# Q1 2025 RESULTS

Hotels Quarterly

International Hotel Market Assessment based on fresh-released data

Tenth Edition

# About the Hotels Quarterly

These short reports are based on quarterly earnings reports of select leading, internationally branded hotel companies. We compiled and analysed data to draw conclusions that can be projected to the global hotel industry at large. This series is published quarterly with the intention to serve as a new source of credible and interesting information for industry stakeholders of all kinds.

For data compatibility we have picked and analysed companies traded on U.S. stock exchanges, namely Marriott International (NASDAQ: MAR), Hilton Worldwide Holdings (NYSE: HLT), InterContinental Hotels Group (NYSE:IHG and LON:IHG), and Hyatt Hotels Corporation (NYSE: H). The conclusions drawn in this report are the result of data analysis from a diverse group of randomly selected companies.

These selected companies, as of today, together represent a total geographic coverage of 109 countries across the globe and collectively comprise more than 26,193 internationally branded properties at the time of the preparation of this study (May, 2025). This robust dataset serves as a representative sample, providing valuable insights into the performance of the global hotel market.

We hope our quarterly reports are valuable resources, providing you with a new angle on the evolution of the industry, its news and trends.

You can subscribe to our e-mail list at hotels@mooreglobal.hu to receive the Hotels Quarterly at the time of its publishing.

Moore Hotels and Leisure specialises in industry-specific strategic, development and M&A advisory, working closely with owners, developers, financiers, hotel brands, operators and other industry stakeholders.

# Did you know?

When it comes to hospitality real estate properties, Moore Hotels, Financial, Legal, and M&A transaction advisory practices help owners, investors and financiers as one professional team to get around all obstacles and explore new business opportunitites - from delivering a global hotel brand to your property, to helping you in a successful exit.

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# Occupancy reaching its potential.

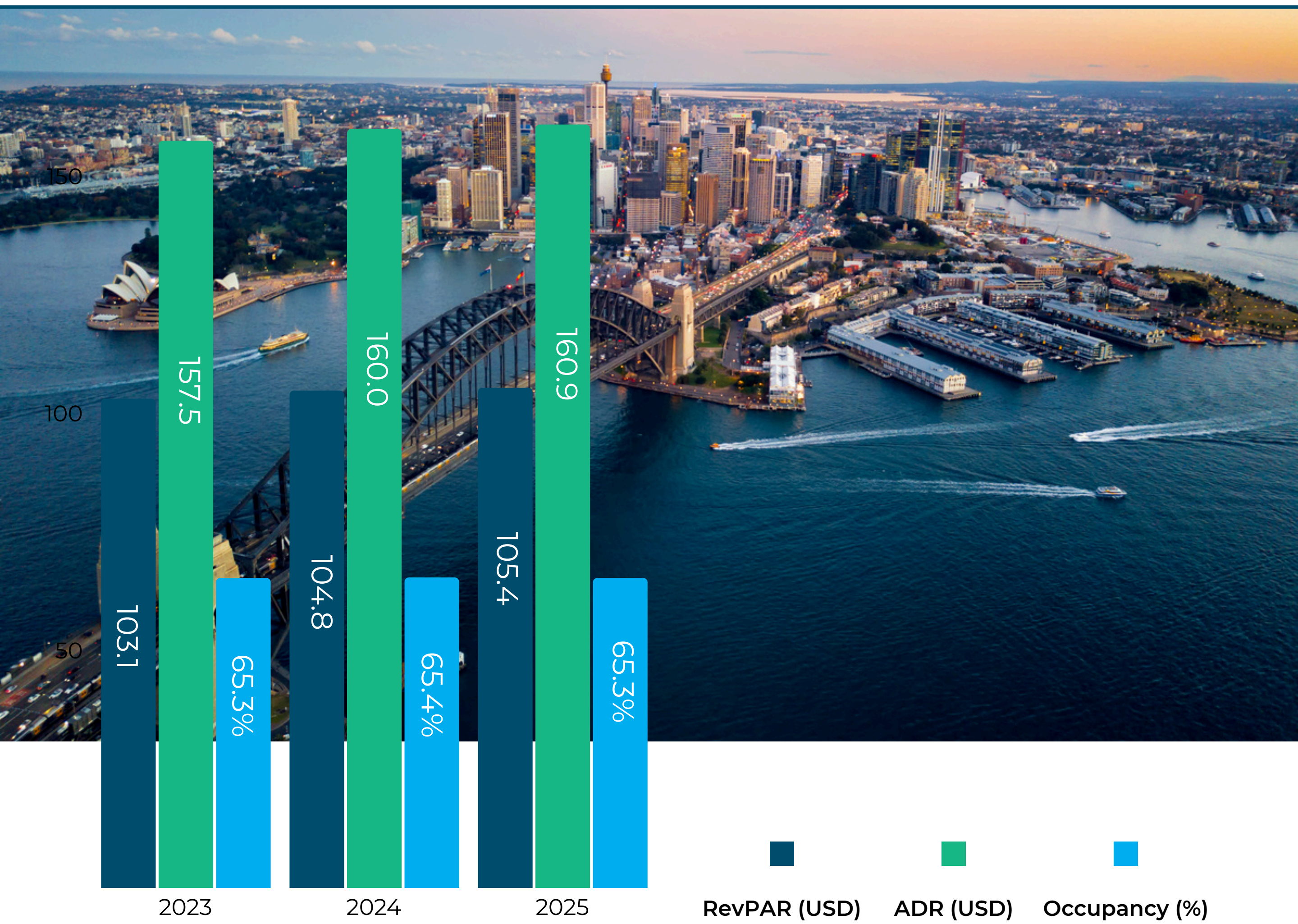
Other KPIs remain stagnant.

