

Hilton



BUY Rating

Exit Multiple IRR: 8.9% - Upside: 36.2%
(5 year Investment)

LTS Challenge 2023

Jaguar Capital

Guilherme Martins | João Tranchesi | Roni Fogelman

Investment Thesis – The Top Pick on the Hospitality and Travel Sector

Hilton

Value stock with key drivers and low risk creates an exceptional investment opportunity

Well Positioned in a Prosperous Scenario

High-quality and well distributed pipeline to exploit the best growth opportunities

11.8% APAC Projected Growth **24%** Hilton's share of all rooms under construction in APAC

Mastery in Branding and Pioneer in Asset Light trend

Hilton has the most valuable hotel brands, allowing the company to generate alpha vs. the relevant segment

16% RevPar premium **1st** Ranked in World's most Valuable and Strong brands

Experienced and Assertive Management

Hilton's management has great decision making on asset allocation and value creation

95% of Compensation at Risk **5.2%** Spread ROIC - WACC

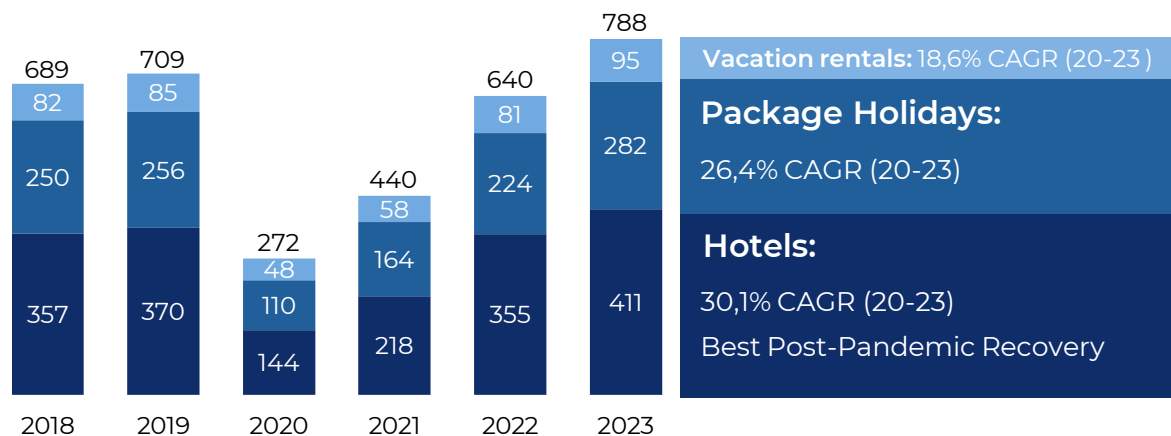
Understanding the Industry



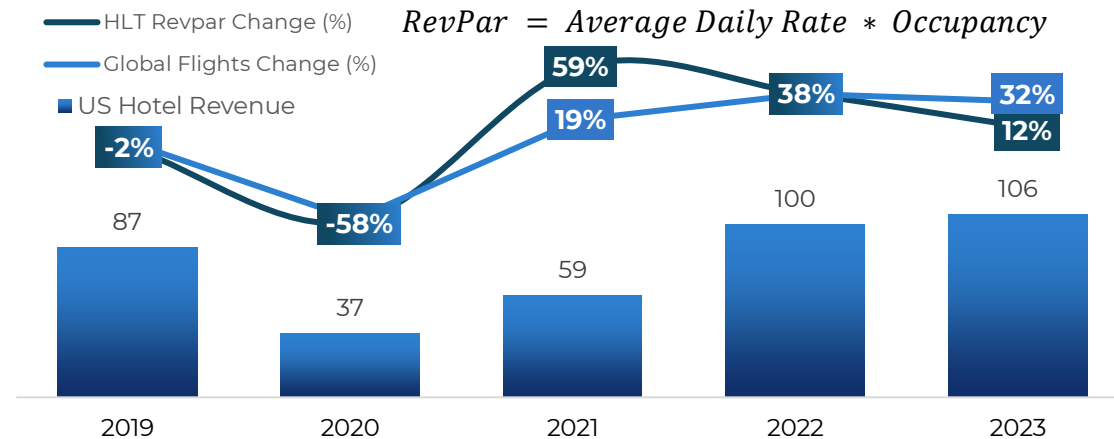
The hospitality and Travel sector.

The Hospitality and Travel sector is divided in 3 main segments, hotels have shown great resiliency

Hospitality and Travel Revenue per Segment

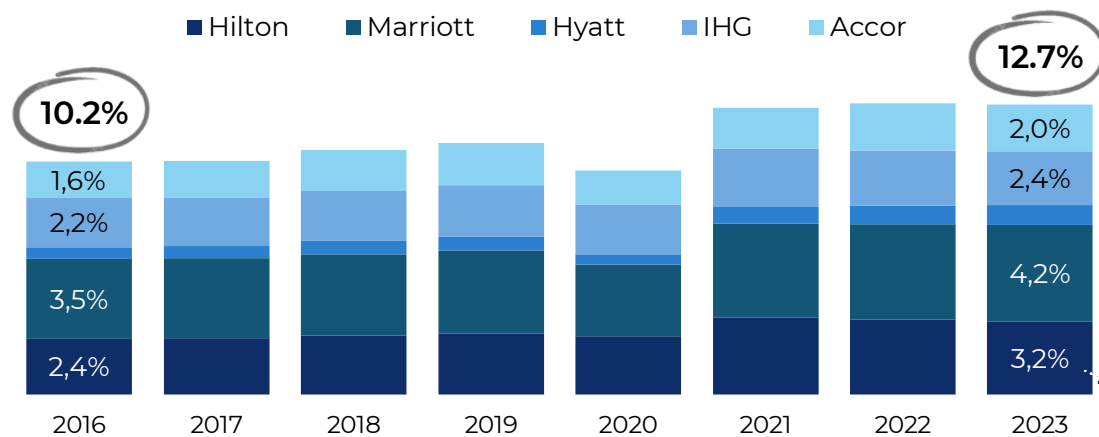


US Hotel Revenue vs HLT Revpar Change and Global Flights Change



The hotel segment is highly fragmented across various players and regions, with the top five players accounting for only 12.7% of the total market share

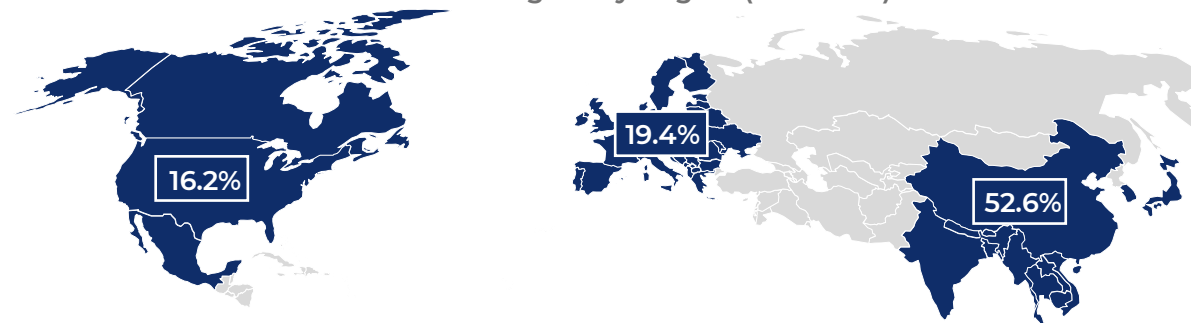
Big 5 Worldwide Market Share



Average Daily Rate Per Region



Room Nights By Region (% of total)



Hilton at a Glance



Focused on being asset light, Hilton is mainly a brand company, with over One million rooms in 126 countries worldwide.

