

Gaylord Entertainment Co. Reports Record First Quarter Earnings

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Revenues Increase 38 Percent and Consolidated Cash Flows Increase 79 Percent due to Strong Performance across all Business Segments

Gaylord Entertainment Co. (NYSE: GET) reported its financial results for the first quarter of 2005.

For the first quarter ended March 31, 2005:

-- Consolidated revenues increased by 38.0 percent to \$219.3 million from \$158.9 million in the same period last year. Results were impacted favorably by the inclusion of the Gaylord Texan in the results of the first quarter 2005. The net loss was \$8.9 million, or a loss of \$0.22 per share, which is an improvement from the prior year's quarter loss of \$18.9 million or \$0.48 per share. The net loss in the first quarter 2005 was affected by an \$11.5 million net unrealized loss in the value of the company's Viacom stock investment and related derivatives.

-- Total revenue for the Hospitality segment grew 49.6 percent to \$142.5 million compared to the prior-year period due to the inclusion of the Gaylord Texan and strong performances from both the Gaylord Palms and Gaylord Opryland. Same-store revenue for the Hospitality segment grew 7.1 percent to \$102.0 million compared to the prior-year period.

-- ResortQuest revenue per available room(1) ("RevPAR") increased 11.9 percent to \$85.16 in the first quarter of 2005 compared to the same period last year.

-- Adjusted EBITDA(2) in the first quarter was \$32.2 million compared to \$6.4 million in the prior-year quarter.

-- Consolidated Cash Flow(3) ("CCF") increased by 79.3 percent to \$36.6 million in the quarter, compared to \$20.4 million in the prior-year period.

"We are delighted to report a record first quarter in both revenues and consolidated cash flows," said Colin V. Reed, president and chief executive officer of Gaylord Entertainment. "The company is firing on all cylinders, particularly the Hospitality segment which is on track for its best year yet. We look forward to the coming year as we follow through on some exciting developments including growing the ResortQuest brand, integrating our recent acquisitions, and constructing the Gaylord National. We are confident these initiatives will continue to drive positive results for our shareholders."

Segment Operating Results

Hospitality

Key components of the company's hospitality segment for the first quarter of 2005 include:

-- Gaylord Hotels Total RevPAR(4) increased 13.8 percent to \$259.52, compared to first quarter 2004; revenue per available room ("RevPAR") increased 5.3 percent to \$109.64, compared to the prior-year period.

-- Gaylord Hotels same-store Total RevPAR increased 8.3 percent to \$247.01, compared to first quarter 2004; same-store RevPAR increased 2.9 percent to \$107.13, compared to the prior-year period.

-- CCF increased 53.2 percent to \$39.4 million for the first quarter of 2005 compared to \$25.8 million for the first quarter of 2004 due to the inclusion of the Gaylord Texan. CCF margins for the hospitality segment increased 0.7 percentage points to 27.7 percent for the first quarter from 27.0 percent in the prior-year period.

-- Same-store CCF increased 12.7 percent to \$29.0 million for the first quarter of 2005 compared to \$25.8 million for the first quarter of 2004 due to increased revenues and higher margins at the Gaylord Opryland. Same-store CCF margins for the hospitality segment increased 1.4 percentage points to 28.4 percent for the first quarter from 27.0 percent in the prior-year period.

"Total RevPAR increased sharply, demonstrating the quality and breadth of our outside the room offerings and our ability to drive revenues," said Reed. "We maintain a keen focus on providing the best restaurant and entertainment experiences for our customers as we are constantly innovating and enhancing the destination appeal of our properties to drive outside the room spending. Unlike other hotel companies, our group-focused business model places a greater emphasis on the Total RevPAR metric because of our ability to generate significant revenues outside the room. Therefore, strong occupancy by high-value, loyal customers is a more critical driver of profitability at our hotels than incremental RevPAR growth," continued Reed. "Additionally, given the differences in group booking patterns at each property throughout the year, we continue to stress a clear focus on the overall success of the Gaylord Hotels network."

