



# GROWTH

INTERNATIONAL HOTEL  
MARKET ASSESSMENT  
BASED ON FRESH-RELEASED DATA

Hotels Quarterly

*Third Edition*  
**Q2 2023**

## 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 108 countries across the globe and collectively comprise 23,409 internationally branded properties at the time of the preparation of this study (August and September, 2023). 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](mailto: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.

Thank you for choosing to be part of our journey.

Marton Takacs

The Author of this Report.  
Global Sector Leader:  
Hotel and Leisure  
at Moore Global

E-mail me at:  
[marton.takacs@mooreglobal.hu](mailto:marton.takacs@mooreglobal.hu)





H1 2023  
six months, y-t-d

US\$110.7  
**Average Net. Room Revenue  
Per Available Room**

US\$160.6  
**Average Net. Daily  
Rates**

68.9%  
**Hotel Occupancy**



First-Half Global Branded Hotels Performance Metrics: 2019, 2022, 2023

Key Performance Indicators / Years	2019 H1	2022 H1	2023 H1
Average RevPAR, Global, in USD	105.3	92.6	110.7
Average ADR-System-wide, in USD	144.9	151.0	160.6
Average Occupancy Rate (%)	72.4%	61.2%	68.9%

In the initial half of 2023, key performance indicators was on a remarkable upward trajectory. The average Revenue per Available Room (RevPAR) has surged to USD 110.7, **eclipsing even the 2019 H1 figure, defying earlier expectations.** “Across the board, the Average Daily Rate (ADR) now stands at a robust USD 160.6, not just as a sign of recovery but as evidence of sustained demand resilience, fueled by people’s unwavering desire to explore.” said Takacs. “Even in the face of economic and societal pressures, individuals are prioritizing travel, and hotels have been effectively incorporating inflationary effects into their pricing strategies. This isn’t merely about bouncing back; it’s about channeling the strong human will to journey, even amidst challenges.”

Significantly, the Average Occupancy Rate, which still encountered challenges in 2022, has rebounded to a very healthy 68.9%, reinforcing the industry’s enduring resilience and adaptability. H1 2023 unveils a narrative of resurgence and progress, yet it’s a question, how mounting macro challenges will play out in the second half of the year.



Marriott International

Hilton Worldwide

InterContinental Hotels Group

Hyatt Hotels Corporation



108

COUNTRIES

COVERED IN THIS STUDY



23 409

**PROPERTIES**

Q2 2023

This quarter unfolds a narrative of continued progress to the remarkable trends we documented in our previous report. Much like the previous quarter, we find ourselves narrowing the gap to pre-pandemic levels while also venturing into new territories of growth. Against the backdrop of a globally inflationary landscape, hotels have not only maintained robust topline performance but have demonstrated astute profit preservation. In this chapter, we analyse the dynamics propelling this ongoing expansion, reaffirming the enduring allure of global hotel brands for investors and stakeholders within the commercial real estate asset class.

During the short months of the second quarter, an unexpected growth was recorded with approximately **400 new branded properties entering** the respective systems of the select hotel companies. This grew our scope of studied properties from **23,026 to 23,409 worldwide**. A significant part of this growth comes from conversions (existing non-affiliated hotels joining the systems primarily through franchise agreements) complemented by new build projects worldwide. The trend towards conversions is particularly notable, as it suggests that non-affiliated hotels see the value in joining established hotel brands to improve their market position and profitability. Nonetheless, the data from this quarter is encouraging, and we remain optimistic about the future of the sector.

Q2 2023 DATA

# GLOBAL AVERAGE KEY PERFORMANCE INDICATORS : SYSTEM-WIDE

We have calculated the Key Performance Indicators (KPIs) for Q2 2023 and made comparisons to Q2 2022 and Q2 2019, respectively, based on the previously described representative sample. Unless explicitly stated otherwise, RevPar, Occupancy, and Average Daily Rate (ADR) figures and comments pertain to average system-wide (all hotels, all brands, all segments) results in constant currency (US\$), inclusive of hotels that have been temporarily closed for any reason.

