

January 2025

Company Analysis Chart

Edition 8: Accomodation Absolutes



Researched & Written by Vasav Gupta

Ticker: HLT | Sector: Consumer Discretionary | Industry: Hotel



Metric	Value
Market Cap	\$68.22 Billion
Trailing Year Revenue	\$11.74 Billion
Trailing Year Income	\$1.665 billion
Dividend Yield	0.20%
P/E Ratio	42.48
Average Industry P/E	~ 18

Recent Headlines

- Hilton has been actively expanding its luxury and lifestyle portfolio in 2025, including celebrating milestones like 1,000 hotels in its luxury/lifestyle space worldwide
- Despite the guidance trim, Hilton shares have exhibited resilience with some analyst optimism and strategic repositioning noted in market coverage.

Recent Performance Highlights

- Hilton reported its third-quarter earnings with key metrics showing EPS beating expectations and revenue exceeding consensus. Analysts noted strong profitability even as some operational metrics were pressured.
- Third-quarter revenue and EPS performance was also highlighted by financial media as revenue rising year-over-year and the stock reacting positively.

Analyst Takeaway: Hilton's asset-light business model continues to translate revenue growth into outsized profitability, supported

by strong brand equity, global scale, and disciplined cost management. Despite trading at a premium valuation relative to industry averages, the multiple is justified by Hilton's consistent

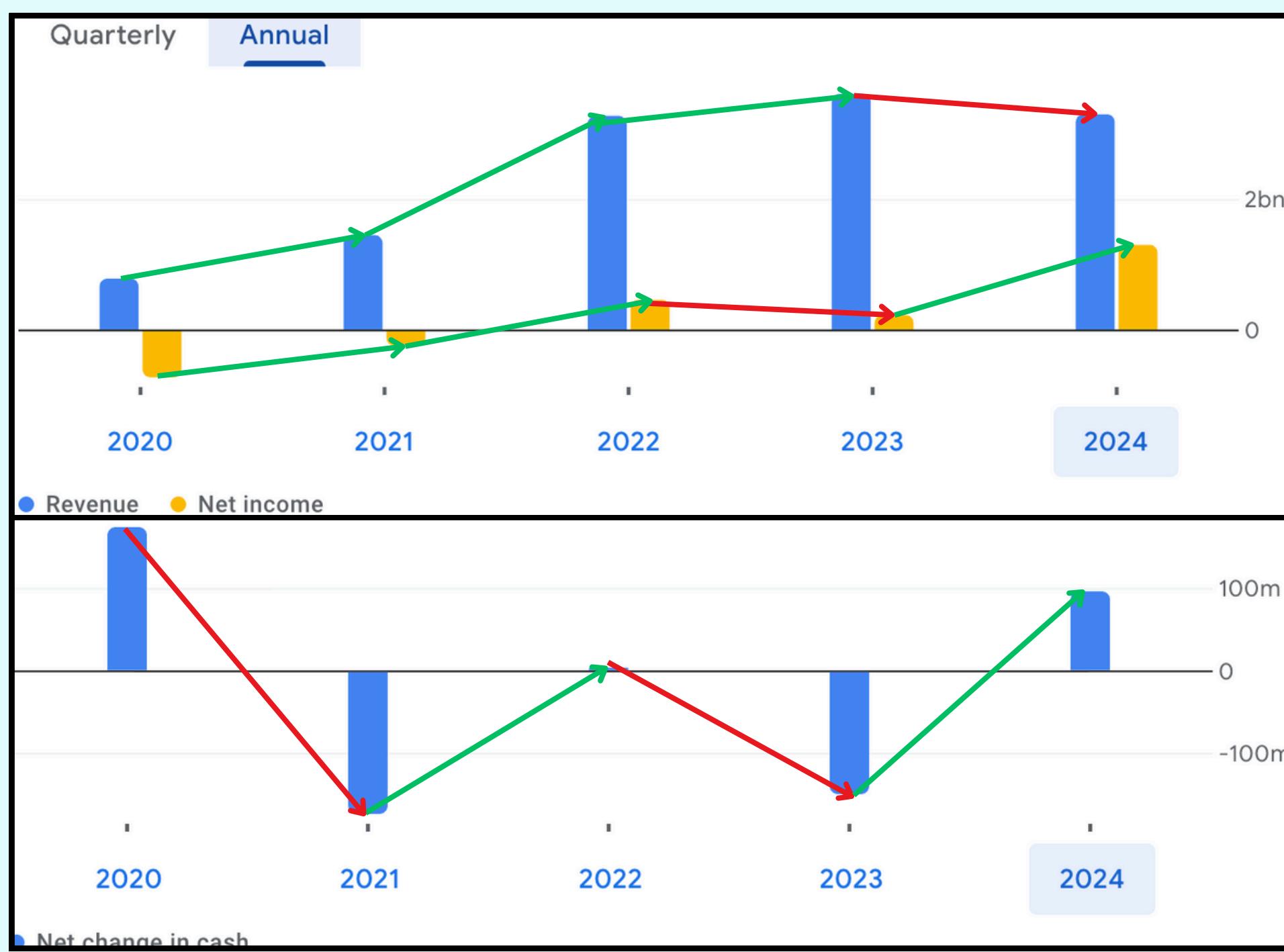
EPS outperformance, resilient demand across leisure and business travel, and accelerating expansion in luxury and lifestyle segments. With increasing revenue and income, investors are provided confidence for long-term company excellence. The company's robust development pipeline and fee-based revenue structure provide durable cash flows and downside protection in a moderating macro environment. With improving operating leverage, solid balance sheet flexibility, and favorable long-term travel trends, Hilton offers an attractive risk-reward profile, supporting a Buy rating.