Strong Positioning In Markets

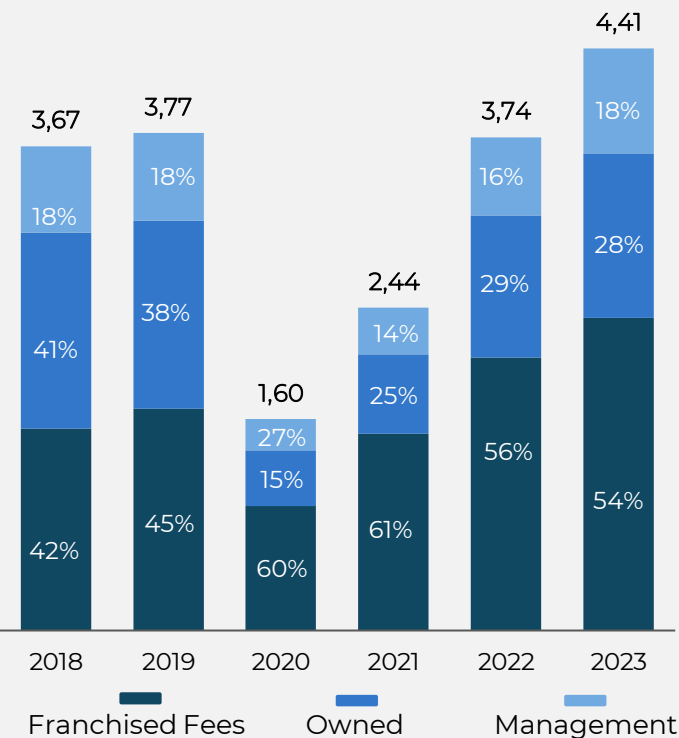
Global System Room Distribution



Middle East	Latin America	
3%	6%	
US	Asia Pacific	Europe
68%	14%	9%

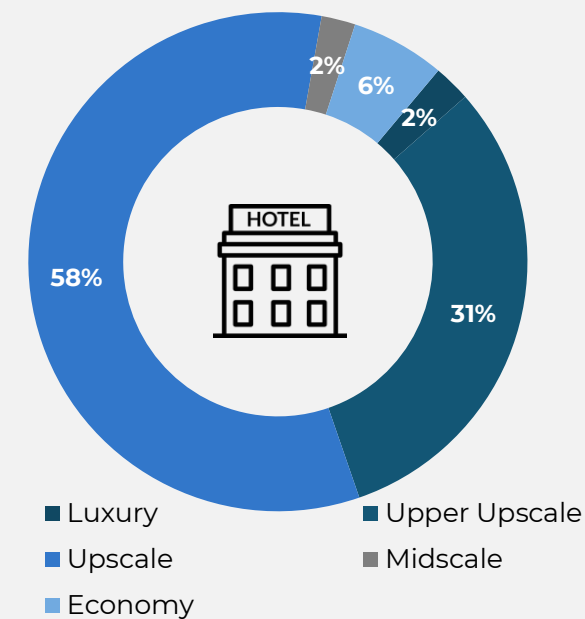
Strong Asset Light Business

Revenue Breakdown By Segment (U\$ Bn)



Solid Brand Portfolio

Rooms Share by Hotel Type



20+ Brands **1,2M + Rooms**

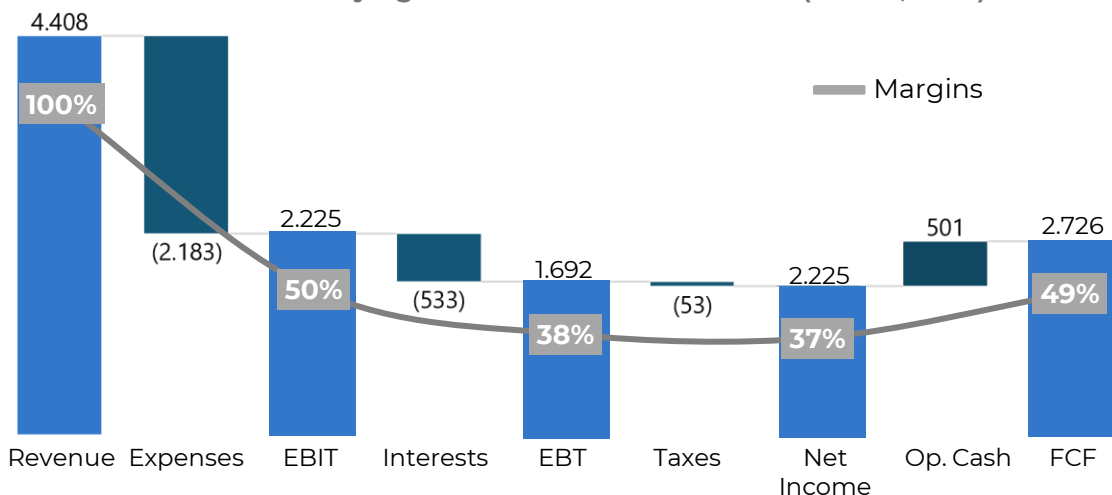
Unbeatable Financial Profile



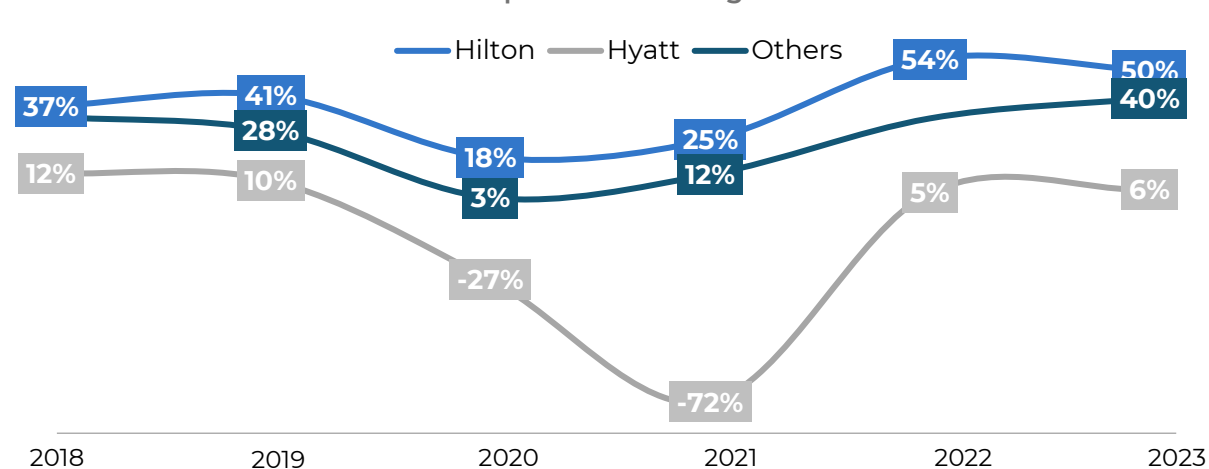
Hilton is able to maintain better performance differential to peers with growing margins.

Strong cash flow and higher operating margins than its peers enables Hilton to keep steady stands in extreme periods

From Underlying Revenue to Free Cash Flow (U\$ Mn, 2023)

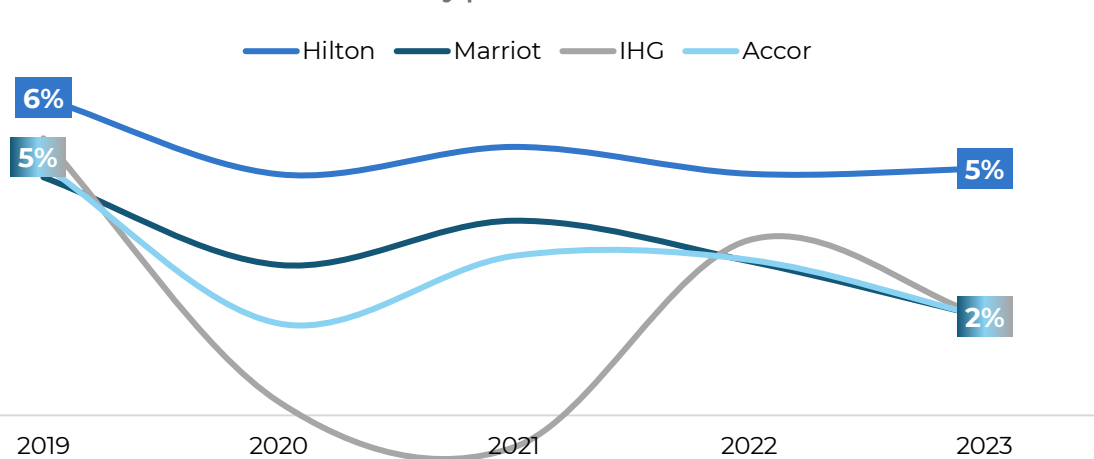


Companies EBIT Margins

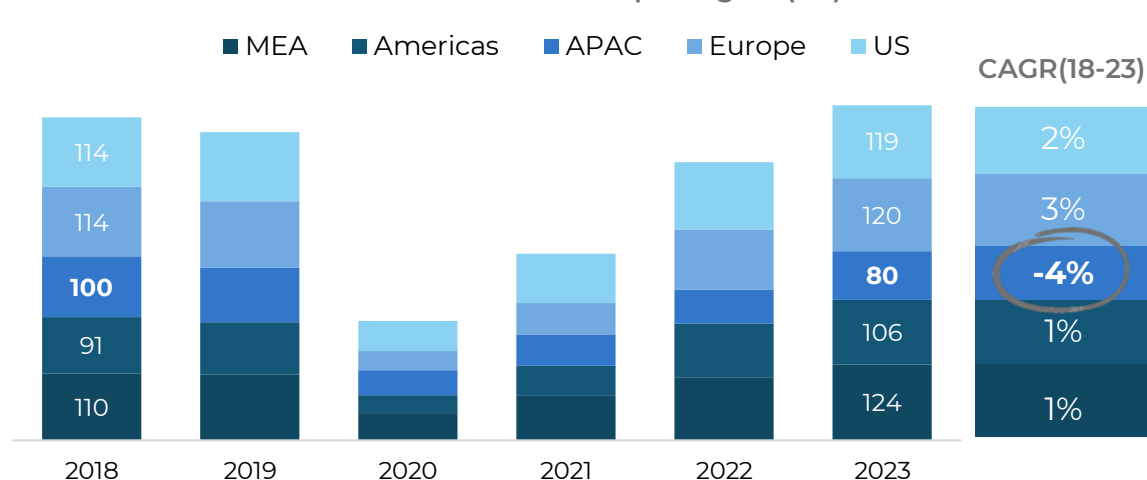


Hilton is able to keep high NUG due to its strategic positioning and high attractiveness to franchisees, but APAC results remain low due to low occupancy...

