Ryman Hospitality Properties, Inc.
Form 10-Q
November 07, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10 Q

(Mark One)

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

For the quarterly period ended September 30, 2018

or

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

Commission file number 1 13079

RYMAN HOSPITALITY PROPERTIES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	73-0664379
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

One Gaylord Drive

Nashville, Tennessee 37214

(Address of Principal Executive Offices)

(Zip Code)

(615) 316 6000

(Registrant’s Telephone Number, Including Area Code)

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

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

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of October 31, 2018
Common Stock, par value $.01	51,333,386 shares

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RYMAN HOSPITALITY PROPERTIES, INC.

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For the Quarter Ended September 30, 2018

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Part I – FINANCIAL INFORMATION

Item 1. – FINANCIAL STATEMENTS.

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands)

	September 30, 2018	December 31, 2017
ASSETS:		
Property and equipment, net of accumulated depreciation	$ 2,126,764	$ 2,065,657
Cash and cash equivalents - unrestricted	86,025	57,557
Cash and cash equivalents - restricted	38,372	21,153
Notes receivable	108,696	111,423
Investment in Gaylord Rockies joint venture	89,403	88,685
Trade receivables, less allowance of $820 and $651, respectively	80,595	57,520
Deferred income tax assets, net	40,449	50,117
Prepaid expenses and other assets	74,341	72,116
Total assets	$ 2,644,645	$ 2,524,228
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Debt and capital lease obligations	$ 1,693,427	$ 1,591,392
Accounts payable and accrued liabilities	214,711	179,649
Dividends payable	44,668	42,129
Deferred management rights proceeds	174,784	177,057
Other liabilities	159,560	155,845
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value, 100,000 shares authorized, no shares issued or outstanding	—	—
Common stock, $.01 par value, 400,000 shares authorized, 51,333 and 51,198 shares issued and outstanding, respectively	513	512
Additional paid-in capital	898,845	896,759
Treasury stock of 579 and 567 shares, at cost	(14,195)	(13,253)
Accumulated deficit	(504,577)	(479,170)
Accumulated other comprehensive loss	(23,091)	(26,692)
Total stockholders' equity	357,495	378,156
Total liabilities and stockholders' equity	$ 2,644,645	$ 2,524,228

The accompanying notes are an integral part of these condensed consolidated financial statements.

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

AND COMPREHENSIVE INCOME

(Unaudited)

(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues:				
Rooms	$ 103,181	$ 100,534	$ 332,490	$ 314,577
Food and beverage	118,496	104,437	392,488	359,047
Other hotel revenue	27,563	24,619	81,129	73,493
Entertainment	43,009	35,134	108,446	92,427
Total revenues	292,249	264,724	914,553	839,544
Operating expenses:				
Rooms	29,563	27,575	88,550	83,962
Food and beverage	67,305	62,649	211,677	200,091
Other hotel expenses	74,350	72,299	226,965	220,073
Management fees, net	6,558	4,708	22,323	16,417
Total hotel operating expenses	177,776	167,231	549,515	520,543
Entertainment	31,327	22,651	80,947	61,637
Corporate	7,212	7,909	23,181	22,786
Preopening costs	300	877	3,972	1,587
Depreciation and amortization	30,994	28,546	89,655	83,862
Impairment and other charges	4,540	—	4,540	—
Total operating expenses	252,149	227,214	751,810	690,415
Operating income	40,100	37,510	162,743	149,129
Interest expense	(19,220)	(16,621)	(55,574)	(49,640)
Interest income	2,678	2,957	8,197	8,874
Loss from joint ventures	(985)	(899)	(2,227)	(2,616)
Other gains and (losses), net	1,881	1,453	2,085	57
Income before income taxes	24,454	24,400	115,224	105,804
Provision for income taxes	(1,863)	(530)	(9,748)	(2,022)
Net income	$ 22,591	$ 23,870	$ 105,476	$ 103,782
Basic income per share	$ 0.44	$ 0.47	$ 2.06	$ 2.03
Fully diluted income per share	$ 0.44	$ 0.46	$ 2.05	$ 2.02
Dividends declared per common share	$ 0.85	$ 0.80	$ 2.55	$ 2.40

Comprehensive income, net of taxes	$ 26,030	$ 25,434	$ 109,077	$ 105,391

The accompanying notes are an integral part of these condensed consolidated financial statements.

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)

	Nine Months Ended September 30,	
	2018	2017
Cash Flows from Operating Activities:		
Net income	$ 105,476	$ 103,782
Amounts to reconcile net income to net cash flows provided by operating activities:		
Provision (benefit) for deferred income taxes	8,591	(500)
Depreciation and amortization	89,655	83,862
Amortization of deferred financing costs	4,237	3,958
Impairment and other charges	4,540	—
Write-off of deferred financing costs	1,956	925
Stock-based compensation expense	5,824	4,954
Changes in:		
Trade receivables	(22,975)	(8,865)
Accounts payable and accrued liabilities	34,679	31,994
Other assets and liabilities	(6,707)	(4,340)
Net cash flows provided by operating activities	225,276	215,770
Cash Flows from Investing Activities:		
Purchases of property and equipment	(132,804)	(127,148)
Investment in Gaylord Rockies joint venture	—	(16,309)
Investment in other joint ventures	(2,199)	(6,819)
Purchase of remaining interest in Opry City Stage	(3,948)	—
Other investing activities	(3,591)	(4,139)
Net cash flows used in investing activities	(142,542)	(154,415)
Cash Flows from Financing Activities:		
Net borrowings (repayments) under revolving credit facility	99,000	(235,900)
Borrowings under term loan A	—	200,000
Borrowings under term loan B	—	500,000
Repayments under term loan B	(2,500)	(392,500)
Deferred financing costs paid	(642)	(12,268)
Payment of dividends	(128,769)	(120,740)
Payment of tax withholdings for share-based compensation	(4,121)	(3,775)
Other financing activities	(15)	13
Net cash flows used in financing activities	(37,047)	(65,170)
Net change in cash, cash equivalents, and restricted cash	45,687	(3,815)
Cash, cash equivalents, and restricted cash, beginning of period	78,710	81,190
Cash, cash equivalents, and restricted cash, end of period	$ 124,397	$ 77,375

Reconciliation of cash, cash equivalents, and restricted cash to balance sheet:		
Cash and cash equivalents - unrestricted	$ 86,025	$ 62,672
Cash and cash equivalents - restricted	38,372	14,703
Cash, cash equivalents, and restricted cash, end of period	$ 124,397	$ 77,375

The accompanying notes are an integral part of these condensed consolidated financial statements.