At the property level, Gaylord Palms posted a record performance this quarter in both occupancy and CCF in a historically strong quarter for the property. Occupancy increased 3.3 percentage points during the quarter to 90.3 percent from 87.0 percent a year ago. A significant increase in food and beverage spending from group attendees drove a 2.4 percent increase in Total RevPAR to \$398.26 in the first quarter of 2005 versus last year. Gaylord Palms generated RevPAR of \$160.10 in the first quarter of 2005 versus \$163.72 in 2004, a decline of 2.2 percent. The slight decline was due to a lower ADR of \$177.26 this quarter from \$188.23 in the first quarter 2004 which was partially offset by the significant increase in occupancy. CCF

improved slightly by 0.4 percent to \$18.9 million in the first quarter 2005 from \$18.8 million in the prior-year period, resulting in a CCF margin of 37.5 percent in line with the first quarter of 2004.

Gaylord Opryland generated RevPAR of \$86.96 in the first quarter of 2005 versus \$81.37 in the prior-year period, up 6.9 percent, driven by a significant increase in Corporate group occupancy. Occupancy increased by 8.6 percentage points to 69.0 percent. ADR was \$125.95, a decrease of 6.5 percent from \$134.70 in the first quarter of 2004. Total RevPAR growth of 14.6 percent to \$192.30 in the first quarter of 2005 from \$167.87 in the first quarter of 2004 was due to an increase in ancillary and food and beverage revenues. The total revenue increase in the quarter versus the prior-year period resulted from a shift from association to corporate groups, who typically spend more outside the room. CCF improved 45.3 percent to \$9.8 million from \$6.7 million in the first quarter 2004. CCF margin increased 4.3 percentage points to 19.6 percent in the first quarter of 2005.

The Gaylord Texan generated RevPAR of \$117.24 in the first quarter of 2005, with occupancy of 69.4 percent and ADR of \$168.96. Total RevPAR at the Gaylord Texan was \$297.54 in the first quarter of 2005. CCF was \$10.4 million. As the property continues to mature, CCF margin has improved for the fourth consecutive quarter since the hotel's opening in April 2004, to end the quarter at 25.8 percent.

"The first year of operations at the Texan has been a great success," said Reed. "We achieved strong CCF of \$10.4 million this quarter, which is already two-thirds of the level achieved in its first three quarters of operation."

"As we look for opportunities to expand our property platform, we are pleased to see the positive economic impact Gaylord has generated in both existing and new markets we have entered," continued Reed. "The ability of our hotels to both stimulate group demand to otherwise underserved markets and to successfully rotate our customers through our network provides us with a solid foundation to further grow our distribution as we set our sights on the opening of the Gaylord National in 2008."

ResortQuest

For the first quarter of 2005, ResortQuest revenues were \$63.8 million and operating income was \$2.1 million. ResortQuest CCF increased 22.0 percent to \$5.9 million for the period versus \$4.9 million in the first quarter of 2004. The positive contribution of the acquisitions made early in the quarter and the Easter holiday weekend falling in the first quarter this year favorably impacted results. We continue to re-invest in the ResortQuest business in the form of branding, training, and increased staffing levels.

First quarter occupancy for ResortQuest increased to 59.4 percent, up 0.4 percentage points from the 2004 period. ADR increased to \$143.38 from \$129.12 in the first quarter of 2004. ResortQuest had 19,325 units under exclusive management at the end of the first quarter, including units that had been out of service due to damage by the Florida hurricanes in the third quarter of 2004. ResortQuest earnings in the first quarter benefited from strong operational results produced by the Hawaii and Northwest Florida regions, as well as seasonally strong results from the company's ski resorts.

By the end of the first quarter, over 75 percent of ResortQuest units damaged in last summer's Florida hurricanes had been returned to service.

On April 12th, 2005 Gaylord Entertainment entered into an agreement to purchase the Aston-Waikiki Beach Hotel in Honolulu, Hawaii for \$107 million. The purchase agreement is subject to a brief due diligence period and other customary conditions. In addition, the agreement is subject to approval by Gaylord's board of directors. Gaylord Entertainment plans to bring in a partner that will own the majority of the equity in the property and negotiations are ongoing with several interested parties. "This transaction will allow Gaylord to participate in the reinvigoration of the Hawaii islands by securing an important asset in the ResortQuest portfolio," said Reed. The agreement, if consummated, guarantees that ResortQuest will continue to manage the units at the Aston-Waikiki property for the foreseeable future.

"The first quarter was a good quarter for ResortQuest in terms of revenue and CCF growth," said Reed. "This is a year of growth and brand expansion as we work to integrate our recent acquisitions and further invest in the business. We are extremely excited about the opportunities ahead and we remain on track to achieve our guidance range for the year."