Evolution of key peers Net Units Growth



Historical RevPar per region (U\$)



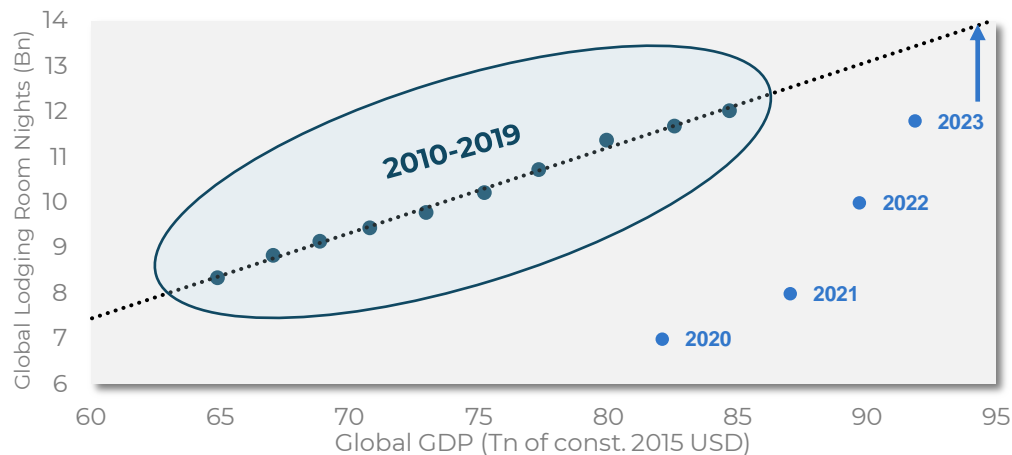
Asia as a Tailwind for Hilton



Not only due to gap generated by the pandemic but mainly due to wealth growth and domestic drivers.

The hospitality sector has yet to fully recover to pre-pandemic demand levels. APAC lags the most but also shows the greatest potential for long-term growth.

Global Lodging Room Nights (Bn) vs Real GDP (Tn of constant 2015 US\$)



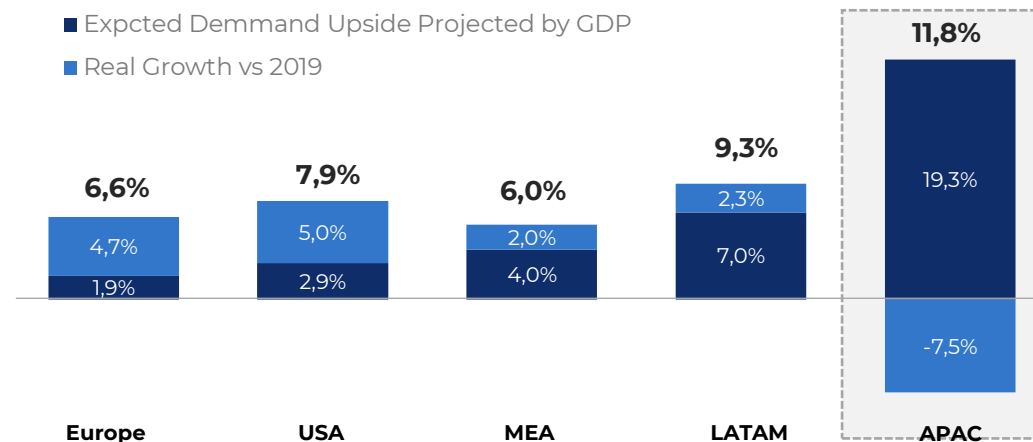
13% Upside

Demand upside gap to recover, predicted by GDP

99.6% R²

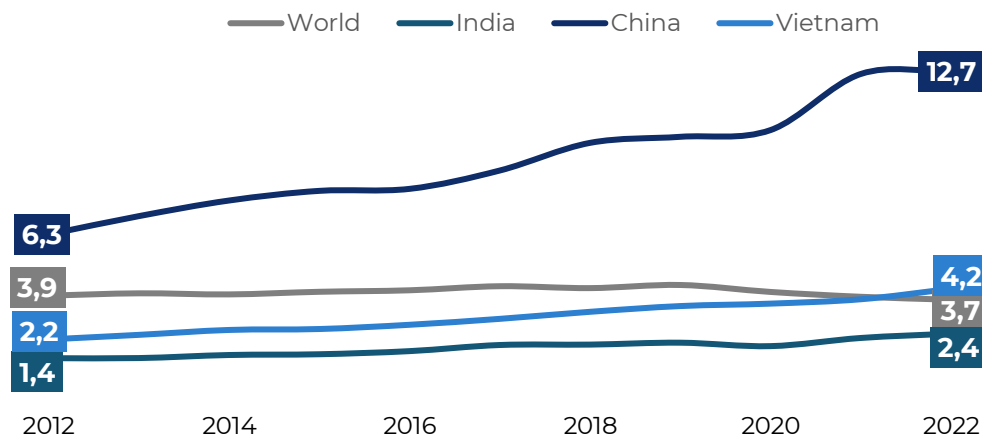
Correlation between world GDP and Total Demand

Total Expected Growth vs 2019



As wealth increases and the middle class grows in APAC, the demand for hotel accommodations is surpassing the available supply of rooms.

APAC vs World GDP per Capita (Current US\$ in Thousands)



CAGR

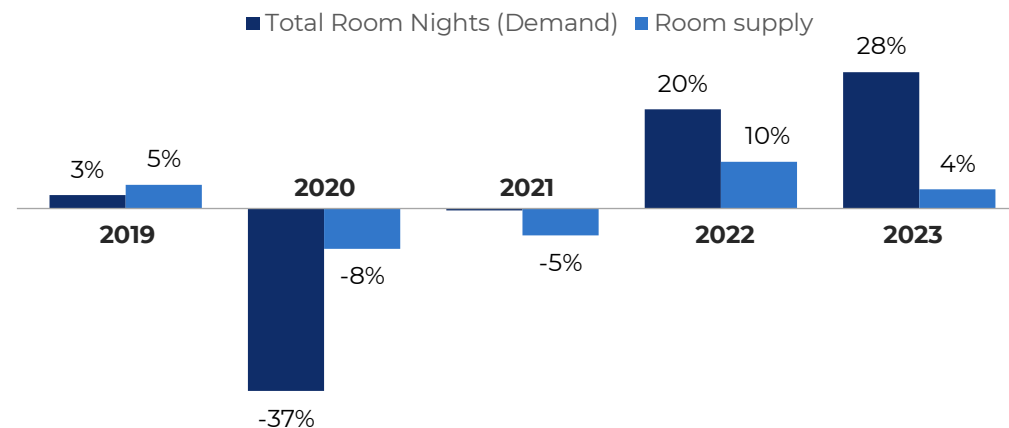
6,60%

6,01%

4,84%

-0,37%

Demand Growth vs Room Supply Growth



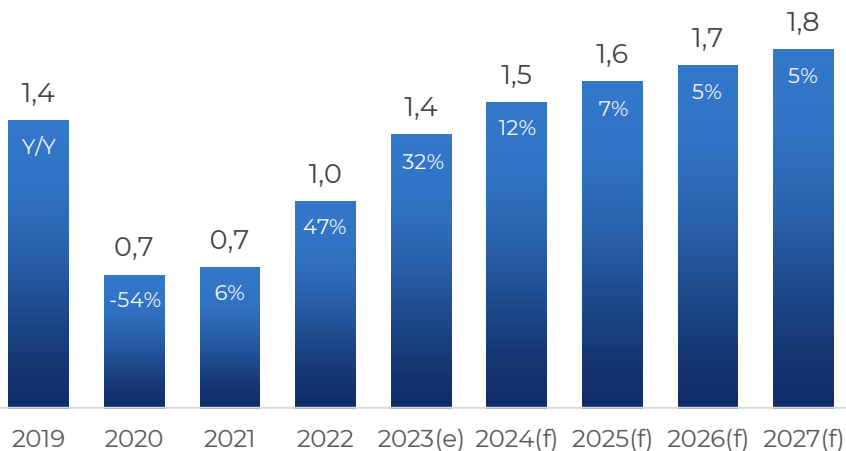
Hilton's Unparalleled Pipeline



Hilton is the best positioned among its peers to capitalize on all growth opportunities, particularly in the APAC region.

China leads Business Travel and Hilton is the best positioned in this segment, Head of GIC confirms our views.

Global Business Travel Spend (US\$ Tn)



Top Markets (US\$ Bn)

China	US\$ 361
USA	US\$ 329
Germany	US\$ 70
Japan	US\$ 65
UK	US\$ 43



Gastão Valente
Head Brazil at GIC Real Estate

“

With the economic growth and consolidation of the Middle Class in APAC, international companies are now more open to having operating facilities than only producing and exporting.