US\$123.2

**RevPar**

**Q2 2023**

US\$174.4

**Average Rate**

70.8%  
**Occupancy**

Key Performance Indicators / Years	2019 Q2	2022 Q2	2023 Q2
Average RevPAR, Global, in USD	116.1	106.2	<b>123.2</b>
Average ADR-System-wide, in USD	154.8	157.2	<b>174.4</b>
Average Occupancy Rate (%)	75.0%	67.4%	<b>70.8%</b>

## Q2 2023 Compared to Q2 2019:

- + 6.04% in RevPar ■
- + 12.63% in ADR ■
- 5.6% in occupancy ■

## Q2 2023 Compared to Q2 2022:

- + 15.91% in RevPar ■
- + 10.92% in ADR ■
- + 5.08% in occupancy ■

The second quarter of 2023 tells a compelling story. When we compare it to the same period in 2019, it's evident that the road to recovery has been remarkable, with a mere 4.2 percentage points separating us from pre-pandemic levels in occupancy. However, what truly stands out is the exceptional growth in Average Daily Rates (ADR), which soared by a staggering 12.63% quarter to quarter. This double-digit ADR expansion, coupled with the growing guest volumes has resulted in a notable 6% overall growth. It's a testament to the industry's ability to rebound. At Moore, we eagerly anticipate the developments of Q3 and how they may shed light on unforeseen challenges, like the escalating conflict in the Middle East, that could become more pronounced on the horizon.

## HOTEL SUPPLY SEGMENT ANALYSIS

Although the number of properties of hotel tiers varies significantly, with the upper midscale and upscale categories hosting the largest volume of keys, it is noteworthy that investor interest in all categories remains evident, as sectoral supply expansion was evenly distributed across the scales.

KPIs of the first six months of 2023 per supply segments were as follows (ADRs and RevPars in US\$):

Global Average Key Performance Indicators per Supply Segments										
All Brands - Systemwide - All Locations										
Tier	Share of Tiers **	Average Occupancy Rates			Average ADR			Average RevPAR		
		2019 H1	2022 H1	2023 H1	2019 H1	2022 H1	2023 H1	2019 H1	2022 H1	2023 H1
Luxury	4,26%	72%	54%	68%	236	259	295	172	144	201
UPPER UPSCALE	11,50%	76%	59%	69%	178	187	198	135	111	136
UPSCALE	25,77%	75%	65%	71%	130	134	144	98	88	103
UPPER MIDSACLE	54,41%	71%	65%	70%	114	119	124	81	78	88
MIDSACLE	4,06%	72%	73%	74%	89	105	112	64	75	83

A MOORE Hungary Hotels Analysis. \*(excluding Marriott) \*\* Internal share of properties by tier \*\*\* Change in the number of properties by tier in per cent, between from Q2 2022 to Q2 2023.

KPIs of the second quarter of 2023 per supply segments were as follows (ADRs and RevPars in US\$):

Global Average Key Performance Indicators per Supply Segments										
All Brands - Systemwide - All Locations										
Tier	Share of Tiers **	Average Occupancy Rates			Average ADR			Average RevPAR		
		2019 Q2	2022 Q2	2023 Q2	2019 Q2	2022 Q2	2023 Q2	2019 Q2	2022 Q2	2023 Q2
Luxury	4,26%	73%	59%	69%	237	255	288	177	155	198
UPPER UPSCALE	11,50%	79%	67%	72%	181	194	203	144	129	146
UPSCALE	25,77%	78%	71%	74%	133	141	149	105	101	111
UPPER MIDSACLE	54,41%	75%	70%	74%	117	125	129	88	89	96
MIDSACLE	4,06%	77%	77%	77%	91	110	116	70	84	89

A Moore Hungary analysis. \*(excluding Marriott) \*\* Internal share of properties by tier \*\*\* Change in the number of properties by tier in per cent, between from Q2 2022 to Q2 2023

In a dramatic and unprecedented turnaround, the global hospitality industry has surged to new heights in the first half of 2023 (H1 2023) **and** the second quarter (Q2 2023), demonstrating an unparalleled resurgence that **exceeds** even **pre-pandemic levels**. The hospitality sector, across its diverse tiers, has showcased remarkable Key Performance Indicators (KPIs) that underscore its newfound strength and vitality.

In the lap of **luxury**, occupancy rates have grown from a modest 54% in 2022 to an astounding 68% in H1 2023. Accompanying this surge are remarkable Average Daily Rates (ADR) and consequent Revenue per Available Room (RevPAR) figures, which have **reached unprecedented heights**. But it's not just the luxury segment that's thriving – the Upper Upscale, Upscale, Upper Midscale, and Midscale tiers are following suit, all displaying impressive gains in occupancy, ADR, and RevPAR statistics.

This resurgence signifies not only a recovery but a remarkable transformation of the hospitality industry. It demonstrates its remarkable pricing power and adaptability in the face of adversity, presenting a sector more agile and competitive than ever before.