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

1. BASIS OF PRESENTATION:

On January 1, 2013, Ryman Hospitality Properties, Inc. (“Ryman”) and its subsidiaries (collectively with Ryman, the “Company”) began operating as a real estate investment trust (“REIT”) for federal income tax purposes, specializing in group-oriented, destination hotel assets in urban and resort markets. The Company’s owned assets include a network of upscale, meetings-focused resorts that are managed by Marriott International, Inc. (“Marriott”) under the Gaylord Hotels brand. These resorts, which the Company refers to as the Gaylord Hotels properties, consist of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee (“Gaylord Opryland”), the Gaylord Palms Resort & Convention Center near Orlando, Florida (“Gaylord Palms”), the Gaylord Texan Resort & Convention Center near Dallas, Texas (“Gaylord Texan”) and the Gaylord National Resort & Convention Center near Washington D.C. (“Gaylord National”). The Company’s other owned hotel assets managed by Marriott include the Inn at Opryland, an overflow hotel adjacent to Gaylord Opryland, and the AC Hotel at National Harbor, Washington D.C. (“AC Hotel”), an overflow hotel adjacent to Gaylord National.

The Company also owns a 35% interest in a joint venture (the “Gaylord Rockies joint venture”) that is developing and owns Gaylord Rockies Resort & Convention Center near Denver, Colorado (“Gaylord Rockies”), which is scheduled to open in late 2018 and will be managed by Marriott. On September 13, 2018, the Company entered into a purchase agreement (“Purchase Agreement”) with Aurora Convention Center Hotel Partners, LLC and certain affiliates of the other Gaylord Rockies joint venture partners to increase the Company’s ownership interest in the Gaylord Rockies joint venture to approximately 62.3% for a purchase price of approximately $242 million in cash. The Company expects the transaction to close by the end of 2018, subject to the satisfaction or waiver of the various closing conditions in the Purchase Agreement, including required consent of the Gaylord Rockies joint venture lender and Marriott, the release of certain guarantees and indemnities (which may involve the substitution of the Company on such guarantees and indemnities), no occurrence of any material casualty to Gaylord Rockies and other customary closing conditions. The Company has sufficient cash on hand and availability under its existing credit facility to finance the cash purchase price.

The Company also owns a number of media and entertainment assets, including the Grand Ole Opry, the legendary weekly showcase of country music’s finest performers; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry; WSM-AM, the Opry’s radio home; Ole Red, a brand of Blake Shelton-themed bar, music venue and event spaces, with a flagship location in Nashville that opened in May 2018; and three Nashville-based assets managed by Marriott – Gaylord Springs Golf Links, the Wildhorse Saloon, and the General Jackson Showboat.

The Company also owns Opry City Stage, a four-level entertainment complex in Times Square that opened in December 2017 under a joint venture agreement for which the Company owned 50%. In the second quarter of 2018, the Company acquired the remaining 50% joint venture interest in Opry City Stage for a combination of $3.9 million in cash and the forgiveness of a note receivable previously due to the Company from the other joint venture partner of $7.9 million. Subsequent to the Company’s purchase of the remaining 50% joint venture interest, the Company determined that current ongoing operations were not meeting the revenue expectations from the time of purchase. In September 2018, the Company announced that it was temporarily suspending operations at Opry City Stage to appropriately reposition the venue and its operations. As a result, the Company performed an impairment assessment of the carrying amount of Opry City Stage assets based on the related estimated total future net cash flows and determined that an impairment charge of $4.5 million was warranted, which is reflected as impairment and other charges in the accompanying condensed consolidated statements of operations and comprehensive income.

The condensed consolidated financial statements include the accounts of Ryman and its subsidiaries and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted from this report pursuant to such rules and regulations. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10 K for the year ended December 31, 2017. In the opinion of management, all adjustments necessary for a fair statement of the results of operations for the interim periods have been included. All adjustments are of a normal, recurring nature. The results of operations for such interim periods are not necessarily indicative of the results for the full year because of seasonal and short-term variations.

The Company conducts its business through an umbrella partnership REIT, in which all of its assets are held by, and all of its operations are conducted through, RHP Hotel Properties, LP, a subsidiary operating partnership (the “Operating Partnership”) that the Company formed in connection with its REIT conversion. Ryman is the sole limited partner of the Operating Partnership and currently owns, either directly or indirectly, all of the partnership units of the Operating Partnership. RHP Finance Corporation, a Delaware corporation (“Finco”), was formed as a wholly-owned subsidiary of the Operating Partnership for the sole purpose of being a co-issuer of debt securities with the Operating Partnership. Neither Ryman nor Finco has any material assets, other than Ryman’s investment in the Operating Partnership and its 100%-owned subsidiaries. As 100%-owned subsidiaries of Ryman, neither the Operating Partnership nor Finco has any business, operations, financial results or other material information, other than the business, operations, financial results and other material information described in this Quarterly Report on Form 10 Q and Ryman’s other reports, documents or other information filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended.

The Company principally operates, through its subsidiaries and its property managers, as applicable, in the following business segments: Hospitality, Entertainment, and Corporate and Other.