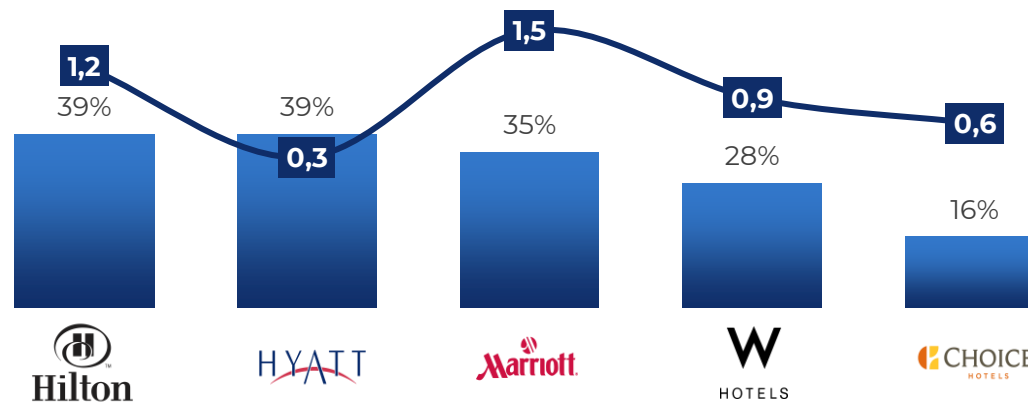
Hilton is the best positioned in the Business Travel Segment, due to its strong presence in Upscale and Upper Midscale hotels.

”

Among its peers, Hilton is the leading investor in its future, holding contracts for 24% of all rooms under construction in APAC and 20% worldwide.

Region	Hilton's Existing Room Supply	Hilton's Rooms under Construction
	% of total	% of total
USA	4%	23%
America ex. U.S.	14%	16%
Europe	2%	10%
Middle East & Africa	3%	21%
Asia Pacific	2%	24%
Global System	5%	20%

Company Pipeline as % of Existing Footprint vs Total Rooms (Mn)

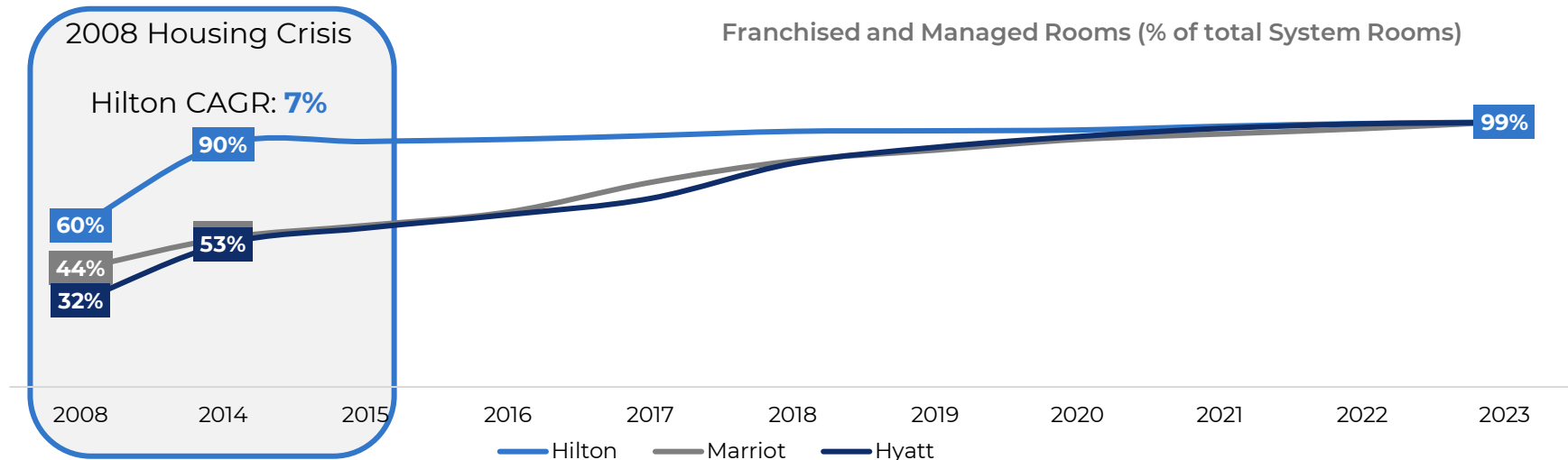


Asset Light Pioneership



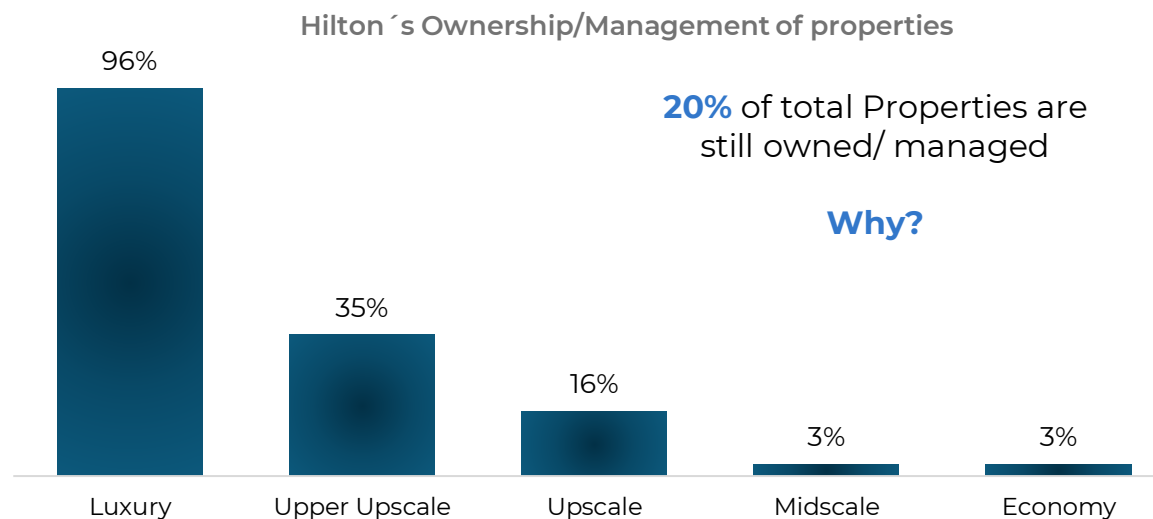
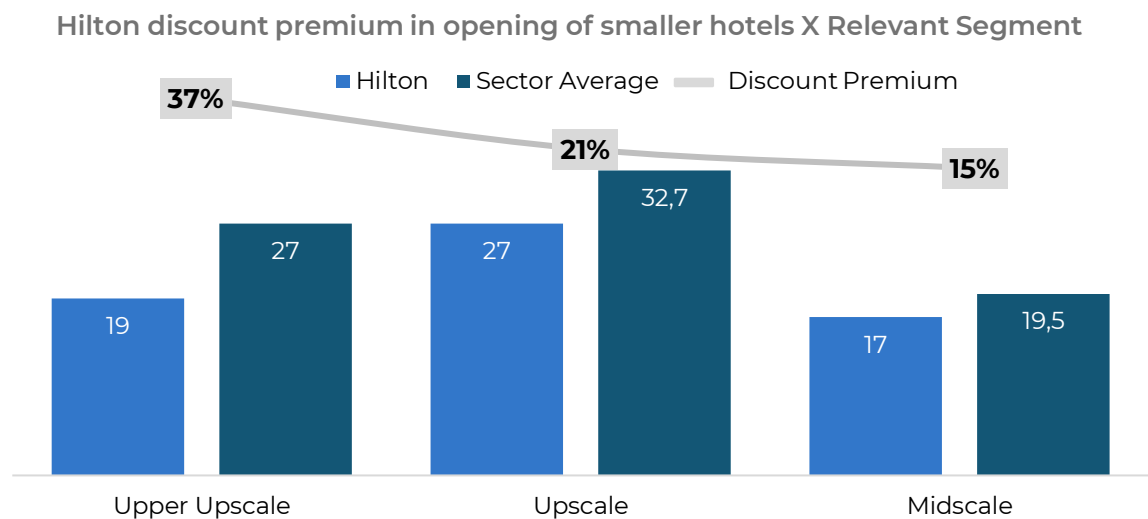
Hilton led the sector's transition post Housing Crisis, enabling the company to focus on branding, rather than on Real Estate.

2008 Housing Crisis showed that the sector was also very exposed to Real Estate risk, motivating companies to adopt more franchised and management models.



Pipeline Description	
# of Rooms	416K
% Under Construction	50%
3 rd Party Investment	US\$ 50Bn
HLT Investment	US\$ 300M
% Dry Deals	90%

The huge pipeline is explained by Hilton's attractiveness to the franchisee in terms of costs of opening, but still, the company holds stakes on important properties

