

# RHP Earnings Call Transcript

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Operator: "

Jennifer Hutcheson: "

Colin Reed: "

Mark Fioravanti: "

Cooper Clark: " Wells Fargo Securities, LLC, Research Division

Aryeh Klein: " BMO Capital Markets Equity Research

Patrick Chaffin: "

Bennett Rose: " Citigroup Inc., Research Division

Charles Scholes: " Truist Securities, Inc., Research Division

Daniel Politzer: " JPMorgan Chase & Co, Research Division

Duane Pfennigwerth: " Evercore ISI Institutional Equities, Research Division

Chris Woronka: " Deutsche Bank AG, Research Division

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Operator: Welcome to Ryman Hospitality Properties' Third Quarter 2025 Earnings Conference Call. Hosting the call today from Ryman Hospitality Properties are Mr. Colin Reed, Executive Chairman; Mr. Mark Fioravanti, President and Chief Executive Officer; Ms. Jennifer Hutcheson, Chief Financial Officer; Mr. Patrick Chaffin, Chief Operating Officer; and Mr. Patrick Moore, Chief Executive Officer, Opry Entertainment Group. This call will be available for digital replay. The number is (800) 839-3516 with no conference ID required. [Operator Instructions] It is now my pleasure to turn the floor over to Ms. Jennifer Hutchison. Ma'am, you may begin.

Jennifer Hutcheson: Good morning. Thank you for joining us today. This call may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements about the company's expected financial performance. Any statements we make today that are not statements of historical facts may be deemed to be forward-looking statements. Words such as believes or expects are intended to identify these statements, which may be affected by many factors, including those listed in the company's SEC filings and in today's release. The company's actual results may differ materially from the results we discuss or project today. We will not update any forward-looking statements, whether as a result of new information, future events, or any other reason. We will also discuss non-GAAP financial measures today. We reconcile each non-GAAP measure to the most comparable GAAP measure in the exhibit to today's release. I'll now turn the call over to Colin.

Colin Reed: Thank you, Jen. Good morning, everyone, and thanks for joining us today. We're pleased to report third-quarter results in line with our expectations in what continues to be a somewhat volatile operating landscape. On the hotel side of our business, our group business actualized a bit better than we had anticipated, with a stronger short-term pickup in corporate group meetings. In addition, the leisure hotel market in Nashville improved as the quarter progressed. And in September, transient ADR growth for the upscale and luxury hotel segment turned positive for the first time since February of '25. Overall, our same-store hospitality portfolio meaningfully outperformed the industry in the third quarter,

achieving a RevPAR and total RevPAR index relative to our Marriott-defined competitive set of approximately 141% and 195% of fair share. In our entertainment business, our recent investments in Category 10 and Block 21 continue to perform well, while some of our downtown Nashville venues saw some impact from the surge in new bar and restaurant openings on Lard Roadway. Similar to what we're seeing in the hotel market right now, the rising popularity of country music and Nashville as a destination has attracted new live entertainment supply into the market. Despite this near-term period of absorption, we continue to be extremely bullish on the long-term trajectory of Nashville. Progress on the new Derm Titan Stadium and the East Bank development continues. Construction on Oracle's new headquarters there is expected to begin soon, following recent approvals by the Metro Council. Soil testing on the initial launch site of the boring Company's Music City loop has commenced. And just last week, the Airport Authority outlined more details for the demolition of the current Concourse A and rebuilding of a new 16-gate terminal. Today, with Concourse A out of commission, Nashville has 54 gates in operation and enough capacity to accommodate about 28 million travelers. When the new concourse opens in, I think it's early 2029, Nashville Airport will be able to accommodate up to 40 million travelers. These long-term demand drivers are arguably some of the strongest amongst large cities in this country. And our iconic portfolio of brands is well-positioned to continue to induce and capture more of our fair share of incremental demand. From a brand perspective, the third quarter was a major milestone for our entertainment business. The Opry traveled to the Royal Albert Hall in London for its first-ever international performance, which was also broadcast on BBC2 in the U.K. The show garnered over 1.2 billion media impressions, and the broadcast was BBC2's highest-rated program of the day. As an aside, the former Chair of the Royal Albert Hall Board told us that in all of his years, he's never seen an audience so engaged at a performance like he did at the Opry Show; folks were bouncing in the aisles at the Royal Albert Hall. That's never normally done. The music that has made Nashville Music City is becoming so incredibly popular across Northern Europe. Now, to give you some idea of what's going on in this incredible feeder market, a couple of weeks ago, our business partner, friend, and country music superstar, Luke Combs, announced a series of stadium dates for next year across Europe. And here's an illustration of why I say this genre is exploding in this region. He announced 2 nights at Wembley Stadium and an 85,000-seated stadium; both nights sold out. And now they've announced the third date. The stadium in Glasgow, again sold out. And Slane Castle, look it up, an incredible festival site north of Dublin, catering to about 80,000, again sold out, and they've now arranged a second date. And what Luke told me was that there's only ever been one band that has played 2 consecutive nights at Slane Castle, and that was U2. This is extraordinary stuff, creating Pilgrims who will make their way to Nashville and to our businesses. As we had anticipated, through the investment we're making behind Opry 100, the brand is reaching far more fans than ever before. And we are continuing to expand the platform. A couple of weeks ago, we, together with Luke, announced a second Category 10 development in the heart of the Las Vegas Strip. Construction is already underway. And once open in the fourth quarter of '26, it will be 1 of only 2 country music live entertainment venues with Frontage on the Strip, the other being, of course, Old Red, which has performed incredibly well since opening early last year. As we look ahead, our businesses are in great shape. The amount of group business we have on the books remains healthy, and we continue to generate good returns on the investment we're making in our hotel portfolio. Our expanded entertainment platform contains more avenues for growth than ever before, and we look forward to building on the momentum of the Opry brand and Country Music more broadly in the years to come. As always, we appreciate your interest and support. And with that, let me turn over to Mark to discuss the quarter, our positioning in more detail. Mark?