Newly Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2014 09, “Revenue from Contracts with Customers,” the core principle of which is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Under this guidance, companies will need to use more judgment and make more estimates than under previous guidance. These judgments may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. Due to the short-term, day-to-day nature of the Company’s hospitality and entertainment segment revenues, the pattern of revenue recognition did not change significantly upon adoption. The Company adopted this ASU in the first quarter of 2018 using the modified retrospective approach and has applied the standard to all contracts at the date of initial application. As such, prior period amounts have not been restated, and the Company recorded a transition adjustment to retained earnings of $0.1 million, which is reflected in the condensed consolidated balance sheet for September 30, 2018 included herein. See Note 2, “Revenues,” to the condensed consolidated financial statements included herein for further disclosures.

In February 2016, the FASB issued ASU No. 2016 02, “Leases,” that requires lessees to record most leases on their balance sheet, but recognize expenses on their income statements in a manner similar to previous accounting. The ASU also eliminates the required use of bright-line tests for determining lease classification. The ASU is effective for the Company in the first quarter of 2019, and the Company plans to adopt this standard at that time using the modified retrospective approach, with a cumulative-effect adjustment, if any, to retained earnings in the period of adoption. Prior period amounts will not be restated. In July 2018, the FASB issued ASU 2018-10, “Codification Improvements to Topic 842, Leases,” and ASU 2018-11, “Leases (Topic 842): Targeted Improvements,” both of which provide practical expedients that the Company intends to adopt. By adopting these practical expedients, the Company will not be required to reassess (i) whether an expired or existing contract meets the definition of a lease; (ii) the lease classification at the adoption date for existing leases; and (iii) whether costs previously capitalized as initial direct costs would continue to be amortized. The Company is evaluating its inventory of leases and determining the appropriate discount rates that will be used to determine the right-of-use assets and lease liabilities to be recorded, and the primary impact of the adoption is estimated to be the inclusion of the Company’s 75 year ground lease at Gaylord

Palms on its balance sheet. See Note 12, “Commitments and Contingencies,” to the consolidated financial statements included in the Company’s Annual Report on Form 10 K for the year ended December 31, 2017 for a further disclosure of the Company’s outstanding leases.

In June 2016, the FASB issued ASU No. 2016 13, “Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments,” which will change how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The ASU will replace the current “incurred loss” approach with an “expected loss” model for instruments measured at amortized cost. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a new forward-

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looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. The ASU is effective for the Company in the first quarter of 2020. The Company is currently evaluating the effects of this ASU on its financial statements, and such effects have not yet been determined.

In November 2016, the FASB issued ASU No. 2016 18, “Restricted Cash,” which requires entities to disclose changes in the total of cash and restricted cash in the statement of cash flows. As a result, entities no longer present transfers between cash and restricted cash in the statement of cash flows, and present a reconciliation of the totals in the statement of cash flows to the related captions on the balance sheet. The Company adopted this ASU in the first quarter of 2018, and this adoption did not have a material impact on the Company’s financial statements. The prior period presentation has been updated to conform to the current year presentation.

In March 2017, the FASB issued ASU No. 2017 07, “Compensation – Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,” which changes how employers that sponsor defined benefit pension and/or other postretirement benefit plans present the cost of benefits in the income statement. Under the new guidance, the service cost component of net periodic benefit cost is presented in the same income statement line items as other employee compensation costs. In addition, the other components of net periodic benefit cost are presented separately from service cost and outside of operating income, which the Company has included in other gains and (losses), net in the accompanying condensed consolidated statements of operations and comprehensive income. The Company adopted this ASU in the first quarter of 2018, and this adoption did not have a material impact on the Company’s financial statements. The prior period presentation has been updated to conform to the current year presentation.

2. REVENUES:

Revenues from occupied hotel rooms are recognized over time as the daily hotel stay is provided to hotel groups and guests. Revenues from concessions, food and beverage sales, and group meeting services are recognized over the period or at the point in time those goods or services are delivered to the hotel group or guest. Revenues from ancillary services at the Company’s hotels, such as spa, parking, and transportation services, are generally recognized at the time the goods or services are provided. Cancellation fees and attrition fees, which are charged to groups when they do not fulfill the minimum number of room nights or minimum food and beverage spending requirements originally contracted for, are generally recognized as revenue in the period the Company determines it is probable that a significant reversal in the amount of revenue recognized will not occur, which is the period these fees are collected. The Company generally recognizes revenues from the Entertainment segment at the point in time that services are provided or goods are delivered or shipped to the customer, as applicable. Almost all of the Company’s revenues are either cash-based or, for meeting and convention groups who meet the Company’s credit criteria, billed and collected on a short-term receivables basis. The Company is required to collect certain taxes from customers on behalf of government agencies and remit these to the applicable governmental entity on a periodic basis. These taxes are collected from customers at the time of purchase, but are not included in revenue. The Company records a liability upon collection of such taxes from the customer and relieves the liability when payments are remitted to the applicable governmental agency.

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The Company’s revenues disaggregated by major source are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Hotel group rooms	$ 69,258	$ 66,758	$ 241,804	$ 228,122
Hotel transient rooms	33,923	33,776	90,686	86,455
Hotel food and beverage - banquets	82,742	69,820	280,729	251,362
Hotel food and beverage - outlets	35,754	34,617	111,759	107,685
Hotel other	27,563	24,619	81,129	73,493
Entertainment admissions/ticketing	19,215	19,167	51,282	47,465
Entertainment food and beverage	14,606	8,305	33,000	22,823
Entertainment retail and other	9,188	7,662	24,164	22,139
Total revenues	$ 292,249	$ 264,724	$ 914,553	$ 839,544

The Company’s Hospitality segment revenues disaggregated by location are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Gaylord Opryland	$ 80,591	$ 76,237	$ 258,251	$ 231,459
Gaylord Palms	38,901	37,238	147,071	139,619
Gaylord Texan	62,826	50,166	179,794	159,683
Gaylord National	60,304	58,936	200,747	195,388
AC Hotel	2,496	2,928	8,378	9,066
Inn at Opryland and other	4,122	4,085	11,866	11,902
Total Hospitality segment revenues	$ 249,240	$ 229,590	$ 806,107	$ 747,117

Almost all of the Company’s Entertainment segment revenues are concentrated in Nashville, Tennessee.