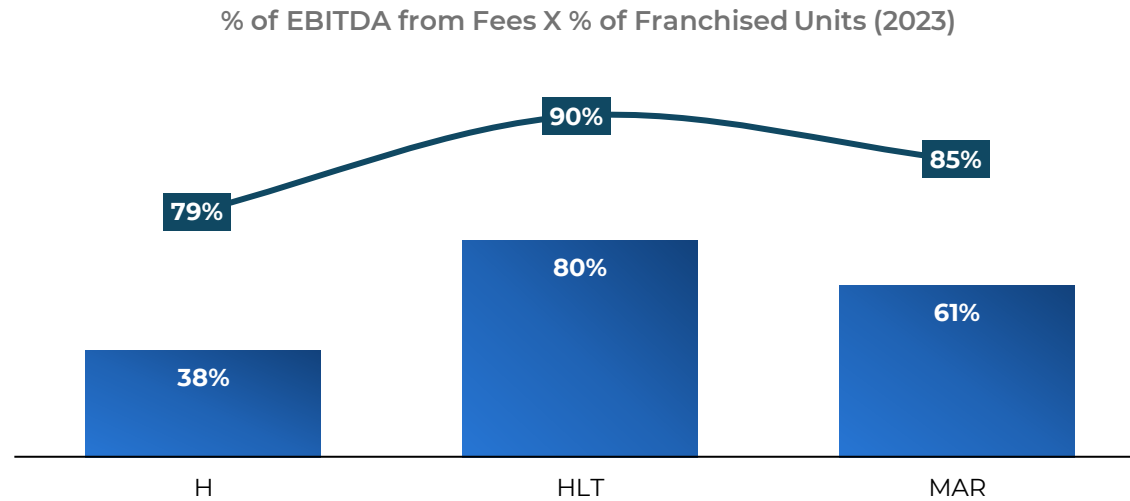
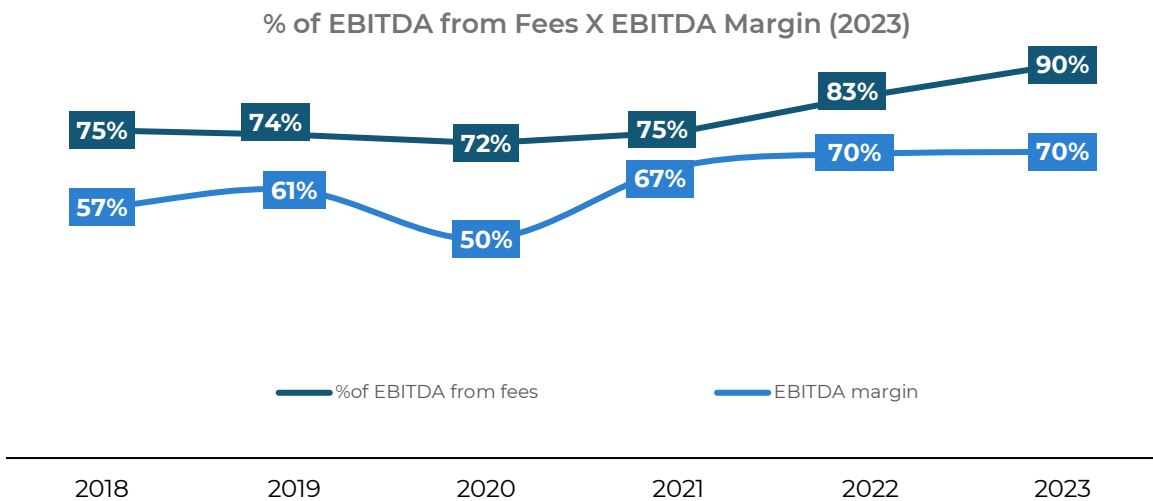


Translating to Numbers

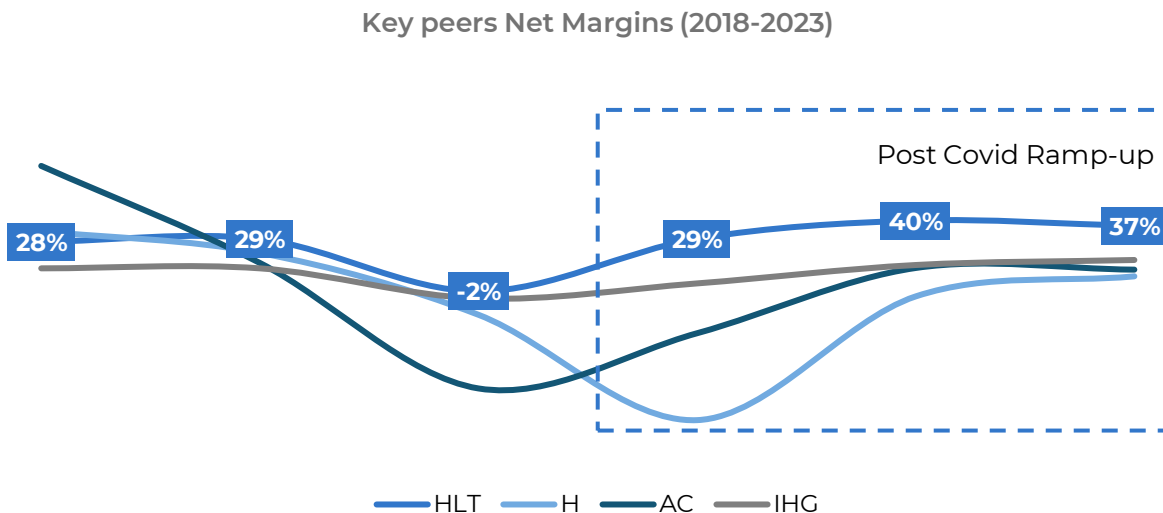
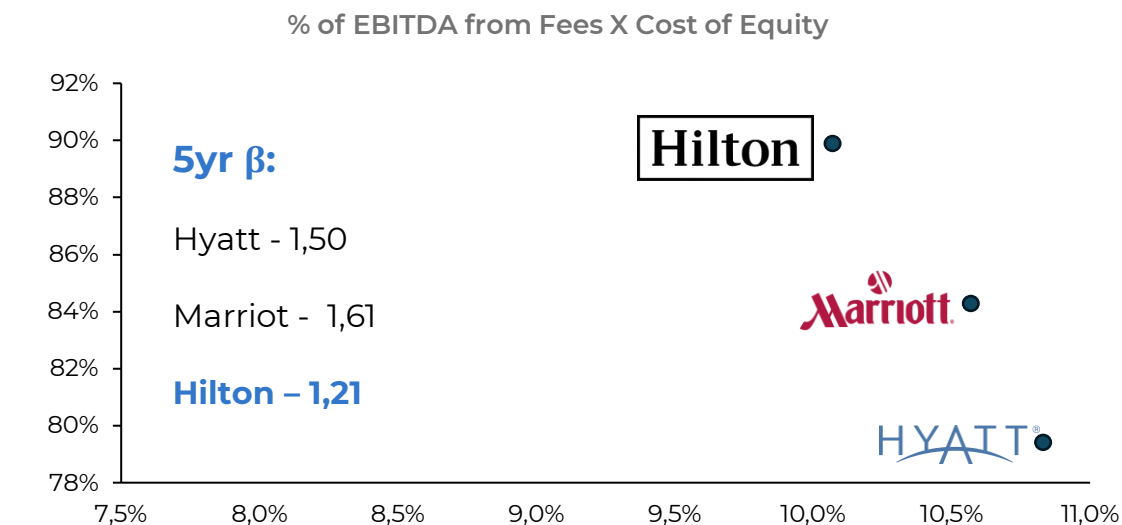


Pioneership on Asset Light Model and Brand Positioning allows Hilton to overcome its peers on the comparable financial side.

Growing profitability is due to heavier weight of fees on Net Revenue, only allowed by higher number of franchised units and rooms than its peers



Also, we see that risk profile and volatility correlates positively with how fee-based businesses are, expressing itself on Hilton's steady margins in hard periods.

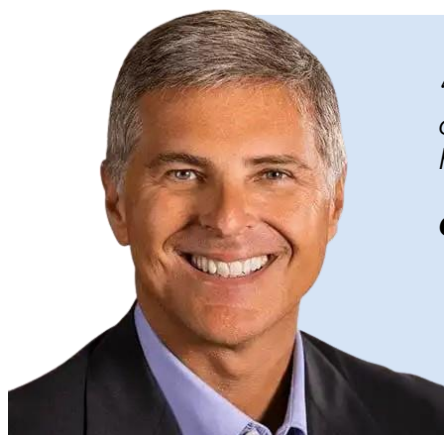


It is a Marathon, not a Sprint



Despite great opportunities and profitability, a company need to have its management aligned with its shareholders.

Chris Nassetta has the experience and alignment with the company to create long-term value for Hilton.



"We are a business of people serving people, and our team members extend their passion for hospitality beyond our hotel walls every day."

Christopher J. Nassetta – CEO



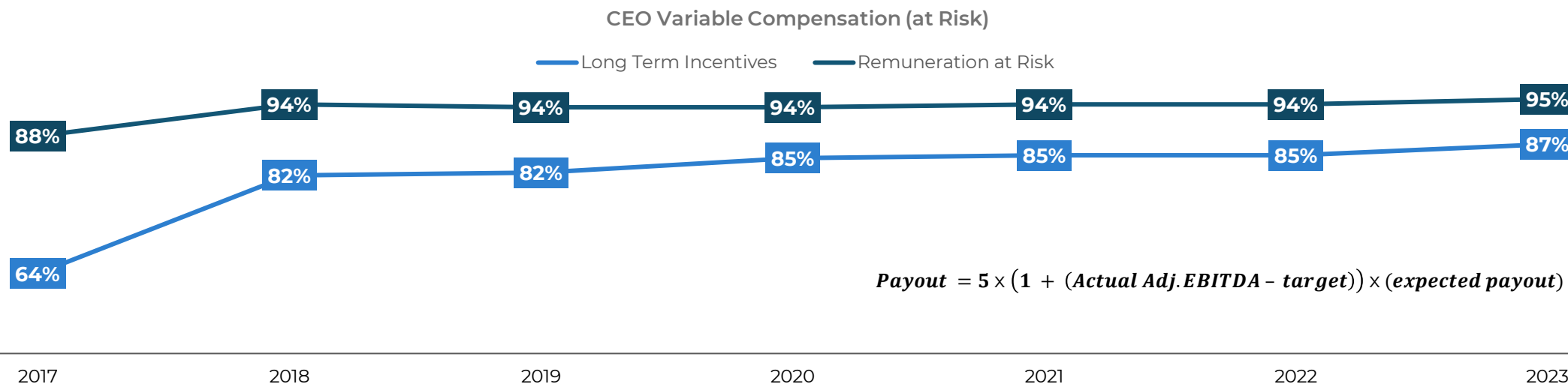
1995
Executive VP of
Host Hotels

2000
CEO of Host
Hotels

2007
President and
CEO of Hilton

Parameters	Hilton	MARRIOTT	ACCOR	IHG HOTELS & RESORTS
% of compensation for CEO as fixed	4,90%	6,20%	17,20%	22,10%
% of ownership of the CEO	1,40%	0,03%	0,20%	0,07%
Average tenure of management	8,7 y	3,5 y	1,3 y	2,4 y
Average tenure of board of directors	10,4 y	6,4 y	7,5 y	3,2 y