Mark Fioravanti: Thanks, Colin, and good morning, everyone. I'll review our third-quarter results and also provide some color on how we're thinking about 2026. I'll start with our hospitality business. Our same-store hospitality segment delivered results towards the high end of our expectations due primarily to short-term corporate group pickup in the quarter for the quarter. As a result, the year-over-year group mix shift was not as significant as we had anticipated, with corporate group room nights down only about 20,000 room nights from last year, about half the magnitude we saw in the second quarter. With the decline in corporate group rooms, banquet and AV revenue declined approximately \$14 million, but as has been the case all year, contribution per group room night, a proxy for catering spend per group

guest, continues to exceed our expectations, so groups continue to spend at healthy levels. Food and beverage outlet performance was a bright spot in the quarter, driven by a combination of higher leisure demand, better-than-anticipated corporate group volumes, and our recent capital investments. Outlet sales per occupied room increased nearly 13% and performance was particularly strong at Gaylord National, Gaylord Rockies, and Gaylord Palms, where we've made significant investments in recent years, both in the quality of the offerings as well as our capacities. In fact, total revenue for Gaylord National and Gaylord Rockies was a third-quarter record. And for Gaylord Rockies, the second-best total revenue quarter of all time, behind the second quarter of 2025. Our leisure business was another bright spot in the quarter, including at Gaylord Opryland. Leisure room nights at Opryland increased more than 5% compared to last year, and leisure ADR, while still modestly lower year-over-year, actualized a few percentage points better than our expectations as of last quarter. Finally, the JW Marriott Desert Ridge delivered third-quarter results right in line with our expectations. The existing meeting space renovations wrapped up at the end of September, bringing the multiyear comprehensive property refresh that was initiated by the prior owner to a conclusion. As a value creation opportunity post acquisition, we have begun the work to convert 5,000 square feet of existing vacant office space into sellable carpeted breakout meeting space. As we learn more about this property, we continue to be very bullish on its long-term potential under our ownership. Looking ahead to the fourth quarter and the next couple of years, we're pleased with the amount of business we have on the books. Same-store group rooms revenue on the books for the fourth quarter is comparable to the same time last year, and early ticket sales for our holiday programming are pacing ahead of the same time last year. Despite some of the macroeconomic uncertainty in government policy weighing on the broader lodging industry, the visibility we have into our group business for 2026 and beyond continues to be encouraging. We're continuing to book more room nights at higher room rates. In the third quarter, same-store gross group room nights booked for all future years were up 9% compared to last year, bringing room nights on the books for all future years to a third-quarter all-time high. The ADR on those bookings was also an all-time high, up nearly 3% year-over-year. Our group pace for 2026 and 2027 remains healthy. As of the end of September, same-store group rooms revenue on the books for '26 and '27 were up approximately 8% and 7%, respectively, compared to the same time last year for '25 and '26, with ADR growth continuing to pace in the mid-single digits, while the number of new leads and late-stage opportunities remain at near record levels. Certainly, we've seen elevated cancellation activity this year due primarily to the government sector, but we've also responded with strong in-the-year-for-the-year bookings production and disciplined margin management while continuing to pursue long-term value creation through enhancements and additions to the portfolio. Turning now to our Entertainment business. OEG delivered third-quarter revenue of approximately \$92 million and adjusted EBITDAre of approximately \$25 million. Growth from Category 10 and Block 21 behind our recent investments was partially offset by softer volumes at our downtown Nashville venues as the local live entertainment industry absorbs the cumulative impact of recent new supply. As a result, and as Jennifer will review in a minute, we've narrowed our range of expectations for full-year adjusted EBITDAre in our entertainment business with a new midpoint of \$112 million, which represents approximately 6% growth year-over-year and approximately 12% annualized growth since 2019. Before I turn it over to Jennifer, let me also provide some color on some of the building blocks for 2026, with the caveat that we're still working through the budgeting process with Marriott and expect to provide formal guidance when we report fourth quarter results in February. From a macro perspective, we are optimistic we'll see an increase in group demand given expectations for lower interest rates and a more favorable business and regulatory environment. However, even if the current uncertainty persists, we still expect our business model to outperform others in our sector and the broader group industry. As I mentioned earlier, the group rooms revenue we have on the books for 2026 for the same-store hospitality segment is pacing approximately 8% ahead compared to the same time last year for 2025. From a mix perspective, corporate group bookings are pacing ahead of association group bookings. Should this trend continue, we would expect it to be a modest tailwind for group outside-the-room spending levels in 2026. On the cost side, recall that the collective bargaining agreement for the Gaylord National became effective in November of 2024, so we will lap the initial wage and benefit increases in the fourth quarter of this year. Regarding capital, we anticipate that the sports bar development at Gaylord