The Company records deferred revenues when cash payments are received in advance of its performance obligations, primarily related to advanced deposits on hotel rooms in its Hospitality segment and advanced ticketing in its Entertainment segment. At September 30, 2018 and December 31, 2017, the Company had $72.6 million and $51.2 million, respectively, in deferred revenues, which are included in accounts payable and accrued liabilities in the accompanying condensed consolidated balance sheets. Of the amount outstanding at December 31, 2017, approximately $44.2 million was recognized in revenue during the nine months ended September 30, 2018.

3. INCOME PER SHARE:

The weighted average number of common shares outstanding is calculated as follows (in thousands):

Nine Months Ended

	Three Months Ended			
	September 30,		September 30,	
	2018	2017	2018	2017
Weighted average shares outstanding - basic	51,325	51,191	51,281	51,131
Effect of dilutive stock-based compensation	194	185	195	200
Weighted average shares outstanding - diluted	51,519	51,376	51,476	51,331

4. ACCUMULATED OTHER COMPREHENSIVE LOSS:

The Company’s balance in accumulated other comprehensive loss is comprised of amounts related to the Company’s minimum pension liability and amounts related to an other-than-temporary impairment of a held-to-maturity investment with respect to the notes receivable discussed in Note 6, “Notes Receivable,” to the condensed consolidated financial statements included herein, and Note 3, “Notes Receivable,” to the consolidated financial statements included in the

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Company’s Annual Report on Form 10 K for the year ended December 31, 2017. Changes in accumulated other comprehensive loss by component for the nine months ended September 30, 2018 and 2017 consisted of the following (in thousands):

	Minimum Pension Liability	Other-Than-Temporary Impairment of Investment	Total
Balance, December 31, 2017	$ (20,149)	$ (6,543)	$ (26,692)
Amounts reclassified from accumulated other comprehensive loss	4,429	249	4,678
Income tax expense	(1,077)	—	(1,077)
Net other comprehensive income	3,352	249	3,601
Balance, September 30, 2018	$ (16,797)	$ (6,294)	$ (23,091)

	Minimum Pension Liability	Other-Than-Temporary Impairment of Investment	Total
Balance, December 31, 2016	$ (22,268)	$ —	$ (22,268)
Amounts reclassified from accumulated other comprehensive loss	1,609	—	1,609
Income tax benefit	—	—	—
Net other comprehensive income	1,609	—	1,609
Balance, September 30, 2017	$ (20,659)	$ —	$ (20,659)

5. PROPERTY AND EQUIPMENT:

Property and equipment at September 30, 2018 and December 31, 2017 is recorded at cost and summarized as follows (in thousands):

	September 30, 2018	December 31, 2017
Land and land improvements	$ 268,521	$ 267,051
Buildings	2,556,311	2,440,471
Furniture, fixtures and equipment	715,507	647,988
Construction-in-progress	99,887	138,702
	3,640,226	3,494,212
Accumulated depreciation	(1,513,462)	(1,428,555)
Property and equipment, net	$ 2,126,764	$ 2,065,657

6. NOTES RECEIVABLE:

As further discussed in the Company's Annual Report on Form 10 K for the year ended December 31, 2017, in connection with the development of Gaylord National, the Company is currently holding two issuances of governmental bonds and receives debt service and principle payments thereon, payable from property tax increments, hotel taxes and special hotel rental taxes generated from Gaylord National through the maturity dates of July 1, 2034 and September 1, 2037, respectively. The Company records interest income over the life of the notes using the effective interest method.

During the three months ended September 30, 2018 and 2017, the Company recorded interest income of $2.6 million and $2.9 million, respectively, on these bonds. During the nine months ended September 30, 2018 and 2017, the Company recorded interest income of $7.9 million and $8.7 million, respectively, on these bonds. The Company received payments of $10.9 million and $11.1 million during the nine months ended September 30, 2018 and 2017, respectively, relating to these notes receivable.

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7. DEBT:

The Company’s debt and capital lease obligations at September 30, 2018 and December 31, 2017 consisted of (in thousands):

	September 30, 2018	December 31, 2017
$700 Million Revolving Credit Facility, interest at LIBOR plus 1.55%, maturing May 23, 2021, less unamortized deferred financing costs of $7,185 and $9,076	$ 262,815	$ 161,924
$200 Million Term Loan A, interest at LIBOR plus 1.50%, maturing May 23, 2022, less unamortized deferred financing costs of $1,305 and $1,557	198,695	198,443
$500 Million Term Loan B, interest at LIBOR plus 2.00%, maturing May 11, 2024, less unamortized deferred financing costs of $5,527 and $7,595	488,223	488,655
$350 Million Senior Notes, interest at 5.0%, maturing April 15, 2021, less unamortized deferred financing costs of $2,624 and $3,340	347,376	346,660
$400 Million Senior Notes, interest at 5.0%, maturing April 15, 2023, less unamortized deferred financing costs of $4,305 and $4,929	395,695	395,071
Capital lease obligations	623	639
Total debt	$ 1,693,427	$ 1,591,392

The majority of amounts due within one year consist of the amortization payments for the $500 million term loan B of 1.0% of the original principal balance, as described in the Company’s Annual Report on Form 10 K for the year ended December 31, 2017.

At September 30, 2018, the Company was in compliance with all of its covenants related to its outstanding debt.

$500 Million Term Loan B

On June 26, 2018, the Company entered into an Amendment No. 2 (the “Amendment”) to the Company’s Fifth Amended and Restated Credit Agreement (as amended, the “Credit Agreement”). The Amendment reduces the applicable interest rate margins for borrowings under the term loan B to, at the Company’s option, either (i) LIBOR plus 2.00% or (ii) a base rate as set in the Credit Agreement. In addition, the Amendment extends the date of commencement of any excess cash flow payments by one year to December 31, 2019. The Amendment did not change the maturity dates existing under the Credit Agreement or result in any increase or decrease in outstanding borrowings.

As a result of the repricing of the term loan B, the Company wrote off $2.0 million of deferred financing costs during the nine months ended September 30, 2018, which is included in interest expense in the accompanying condensed consolidated statement of operations.

