our program.

As a condition of the amendment to our revolving credit agreement, we are restricted from repurchasing shares of our stock until the waiver amendment expires at the beginning of the second quarter of 2021 unless we elect to terminate the amendment earlier.

Dividend policy

We declared cash dividends of $0.32 per share in the first quarter of 2020 and $0.08 per share in both the second and third quarters of 2020 ($45 million in aggregate). The declaration and payment of future dividends to holders of our common stock is at the discretion of our Board and depends upon many factors, including the impact of COVID-19 on travel demand, our financial condition, earnings, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that our Board deems relevant.

Due to the adverse impact on the global economy and travel demand resulting from COVID-19, our Board approved a reduction in the quarterly cash dividend policy from $0.32 per share to $0.08 per share, beginning with the dividend that was declared by the Board during the second quarter of 2020. While we believe some form of reduced future dividend is supportable from a financial profile, we cannot make any assurances as the economic environment remains fluid. As a condition of our amended revolving credit agreement, we may be restricted in future dividend payments to $0.01 per share in the event that our liquidity is below $300 million and we are constrained to $0.16 per share otherwise. We estimate our liquidity will remain above $300 million through the end of the restriction period. If we choose to terminate the amendment prior to the second quarter of 2021, these restrictions would be lifted and our quarterly first lien leverage ratio limit would be reinstated.

LONG-TERM DEBT COVENANTS

Our credit facilities contain customary covenants that, among other things, impose limitations on indebtedness; liens; mergers, consolidations, liquidations and dissolutions; dispositions, restricted debt payments, restricted payments and transactions with affiliates. Events of default in these credit facilities include, among others, failure to pay interest, principal and fees when due; breach of a covenant or warranty; acceleration of or failure to pay other debt in excess of a threshold amount; unpaid judgments in excess of a threshold amount, insolvency matters; and a change of control. The credit facilities require us to comply with a financial covenant to be tested quarterly, consisting of a maximum first-lien leverage ratio of 5.0 times. The ratio is calculated by dividing consolidated first lien indebtedness (as defined in the credit agreement) net of consolidated unrestricted cash as of the measurement date by consolidated EBITDA (as defined in the credit agreement), as measured on a trailing four-fiscal-quarter basis preceding the measurement date.

In April 2020, we completed an amendment to our revolving credit facility agreement to waive the quarterly-tested leverage covenant until the second quarter of 2021. The covenant was also modified for the second, third and potentially fourth quarters of 2021 to use a form of annualized EBITDA, as defined in the credit agreement, rather than the last twelve months EBITDA, as previously required. In exchange, we agreed to restrict share repurchases through the amendment period and to restrict dividend payments to $0.01 per share through the amendment period in the event our liquidity falls below $300 million or constrained to $0.16 per share otherwise. We are also subject to a minimum liquidity covenant of $200 million during the amendment period.

The indenture under which the senior notes due 2026 and senior notes due 2028 were issued contains covenants that limit, among other things, Wyndham Hotels & Resorts, Inc.'s ability and that of certain of its subsidiaries to (i) create liens on certain assets; (ii) enter into sale and leaseback transactions; and (iii) merge, consolidate or sell all or substantially all of Wyndham Hotels & Resorts, Inc.'s assets. These covenants are subject to a number of important exceptions and qualifications.

As of September 30, 2020, we were in compliance with the financial covenants described above.

SEASONALITY

While the hotel industry is seasonal in nature, periods of higher revenues vary property-by-property and performance is dependent on location and guest base. Based on historical performance, revenues from franchise and management contracts are generally higher in the second and third quarters than in the first or fourth quarters due to increased leisure travel during the spring and summer months. Our cash provided by operating activities tends to be lower in the first half of the year and substantially higher in the second half of the year. However, given the impact of COVID-19, we no longer believe the historical seasonality of our business to be relevant to current year operating results. Most industry analysts and economists believe the second quarter will be the most severely impacted and as such, we would expect higher revenues and cash flows in the third and fourth quarters.