Opryland will open in April of 2026, and the Texas rooms renovation will finish sometime in the second quarter. We also expect the meeting space conversion at the JW Marriott Desert Ridge to come online in the second quarter. The ongoing meeting space expansion at Opryland will continue through 2027, and we expect to kick off a room renovation at the JW Marriott Hill Country beginning in April 2026. And finally, on entertainment, we expect our 2025 investments behind Opry 100 and the new amphitheater addition to our portfolio to be a modest tailwind to growth in 2026. As Colin mentioned, Category 10 Las Vegas will be under development for much of the year, opening sometime in the fourth quarter of 2026 with full-year contribution in 2027. As with all our ROI projects, we expect to generate at least mid-teens unlevered IRRs on the estimated project cost of approximately \$35 million. We look forward to providing more details on how we expect the year to shape up on our fourth quarter call in February. And now I'll turn it over to Jennifer to run you through our guidance revisions and review our financial position.

Jennifer Hutcheson: Thanks, Mark. Regarding our outlook for the full year 2025, we are narrowing our guidance ranges now that much of the year is behind us. And in our Entertainment segment, we are lowering the top end of our guidance range for adjusted EBITDAre to reflect softer volumes in our downtown Nashville venues related to new supply in the market. On a consolidated basis, we now expect adjusted EBITDAre in the range of \$772 million to \$802 million, AFFO in the range of \$509.5 million to \$538 million, and AFFO per fully diluted share in the range of \$8 to \$8.38. Turning to our balance sheet. We ended the third quarter with \$483 million of unrestricted cash on hand and our revolving credit facilities undrawn. Total available liquidity was nearly \$1.3 billion. We retained an additional \$33 million of restricted cash available for FF&E; and other maintenance projects. At the end of the quarter, our pro forma net leverage ratio based on total consolidated net debt to adjusted EBITDAre, assuming a full year contribution of adjusted EBITDAre from the JW Marriott Desert Ridge, was 4.4x. Finally, let me comment on our anticipated major cash outflows for the year. Regarding our outlook for capital expenditures in 2025, we are narrowing the range of our expectations to \$375 million to \$425 million based on our latest construction timelines for projects currently underway. As we mentioned in our earnings release, these estimates include modest investments at the JW Marriott Desert Ridge, accelerated material purchasing for the planned 2026 rooms renovation at the JW Marriott Hill Country, and initial project costs for the development of Category 10 Las Vegas. Regarding our dividend, it remains our intention to continue to pay a minimum of 100% of our REIT taxable income through dividends. And with that, Mickey, let's open it up for questions.

Operator: [Operator Instructions] We'll take our first question from Cooper Clark with Wells Fargo.

Cooper Clark: Curious if you could provide us with updated thoughts on the entertainment market in Nashville, acknowledge that drove the guidance reduction in the quarter. Just curious how you're thinking about that business over the next couple of years, as it seems like supply headwinds are persistent.

Colin Reed: Should I start, Patrick? Yes. This is Colin Reed. So the issues that we saw within this city over the period of time, February of this year through June, were that the more budget-conscious consumer pulled back a little. And we saw it in other markets, too, like Las Vegas. But it happened here. And I think a lot of it was created by the overhang on what the hell was going to happen with the big beautiful bill and tariffs, and the media was saying the world was going to fall apart. But what has actually happened as the year has progressed is that obviously, things have stabilized very, very well. The market, the New York Stock Exchange, and the S&P; at all-time highs right now. Trade agreements are being confected, and interest rates are moderating. Corporate profits seem to be in good shape, and airline traffic is up. And I'll give you a statistic that was relayed to me last night by the CEO of the Nashville Airport. October traffic into Nashville was up 10% over last year. And the amount of traffic that the airport received in October was the best October Nashville has ever had. We've been, I think, a little cautious in what is going to play out in the months of November and December, and that is reflected in our guidance. But as we look forward to 2026, 2027, we have this new stadium opening that is going to dramatically increase big, big concerts. We have a whole bunch of new developments taking place on the East Bank. We have a greater capacity to put more traffic through this airport. We have folks, I can tell you, every one of the 3 large airlines that are flying in from Europe has increased the capacity of their airlines over the course of the last couple of months. So as we look forward to '26,

'27, '28, I think we're going to see a surge in tourism in this city, and I think it's going to be long-term, really good for these iconic assets that we own.