For descriptions of the Company’s other outstanding debt obligations, see “Principal Debt Agreements” within “Liquidity and Capital Resources” in Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this Quarterly Report on Form 10 Q.

8. DEFERRED MANAGEMENT RIGHTS PROCEEDS:

On October 1, 2012, the Company consummated its agreement to sell the Gaylord Hotels brand (the “IP Rights”) and rights to manage the Gaylord Hotels properties (the “Management Rights”) to Marriott for $210.0 million in cash. Effective October 1, 2012, Marriott assumed responsibility for managing the day-to-day operations of the Gaylord Hotels properties pursuant to a management agreement for each Gaylord Hotel property. The Company allocated $190.0 million of the purchase price to the Management Rights and $20.0 million to the IP Rights.

For financial accounting purposes, the amount related to the Management Rights was deferred and is amortized on a straight line basis over the 65 year term of the hotel management agreements, including extensions, as a reduction in management fee expense. The amount related to the IP Rights was recognized into income as other gains and losses during 2012.

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9. STOCK PLANS:

During the nine months ended September 30, 2018, the Company granted 0.1 million restricted stock units with a weighted-average grant date fair value of $71.91 per award. There were 0.3 million and 0.4 million restricted stock units outstanding at September 30, 2018 and December 31, 2017, respectively.

The compensation expense that has been charged against pre-tax income for all of the Company's stock-based compensation plans was $1.9 million and $1.7 million for the three months ended September 30, 2018 and 2017, respectively, and $5.8 million and $5.0 million for the nine months ended September 30, 2018 and 2017, respectively.

10. PENSION AND POSTRETIREMENT BENEFITS OTHER THAN PENSION PLANS:

Net periodic pension expense reflected in the accompanying condensed consolidated statements of operations included the following components for the respective periods (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest cost	$ 808	$ 891	$ 2,422	$ 2,706
Expected return on plan assets	(1,087)	(1,051)	(3,259)	(3,098)
Amortization of net actuarial loss	259	282	778	861
Net settlement loss	1,004	1,218	1,004	1,218
Total net periodic pension expense	$ 984	$ 1,340	$ 945	$ 1,687

As a result of increased lump-sum distributions from the Company's qualified retirement plan during 2018 and 2017, net settlement losses of $1.0 million and $1.2 million were recognized in the three months and nine months ended September 30, 2018 and 2017, respectively.

In addition, the increase in lump-sum distributions required the Company to re-measure its liability under its pension plan as of September 30, 2018. As a result of the re-measurement, as well as an increase in the pension plan's assumed discount rate from 3.3% at December 31, 2017 to 4.0% at September 30, 2018, the Company recorded a $3.4 million decrease in its liability under the pension plan and a corresponding decrease in accumulated other comprehensive loss in the accompanying condensed consolidated balance sheet at September 30, 2018.

Net postretirement benefit income reflected in the accompanying condensed consolidated statements of operations included the following components for the respective periods (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest cost	$ 24	$ 27	$ 72	$ 81
Amortization of net actuarial loss	64	61	193	184
Amortization of prior service credit	(329)	(328)	(986)	(985)
Total net postretirement benefit income	$ (241)	$ (240)	$ (721)	$ (720)

11. INCOME TAXES:

The Company has elected to be taxed as a REIT effective January 1, 2013, pursuant to the U.S. Internal Revenue Code of 1986, as amended. As a REIT, generally the Company will not be subject to federal corporate income taxes on ordinary taxable income and capital gains income from real estate investments that it distributes to its stockholders. The Company will continue to be required to pay federal and state corporate income taxes on earnings of its taxable REIT subsidiaries (“TRSs”).

The Company recorded an income tax provision of $1.9 million and $0.5 million for the three months ended September 30, 2018 and 2017, respectively, and $9.7 million and $2.0 million for the nine months ended September 30, 2018 and 2017, respectively, related to the current period operations of the Company. These results differ from the statutory rate primarily due to the REIT dividends paid deduction in both periods and the change in valuation allowance required at the TRSs for the nine months ended September 30, 2017.

On December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") was enacted and included a reduction to the U.S. federal corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. As discussed in SEC Staff Accounting Bulletin No. 118, the accounting for the TCJA should be completed within one year from enactment. As of September 30, 2018, the Company has completed its accounting for all of the enactment-date income tax effects of the TCJA. During the nine months ended September 30, 2018, the Company has made no adjustments to the provisional amounts recorded at December 31, 2017.

At September 30, 2018 and December 31, 2017, the Company had no unrecognized tax benefits.

12. COMMITMENTS AND CONTINGENCIES:

The Company currently owns a 35% interest in a joint venture that is developing and owns Gaylord Rockies, which is expected to open in late 2018. In connection with the joint venture, the Company agreed to provide guarantees of the hotel's construction loan, including a principal repayment guarantee of up to $21 million of the total $500 million principal amount of the construction loan previously obtained from a consortium of eight banks, with such amount reducing to $14 million and further reducing to $8.75 million upon the hotel's satisfaction of designated debt service coverage requirements following completion and opening of the hotel. The Company has also provided a completion guarantee under the construction loan capped at its pro rata share of all costs necessary to complete the project within the time specified in the joint venture's loan documents. Further, the Company has agreed to a guarantee capped at its pro rata share of the joint venture's obligations under the construction loan prior to the hotel's opening related to interest accruing under the construction loan and the operating expenses of the property (estimated pro rata share of interest prior to the hotel opening is $9.8 million). In addition to guarantees related to the construction loan, the Company agreed to provide a guarantee of the mezzanine debt related to the hotel including a payment guarantee capped at $8.75 million for which the Company is only liable in the event there is a casualty or condemnation event at the hotel and the construction lenders elect to apply those proceeds to the construction loan balance and release the construction loan guarantees and liens. The guarantee related to the mezzanine debt also includes an uncapped completion guarantee and an uncapped guarantee of the Gaylord Rockies joint venture's obligations under the mezzanine loan prior to the hotel's opening related to interest accruing under the mezzanine loan and the operating expenses of the property to the extent not already satisfied by the parties under the guarantees related to the construction loan. As of September 30, 2018, the Company had not recorded any liability in the consolidated balance sheet associated with these guarantees.