COMMITMENTS AND CONTINGENCIES

We are involved in claims, legal and regulatory proceedings and governmental inquiries related to our business. Litigation is inherently unpredictable and, although we believe that our accruals are adequate and/or that we have valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to us with respect to earnings and/or cash flows in any given reporting period. As of September 30, 2020, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to approximately $5 million in excess of recorded accruals. However, we do not believe that the impact of such litigation should result in a material liability to us in relation to our financial position or liquidity. For a more detailed description of our commitments and contingencies see Note 11 - Commitments and Contingencies to the Condensed Consolidated Financial Statements contained in Part I, Item 1 of this report.

CRITICAL ACCOUNTING POLICIES

In presenting our financial statements in conformity with U.S. GAAP, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material impact to our consolidated results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. These Condensed Consolidated Financial Statements should be read in conjunction with our 2019 Consolidated and Combined Financial Statements included in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") and any subsequent reports filed with the SEC, which includes a description of our critical accounting policies that involve subjective and complex judgments that could potentially affect reported results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We use various financial instruments, including interest swap contracts, to reduce the interest rate risk related to our debt. We also use foreign currency forwards to manage and reduce the foreign currency exchange rate risk associated with our foreign currency denominated receivables and payables, forecasted royalties, forecasted earnings and cash flows of foreign subsidiaries and other transactions.

We are exclusively an end user of these instruments, which are commonly referred to as derivatives. We do not engage in trading, market making or other speculative activities in the derivatives markets. More detailed information about these financial instruments is provided in Note 10 - Fair Value to the Condensed Consolidated Financial Statements. Our principal market exposures are interest rate and currency exchange rate risks.

We assess our exposures to changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact in earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest rates. Our variable-rate borrowings, which consists of our term loan, a portion of which has been swapped to a fixed interest rate, and any borrowings we make under our revolving credit facility, expose us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable-rate borrowings, net of swaps, was $702 million as of September 30, 2020. A hypothetical 10% change in our effective weighted average interest rate on our variable-rate borrowings would result in an immaterial increase or decrease to our annual long-term debt interest expense, and a one-point change in the underlying interest rates would result in approximately a $7 million increase or decrease in our annual interest expense.

The fair values of cash and cash equivalents, trade receivables, accounts payable and accrued expenses and other current liabilities approximate their carrying values due to the short-term nature of these assets and liabilities.

We have foreign currency rate exposure to exchange rate fluctuations worldwide, particularly with respect to the Canadian Dollar, the Chinese Yuan, the Euro, the British Pound and the Argentine Peso. We anticipate that such foreign currency exchange rate risk will remain a market risk exposure for the foreseeable future.

We use a current market pricing model to assess the changes in the value of our foreign currency derivatives used by us to hedge underlying exposure that primarily consists of our non-functional-currency current assets and liabilities. The primary assumption used in these models is a hypothetical 10% weakening or strengthening of the U.S. dollar against all our currency exposures as of September 30, 2020. The gains and losses on the hedging instruments are largely offset by the gains and losses on the underlying assets, liabilities or expected cash flows. As of September 30, 2020, the absolute notional amount of our outstanding foreign exchange hedging instruments was $72 million. We have determined through such analyses that a hypothetical 10% change in foreign currency exchange rates would have resulted in approximately a $6 million increase or decrease to the fair value of our outstanding forward foreign currency exchange contracts, which would generally be offset by an opposite effect on the underlying exposure being economically hedged.

Argentina is considered to be a highly inflationary economy. As of September 30, 2020, we had total net assets of $6 million in Argentina.

Our total market risk is influenced by a wide variety of factors including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses presented. While probably the most meaningful analysis, these “shock tests” are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled.

Item 4. Controls and Procedures.

