



1919



Hilton

100
YEARS OF
Hospitality



2019
ANNUAL REPORT





CREATING
a Great Place to
Work for All



2019
Our Most
Dynamic
Year Yet



6,100+

Properties in 119 Countries
and Territories



HILTON
HONORS
AT ABBEY ROAD STUDIOS

CURATING
Money-Can't-Buy
Experiences



Hilton
HONORS
100th Million
Member
Welcomed



HILTON
EFFECT
FOUNDATION

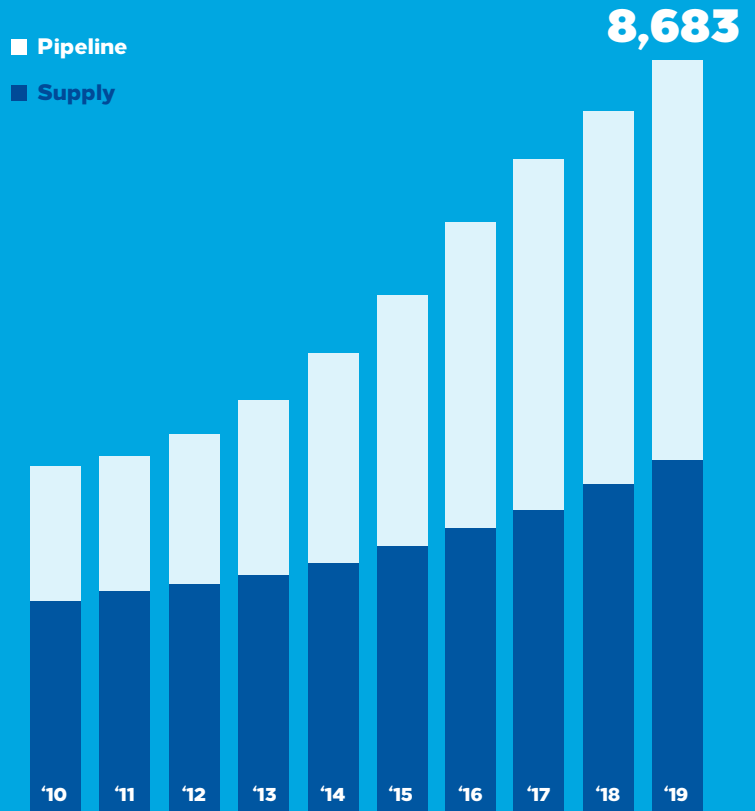


CREATING a Better World to Travel



FUELING Global Growth

Properties Open and In the Pipeline



420,000 Team Members*

*Corporate, owned, managed and franchised employees globally

A message from Chris



Christopher J. Nassetta, President & Chief Executive Officer

We Are **HILTON** We Are **HOSPITALITY**

Our Vision

To fill the earth with the light and warmth of hospitality – by delivering exceptional experiences – every hotel, every guest, every time.

Our Mission

To be the most hospitable company in the world – by creating heartfelt experiences for guests, meaningful opportunities for Team Members, high value for owners and positive impact in our communities.

Our Values

Hospitality

We are passionate about delivering exceptional guest experiences.

Integrity

We do the right thing, all the time.

Leadership

We are leaders in our industry and in our communities.

Teamwork

We are team players in everything we do.

Ownership

We are the owners of our actions and decisions.

Now

We operate with a sense of urgency and discipline.



1st
Air-conditioned lobby



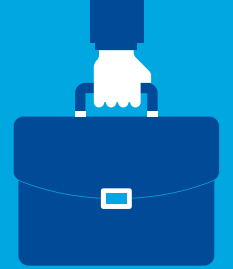
1st
Televisions in
guest rooms



Innovation

**Guest-centric
innovation is in our
DNA, and constant
connection to our
guests keeps us
looking forward.**

1st
Airport hotel



1st
Connected Room



1st
Digital Key



Redefining Loyalty

Hilton’s guest loyalty program, Hilton Honors, is always looking for innovative ways to provide value, flexibility and personalization for its Members with the brands they love. In 2019, we added exciting new opportunities to earn and redeem Points including:



Lyft
First-of-its-kind partnership allowing Honors Members to earn and redeem Points when they ride with Lyft.



Live Nation
Renewed partnership with the world’s leading live entertainment company to offer Honors Members access to tickets and exclusive music experiences through HiltonHonors.com/Experiences.