# Q2 2023: SUMMARY OF FINANCIAL DATA OF PUBLICLY TRADED HOTEL COMPANIES

Published Financial Data of All Hotel Groups Under Study						
2023, Q2	Hilton		MARRIOTT		Hyatt	
Total Revenue	2 660	mUSD	6 075	mUSD	1 705	mUSD
Net income	413	mUSD	726	mUSD	68	mUSD
Adjusted EBITDA	811	mUSD	1 219	mUSD	268	mUSD
Operating Profit	674	mUSD	1 096	mUSD	-	mUSD
Earnings per share (diluted)	1,56	USD	2,38	USD	0,63	USD
Number of repurchased shares (pc.	3,3	million	5,2	million	1,0	million

\*(excluding IHG as relevant quarterly data was not published)

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 Q1 2023, our latest study revealed a remarkable surge in performance across various hotel groups. This growth trend extended into the second quarter of 2023, when compared to the same period in 2022. Notably, total revenue and Adjusted EBITDA exhibited exceptional gains, with impressive average growth rates of 14% and 18%, respectively, compared to the previous year's Q2. Operating profit also surged by a notable 12% over 2022.

However, it's worth mentioning that diluted earnings per share and net profit experienced slight decreases when compared to Q2 2022. It's noteworthy that all hotel groups effectively executed share buybacks in Q2 2023, as depicted in the table.

In summary, these hotel groups showcased substantial growth and a positive trajectory shift in key financial metrics, as scrutinized from Q2 2022 to Q2 2023, underlining their resilience and adaptability in the ever-evolving financial landscape.

*This concludes our report.*



## DID YOU KNOW?

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

At Moore, our purpose is to help people thrive – our clients, our people, and the communities they live and work in. We're a global accounting and advisory family with over 29,000 people in 547 offices across 113 countries, connecting and collaborating to take care of your needs – local, national and international.

When you work with Moore firms, you'll work with people who care deeply about your success and who have the drive and dedication to deliver results for you and your business. You'll have greater access to senior expertise than with many firms. We'll be here for you whenever you need us – to help you see through the maze of information, to guide you in your decisions, and to make sure you take advantage of every opportunity. To help you thrive in a changing world.



Gabriella Huth  
Partner,  
Moore Hungary,  
Partner,  
Corporate Finance



Akos Boross  
Managing Partner  
Moore Hungary,  
and Partner  
M&A Advisory



Marton Takacs  
The Author of this Report.  
Global Sector Leader:  
Hotel and Leisure  
at Moore Global



Dr. Marton Kovacs  
Managing Partner  
Moore Legal Kovacs,  
International  
Hotel Lawyer



Peter Hajnal  
Partner,  
Moore Hungary  
Partner,  
Business Solutions

E-mail us at:  
[hotels@mooreglobal.hu](mailto:hotels@mooreglobal.hu)

THANK YOU FOR CHOOSING TO BE PART OF OUR  
JOURNEY.



## CONTACT US

Moore provides insight from global leaders on the key challenges of modern business. Find us at [Home \(mooreglobal.hu\)](http://Home(mooreglobal.hu)) or [Hotel and Leisure | Moore \(moore-global.com\)](http://Hotel and Leisure | Moore (moore-global.com)) .

You can subscribe to our e-mail list at '[hotels@mooreglobal.hu](mailto:hotels@mooreglobal.hu)', to receive the Hotels Quarterly at the time of its publishing.



### LEGAL DISCLAIMER

If any statement, fact, or representation is made in this paper, it is solely based on publicly available general information and does not reflect the views of Moore Hungary including all affiliated legal entities and Moore Global including all affiliated legal entities. Furthermore, this publication, including any attachments, does not render any accounting, financial, audit, business, tax, legal or other professional services and is made only for free information purposes on the analysis of financial and hotel performance data of hotel brands. The brands included in this publication were chosen randomly and therefore this publication does not constitute an exhaustive list of world's leading hotel brands. Neither does it rank or classify between the brands or express the value of the brands and their owners thereof. This publication cannot be used as a basis for any business, investment, professional or any other decision or action that may have any affect thereon. The distribution, copying, modification, quotation and reference to this paper are subject to the prior written approval of the Author. The designations "Hotels Quarterly" and "The Hotels Quarterly" are intellectual products and properties protected by copyright.

Neither the publication, nor any related press release shall constitute any investment advice or an offer to sell or solicitation to buy any security or investment product, including but not limited to any securities that are issued by publicly listed companies that may be cited. You should note that this paper may contain publicly available third-party statements regarding the financial status of certain publicly listed companies and that in cases these statements contain past performance, which is not indicative of future results, and that any statement that may be deemed as forward-looking statements under any jurisdiction are not guarantees of future performance. This publication has been prepared in good faith based on the information available at the time of preparation and Moore Hungary including all affiliated legal entities and Moore Global including all affiliated legal entities undertake no obligation to update this publication in any way.

The publisher and their affiliated companies make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein or any other information provided. Any reliance on such information is at the reader's own risk. Moore Hungary including all affiliated legal entities and Moore Global including all affiliated legal entities shall not be, under any jurisdiction, responsible for any loss sustained by any person who relies on this paper.