Rating: Buy | Hold | Sell

Hyatt

Ticker: H | Sector: Consumer Discretionary | Industry: Hotel



Metric	Value
Market Cap	\$15.73 Billion
TTM Fiscal Year 2025 Revenue	\$6.91 Billion
TTM Fiscal Year 2025 Income	≈ -\$88 Million
P/E Ratio	33
Forward P/E	≈ 34
Average Industry P/E	~ 18

Leadership

Executive Chairman: Thomas J. Pritzker

Chief Executive Officer: Mark S. Hoplamazian

Chief Financial Officer: Joan Bottarini

Analyst Takeaway: Hyatt's investment case reflects a company in the midst of strategic expansion but with near-term financial execution risks. While revenue has rebounded meaningfully since 2020 and the brand continues to grow its Essentials portfolio through new concepts and global openings, profitability remains inconsistent, as evidenced by continued net losses in fiscal 2025 and volatile cash flow trends. The absence of a meaningful trailing P/E and a relatively elevated forward P/E of ~34 suggest that much of the anticipated recovery is already priced in despite margins not yet normalizing. Although Hyatt's asset-light shift and brand diversification offer long-term upside, current earnings visibility remains limited. Moreover, the trailing year's negative net income signifies weaker performance in FY25, hinting at potential downside in coming quarters. Hence, supporting a Hold rating until sustained profitability emerges.

Recent Performance Highlights

- Hyatt reported its third-quarter 2025 financial results with modest operational growth but ongoing profitability challenges.
- Net income/loss: Loss of ~\$49 M; Adjusted net loss of ~\$29 M.

Recent Headlines

- Hyatt continues to grow its Essentials portfolio with new brand launches (e.g., Unscripted by Hyatt, Hyatt Select, Hyatt Studios) and global openings, including strong presence expansions in markets like Cancun and elsewhere.