American Express
Reintroduced the Hilton Honors American Express Surpass Card and rolled out generous limited-time welcome offers for new Card Members in the height of the summer travel season. With one of the Honors American Express co-branded credit cards, new Card Members receive instant Honors status and have the ability to earn Bonus Honors Points on eligible Points.*
*Terms Apply

A More Intelligent Way to Learn

Teamwork and Ownership are at the heart of Hilton’s values, so it is important for corporate office Team Members new to the hospitality industry to experience hotel operations in a way that provides a thorough understanding of the complex and physical nature of the roles

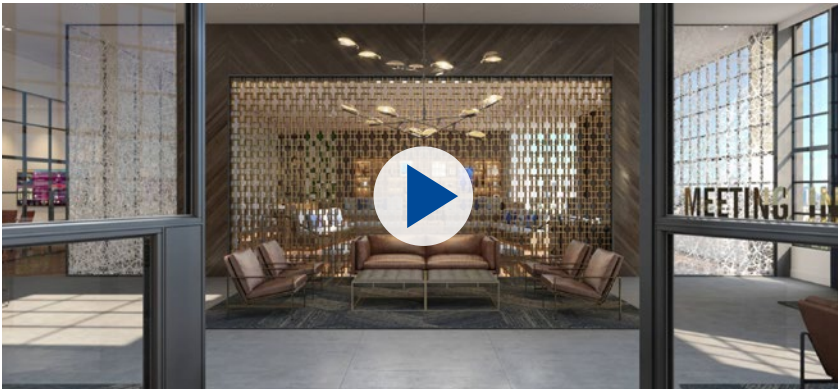


and responsibilities of on-property Team Members. Hilton’s Learning & Development team identified virtual reality as an effective way to create an immersion experience for new hires. Using VR goggles, Team Members can now move through different hotel departments, completing



tasks including setting a room service tray and cleaning a guest room.

4,500
Team Members have used VR training as part of their onboarding and continued learning.



Let's Get Together at *Signia* by Hilton

Signia by Hilton is setting out to transform the meetings and events industry by offering travelers who value sophisticated design, inspiring meeting spaces, elevated food and beverage offerings and seamless technology integration a new place to come together. Developed based on feedback from meeting professionals, guests, owners and developers, Signia by Hilton delivers a premier experience from check-in to check-out. Take a tour of this game-changing brand [here](#).



Customized Comforts of Home

Connected Room allows Hilton guests to control and personalize their stay from the palm of their hand, including television programming, lighting, temperature and more.



iHeartRadio



NETFLIX



SHOWTIME

At year end 2019, Hilton had more than **11,400** Connected Rooms across **76** hotels.



Out-of-This-World Food & Beverage

At DoubleTree by Hilton, the simple gesture of offering a warm chocolate chip cookie at check-in has become synonymous with the brand's commitment to providing guests with a welcoming and comfortable stay. In 2019, we brought this signature hospitality to new heights when we sent our famous cookies into orbit to become the first food ever baked in space. Astronauts aboard the International Space Station (ISS) used the first space oven, designed by Zero G Kitchen, to bake the cookies as part of a landmark microgravity experiment. The experiment took place over several days in December 2019, and makes Hilton the first hospitality company to participate in research aboard the ISS. On this historic occasion, DoubleTree partnered with Scholastic to engage 140,000 students around hospitality, STEM and space through learning modules and contests. Learn more about the experiment [here](#).

\$1 Billion+

Saved through *Light* STAY

Corporate Responsibility Management System



Net Unit Growth
+6.6%



\$886 Million

2019 Full Year
Net Income

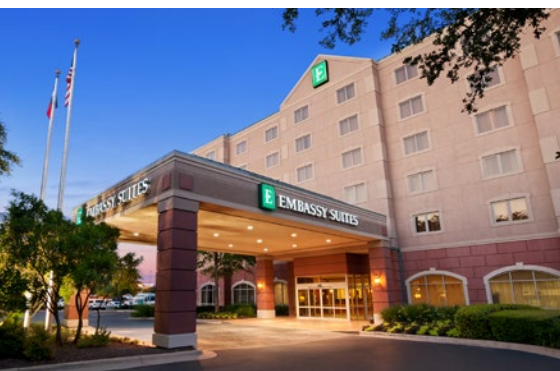
Value

**A Resilient Business
Model That Delivers
Industry-Leading
Premiums**



\$2.3 Billion

2019 Full-Year Adjusted EBITDA



Industry-leading
14%
Global RevPAR Premium



387,000+

Rooms in Pipeline



A Resilient, Fee-Based Business

Top-Line Driven



90%

Adj. EBITDA from fees^(a)