Opry and Attractions

Opry and Attractions segment revenues were \$12.9 million in the first quarter of 2005 compared to \$12.6 million in the first quarter of 2004. Opry and Attractions had an operating loss of \$2.2 million for the period compared to an operating loss of \$2.6 million in the first quarter of 2004. CCF improved to a loss of \$0.9 million in the first quarter 2005 from a loss of \$1.3 million in the same period a year ago.

"We are pleased with the recent launch of Opry-branded products based on some of our outstanding musical archives," said Reed. "The five Grand Ole Opry Live Classics CD's distributed through our partnership with Cracker Barrel Old Country Stores as well as the Grand Ole Opry Vintage Classics television show, which aired on PBS, are being very well received. We continue to believe there is great potential to expand our product offerings and to broaden the reach of the Opry."

Corporate and Other

Corporate and Other operating loss totaled \$9.8 million for the first quarter of 2005, compared to an operating loss of \$11.4 million for the first quarter of 2004. Corporate and Other operating losses in the first quarter 2005 and 2004 included non-cash charges of \$1.1 million and \$1.6 million, respectively. Non-cash charges include items such as depreciation and amortization and the non-cash portion of the Naming Rights Agreement expense. Corporate and Other CCF improved to a loss of \$7.9 million in the first quarter of 2005 compared to a loss of \$8.9 million in the first quarter of 2004.

In February, Gaylord closed its settlement with the Nashville Hockey Club Limited Partnership (the Nashville Predators) that resolves issues between the organizations. Beginning in the second quarter of 2005, Gaylord Entertainment will no longer include non-cash expenses related to the Gaylord Entertainment Naming Rights Agreement in the Corporate and Other segment results.

Bass Pro Shops

For the quarter ended March 31, 2005, Gaylord's equity income from its investment in Bass Pro was \$1.5 million.

Bass Pro currently operates 26 stores and has stated that it plans to add 16 stores over the next two years.

Liquidity

At March 31, 2005, the company had long-term debt outstanding of \$580.9 million and unrestricted and restricted cash and short term investments of \$86.5 million.

On March 10, 2005 Gaylord entered into a new \$600 million credit facility that will be available to fund the company's business plan, including the development of the Gaylord National Resort and Convention Center on the Potomac. The credit facility has \$300 million of delayed-draw term loan availability, which will bear interest at a rate equal to, at Gaylord's election, LIBOR plus 2.0 percent or the lead bank's prime rate plus 1.0 percent. The credit facility also includes \$300 million of revolving credit availability, which will bear interest at a rate equal to, at Gaylord's election, LIBOR plus 2.0 percent or the lead bank's prime rate plus 1.0 percent. The credit facility is secured by a pledge of the company's hotel properties and is guaranteed by certain of the company's subsidiaries. The new credit facility will mature on March 9, 2010.

Outlook

The following outlook is based on current information as of April 28, 2005. The company does not expect to update guidance until next quarter's earnings release. However, the company may update its full business outlook or any portion thereof at any time for any reason.

"Based on our results in the first quarter, we expect 2005 to be a strong year of continued growth for all of the Gaylord brands," said Reed. "In our hospitality segment, we experienced robust demand in both group and transient business and expect those trends to continue. Advance bookings are currently on pace to hit previously-guided levels."

"Barring any residual impact from last summer's hurricanes on summer travel to the Southeast, our ResortQuest business is on track to meet our expectations, and is benefiting from our increased marketing efforts which should drive growth for the remainder of the year," continued Reed. "The recent Aston-Waikiki purchase agreement, which secures our presence in a key market, enables us to continue to receive the benefits that will accrue from our management of the property and should add value to our shareholders going forward. On the corporate side, we are pleased with the long-term expense reduction emanating from the recent termination of the Naming Rights Agreement. Overall, we are very satisfied with business performance across all segments in the first quarter, and look forward to continued success throughout 2005."

	2005
Consolidated Revenue	\$870 - 900 Million
Consolidated Cash Flow	
Gaylord Hotels	\$135 - 142 Million
ResortQuest	\$20 - 25 Million
Opry and Attractions	\$7 - 10 Million
Corporate and Other	\$(30 - 35 Million)
Consolidated CCF	\$132 - 142 Million
Gaylord Hotels advance bookings	1.3 - 1.4 Million
Gaylord Hotels RevPAR	7% - 9%
Gaylord Hotels Total RevPAR	9% - 11%

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