The Company has entered into employment agreements with certain officers, which provide for severance payments upon certain events, including certain terminations in connection with a change of control.

The Company, in the ordinary course of business, is involved in certain legal actions and claims on a variety of matters. It is the opinion of management that such contingencies will not have a material effect on the financial statements of the Company.

13. STOCKHOLDERS' EQUITY:

On February 23, 2018, the Company's board of directors declared the Company's first quarter 2018 cash dividend in the amount of $0.85 per share of common stock, or an aggregate of approximately $43.6 million in cash, which was paid on April 16, 2018 to stockholders of record as of the close of business on March 30, 2018.

On June 18, 2018, the Company's board of directors declared the Company's second quarter 2018 cash dividend in the amount of $0.85 per share of common stock, or an aggregate of approximately $43.6 million in cash, which was paid on July 16, 2018 to stockholders of record as of the close of business on June 29, 2018.

On September 17, 2018, the Company's board of directors declared the Company's third quarter 2018 cash dividend in the amount of $0.85 per share of common stock, or an aggregate of approximately $43.6 million in cash, which was paid on October 15, 2018 to stockholders of record as of the close of business on September 28, 2018.

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14. FAIR VALUE MEASUREMENTS:

The Company uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

At September 30, 2018 and December 31, 2017, the Company held certain assets that are required to be measured at fair value on a recurring basis. These included investments held in conjunction with the Company's non-qualified contributory deferred compensation plan. These investments consist of mutual funds traded in an active market. The Company determined the fair value of these mutual funds based on the net asset value per unit of the funds or the portfolio, which is based upon quoted market prices in an active market. Therefore, the Company has categorized these investments as Level 1.

The Company has consistently applied the above valuation techniques in all periods presented and believes it has obtained the most accurate information available for each type of instrument.

The Company had no liabilities required to be measured at fair value at September 30, 2018 and December 31, 2017. The Company's assets measured at fair value on a recurring basis at September 30, 2018 and December 31, 2017, were as follows (in thousands):

	September 30, 2018	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	$ 26,148	$ 26,148	$ —	$ —
Total assets measured at fair value	$ 26,148	$ 26,148	$ —	$ —

	December 31, 2017	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	$ 25,055	$ 25,055	$ —	$ —
Total assets measured at fair value	$ 25,055	$ 25,055	$ —	$ —

The remainder of the assets and liabilities held by the Company at September 30, 2018 are not required to be recorded at fair value, and the carrying value of these assets and liabilities approximate fair value.

15. FINANCIAL REPORTING BY BUSINESS SEGMENTS:

The Company's operations are organized into three principal business segments:

- Hospitality, which includes Gaylord Opryland, Gaylord Palms, Gaylord Texan, Gaylord National, the Inn at Opryland, the AC Hotel, and the Company's equity investment in Gaylord Rockies;
- Entertainment, which includes the Grand Ole Opry, the Ryman Auditorium, WSM-AM, Ole Red, Opry City Stage, and the Company's Nashville-based attractions; and

· Corporate and Other, which includes the Company’s corporate expenses.

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The following information is derived directly from the segments' internal financial reports used for corporate management purposes (amounts in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues:				
Hospitality	$ 249,240	$ 229,590	$ 806,107	$ 747,117
Entertainment	43,009	35,134	108,446	92,427
Corporate and Other	—	—	—	—
Total	$ 292,249	$ 264,724	$ 914,553	$ 839,544
Depreciation and amortization:				
Hospitality	$ 27,946	$ 26,061	$ 81,379	$ 76,786
Entertainment	2,613	1,965	6,885	5,465
Corporate and Other	435	520	1,391	1,611
Total	$ 30,994	$ 28,546	$ 89,655	$ 83,862
Operating income:				
Hospitality	$ 43,518	$ 36,298	$ 175,213	$ 149,788
Entertainment	9,069	10,518	20,614	25,325
Corporate and Other	(7,647)	(8,429)	(24,572)	(24,397)
Preopening costs	(300)	(877)	(3,972)	(1,587)
Impairment and other charges	(4,540)	—	(4,540)	—
Total operating income	40,100	37,510	162,743	149,129
Interest expense	(19,220)	(16,621)	(55,574)	(49,640)
Interest income	2,678	2,957	8,197	8,874
Loss from joint ventures	(985)	(899)	(2,227)	(2,616)
Other gains and (losses), net	1,881	1,453	2,085	57
Income before income taxes	$ 24,454	$ 24,400	$ 115,224	$ 105,804

16. INFORMATION CONCERNING GUARANTOR AND NON-GUARANTOR SUBSIDIARIES:

The $350 Million 5% Senior Notes and the $400 Million 5% Senior Notes were each issued by the Operating Partnership and Finco and are guaranteed on a senior unsecured basis by the Company, each of the Company's four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other of the Company's subsidiaries, each of which guarantees the Operating Partnership's Credit Agreement (such subsidiary guarantors, together with the Company, the "Guarantors"). The subsidiary Guarantors are 100% owned, and the guarantees are full and unconditional and joint and several. Not all of the Company's subsidiaries have guaranteed the Company's $350 Million 5% Senior Notes and the $400 Million 5% Senior Notes.

The following condensed consolidating financial information includes certain allocations of expenses based on management's best estimates, which are not necessarily indicative of financial position, results of operations and cash flows that these entities would have achieved on a stand-alone basis.