US$105.4
Global average RevPar
+ 0.52%

US$160.9
Global average net. Daily rates
+ 0.52%

65.3%
Global branded Hotel occupancy
+ 0.1 pp

Q1
2025



## 2025 Q1 RESULTS

The first quarter of 2025 marked a period of normalized yet resilient performance across the global hospitality sector. Marriott, Hilton, IHG and Hyatt each reported year-on-year RevPAR growth, though the pace moderated compared to the surge observed in 2023 and 2024. The industry has been transitioning from a rebound-led expansion to a structurally stable phase.

Despite macroeconomic headwinds and geopolitical uncertainty, the global hotel industry demonstrated resilience, with

### continued year-on-year RevPAR growth, supported primarily by sustained gains in ADR

and a consistent ability to uphold rate integrity.
Occupancy declined marginally by 0.1 percentage points compared to the first quarter of 2024, reflecting a modest easing in demand **relative to supply growth,** and the natural constraints of operating near cyclical peak occupancy levels. This does not suggest a decline in absolute volume, as total demand remained broadly stable year-on-year.

Despite the uncertanties the **hotel chains maintained a generally optimistic outlook,** even as some adjusted their full-year projections downward in light of recent trends.

### Group Leads, Leisure Levels Off, Corporate Gradually Builds

**Group** business remained the most reliable driver of topline growth, supported by strong advance bookings and robust rate integrity. **Business transient** continued its gradual recovery, led by small and midsize enterprises, while large corporate accounts showed more cautious pacing. **Leisure demand,** which had previously fueled outsized gains, entered a phase of normalization, delivering flat to low-single-digit growth globally. This shift reflects more deliberate travel planning and softer discretionary spending in certain consumer segments.

In the **United States**, RevPAR growth was modest, affected by leisure softness in March and weaker government-related demand. **European and Middle Eastern** markets continued to benefit from strong international travel flows, favourable exchange rate dynamics, and resilient high-end leisure demand. While growth rates moderated in several gateway cities following an exceptional 2024, performance across the wider **EMEA region remained firmly positive,** supported by broad-based occupancy strength and robust pricing in resort destinations and secondary markets.

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## Regional Outlook for the Remainder of 2025

Looking ahead, international markets across EMEA and Asia Pacific are expected to outperform North America, supported by favorable macro conditions, increasing airlift, and sustained cross-border leisure and group activity. In Southern Europe and key resort-led submarkets, demand is anticipated to remain elevated through the summer, although year-on-year comparisons will become more challenging. In the Middle East, performance is projected to hold steady, buoyed by large-scale events and infrastructure-driven business activity. Asia Pacific excluding China is expected to maintain strong momentum, particularly in Japan and Southeast Asia, while Greater China remains a downside risk due to persistent consumer caution and muted inbound travel. North America is forecast to deliver stable but modest growth, with further normalization in leisure, gradual improvement in corporate travel, and continued strength in group. Urban markets with high exposure to government and contract business may face headwinds, while resort and secondary markets are expected to hold pricing gains.