(a) *Disclosure Controls and Procedures.* As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive and principal financial officers, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13(a)-15(e) of the Exchange Act). Based on such evaluation, our principal executive and principal financial officers concluded that our disclosure controls and procedures were effective and operating to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

(b) *Internal Control Over Financial Reporting.* There have been no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the period to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As of September 30, 2020, we utilized the criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are involved in various claims, legal and regulatory proceedings arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material adverse effect on our financial condition. See Note 11 - Commitments and Contingencies to the Condensed Consolidated Financial Statements for a description of claims and legal actions arising in the ordinary course of our business.

Item 1A. Risk Factors.

The discussion of our business and operations should be read together with the risk factors contained in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (“Annual Report”), filed with the Securities and Exchange Commission, which describe various risks and uncertainties to which we are or may become subject. The following should be read in conjunction with, and supplements and amends, the risks and uncertainties that have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner.

The effects of the outbreak of the novel coronavirus ("COVID-19") have disrupted the operations of our franchisees, property owners and us, which have had and are expected to continue to have a negative adverse effect on our business, financial condition, results of operations and stock price.

In December 2019, COVID-19 was identified in Wuhan, China, in March 2020, it was recognized as a pandemic by the World Health Organization and, subsequently, the President of the United States declared a National Emergency throughout the United States attributable to the COVID-19 pandemic and State and local governments proceeded to implement shelter-in-place orders and other restrictions to contain the spread of COVID-19 that currently remain in place. COVID-19 continues to have an unprecedented impact on the global economy and the hospitality industry due to these travel restrictions, resulting in cancelled and reduced travel and complete and partial suspensions of hotel operations and hotel closures for an indefinite period, including ongoing disruptions to the operations of our franchisees, property owners and us, all of which has had, and is expected to continue to have, a negative adverse effect on our business, financial condition, including cash flow and liquidity, results of operations, outlook, plans, growth and stock price. While many states have begun phased re-openings, several states have re-implemented restrictions in response to a surge in COVID-19 cases. We expect that RevPAR declines may continue for some time.

Significant risks include:

- **Revenues and Expenses**: Due to the spread of COVID-19, we have experienced significant decreases in demand and RevPAR. The negative effects of COVID-19 have and will continue to negatively impact our revenues and profitability and the amount of management and franchise fees revenues we are able to generate from our franchised and managed properties. In addition, the impact of COVID-19 is making it difficult for our franchisees and property owners to satisfy operating needs and could make it difficult for them to satisfy their debt obligations to us or others or obtain financing on favorable terms, or at all, which could generally impact their cost and our ability to increase revenue in the future. In addition, if a significant number of hotels exit our system as a result of COVID-19, our revenues and liquidity could be adversely affected. COVID-19 could also materially impact other non-hotel related sources of revenues for us, including, for example, our fees from our co-branded credit card arrangement or our license fee revenues. We could be further required to test our intangible assets or goodwill for impairments due to reduced revenues or cash flows.
- **Operations**: Due to the significant decrease in travel demand, we have taken actions and continue to evaluate opportunities for managing our operating expenses and conserving our financial resources, including the actions described under "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Report. Given the uncertainty relating to COVID-19, we may have to take additional actions in the future, which cannot be predicted.
- **Financial Condition and Indebtedness**: In March 2020, we borrowed $734 million, representing substantially all of our outstanding availability under our revolving credit facility. In April 2020, we amended our credit facility to, among other things, waive the quarterly-tested leverage ratio financial covenant until the second quarter of 2021 and tighten certain covenants, including with respect to share repurchases and certain investments. In addition, we are subject to a minimum liquidity covenant of $200 million, tested on a monthly basis, during such period, and must use the proceeds from certain asset sales and debt issuances to repay outstanding revolving loans during such period. In August 2020, we issued $500 million of unsecured senior notes bearing interest at 4.375%, due in 2028, for which the proceeds were used to repay $500 million of the amount outstanding under our revolving credit facility. See "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and capital resources." An event of default enables our lenders to terminate their commitments and would trigger consequences under other indebtedness or financial instruments. Additionally, any failure to meet required payments of principal and interest under our outstanding indebtedness could result in a default and acceleration of the underlying debt and under other indebtedness that contains cross-default provisions.
- **Growth**: Our plans for growth may be negatively impacted by COVID-19. This environment could result in difficulties for our franchisees and property owners to obtain financing on reasonable terms. In addition, our development pipeline is subject to a number of risks, including construction delays as a result of restrictions on business activity and supply chain interruptions which could cause delays in the completion and development of new hotels, impacting our net rooms growth and/or slowing the rate of our pipeline growth.
- **Capital Markets Impact**: The global stock markets have, and may continue to, experience volatility as a result of COVID-19. The price of our common stock has been volatile in recent months and has experienced periods of significant declines. The significant uncertainty created by the impact of COVID-19 has caused the global economy, business confidence and consumer confidence to have, and likely continue to have, a significant effect on the market price of securities generally, including on our common stock. In addition, we are restricted in our ability to repurchase shares and limited in our ability to make dividend payments.