Capital Efficient Growth



~7%

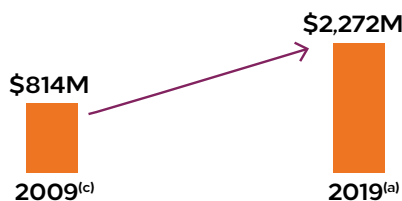
Net Unit Growth^(a)
~50% pipeline under construction

Meaningful Fee Growth



+11%

Management & Franchise Fees CAGR^(b)



(a) Based on year ended 12/31/19. For Adjusted EBITDA, excludes corporate and other.
 (b) Excludes amortization of contract acquisition costs recorded as contra-revenue.
 (c) Does not include the effect of the revenue recognition standard adopted on January 1, 2018.



As we reflect on our 100th year, we are proud of what we have accomplished and how we continue to position Hilton to drive long-term value for years to come.

Kevin Jacobs, Chief Financial Officer



Guided by Our Key Strategic Priorities



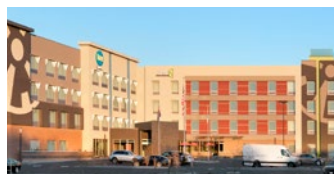
Align Culture & Organization

Our performance-driven, purpose-led culture is united around a common vision, mission and values.



Win on Customer Experience

The best-performing portfolio of brands in the business builds on commercial capabilities to maximize revenue and innovative digital technology to personalize guest experiences.



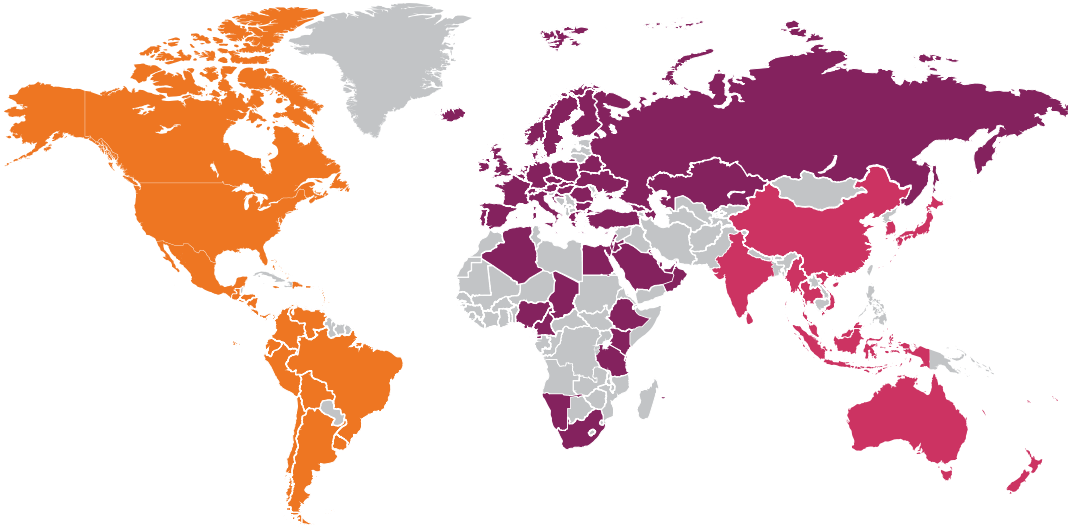
Expand Global Footprint

Hilton's global presence continues to grow at a record pace, bringing our innovative brand offerings to new and existing markets.



Maximize Performance

Capitalizing on strong industry fundamentals, our resilient, fee-driven business model executes against a consistent strategy with clear objectives: grow market share and free cash flow to maintain a strong balance sheet and accelerate capital return.