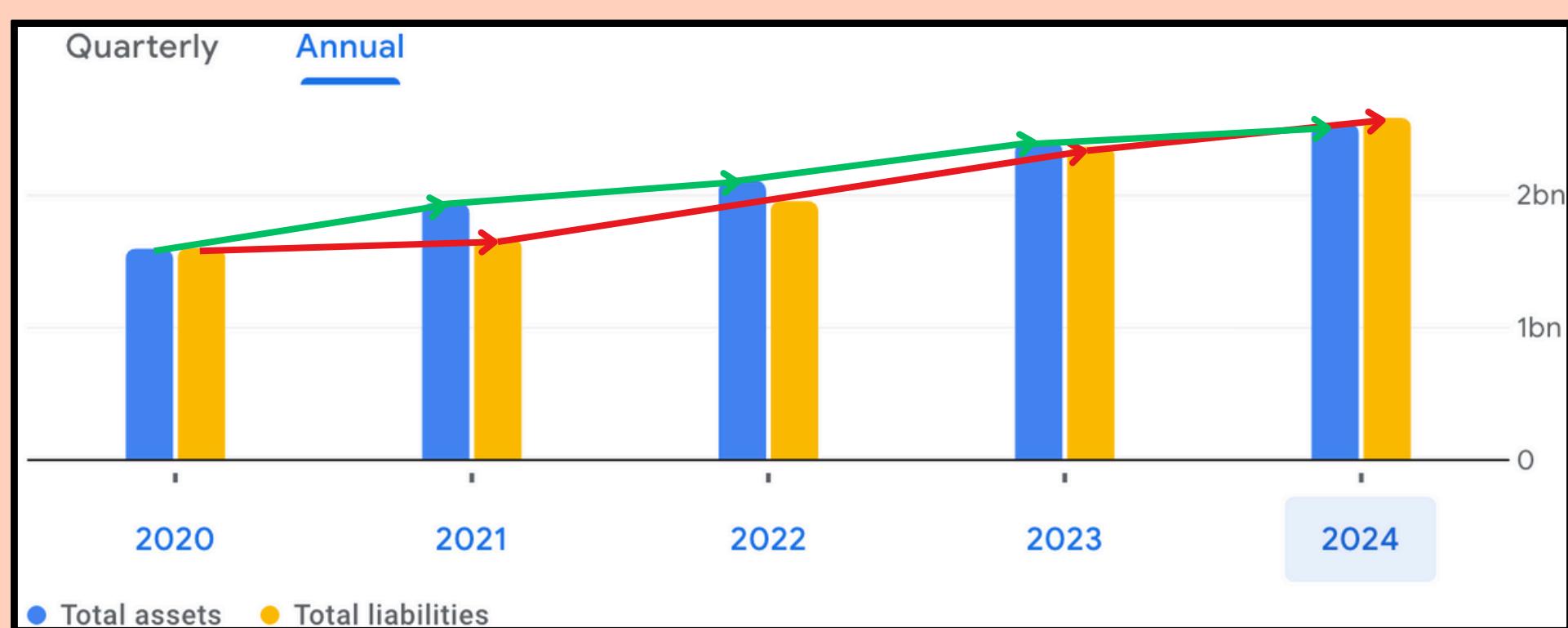


Rating: Buy | Hold | Sell

Choice Hotels International Inc

Ticker: CHH | Sector: Consumer Discretionary | Industry: Hotel

Investment Thesis: offers a stable, franchise-heavy business model with consistent cash generation and shareholder returns; however, its growth profile appears increasingly limited. While international expansion and steady franchise signings support revenue stability, slowing top-line momentum, elevated leverage, and weakening share price performance suggest constrained upside relative to peers and broader market opportunities.



Metric	Value
Market Cap	\$4.44 Billion
TTM Fiscal Year 2025 Revenue	\$1.59 Billion
TTM Fiscal Year 2025 Income	~ \$317 Million
Dividend Yield	1.20%
P/E Ratio	11.76
Average Industry P/E	~ 18

Recent Performance Highlights

- Total revenues rose ~5% to \$447M vs. Q3 2024.
- Franchise agreements and pipeline growth expanded across multiple brand tiers, with liquidity remaining healthy with ~\$564M available and net debt/EBITDA around 3.0x.