Despite the steps we have taken to assess and mitigate the impact of COVID-19 on our business, the extent to which COVID-19 impacts our business will depend on future developments, which are highly uncertain and cannot be predicted, including, among other things:

- the scope and duration of the pandemic, including any additional resurgence in the number of COVID-19 cases, and its impact on our business operations, financial results, outlook, plans, growth, cash flows and liquidity, as well as the impact on our franchisees and property owners and their operations, our guests and our team members, the hospitality industry and the overall demand for travel;
- new information which may emerge concerning the severity and impact of COVID-19;
- the actions necessary to contain COVID-19 or respond to its impact, including the need for us or our franchisees and property owners to quarantine team members, employees of our franchisees or our guests or impacted areas that may be affected;
- the impact of the resurgence of the number of COVID-19 cases and the potential resulting re-implementation of restrictions and a renewed or greater unwillingness of guests to travel and stay in hotels due to actual or perceived risks of contracting COVID-19;
- the timing and availability of vaccinations and other treatments for COVID-19;
- general economic and competitive conditions;
- the continuation or worsening of the effects from COVID-19;
- the success of mitigation efforts in response to COVID-19 by our franchisees, property owners, and us, including the actions described under "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Report;
- actions governments, businesses and individuals take in response to the pandemic, including stay-in-place directives and other travel restrictions and the success of those actions;
- our performance in any recovery from COVID-19 or any resurgence;
- our relationships with franchisees and property owners;
- continued access to liquidity, capital and financing as a result of COVID-19 and the terms and cost thereof, as well as our credit rating;
- potential exposure to additional impairments to certain intangible assets, such as our trademarks and our franchised and managed goodwill;
- our ability to maintain our financial reporting processes and related controls since many team members are working remotely;
- the diversion of management's attention from the business if any key team member becomes ill from COVID-19 or unable to work;
- the size and length of the resulting unemployment rates and changes in consumer preferences, discretionary spending and confidence;
- the ability of our franchisees and property owners to successfully respond to the adverse effects of the pandemic and our and their ability to comply with our respective agreements;
- the potential of our franchisees and property owners to declare bankruptcy or cause their lenders to declare a default, accelerate debt or foreclose on the property, which could result in the termination of our franchise or management agreements and impact our current earnings, future earnings and overall financial condition;
- potential exposure to make payments to third-parties to whom we made financial guarantees;
- the length of the recovery period after the COVID-19 pandemic abates, including the time it takes for demand and pricing to stabilize and normal economic and operating conditions to resume;
- the impact on our contracts with our partners, including force majeure provisions;
- labor markets and activities or additional demands or requests from labor unions or labor disputes or disruptions;
- unexpected additional costs and expenses incurred by us, franchisees and property owners related to the effects of COVID-19 and steps taken to counteract future outbreaks, including enhanced health and hygiene or social distancing requirements;
- the effects of any steps we take to reduce operating costs as a result of COVID-19, which may affect, among other things, our brand reputation, our ability to operate the company, our ability to attract and retain team members and guest experience and loyalty; and the effect of any steps we, franchisees and property owners take to counteract future outbreaks of COVID-19 or other pandemics and epidemics;
- potential exposure related to guests or team members who may contract COVID-19.