Cooper Clark: And then I guess, how should we be thinking about a potential spin of OEG? Are there more bolt-on acquisitions within the entertainment business or additions you need to make to the leadership team that you want to get done first?

Colin Reed: Well, the opportunity we have with this business with the acquisition of Southern, what we've done in Austin, the expanding into markets like Las Vegas, I would be very surprised if you don't hear from us over the course of the next few months in other markets that we will potentially move into markets that are very country music-centric so we can intercept those consumers in their source markets. The great thing about this business is I think we have more opportunity to grow it today than we've ever had. And I would suggest that over the course of the next 12 to 24 months, you'll hear from us more on the growth of this business.

Operator: We will move next with Aryeh Klein from BMO Capital Markets.

Aryeh Klein: Maybe first on cancellations, which ticked up in the quarter. Can you provide a little bit more color on recent trends? What have you seen here in October? And is this still mostly government-related or any other sectors where you've seen an uptick?

Patrick Chaffin: Aryeh, this is Patrick Chaffin, and good to hear from you. Yes. So cancellations were up in the quarter. We were expecting that as a result of the tariff situation that began in the second quarter of this year. I would tell you that as we look across the year, if you look at the Smith Travel Research information, U.S. group monthly occupancy started to decline in April of this year with the tariff situation emerging. And while our group business has fared really well through that tariff situation that's characterized Q2 and Q3, the overall U.S. group monthly occupancy has continued to decline and appeared to trough roughly in August based on Smith Travel information. And it has been recovering in September and potentially in October based on what we've seen so far. So it's too early to tell how cancellations are going to fare in the fourth quarter, but it appears that while it's still down, it's starting to move in the right direction. For us we have seen elevated cancellation activity. We have also seen group leads and group demand in the corporate sector increase at the same time. So we've been able to mitigate some of that impact. But cancellations have been elevated. They've been mostly in the government and government-related sectors, but we have seen some impact from corporate layoffs that have been occurring across the country. But again, I would stress corporate leads and corporate booking volumes continue to be very, very strong. So we've been able to mitigate some of that. So we'll see how the fourth quarter goes. But we do feel like, while overall U.S. monthly occupancy and demand are still down, it is moving in the right direction.

Aryeh Klein: And then curious if you can touch on some of the underlying leisure assumptions for the fourth quarter. Last year was a bit of a challenge, and I think you made some changes to the ICE programming. Any early feedback on either bookings or expectations? And then I believe you're also bringing ICE to Hill Country. How is that shaping up?

Colin Reed: Good questions. Pat, do you want to deal with that?

Patrick Chaffin: Yes. So Hill Country will have ICE for the second year in a row. We'll bring ICE to Desert Ridge next year. But we are expecting improved performance in ICE and in leisure in the fourth quarter of this year versus last year, about a 5% improvement. I would tell you that we're cautiously optimistic. It's still early, but we have some really positive trends occurring right now. Our ICE tickets are up. We've booked about 300,000 tickets to date. It's only about 21% of what we expect to actualize for the full holiday period. But the 21% we have on the books is about a 6-point improvement over what we had booked at this point the same time last year. So we're up about 95,000 tickets over the same time last year. So we're moving in the right direction to achieve that improved performance year-over-year, and we're in a good spot. From a transient room night perspective that's associated with the leisure holiday bookings, we booked about 127,000 room nights to date. That represents about 60% of what we expect to actualize for the 2025 holiday period, and that's an improvement over what we had booked same time last year as well. So we're up about 11,000 leisure room nights. So we've forecasted an improvement both in tickets and in leisure room nights, and we appear to be on pace to make that happen. I would remind you that we still have about 79% of our ICE tickets to book, and about 60% of those book within a 10-day travel period. So still a lot of wood to chop, but we are moving

in a very encouraging direction, and we're cautiously optimistic.

Operator: Our next question comes from Smedes Rose with Citi.

Bennett Rose: I wanted to just ask a little bit about, I guess, the relationship between gross definite room nights that you show quarterly and the net definite room nights. Obviously, the gross improved nicely year-over-year. The net declined for the second quarter sequentially. I'm just wondering, do those 2 go together? Should be looking at the flow-through of one to the other? Or maybe you can just speak to what those numbers are telling you?

Patrick Chaffin: Hi, Smedes, it's good to hear from you. Let's talk about gross versus net on the group side. So the main difference between those 2 is -- let's talk about gross first. As I mentioned earlier, we're seeing really great production from the sales team. We believe we have the best sales team on the planet on the group side, and they continue to perform. Corporate leads are up, and corporate bookings continue to be up. And so they're doing a great job of really taking advantage of the opportunity, even though we are losing some of the cancellations and revals. So on the gross side, we see really good production on the corporate side. To your question on net, the difference between gross and net is essentially cancellations and revals. And when I say revals, that's groups who have previously contracted for, let's say, 1,000 room nights in their block who then call in and say, "Hey, due to tariffs, we're pulling back down to 800 or 700 rooms from our originally agreed upon block. So you have your gross number, which is booked by the sales team. And then if a cancellation or reevaluation of that room block occurs, that's the difference in the net. And so that all the nets together produce the net production in the month or in the quarter. So if you think about what's going on, as I mentioned, corporate room nights continue to be strong, and the folks who are booking right now have already taken into account the impact of tariffs and everything else that's going on within their business. And so they're contracting at a more realistic level based on what they know is going on in the economy. The room nights are on the books previously that are calling in and reducing their blocks are just taking into account now what's going on in the economy. So we continue to see really strong gross results, offset somewhat by what's happening on the netting side with reevaluation of the blocks from groups already on the books and the cancellation that has been occurring.