Recent Headlines

- Signed agreements for at least three directly franchised properties in Kenya, with a master development agreement targeting ~15 additional hotels by 2030
- The Board declared a quarterly cash dividend of \$0.2875 per share, payable Jan 15, 2026 — continuing the company's long track record of shareholder returns

Leadership

Chief Executive Officer: Patrick Pacious

Chief Global Brand Officer: Dominic Dragisich

Chief Financial Officer: Scott E. Oaksmith



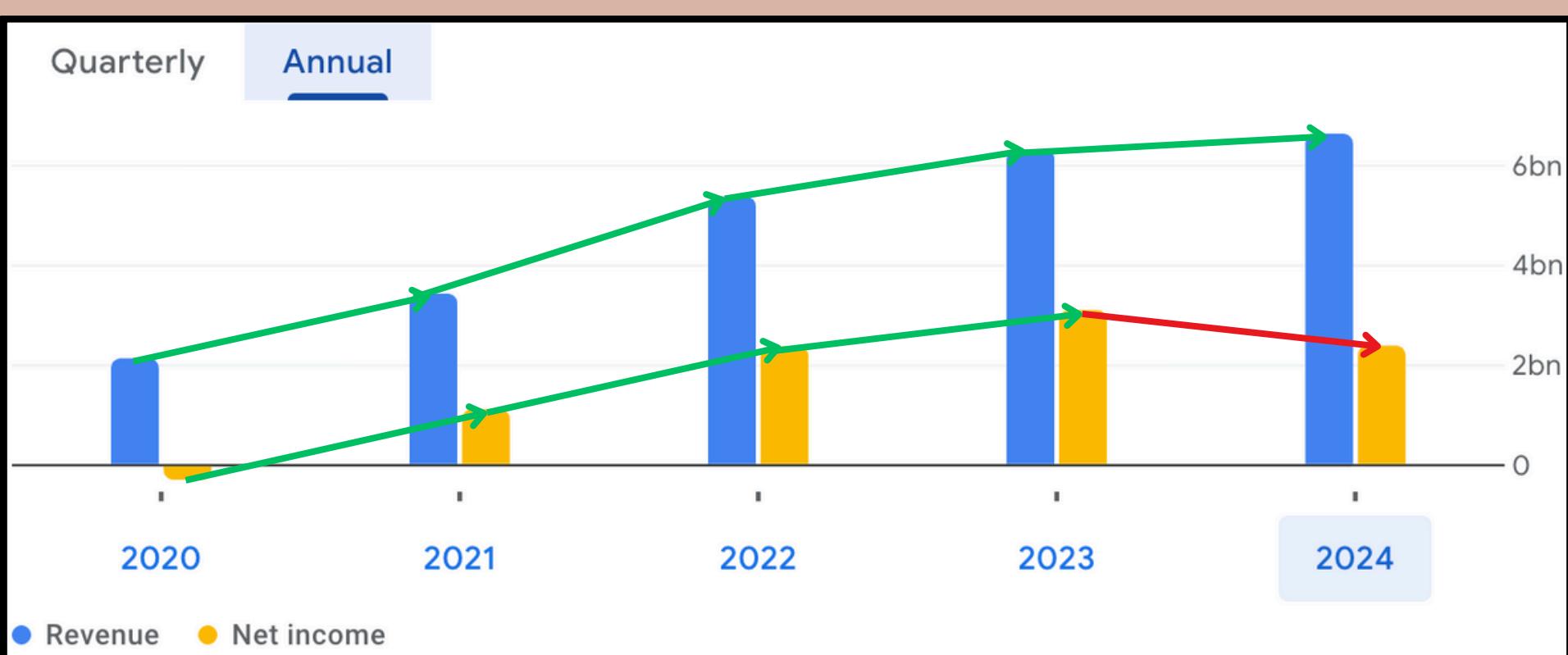
Analyst Takeaway: While Choice Hotels trades at a discount to industry peers on a trailing P/E basis, this valuation appears justified by slowing revenue growth (~5% YoY), elevated leverage with net debt/EBITDA around 3.0x, and a lack of clear catalysts to reaccelerate earnings expansion. Although liquidity remains solid and franchise expansion continues internationally, these positives have not translated into share price strength, with the stock hovering near its 52-week lows and materially underperforming the broader market. In a higher-rate, more selective capital environment, Choice's limited growth visibility and constrained balance sheet flexibility weaken the risk-reward profile, supporting a Sell rating in favor of stronger-positioned lodging peers.