Our Global Footprint

Global

6,110 Total Properties
971,780 Total Rooms
387,000+ Rooms in Pipeline

Europe, Middle East and Africa

550 Total Properties
122,019 Total Rooms
68,000+ Rooms in Pipeline

The Americas

5,208 Total Properties
755,648 Total Rooms
196,000+ Rooms in Pipeline

Asia Pacific

352 Total Properties
94,113 Total Rooms
122,000+ Rooms in Pipeline



In 2019, Hilton had its fifth consecutive record-breaking year of growth. By opening more than a hotel a day, we're able to provide our guests exceptional experiences around the world.



Ian Carter, President, Global Development, Architecture, Design & Construction

Growth Highlights



6,110
 Total Properties



387,000+
 Rooms in Pipeline



116,000+
 Rooms Approved

4 Brands Achieved Milestone Openings

100th

300th

500th

2,500th

54

Great Place to Work awards in 2019



Named a Great Place to Work for Women in 6 countries



#1 In the U.S. - Fortune and Great Place to Work

Opportunity

Building a Great Place to Work for All



#1 For Parents in the U.S. - Fortune and Great Place to Work



#2 Workplace in the World - Fortune and Great Place to Work





Capturing the Spirit of Hilton

Hilton’s founder, Conrad Hilton, launched the world’s first global hospitality company to make the world a better place. Hilton hotels have been the setting for powerful cultural moments ever since. One such moment, John Lennon and Yoko Ono’s Bed-In for Peace, took place in Room 702 of the Hilton Amsterdam, beginning March 25, 1969. 50 years later, we created a new video series taking viewers on a journey inspired by the spirit of Room 702, personified by our incredible Team Members who bring that spirit to life today.



Building a New Life
Syrian refugee Ismaeil Dawod finds new opportunities in Germany through an apprenticeship program. Hilton has impacted nearly 11,000 refugees since 2015 through volunteering, in-kind donations, purchasing, training and employment.



Investing In Our Future
Nick Li honors his older sister’s sacrifice by advocating for girls’ education in rural China. This year we exceeded our 2014 Open Doors pledge to positively impact 1 million young people by 2019. Watch his video [here](#).



Helping Our Family Take Care of Theirs

Thrive at Hilton

In a robust expansion of our family-friendly benefits in the U.S., Hilton increased parental leave by two weeks, providing birth mothers with an industry-leading 12 weeks of paid time off, and fathers and adoptive parents with four weeks of paid time off. Expecting and returning parents also have access to a new Parents Concierge benefit where expecting parents can access assistance while transitioning from, and back to, work.

In 2019, Hilton launched a partnership with Milk Stork, which allows Team Members to easily ship or carry breast milk home to their babies while traveling for work. The benefits complement our existing benefits that make Hilton the #1 Best Place to Work for Parents.



Our values are the foundation of our award-winning culture. Our goal is simple – to be the best place to work for our Team Members so they can provide the best service to our guests.




Matt Schuyler,
Chief Human Resources Officer

Turning Dreams Into Reality

Through Hilton's Thrive Sabbatical program, we support Team Members in pursuing their dreams and being the positive change they want to see in the world. Selected Team Members are given four weeks of paid sabbatical time and \$5,000 to either live a dream or give a dream. For the third year of the program, Team Members around the globe used their sabbaticals for adventures ranging from biking across Australia to raise money to educate underprivileged kids, to becoming certified in 2,000-year-old traditional dance, to a Team Member learning sign language in order to communicate with her son.



**Live
a Dream or
Give
a Dream**

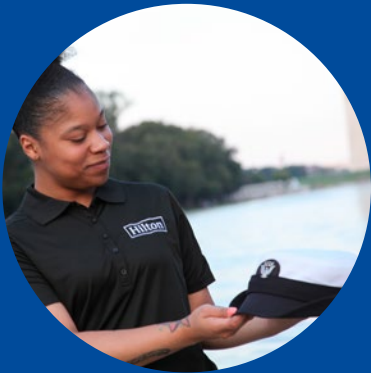


Mira



Creating Opportunities for Veterans

We value the leadership, integrity and teamwork that veterans and their families bring to the hospitality industry. In 2019, Hilton achieved our Operation: Opportunity goal of hiring **30,000** veterans, military spouses and caregivers across hotels, corporate offices and work-from-home positions in the U.S. within five years. We further expanded our commitment by pledging to make **25,000** additional hires by 2025, while enhancing training and development opportunities and comprehensive benefits tailored for the veteran community.