## Conclusion

Q1 2025 confirmed that the **global hospitality sector has moved into a more mature stage of the current cycle.** Performance remains elevated, though growth is now driven by underlying demand fundamentals rather than post-pandemic catch-up. Segment dynamics are rebalancing, regional variation has widened, and development strategies are increasingly shaped by speed-to-market and investment efficiency. The focus for operators and owners alike has shifted from recovery to long-term positioning in a **normalized but still opportunity-rich market environment.**

## HOTEL SUPPLY SEGMENT ANALYSIS

| Global key performance indicators per supply segments in Q1 2025 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Average Occ. Rates (%) | | | Average ADR (US$) | | | Average RevPAR (US$) | | | | |
| Tier | Share | 2023 | 2024 | **2025** | 2023 | 2024 | **2025** | 2023 | 2024 | **2025** | |
| LUXURY | 4.5% | 66% | 64% | **68%** | 293 | 318 | **320** | 194 | 196 | **212** | 8.2% |
| UPPER UPSCALE | 11.4% | 65% | 66% | **67%** | 193 | 195 | **197** | 126 | 129 | **131** | 1.6% |
| UPSCALE | 26.0% | 67% | 67% | **67%** | 139 | 139 | **138** | 94 | 93 | **92** | 1.1% |
| UPPER MIDSCALE | 53.6% | 67% | 65% | **65%** | 116 | 119 | **119** | 79 | 78 | **78** | 0.0% |
| MIDSCALE | 4.5% | 71% | 67% | **67%** | 107 | 109 | **110** | 76 | 73 | **74** | 1.4% |

## DATA REFLECT ALL BRANDS, SYSTEMWIDE, ALL LOCATIONS.

The luxury segment outperformed all other tiers in Q1 2025, with RevPAR increasing by 8.2 percent year-on-year, driven by a notable 6.4 percent increase in ADR and a rebound in occupancy to 68 percent.

This **marks a clear divergence from the broader market**, where RevPAR gains remained modest or flat across most other segments. The widening gap between luxury and lower-tier performance reflects both sustained high-end leisure demand and the pricing power of premium assets in key destinations. As midscale and upper midscale segments face rate pressure and plateauing occupancy, the luxury tier continues to extend its lead, reinforcing a two-speed recovery dynamic within the global hotel market.

Luxury hotels' improvement was further supported by a significant 4-percentage-point gain in occupancy, underlining

continuous strong demand at the top end of the market.

In contrast, performance in

the lower chain scales was more subdued.

The Upper Midscale segment showed stagnation across all key performance indicators, while the Upscale and Midscale categories recorded slight declines in RevPAR, each down by US$ 1. This corresponds to a year-on-year decrease of 1.08% for Upscale and 1.35% for Midscale. The contraction in these tiers was driven by modest ADR declines, as occupancy remained flat at approximately 67%.

Marriott International

Hilton Worldwide

InterContinental Hotels

Hyatt Hotels Corporation

8.3%

109

**COUNTRIES**

26 193

**PROPERTIES**

COVERED IN THIS STUDY

Q1 2025

**Global branded hotel supply grew by nearly 8 percent year-on-year in Q1 2025, marking an exceptionally high expansion rate.**

**Conversion activity remained the primary driver** of net unit growth across global pipelines. Signings and openings from rebranded or repositioned assets accounted for a substantial share of total development, as investors favored faster delivery and reduced capital exposure. **New construction remains subdued** in most mature markets, although early signs of recovery are emerging in selected geographies, supported by expectations of interest rate stabilization and easing construction costs. **Select-service and midscale products continue to lead development activity, with extended stay formats gaining further traction.**

# Published financial data

## SUMMARY OF  OF PUBLICLY TRADED HOTEL COMPANIES IN Q1 2025

| Published Financial Data of Hotel Groups Under Study | | | | | | |
|---|---|---|---|---|---|---|
| Q1 2025 | HILTON | | MARRIOTT | | HYATT | |
| Total revenue | 2,695 | mUSD | 6,263 | mUSD | 1,718 | mUSD |
| Net income | 300 | mUSD | 665 | mUSD | 24 | mUSD |
| Adjusted EBITDA | 795 | mUSD | 1,217 | mUSD | 273 | |
| Operating profit | 536 | mUSD | 948 | mUSD | - | mUSD |
| Earnings per share (diluted) | 1.2 | USD | 2.4 | USD | 0.2 | USD |
| Number of repurchased shares (pc.) | 3.7 | million | 2.8 | million | 1.1 | million |

Selected key financial data for the hotel groups under study are presented in the table above. It is crucial to note that the disclosed figures are limited to the financial information of the subject publicly traded hotel companies and do not include the comprehensive systemwide operating performance of the branded hotel portfolios. Furthermore, it is essential to acknowledge that the earnings reports published by these companies may still be unaudited, and hence may differ from the official audited figures that are released annually. In 2024, we have seen remarkable growth across the hotel groups in our latest study. A further growth was observed in the Q1 2025 compared to the Q1 2024, both in terms of revenue and EBITDA levels.