Rating: Buy | Hold | Sell

Marriott International

Ticker: MAR | Sector: Consumer Discretionary | Industry: Hotel

Investment Thesis: Marriott International benefits from the strongest global brand portfolio in the lodging industry and an unmatched development pipeline that supports durable fee-based revenue growth. With rising international travel demand, disciplined capital returns, and strong earnings momentum, Marriott is well positioned to compound shareholder value in the long horizon.



Recent Headlines

- Marriott launches its first AC Hotel in Manila, marking further global brand expansion.
- Continued expansion of residential and branded properties across Europe, the Middle East and Africa.

Analyst Takeaway: Marriott's premium valuation (P/E ~33 vs. industry ~18) is supported by robust earnings growth, with net income up ~25% YOY and a record global development pipeline of ~3,900 properties and nearly 600,000 rooms. The company's constant expansion into global cities, focus on vital partnerships, and expansion of loyalty programs, provide compelling evidence that the company is a strong investment for long-term return. Further, growth plans for 2026 like the construction for new properties under various brand names signify high upside potential. Although the stock currently trades near its 52-week highs, sustained demand for branded lodging, international expansion across EMEA and Asia, and strong pricing power justify further upside.

Metric	Metric
Market Cap	\$84.02 Billion
TTM Fiscal Year 2025 Revenue	\$25.9 Billion
TTM Fiscal Year 2025 Income	\$2.9 Billion
Dividend Yield	0.86%
P/E Ratio	33.07
Average Industry P/E	~ 18

Recent Performance Highlights

- **Revenue & Earnings:** Q3 revenue came in around \$6.49 billion
- **Net Income:** Net income for the quarter was ~\$728 million, up about 25% year-over-year.
- The worldwide development pipeline hit record levels, with ~3,900 properties and ~596,000+ rooms in planning or under construction — a key indicator of future growth.