Bennett Rose: And then you mentioned in your opening remarks that corporate bookings are outpacing association bookings. Do you attribute that largely to the context of tariffs that you were just speaking to? Or is there something that you might think might, I guess, fuel association bookings going forward over the next few quarters?

Patrick Chaffin: Yes. I mean, there's definitely some impact from the tariffs without a doubt. The other thing I would point to, though, is where we stand at this point in the year. We currently have 7.9 million group room nights on the books from a same-store perspective for all future periods. At this point in the year, that's the highest level we have ever seen, and it has a really strong rate associated with it as well. So there's the impact of tariffs, but there's also the impact of the fact that we just have less availability on the books for selling into the future than we've ever seen in our history, which is a good problem to have and will help us further compress group ADR going forward.

Colin Reed: Smedes, my hope would be that, that this shift towards the corporate mix will become more systemic over time because as we've talked about in the past. One of the things that we're trying to accomplish with the capital investments we're making across these hotels is to improve the quality of the rate and improve the quality of the group, and lean more into that corporate customer versus some of the lower-rated SMERF and association business.

Operator: We will move next with Patrick Scholes from Truist Securities.

Charles Scholes: Question for you specifically on the D.C. National. Are you seeing any impact from the government shutdown as it relates to 4Q expectations or just forward bookings in general?

Patrick Chaffin: Yes. Patrick, this is Patrick. Yes, we have seen a few groups that have pulled back or canceled as a result of the shutdown. But it has been pretty isolated, honestly. And it's not really been material in terms of the number of groups that have called in and said, "Hey, we're having to pull back or cancel. So there has been some impact, but it has not been very material. It's pretty isolated thus far.

Colin Reed: But it's fair to say National's performance was terrific.

Patrick Chaffin: Yes. National is right on plan for the year, doing a great job. And as we look to 2026, we look for additional ways to offset the impact of the collective bargaining agreement, but the property

is in a really good position.

Colin Reed: And some of that you're seeing from the capital we deployed coming out of COVID, around food and beverage, and the room renovation that we did. Those investments are paying off.

Patrick Chaffin: Yes. And we're booking a bunch of business. So it's pretty good.

Operator: Our next question comes from Dan Politzer with JPMorgan.

Daniel Politzer: Group, it's pacing up nicely for 2026, up 8% and 2027 up 7%, I believe you said. Can you maybe talk about how the conversations with group and meeting planners ex ex-government, obviously, have evolved? Like, have they meaningfully improved versus 3 or 6 months ago, that gives you maybe increased confidence as you look out to that '27 guidance that you still have out there?

Colin Reed: Do you want to take it?

Mark Fioravanti: Sure. Yes. I mean, you saw what happened in our third quarter results. There was a bit of an overreaction in the second quarter to the tariff situation, and folks significantly reduced their expectations for the third quarter. As we actually moved through the third quarter, things improved somewhat, and we actually ended up beating our expectations on the banquet contribution per group room night. The fourth quarter is more dominated by the transient side. And I don't want to give any guidance on 2026 right now, but we feel like we're well-positioned for 2026, and we're hopeful, as I was alluding to earlier, that while, again, U.S. group demand is currently still down, it is moving in the right direction. So we see meeting planners pausing somewhat in some of their decision-making around when to book, but we're not seeing them wholesale pull back and make any changes. It's really just, hey, the environment is volatile. We're watching it, and we may delay our decision-making a little bit, but we feel like we're in a great position for 2026 as we look towards that and start planning for it.

Colin Reed: Hi, Dan, this is Colin. I want to make one observation. And we've been in this business here, certainly, Mark and I, Patrick, almost 25 years running this business here. And we've seen these periods where we have volatility in the mindset of the group consumer. But Mark said it 5 minutes ago, the group is not vanilla. Different companies that are focused on group operate in very different ways. And what we have done is, I think, we put together a pretty good management team in these hotels. We have world-class physical assets. We generate really good levels of service. And as a consequence, we have a high degree of loyalty amongst these meeting planners. And that is one of the reasons why you see us booking the living daylight out of this business and why going into 2026 with the numbers that we have on the books. And it's something that's taken a long time to perfect. And we will go through these periods. Tariffs will create a problem in the mindset of many companies. But at the end of the day, these companies have to meet and the associations have to meet, and they choose to meet in the places that deliver the best levels of value for them, and we believe that is our company.