Revenue and adjusted EBITDA increased at an average growth rate of 4% and 6%, respectively, compared to the previous year. However, operating profit, diluted earnings per share, and net income decreased relative to the Q1 2024. Additionally, all hotel groups successfully executed significant share buybacks during the third quarter of 2024, as shown in the table. Overall, these hotel groups demonstrated growth and positive momentum, but it is also evident that their profitability declined compared to the same period of the previous year. The impact of this quarter on year-end performance is not yet evident at the time of writing our study. In our view, the effects of the quarterly deacrease in net income can be interpreted on an annual basis.

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# Moore Global Network

116
Countries

>37,000
People

234
Independent Firms

~5.1+ billion
USD revenue
in FY2024

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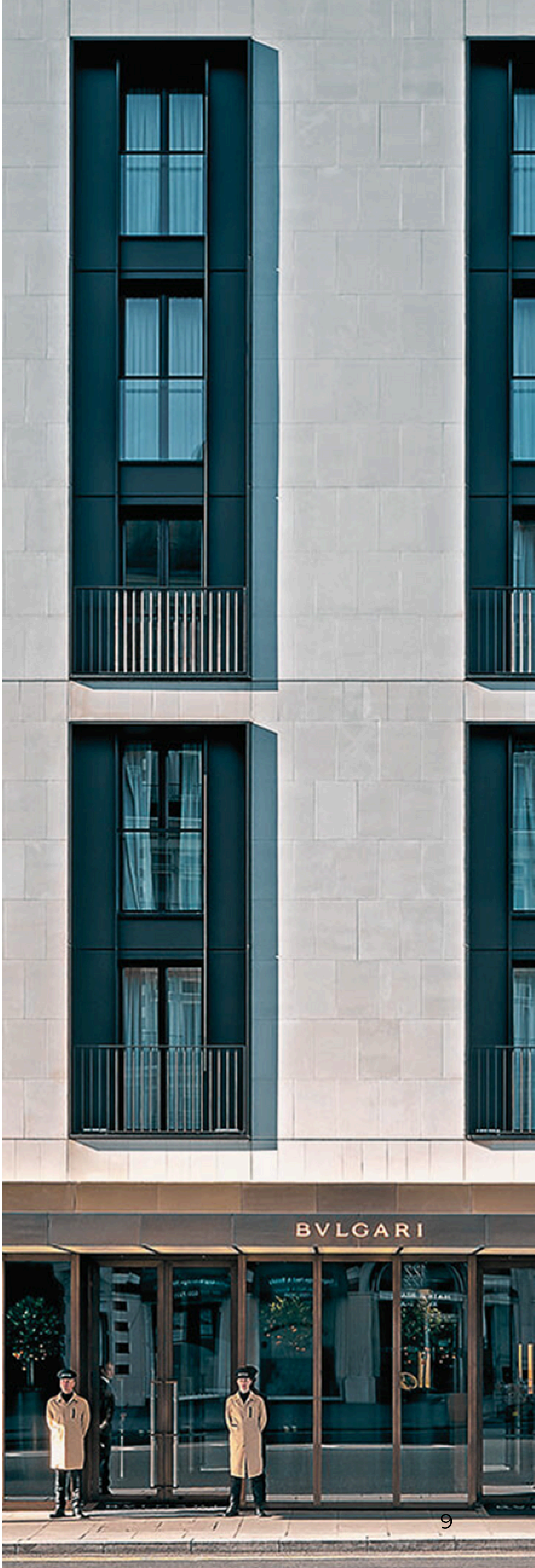
FASTEST GROWING
**ADVISORY NETWORK**

**AMONG THE TOP
25 NETWORKS**



# End-to-end support throughout the hospitality real estate lifecycle.

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MARKET POSITIONING
& FEASIBILITY

INVESTMENT,
ACQUISITION
& DEVELOPMENT

ASSET
MANAGEMENT
& OPERATION

EXIT STRATEGY
& TRANSACTION
EXECUTION


THANK YOU FOR CHOOSING TO BE PART OF OUR JOURNEY.
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