OPERATION: OPPORTUNITY

OUR MISSION IS YOUR SUCCESS

5,300+
properties

**Participating in Soap
Recycling Program**



**Procurement
through nearly
3,500
Diverse
Suppliers**



Impact

**Bringing the
Hilton Effect Into
Communities
Around the World**

**The Only
Hospitality Company on *Fortune's*
Change the World List**



**Nearly
1,430,000
Volunteer Hours
since 2017**



1 Million+
**Young People Impacted
Through Open Doors Pledge**



**1st
major hotel
brand to set
science-based
targets to reduce
our carbon
emissions**





Creating a Better World to Travel

The Hilton Effect is the positive, world-altering impact that Hilton has on billions of lives and thousands of communities around the globe. As we look ahead to the next century of impact, Hilton launched the [The Hilton Effect Foundation](#) with an initial announcement of 15 Hilton Effect Grants to fund projects and nonprofit partners having a positive impact on the communities we serve. These inaugural grants will support programs that are creating opportunities for youth, aiding in disaster recovery and supporting our Travel with Purpose 2030 goals.

Travel with Purpose

Travel with Purpose is Hilton’s corporate responsibility strategy to drive responsible travel and tourism globally. We are committed to doubling our social impact investment and cutting our environmental footprint in half by 2030. We are proud to have been recognized as the global industry leader on the Dow Jones Sustainability Indices, and named to the global environmental impact nonprofit CDP’s 2019 “A-List” for our climate change leadership.



From mitigating the harmful effects of climate change to driving inclusive growth, we are leveraging our global footprint to make our communities better for those who live, work and travel there.



Katie Fallon, EVP, Global Communications & External Affairs

Respecting Human Rights



Hilton developed the hospitality industry’s first online training on Key Risks of Modern Slavery in Labor Sourcing and donated it to the International Tourism Partnership (ITP). The ITP made the training freely available to the industry and to the public this past year. In addition, we require all hotel-based employees to complete an annual training on identifying signs of trafficking to combat human trafficking, including for sexual exploitation.



Reducing Food Waste

Global food insecurity remains endemic, yet approximately one-third of food is wasted and ends up in landfills worldwide. As part of Hilton's Travel with Purpose 2030 Goal to cut our food waste in half, we expanded our food donation initiative to all 300 of our managed hotels in the U.S. and Canada – one of the largest hotel food donation programs to date. Each property will set a food waste diversion and donation goal for 2020, and partner with local organizations to feed the hungry in their communities. Hilton expects to donate nearly 100 tons of food over the next year – enough to feed more than 160,000 people – while also diverting millions of pounds of food waste from landfills.



Addressing Single-Use Plastics

Hilton is taking steps to reduce single-use plastics. In 2019 we enacted a global ban on plastic straws, cocktail picks and stir sticks, and we continued our transition from single-use bath toiletries to full-size dispensers. We remain focused on taking necessary steps to replace single-use plastic items with environmentally preferable alternatives, with a focus on reusable items wherever possible.



Travel with Purpose 2030 Goals Update

PROGRESS TOWARD OUR 2030 GOALS

Doubling Our Social Impact Investment

Since 2017, we have:

Donated
\$3.2M
in Support of
Disaster Relief

Trained
121,000
Team Members
in Anti-human
Trafficking

Volunteered
1,429,295
Hours in Our
Communities

Cutting Our Environmental Footprint

Since 2008, we have reduced:

Carbon
Emissions
-36%

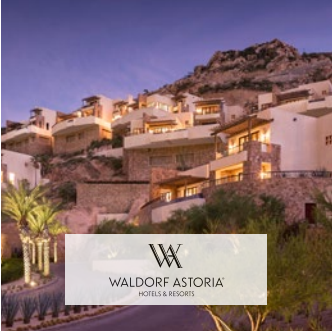
Energy
-26%

Water
-22%

Waste
-44%

Our Portfolio

With the best-performing portfolio in the business, Hilton's award-winning brands serve guests with any lodging need anywhere in the world.