Patrick Chaffin: Yes. And I think an important aspect to keep in mind as it relates to '26, that 8% revenue increase year-over-year, was about 2/3 of that premium was from rate. The durability of that rate premium versus an occupancy premium at this point of the year is much stronger. And that's really driven by the fact that we have been investing capital and we have been focusing, as Colin was talking about, on these higher-quality corporate customers. So you're seeing that strategy play through into the numbers.

Daniel Politzer: And then just pivoting to entertainment. It sounds like there are a couple more investments coming in, obviously, Category 10 in Las Vegas. What's your appetite at this point, or thoughts around monetizing that? Is there a certain EBITDA number you guys have marked internally that you want to get to? Or is it just that you're seeing how it evolves over time?

Mark Fioravanti: Well, Dan, you're a sophisticated analyst. The EBITDA is one measurement. The growth characteristics are another measurement. Companies that are able to articulate that they have a growth rate of whatever it may be, whether it's 5%, 10%, 15%, or 20%. As you go up the scale, invariably, the investment community is far more receptive to companies with higher growth rates than lower growth rates. And so it's a combination of things. And as we are plowing the field and sowing the seeds, we've got a lot of stuff that will come out of the ground here over the next 12 to 24 months. But here's what I do believe. And I know Patrick Moore, you believe this, too, that this is an extraordinarily valuable asset that we have. And we want to pick a moment in time. And at that moment in time, we will create a lot of value for our shareholders. This is a very valuable business.

Operator: Our next question comes from Duane Pfennigwerth with Evercore ISI.

Duane Pfennigwerth: Within your corporate group bookings, are there any specific industries you would call out from a recovery perspective?

Mark Fioravanti: That's one of the beauties of our business. We don't have one segment that operates over 5%. So how would you answer the question, Patrick?

Patrick Chaffin: No, I would completely agree with what you just said, Colin, which is that corporate is strong for the most part across the board. And I would call out any one sector as being stronger. I mean, we've obviously been shifting our guns towards fintech quite a bit. So that's an area that we've been expanding in, but I wouldn't say there's greater growth in any one segment right now.

Colin Reed: It's fair to say that the impact that we've seen this year, obviously, from the government shutdown as well as all the devil's work it's we're really seeing weaknesses in the government-related large consulting groups, segments that rely on government contracts.

Duane Pfennigwerth: And then just with respect to Desert Ridge and some of the groups booking into that, broad brush, how many are existing rotational groups versus new to your portfolio?

Mark Fioravanti: So I would tell you that we've only begun to scratch the surface on that. We actually just hired 2 new sales resources who focus on lead generation, who are going to be solely focused on increasing the overlap between Gaylord and JW, as well as increasing the rotational opportunity between the JWs that we own. So it's really too early because they honestly have just been hired in the past 45 days, but we're really encouraged because we believe that we've seen immediate impact in the collaboration and communication between the teams. And I think I'll be able to talk to you in February about some really interesting and encouraging results as a result of those hires.

Operator: We will move next with Chris Woronka from Deutsche Bank.

Chris Woronka: I want to ask, as you look out, this is more of a multiyear, longer-term question, if that's okay. When you look at the composition of groups, and I'm really talking about by size, but also maybe a little bit corporate versus association. Is there any desire to maybe reduce your mix of the smaller short-term groups that can be more unpredictable? And are you seeing greater, I guess, growth in demand from the larger groups on the corporate side or from the smaller groups that like to book closer in? And then I have a follow-up.

Patrick Chaffin: Let me start. The last time we did a big, big, big piece of research, and the last time we observed the research that Smith Travel did, large groups are the groups that are growing in this country. And we are uniquely positioned because of the scale of our assets and our ability to accommodate these large groups. And it's one of the things that I know I look at every month, Patrick, when we get our sales report, is the way the room nights how they fall between 10 to 300 and larger. So we're seeing good growth in the large groups, but how would you answer that question?

Mark Fioravanti: Yes. Chris, I was actually looking at that last night, and it was interesting to see that for 2026, we have a higher mix of the larger groups on the books versus the same time last year, as we looked into 2025. So, as Colin has been talking about for a few years now, we continue to see that growth in the larger groups. But I do want to say the small groups are always essential to what we do. They have a higher rate, they book short term, and they allow you to really top off your group business with the remaining patterns that may be open. And so they come along at the last minute and help you fill out that piece of business, and then you put on top of that any leisure opportunities that you might have. So we're increasing the mix towards the larger group, but the small group will always be essential to finishing off the business.

Chris Woronka: The follow-up is maybe for Colin or Mark. I mean, you guys have a lot of perspective. You've been in Nashville for a long time. Colin, I think many years ago, I'm not going to hold you to this, but I think many years ago, there was a thought to maybe doing something around your Opryland with some of the parcels that might be available or you already. My question today is, really, how do you see that little submarket near Opryland evolving? There's kind of a lot of retail stuff across the street. I know you guys at one time were partners in the development across, I think, Brilllley. Is that submarket of Nashville something where you think that could become a new little market aside from downtown, and you can kind of create your own buzz there aside from obviously what Opryland already has?