The potential effects of COVID-19 cannot be predicted in terms of duration or impact and could intensify or otherwise affect many of our other risk factors that are contained in Item 1A of our Annual Report.

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

In May 2018, our Board of Directors ("Board") authorized a stock repurchase program that enables us to repurchase up to $300 million of our common stock. In August 2019, our Board increased the capacity of the program by $300 million. On March 17, 2020, we suspended our share repurchase activity and as a condition of the amendment to our revolving credit agreement, we are restricted from repurchasing shares of our stock until the waiver amendment expires at the beginning of the second quarter of 2021 unless we elect to terminate the amendment earlier. There were no stock repurchases during the three months ended September 30, 2020.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibit index appears on the page immediately following the signature page of this report.

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.

WYNDHAM HOTELS & RESORTS, INC.

Date: October 29, 2020	By:	/s/ Michele Allen
		Michele Allen
		Chief Financial Officer
Date: October 29, 2020	By:	/s/ Nicola Rossi
		Nicola Rossi
		Chief Accounting Officer

EXHIBIT INDEX

Exhibit No.	Description
3.1	Second Amended & Restated Certificate of Incorporation of Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed May 13, 2020)
3.2	Second Amended and Restated By-Laws of Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed May 13, 2020)
4.1	Fifth Supplemental Indenture, dated August 13, 2020, by and among Wyndham Hotels & Resorts, Inc., the guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed August 13, 2020)
4.2	Form of 4.375% Note due 2028 (included in Exhibit 4.1)
10.1	Second Amendment, dated as of August 10, 2020 to the Credit Agreement, dated as of May 30, 2018, as amended by the First Amendment, dated as of April 30, 2020, with Bank of America, N.A., as administrative agent, the several lenders from time to time party thereto, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed August 11, 2020)
15.1*	Letter re: Unaudited Interim Financial Information
31.1*	Certification of President and Chief Executive Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
32**	Certification of President and Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Filed herewith.
** Furnished with this report.

Exhibit 15.1

October 29, 2020

To the Board of Directors and Stockholders of
Wyndham Hotels & Resorts, Inc.
22 Sylvan Way
Parsippany, New Jersey 07054

We are aware that our report dated October 29, 2020, on our review of the interim financial information of Wyndham Hotels & Resorts, Inc. appearing in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, is incorporated by reference in Registration Statement No. 333-224923 on Form S-8 and Registration Statement No. 333-232421 on Form S-8.

/s/ Deloitte & Touche LLP
New York, New York

Exhibit 31.1

CERTIFICATION

I, Geoffrey A. Ballotti, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wyndham Hotels & Resorts, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: October 29, 2020

/S/ GEOFFREY A. BALLOTTI

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, Michele Allen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wyndham Hotels & Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2020

/S/ MICHELE ALLEN

CHIEF FINANCIAL OFFICER

Exhibit 32

CERTIFICATION OF PRESIDENT AND CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Wyndham Hotels & Resorts, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Geoffrey A. Ballotti, as President and Chief Executive Officer of the Company, and Michele Allen, as Chief Financial Officer of the Company (each, the “Reporting Person”), each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the Reporting Person’s knowledge:

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

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

/s/ GEOFFREY A. BALLOTTI

GEOFFREY A. BALLOTTI
PRESIDENT AND CHIEF EXECUTIVE OFFICER
October 29, 2020

/s/ MICHELE ALLEN

MICHELE ALLEN
CHIEF FINANCIAL OFFICER
October 29, 2020