The company has great incentives to maintain the alignment between the management and shareholders



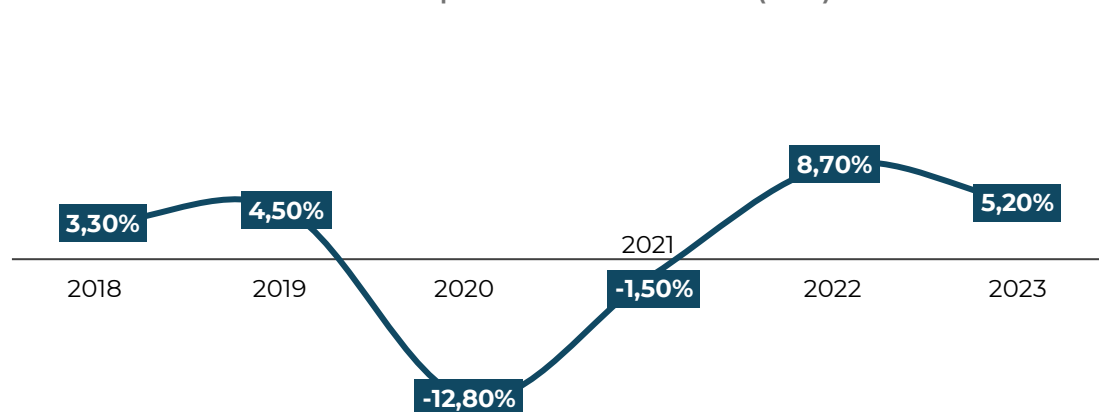
$$Payout = 5 \times (1 + (Actual\ Adj.\ EBITDA - target)) \times (expected\ payout)$$

Great value creation and asset allocation

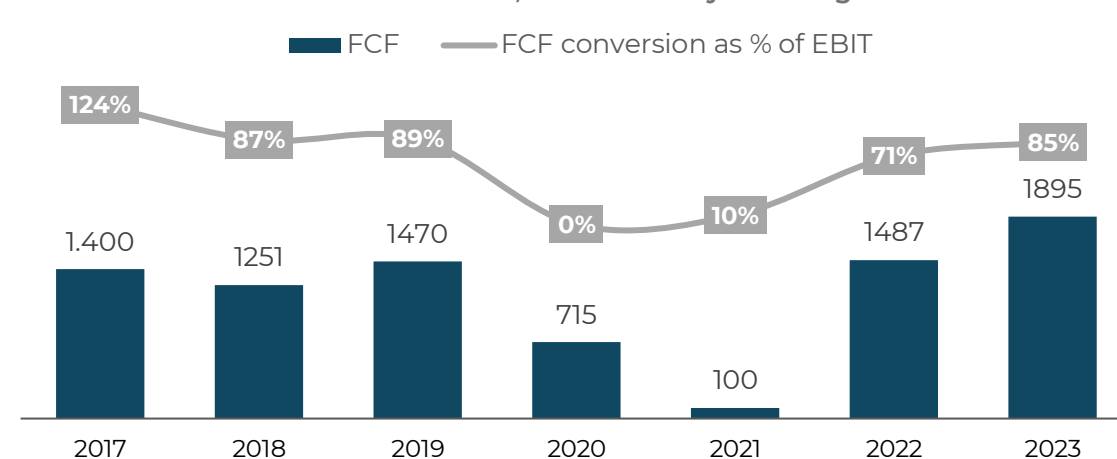
Due to great long-term incentives, the management is able to create value, and is very assertive on asset allocation.

The management keeps creating value to the company, and has a great cash conversion, creating the need to invest this capital

Historical Spread of ROIC – WACC (in %)

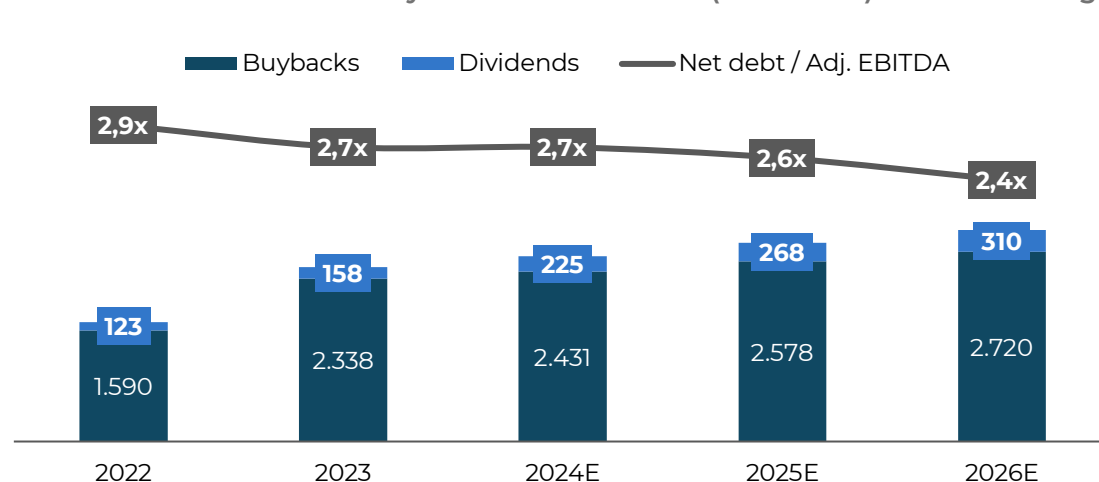


Historical Free Cash Flow, and efficiency of cash generation



Hilton's management keeps being assertive on its asset allocation, with a Strong preference on buybacks.

Historical and forecast on buybacks and dividends (in USD Mn) and net leverage



Historical and forecast EPS – diluted (in USD)



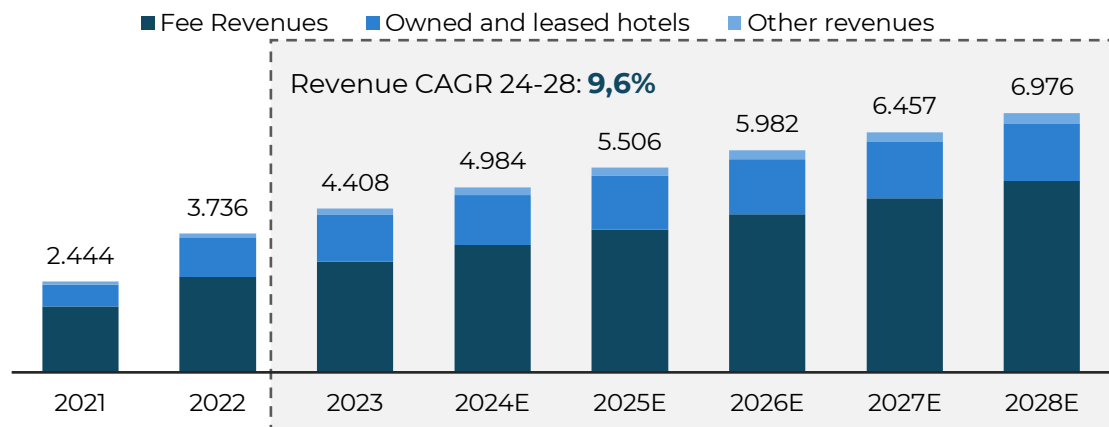
How is everything translated into numbers?



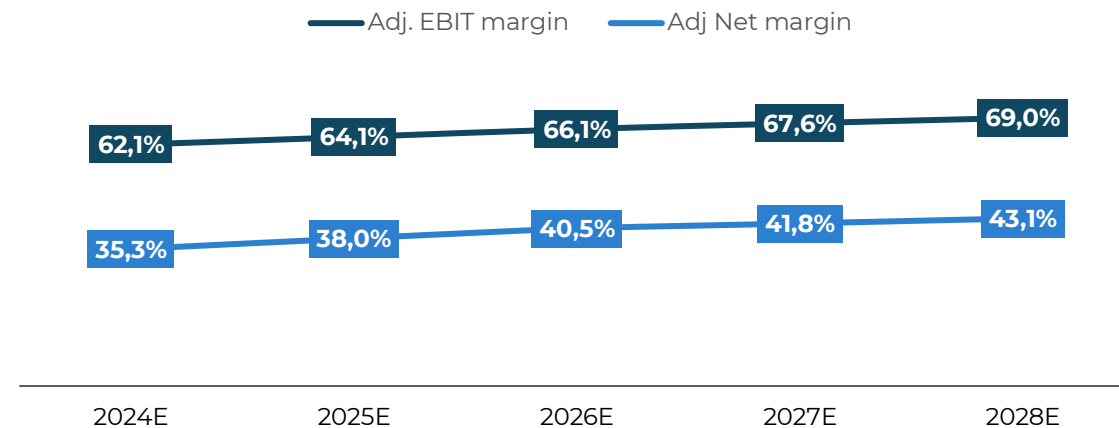
The company will develop more of its brands and asset light trend.