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

September 30, 2018

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS:						
Property and equipment, net of accumulated depreciation	$ —	$ —	$ 1,647,468	$ 479,296	$ —	$ 2,126,764
Cash and cash equivalents - unrestricted	58	2,508	192	83,267	—	86,025
Cash and cash equivalents - restricted	—	—	—	38,372	—	38,372
Notes receivable	—	—	—	108,696	—	108,696
Investment in Gaylord Rockies joint venture	—	—	—	89,403	—	89,403
Trade receivables, less allowance	—	—	—	80,595	—	80,595
Deferred income tax assets, net	—	—	(336)	40,785	—	40,449
Prepaid expenses and other assets	230	58	2	74,051	—	74,341
Intercompany receivables, net	—	—	1,846,754	—	(1,846,754)	—
Investments	995,468	2,890,033	650,362	1,384,814	(5,920,677)	—
Total assets	$ 995,756	$ 2,892,599	$ 4,144,442	$ 2,379,279	$ (7,767,431)	$ 2,644,645
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Debt and capital lease obligations	$ —	$ 1,692,803	$ —	$ 624	$ —	$ 1,693,427
Accounts payable and accrued liabilities	82	22,793	5,376	186,460	—	214,711
Dividends payable	44,668	—	—	—	—	44,668
Deferred management rights proceeds	—	—	—	174,784	—	174,784
Other liabilities	—	—	98,821	60,739	—	159,560

Intercompany payables, net	593,511	969,127	—	284,116	(1,846,754)	—
Commitments and contingencies						
Stockholders’ equity:						
Preferred stock	—	—	—	—	—	—
Common stock	513	1	1	2,387	(2,389)	513
Additional paid-in-capital	898,845	542,991	2,835,468	2,093,818	(5,472,277)	898,845
Treasury stock	(14,195)	—	—	—	—	(14,195)
Accumulated deficit	(504,577)	(335,116)	1,204,776	(400,558)	(469,102)	(504,577)
Accumulated other comprehensive loss	(23,091)	—	—	(23,091)	23,091	(23,091)
Total stockholders' equity	357,495	207,876	4,040,245	1,672,556	(5,920,677)	357,495
Total liabilities and stockholders' equity	$ 995,756	$ 2,892,599	$ 4,144,442	$ 2,379,279	$ (7,767,431)	$ 2,644,645

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

December 31, 2017

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS:						
Property and equipment, net of accumulated depreciation	$ —	$ —	$ 1,640,274	$ 425,383	$ —	$ 2,065,657
Cash and cash equivalents - unrestricted	38	759	36	56,724	—	57,557
Cash and cash equivalents - restricted	—	—	—	21,153	—	21,153
Notes receivable	—	—	—	111,423	—	111,423
Investment in Gaylord Rockies joint venture	—	—	—	88,685	—	88,685
Trade receivables, less allowance	—	—	—	57,520	—	57,520
Deferred income tax assets, net	—	—	(301)	50,418	—	50,117
Prepaid expenses and other assets	—	—	5	72,111	—	72,116
Intercompany receivables, net	—	—	1,717,157	—	(1,717,157)	—
Investments	1,006,461	2,890,032	651,006	1,364,814	(5,912,313)	—
Total assets	$ 1,006,499	$ 2,890,791	$ 4,008,177	$ 2,248,231	$ (7,629,470)	$ 2,524,228
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Debt and capital lease obligations	$ —	$ 1,590,753	$ —	$ 639	$ —	$ 1,591,392
Accounts payable and accrued liabilities	150	11,180	15,795	152,524	—	179,649
Dividends payable	42,129	—	—	—	—	42,129
Deferred management rights proceeds	—	—	—	177,057	—	177,057
Other liabilities	—	—	95,078	60,767	—	155,845

Intercompany payables, net	586,064	895,408	—	235,685	(1,717,157)	—
Commitments and contingencies						
Stockholders’ equity:						
Preferred stock	—	—	—	—	—	—
Common stock	512	1	1	2,387	(2,389)	512
Additional paid-in-capital	896,759	671,875	2,835,468	2,073,818	(5,581,161)	896,759
Treasury stock	(13,253)	—	—	—	—	(13,253)
Accumulated deficit	(479,170)	(278,426)	1,061,835	(427,954)	(355,455)	(479,170)
Accumulated other comprehensive loss	(26,692)	—	—	(26,692)	26,692	(26,692)
Total stockholders' equity	378,156	393,450	3,897,304	1,621,559	(5,912,313)	378,156
Total liabilities and stockholders' equity	$ 1,006,499	$ 2,890,791	$ 4,008,177	$ 2,248,231	$ (7,629,470)	$ 2,524,228

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

AND COMPREHENSIVE INCOME

For the Three Months Ended September 30, 2018

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	$ —	$ —	$ —	$ 103,181	$ —	$ 103,181
Food and beverage	—	—	—	118,496	—	118,496
Other hotel revenue	—	—	76,592	32,691	(81,720)	27,563
Entertainment	—	—	—	43,009	—	43,009
Total revenues	—	—	76,592	297,377	(81,720)	292,249
Operating expenses:						
Rooms	—	—	—	29,563	—	29,563
Food and beverage	—	—	—	67,305	—	67,305
Other hotel expenses	—	—	11,510	139,318	(76,478)	74,350
Management fees, net	—	—	—	6,558	—	6,558
Total hotel operating expenses	—	—	11,510	242,744	(76,478)	177,776
Entertainment	—	—	—	31,327	—	31,327
Corporate	63	410	—	6,739	—	7,212
Preopening costs	—	—	—	300	—	300
Corporate overhead allocation	2,873	—	2,369	—	(5,242)	—
Depreciation and amortization	—	—	15,548	15,446	—	30,994
Impairment and other charges	—	—	—	4,540	—	4,540
Total operating expenses	2,936	410	29,427	301,096	(81,720)	252,149
Operating income (loss)	(2,936)	(410)	47,165	(3,719)	—	40,100
Interest expense	—	(19,214)	—	(6)	—	(19,220)
Interest income	—	—	—	2,678	—	2,678
Loss from joint ventures	—	—	—	(985)	—	(985)
Other gains and (losses), net	—	—	—	1,881	—	1,881
Income (loss) before income taxes	(2,936)	(19,624)	47,165	(151)	—	24,454
Provision for income taxes	—	—	(78)	(1,785)	—	(1,863)
	25,527	—	—	—	(25,527)	—