Colin Reed: Yes. So here is my belief. And I spent a lot of my time talking with the elected political leaders of this city and the state on this issue. My perspective is, and some of it has been shaped by

Mark's and my history in the early '90s, shaping casino gaming throughout the country and particularly in Las Vegas. My view is that the demand for the product that originates in this city is blowing up right across the planet. And the opportunity for this city is extraordinary. And the question becomes how do we do it, and the form in which we do it. So we own a lot of land out here on the eastern side of the city. And I think we've proven to the world that we don't have a geographic problem here because we've created with Opryland, the most successful convention resort in America that doesn't have a casino. There's not another convention resort that comes close to what we have built over here. And then you look at the Grand old Opry that puts 0.75 million people through it every single year. And my view is that we have a big-time opportunity to change the campus and make it more compelling over time for the consumer that I believe will turn up in this city in droves over the course of the next decade. And I think the other thing that using the parallel to Las Vegas, you think about Vegas and gambling. And 10 years ago, the notion of putting professional sports in that city was crazy. Nobody would have thought it was possible. Now you have professional sports in that city, and that city has become arguably the sports capital of America. We're going to be building here a state-of-the-art city, a state-of-the-art stadium here. And we're going to be attracting Super Bowls, final bowls, college playoffs, WrestleMania, as Las Vegas has that didn't exist. The notion of putting a Super Bowl in Las Vegas a decade ago was crazy. But we have a product here that people want, and it is absolutely blowing up right across the globe. And I do believe that the potential for Nashville is extraordinary.

Operator: We will move next with David Katz with Jefferies.

David Katz: This may or may not be top of mind today. But just curious what your appetite is and what the boundaries would be for potentially more acquisition. One of my go-to issues is always, as you know, I've followed the property in Chula Vista for many years. And that's underlying a more general question.

Colin Reed: Shall I start? Yes, go ahead. So, David, the way we've known each other for a long, long time. And I think you would appreciate that the way we think about acquisitions is purely how do we create value for our shareholders? How do we generate really high-quality return on invested capital? So as we sit here today, we have 7 of these beautiful babies, these great hotels in great markets, 2JWs, 5 Gaylords. And here's the thing. We have, I don't know, right now, \$1 billion, \$1.5 billion in capital in some way, shape, or form under construction that will happen over the next 1, 2, 3 years, and we believe that the majority of that capital is going to generate mid-teen type returns. And all of that is going to create value for our company. So the issue for us is, is there a market that we can plug an asset into? Is there a market that Patrick Chaffin was talking about a second ago about plugging in Desert Ridge into our system and moving customers around? Is there a market that we're not in that we'd like to be in? And the answer is there may be 1 or 2 markets left in the country. But the issue is the asset that we would acquire, the price at which we would acquire it for and how we create real value for our shareholders by doing that. My personal view is I think that if I were a betting man, I would say over the next 1 to 2 years, I think the deployment of capital will be focused internally versus externally, but who knows? The internal rates of return on these incremental investments are pretty hard to compete with if you've got to buy existing assets at market rates. Yes. But we did the bridge a few months ago, and we've been at that one for, I don't know, 10 years, looking at it and trying to get it. And it's simply because of the belief that we can rotate customers into that top 10 group market, Phoenix, Scottsdale, and that over time, we can expand that property and generate really high returns on that incremental capital. So we'll see. But if I were a betting man, I bet you we'd be more likely focused on deploying capital internally than externally.

Operator: We will move next with Jay Kornnerbreg with Cantor Fitzgerald.

Jay Kornnerbreg: Last quarter, I believe you guys had commented on the expectation for RevPAR in the third quarter to be down mid-single digits and reverse for the fourth quarter. And so I guess just curious now that the third quarter came in ahead of those expectations and yet the annual guidance was maintained, I guess where are you maybe seeing some 4Q softness? Is it really just related to government or anything else that's worth calling out?

Jennifer Hutcheson: We've mentioned several times throughout the call already, Jay, that we are seeing government, government-related weakness. That's not a surprise as it relates to the shutdown that's still ongoing. But certainly some bright spots in terms of how leisure is pacing. So all of that's

coming together to where I think we are cautiously optimistic about how the fourth quarter will pan out. We're in as good a position, I think, as we can be with all the headlines that are ongoing. Certainly pleased with how the third quarter turned out relative to our expectations, and feel very comfortable being able to reiterate that full year guidance on the hotel segment.

Mark Fioravanti: I think the other part of it is the thing that we don't know that we're being cautious about is how long this dam shutdown lasts. And as the shutdown prolongs, do we see an acceleration in negative behavior by the consumer? And we don't know the answer to that question. Nobody does. And if these politicians can get their act together and get this country back to work, I think our fourth quarter should be pretty decent. But the big unknown is the craziness of what is taking place in Washington right now.