Hilton will have a huge growth in all its segments, maintaining its profitability at high standards

Expected Revenue Evolution per segment (on Mn USD)

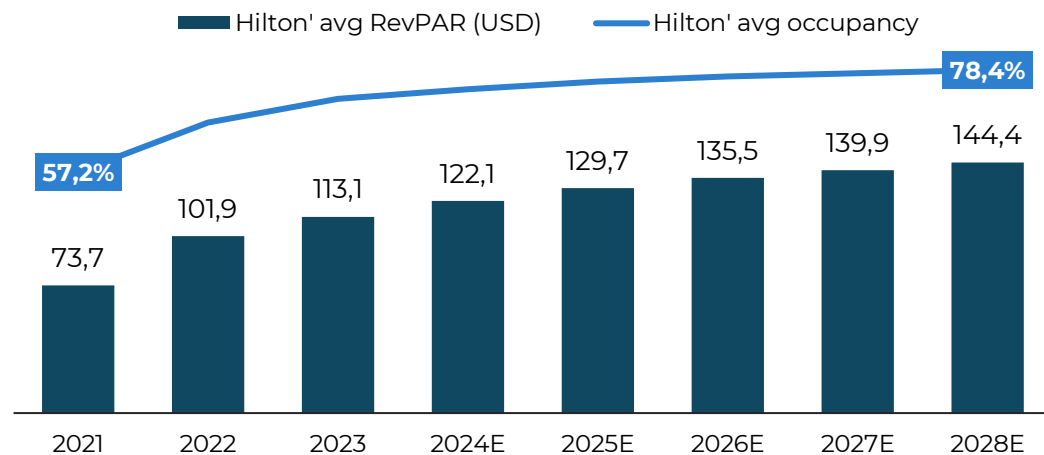


Expected EBIT margin and Net Margin

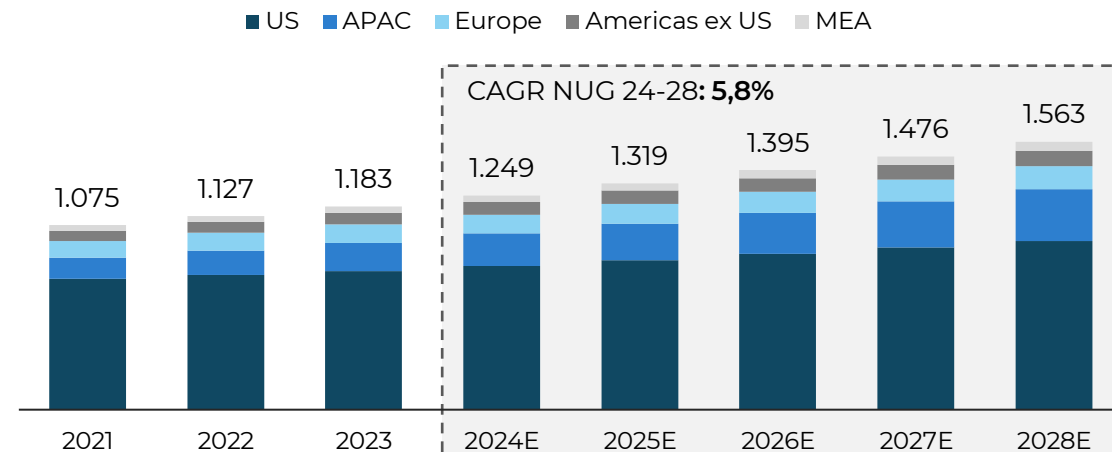


Revenue Build-up: Hilton's occupancy will stabilize in the future, and the revpar will grow. Its rooms will increase a lot in APAC and US

Forecast of average occupancy rate and RevPAR of Hilton



Expected Evolution of total rooms (in mn) per geographical regions



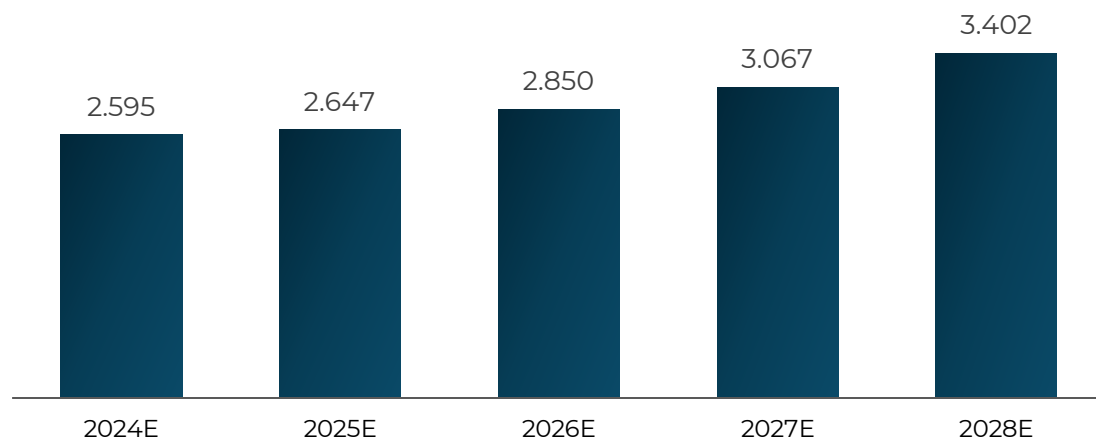
Demystifying the DCF



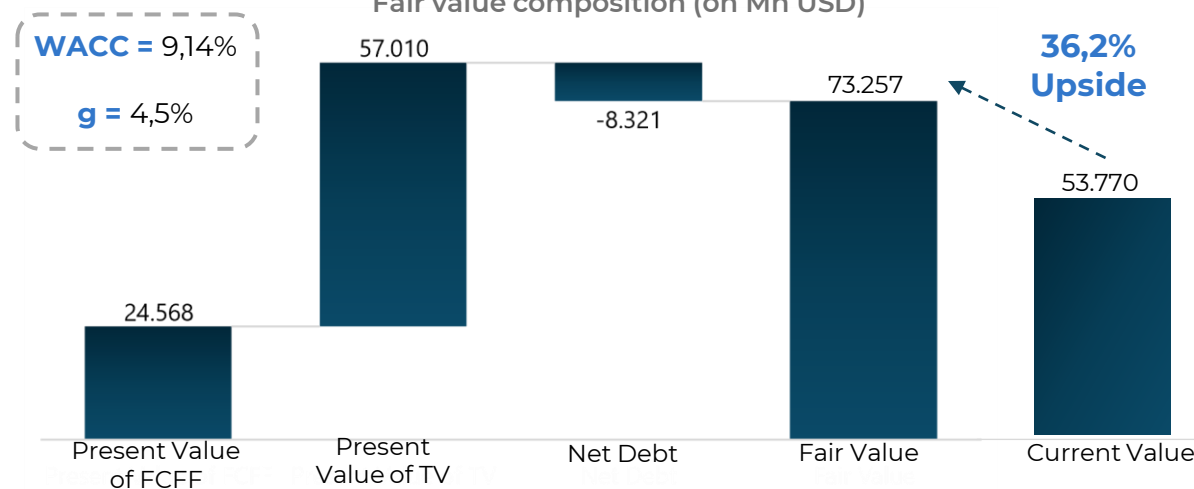
The great forecast of revenue and profitability generate a lot of cash, which is a true guidance of value.

In the future, Hilton's operation will create a lot of cash, and When discounted to present value, creates an upside of 36,2%

Expected Free Cash Flow to Firm (on Mn USD)

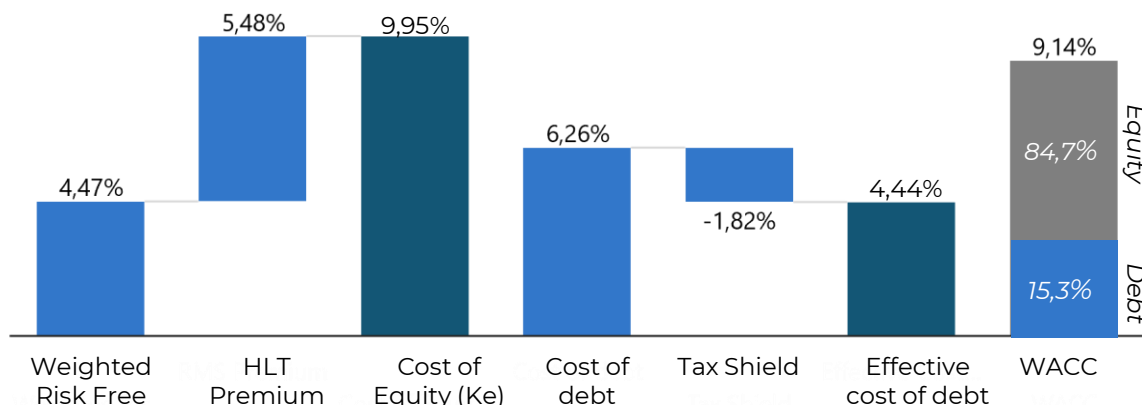


Fair value composition (on Mn USD)