Leadership

Chief Executive Officer: Anthony Capuano

Chief Franchise Officer: Tushaar Agrawal

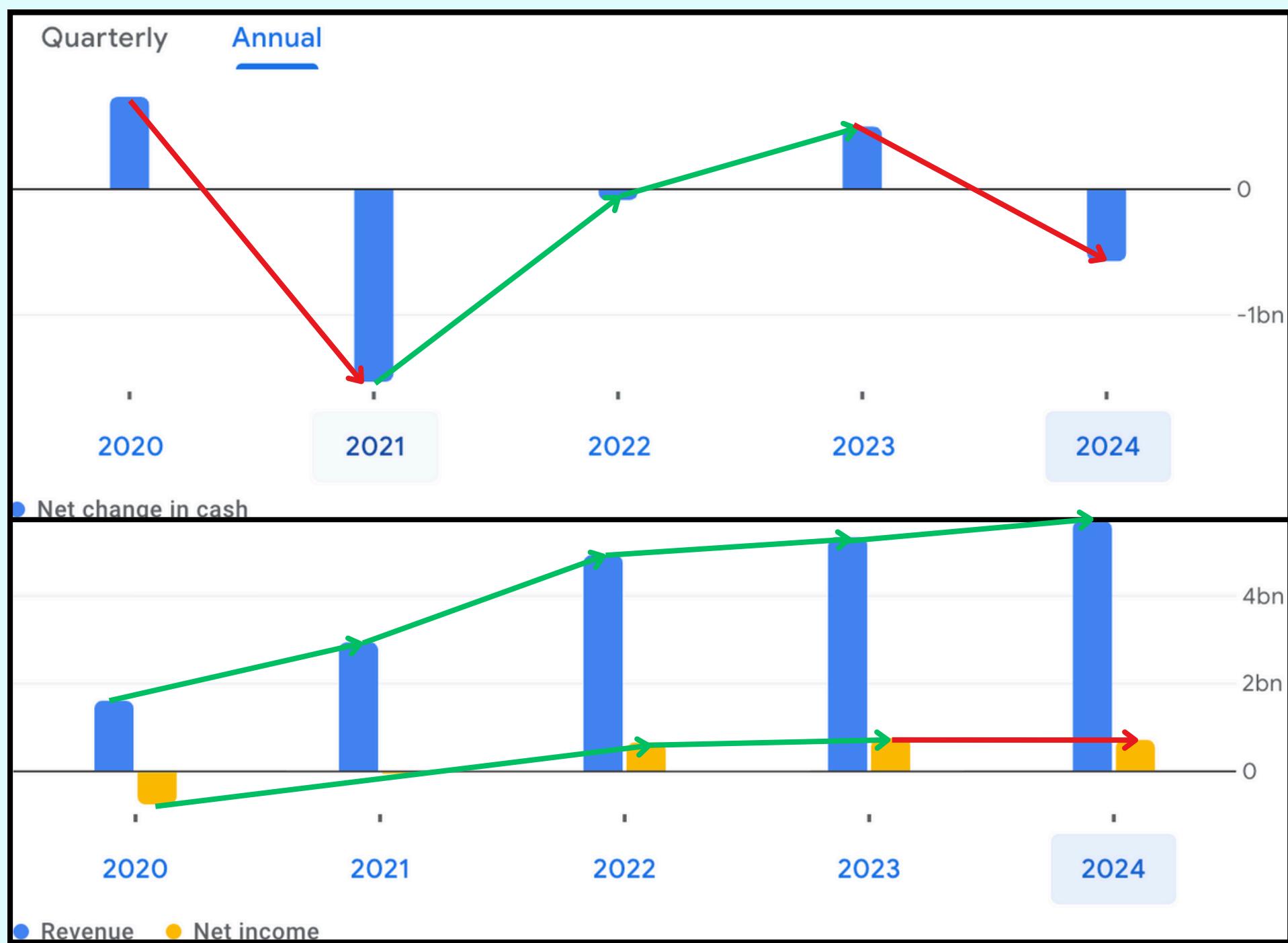
Chief Human Resources Officer: Ty Breland



Rating: Buy | Hold | Sell

Host Hotels & Resorts Inc

Ticker: HST | Sector: Consumer Discretionary | Industry: Hotel



Metric	Value
Market Cap	\$12.65 Billion
TTM Fiscal Year 2025 Revenue	\$5.94 Billion
TTM Fiscal Year 2025 Income	≈ \$738 Million
P/E Ratio	17.33
Dividend Yield	4.35%
Average Industry P/E	~ 18

Leadership

Executive Chairman: Richard E. Marriott

Chief Executive Officer: James F. Risole

General Counsel & Secretary: Julie P. Aslaksen

Analyst Takeaway: Host Hotels & Resorts presents a relatively balanced valuation and income profile, with shares trading at ~17.3x earnings, broadly in line with the industry average, while offering a comparatively high ~4.35% dividend yield that supports total shareholder returns. Recent results highlight solid operational execution, Q3 revenue met expectations and net income rose more than 90% year-over-year, yet earnings remain highly sensitive to macroeconomic conditions, corporate travel trends, and pricing power in key urban and resort markets. While management's consideration of asset sales and ongoing portfolio optimization could enhance capital efficiency and provide incremental value, the stock's proximity to its 52-week highs limits near-term upside, absent a reacceleration in RevPAR growth or a more favorable demand environment. As a result, the current fundamentals justify maintaining a Hold rating until clearer evidence of sustained margin expansion or a cyclical upswing emerges.

Recent Performance Highlights

- Revenue: ~\$1.33 billion in Q3 2025, meeting estimates and slightly above last year.
- Net Income: increased significantly year-over-year in Q3 (~+90%+ compared to Q3 2024) with EPS beating estimates (\$0.23 vs. ~\$0.04).

Recent Headlines

- Company considered selling a portfolio of more than 10 hotel properties worth over \$1 billion — a strategic move to optimize its real estate portfolio.
- Host Hotels & Resorts recognized on the Dow Jones Sustainability World Index for the sixth consecutive year



Rating: Buy | Hold | Sell