Jennifer Hutcheson: Yes. But Mark mentioned we've got a comparable number of room nights on the books from a group standpoint in the fourth quarter. Patrick mentioned that at improving rates. And ticket sales, while a small proportion of the total complement that we would expect for the full holiday season has transpired this early on, given the short booking window for leisure, it's pacing ahead.

Colin Reed: I'm encouraged by what we saw in October here in Nashville in the amount of airline arrivals, which is material. So we'll see.

Patrick Chaffin: And I would point out, this time last year, it was very clear that folks were very distracted by a national election. That is not the case this year. We believe that's going to bode well for leisure. But to Colin's point, it's just a question of how much this government shutdown is a distraction to the groups of the country.

Jay Kornnerbreg: And then maybe just one follow-up, moving just to the renovation side with a number of renovations being completed and others ongoing. As we look towards 2026, do you expect the EBITDA lift from completed projects this year in 2025 to outpace the EBITDA displacement from renovations that will be ongoing next year in '26?

Jennifer Hutcheson: Yes. Jay, I appreciate the question. We're going to give guidance in '26 as we finish out our budget. We'll be meeting with Marriott here in the next week or 2 to review what that's going to ultimately look like. We can certainly give you the building blocks, which are very consistent with what we've talked about all year. Certainly, we've already shown that the capital that has come online from the projects we did last year, if you look at the Rockies, has started to return. Performance has been great there, related to the Grand Lodge work that we did there last year. So you're seeing that. So certainly, as things come online like the Opryland Sports Bar, which will be completed early in the year in 2026, you will start to see returns from that. But as Colin mentioned, we've got a lot of things in the pipeline, a lot of good things that are going to return well, and those are going to be ongoing. So we'll just see how that can shape up in terms of improvements from what's coming online and then continued investments as we continue down the multiyear path.

Patrick Chaffin: It would be fair to say that we don't expect any incremental headwinds from a disruption perspective next year?

Colin Reed: No. And I would give a shout-out to our design and construction teams, who are really getting all of this renovation and construction work down to a science and doing a phenomenal job with minimizing the impact on the business and trying to pull back on the displacement that we've already projected.

Mark Fioravanti: We have 3 minutes from the top of the hour. Maybe take one more question. Got a couple. We'll shorten our answers. Let's try to get through all these. Go ahead. All right.

Operator: We will move next with Chris Darling with Green Street.

Chris Darling: Colin, you mentioned that in all likelihood, OEG will expand into other markets in the coming years, or at least you have the opportunity to do so. How do you think about the international opportunity for OEG? Any thoughts on growing overseas? Or were you primarily referencing new U.S. markets?

Colin Reed: It's funny you asked that question. Patrick Moore, Mark, and I, 2, 3 weeks ago, had dinner with Luke over in London, Luke Holmes, who was with us on the Opry show that we did at Royal Alber Hall. And Luke would love to do a category over there simply because of the popularity that, that man has. It's extraordinary. I think it's something that we'll be looking at, but it's not something that I would say, no, we're not going to do that. The popularity here is music. And I think the product that we deliver

would be well sought after. The issue is finding a partner to do that in that neck of the woods. Doing business in the U.K. is difficult. And so we'll see. But the good news is, I think we've got lots of other opportunities to grow this business domestically.

Mark Fioravanti: And we do have content airing in the U.K. now for the Opry show. Yes. So the brands are present. We just don't have a physical presence in those markets at this point.

Operator: We will move next with John DeCree with CBRE.

John DeCree: Maybe just one on that same theme about international next year, the World Cup in North America. I know there's only a handful of games in Dallas, but how do you think about given Country Music's penetration in Europe, follow-on trends? Is there any programming that you're thinking about doing? Have you seen any early bookings yet? I know it might be early, but I think it dovetails with our conversation on country music expansion in Europe, given there might be some customer overlap. Curious if you have any initial thoughts.

Colin Reed: Well, we're going to see a lot of international travel in the summertime next year for the World Cup. And unfortunately, our stadium here will not be complete. And I can tell you, I've spent quite a bit of my time with other folks in the city, quoting FIFA to try and get the 2026 World Cup here in Nashville. But there are going to be markets where there will be some lift, like, for instance, Orlando is a market, I think that we'll see lift because of the World Cup next year. But the interesting thing is, we're very active, not we, Ryman, but we, the city, are very active in quoting FIFA for the Women's World Cup here because we will have a beautiful stadium. And so this is a consumer base that we think could be potentially very valuable for international sporting events. We just announced, I think it was last week, that we secured the Olympics for the physically disabled folks. What are we, Special Olympics? Yes, Nashville has secured that here. So this is a consumer base that we are very interested in. All right. I think, Nikki, that's it. I appreciate everyone being on the call this morning. A lot of good questions. Our business is in good shape, and we're looking forward to this fourth quarter. And I know I'm looking forward to seeing how '26 plays out because I think it could be a good year for our company. Thank you, everyone.

Operator: Thank you. And this concludes the Ryman Hospitality Properties Third Quarter 2025 Earnings Conference Call. Thank you for your participation, and you may now disconnect.