Equity in subsidiaries' earnings, net						
Net income (loss)	$ 22,591	$ (19,624)	$ 47,087	$ (1,936)	$ (25,527)	$ 22,591
Comprehensive income (loss)	$ 26,030	$ (19,624)	$ 47,087	$ 1,503	$ (28,966)	$ 26,030

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

AND COMPREHENSIVE INCOME

For the Three Months Ended September 30, 2017

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	$ —	$ —	$ —	$ 100,534	$ —	$ 100,534
Food and beverage	—	—	—	104,437	—	104,437
Other hotel revenue	—	—	78,196	28,701	(82,278)	24,619
Entertainment	—	—	—	35,134	—	35,134
Total revenues	—	—	78,196	268,806	(82,278)	264,724
Operating expenses:						
Rooms	—	—	—	27,575	—	27,575
Food and beverage	—	—	—	62,649	—	62,649
Other hotel expenses	—	—	11,177	139,209	(78,087)	72,299
Management fees, net	—	—	—	4,708	—	4,708
Total hotel operating expenses	—	—	11,177	234,141	(78,087)	167,231
Entertainment	—	—	—	22,652	(1)	22,651
Corporate	101	424	—	7,384	—	7,909
Preopening costs	—	—	—	877	—	877
Corporate overhead allocation	2,339	—	1,851	—	(4,190)	—
Depreciation and amortization	—	—	14,933	13,613	—	28,546
Total operating expenses	2,440	424	27,961	278,667	(82,278)	227,214
Operating income (loss)	(2,440)	(424)	50,235	(9,861)	—	37,510
Interest expense	—	(16,614)	—	(7)	—	(16,621)
Interest income	—	—	—	2,957	—	2,957
Loss from joint ventures	—	—	—	(899)	—	(899)
Other gains and (losses), net	—	—	—	1,453	—	1,453
Income (loss) before income taxes	(2,440)	(17,038)	50,235	(6,357)	—	24,400
(Provision) benefit for income taxes	—	—	590	(1,120)	—	(530)
Equity in subsidiaries' earnings, net	26,310	—	—	—	(26,310)	—
Net income (loss)	$ 23,870	$ (17,038)	$ 50,825	$ (7,477)	$ (26,310)	$ 23,870

Comprehensive income (loss)	$ 25,434	$ (17,038)	$ 50,825	$ (5,913)	$ (27,874)	$ 25,434

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

AND COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2018

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	$ —	$ —	$ —	$ 332,490	$ —	$ 332,490
Food and beverage	—	—	—	392,488	—	392,488
Other hotel revenue	—	—	229,608	95,305	(243,784)	81,129
Entertainment	—	—	—	108,470	(24)	108,446
Total revenues	—	—	229,608	928,753	(243,808)	914,553
Operating expenses:						
Rooms	—	—	—	88,550	—	88,550
Food and beverage	—	—	—	211,677	—	211,677
Other hotel expenses	—	—	34,387	421,846	(229,268)	226,965
Management fees, net	—	—	—	22,323	—	22,323
Total hotel operating expenses	—	—	34,387	744,396	(229,268)	549,515
Entertainment	—	—	—	80,971	(24)	80,947
Corporate	188	1,135	2	21,856	—	23,181
Preopening costs	—	—	—	3,972	—	3,972
Corporate overhead allocation	7,983	—	6,533	—	(14,516)	—
Depreciation and amortization	—	—	45,583	44,072	—	89,655
Impairment and other charges	—	—	—	4,540	—	4,540
Total operating expenses	8,171	1,135	86,505	899,807	(243,808)	751,810
Operating income (loss)	(8,171)	(1,135)	143,103	28,946	—	162,743
Interest expense	—	(55,555)	—	(19)	—	(55,574)
Interest income	—	—	—	8,197	—	8,197
Loss from joint ventures	—	—	—	(2,227)	—	(2,227)
Other gains and (losses), net	—	—	—	2,085	—	2,085
Income (loss) before income taxes	(8,171)	(56,690)	143,103	36,982	—	115,224
Provision for income taxes	—	—	(162)	(9,586)	—	(9,748)
	113,647	—	—	—	(113,647)	—

Equity in subsidiaries' earnings, net						
Net income (loss)	$ 105,476	$ (56,690)	$ 142,941	$ 27,396	$ (113,647)	$ 105,476
Comprehensive income (loss)	$ 109,077	$ (56,690)	$ 142,941	$ 30,997	$ (117,248)	$ 109,077

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

AND COMPREHENSIVE INCOME

For the Nine Months Ended September 30, 2017

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	$ —	$ —	$ —	$ 314,577	$ —	$ 314,577
Food and beverage	—	—	—	359,047	—	359,047
Other hotel revenue	—	—	236,517	85,278	(248,302)	73,493
Entertainment	—	—	—	92,451	(24)	92,427
Total revenues	—	—	236,517	851,353	(248,326)	839,544
Operating expenses:						
Rooms	—	—	—	83,962	—	83,962
Food and beverage	—	—	—	200,091	—	200,091
Other hotel expenses	—	—	33,533	422,732	(236,192)	220,073
Management fees, net	—	—	—	16,417	—	16,417
Total hotel operating expenses	—	—	33,533	723,202	(236,192)	520,543
Entertainment	—	—	—	61,661	(24)	61,637
Corporate	191	1,226	2	21,367	—	22,786
Preopening costs	—	—	—	1,587	—	1,587
Corporate overhead allocation	6,768	—	5,342	—	(12,110)	—
Depreciation and amortization	—	—	44,617	39,245	—	83,862
Total operating expenses	6,959	1,226	83,494	847,062	(248,326)	690,415
Operating income (loss)	(6,959)	(1,226)	153,023	4,291	—	149,129
Interest expense	—	(49,620)	—	(20)	—	(49,640)
Interest income	—	—	—	8,874	—	8,874
Loss from joint ventures	—	—	—	(2,616)	—	(2,616)
Other gains and (losses), net	—	—				