OUR
Leaders



CHRISTOPHER J. NASSETTA
President & Chief Executive Officer



KRISTIN CAMPBELL
General Counsel



IAN R. CARTER
President, Global Development, Architecture, Design & Construction



KATIE B. FALLON
Global Head of Corporate Affairs



DANNY HUGHES
President, Americas



KEVIN JACOBS
Chief Financial Officer



MATTHEW W. SCHUYLER
Chief Human Resources Officer



CHRIS SILCOCK
Chief Commercial Officer



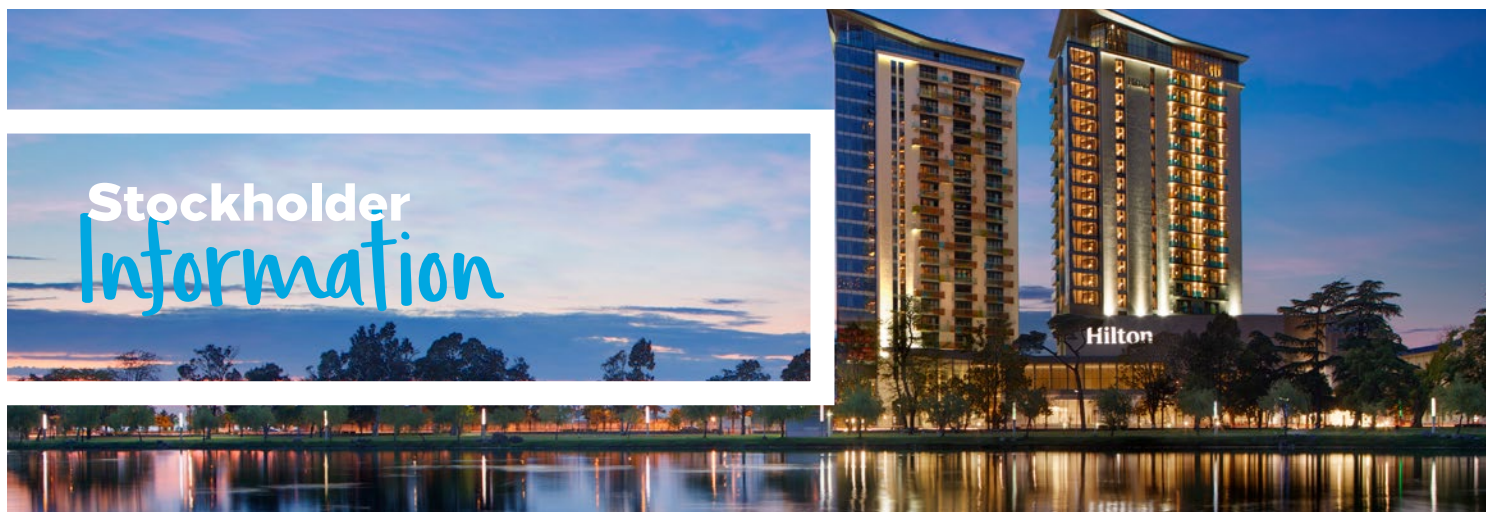
SIMON VINCENT
President, Europe, Middle East & Africa



ALAN WATTS
President, Asia Pacific



JONATHAN A. WITTER
Chief Customer Officer



Stock Market Information

Ticker Symbol: HLT
Market Listed and Traded: NYSE

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**Annual Meeting
of Stockholders**

June 5, 2020
<http://www.virtualshareholdermeeting.com/HLT2020>

Board of Directors

CHRISTOPHER J. NASSETTA

President, Chief Executive Officer & Director, Hilton

JONATHAN D. GRAY

Chairman of the Board of Directors, Hilton; President & Chief Operating Officer, Blackstone

CHARLENE T. BEGLEY

Former Senior Vice President & Chief Information Officer, General Electric; President & Chief Executive Officer of Home and Business Solutions, General Electric

MELANIE L. HEALEY

Former Group President, The Procter & Gamble Company

RAYMOND E. MABUS, JR.

United States Secretary of the Navy 2009-2017; Former Governor of Mississippi; Former U.S. Ambassador to the Kingdom of Saudi Arabia

JUDITH A. MCHALE

President & Chief Executive Officer, Cane Investments; Former President & Chief Executive Officer, Discovery Communications

JOHN G. SCHREIBER

President of Centaur Capital Partners; Retired Partner & Co-Founder, Blackstone Real Estate Advisors

ELIZABETH A. SMITH

Former Chief Executive Officer, Bloomin' Brands

DOUGLAS M. STEENLAND

Chairman of the Board of Directors, American International Group

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