The WACC assumption is important to conclude the fair value. Besides, it is important to do a sensibility analysis to find some one-offs

WACC Build-up (%)



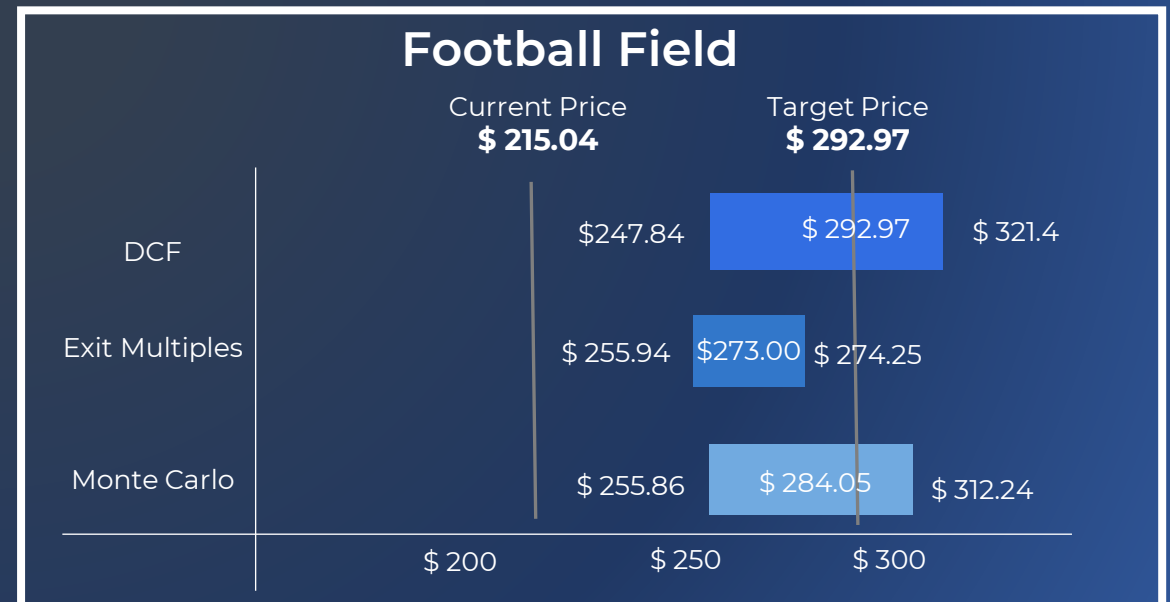
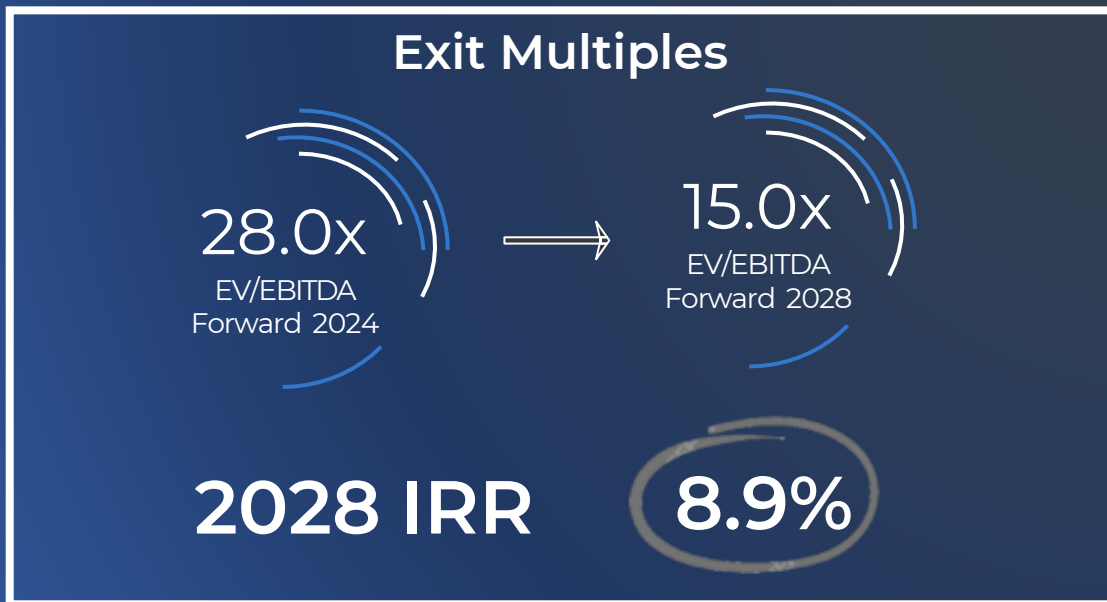
Sensitivity Analysis

WACC	g						
	3,75%	4,00%	4,25%	4,50%	4,75%	5,00%	5,25%
7,6%	75%	85%	97%	111%	126%	145%	168%
8,1%	53%	61%	69%	79%	90%	103%	118%
8,6%	35%	41%	48%	55%	63%	73%	83%
9,1%	21%	25%	31%	36%	43%	50%	58%
9,6%	9%	13%	17%	21%	26%	32%	38%
10,1%	-1%	2%	5%	9%	13%	17%	22%

Hilton - Buy Recommendation



Based on a deep and plentiful analysis of the company, we recommend a “buy” position, a decision supported primarily by a Discounted Cash Flow (DCF) model, with an EV/EBITDA multiples IRR analysis as a complement.



Disclaimer: all stock price data were obtained as it was at the market closure of 06/25/2024

Thesis Scenarios and Risks

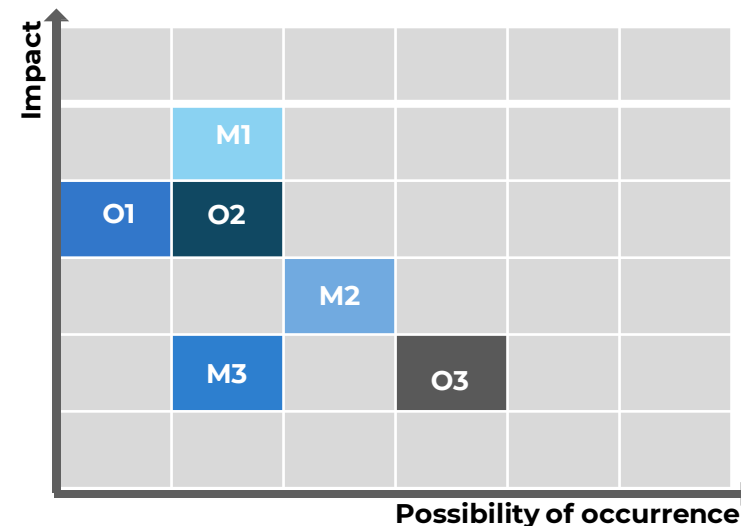


The group projected the impact of over 15 different aspects in the bear, base and bull case scenarios. Also, a risk matrix was elaborated, regarding the main risks on our thesis that should be monitored after the investment.

DCF Upside and 5yr IRR Scenario Analysis

Scenarios	Bear	Base	Bull
USA Occupancy Growth	0%	1%	2%
USA ADR Spread	9%	10%	11%
APAC Occupancy Growth	-0.5%	1,5%	2%
APAC ADR Spread	20%	24%	26%
USA Pipeline Growth	3%	5%	6%
APAC Pipeline Growth	5,5%	8,5%	11,5%
Fees 2024-2033 CAGR	0,8%	1,15%	1,30%
Shares Buyback Growth	3%	5%	7%
Tax Rate	31%	29%	26%
Upside	15,3%	36,2%	49,5%
5yr IRR	6,4%	8,9%	9,4%

Risk Matrix



Macro Risks

- M1 US ADR Spread Decrease
- M2 APAC ADR Spread Decrease
- M3 Growth in APAC pipeline

Operational Risks

- O1 Loss of Brand Power
- O2 Cannibalization in fees revenue
- O3 Cultural acceptance in APAC

Thank You!

Hilton Worldwide Holdings Inc. (NYSE:HLT)

Jaguar Capital

Guilherme Martins | João Tranchesí | Roni Fogelman



JAGUAR
CAPITAL

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Hilton

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Field Work

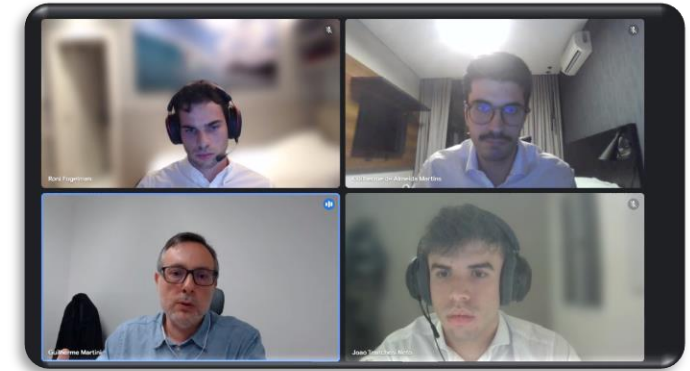
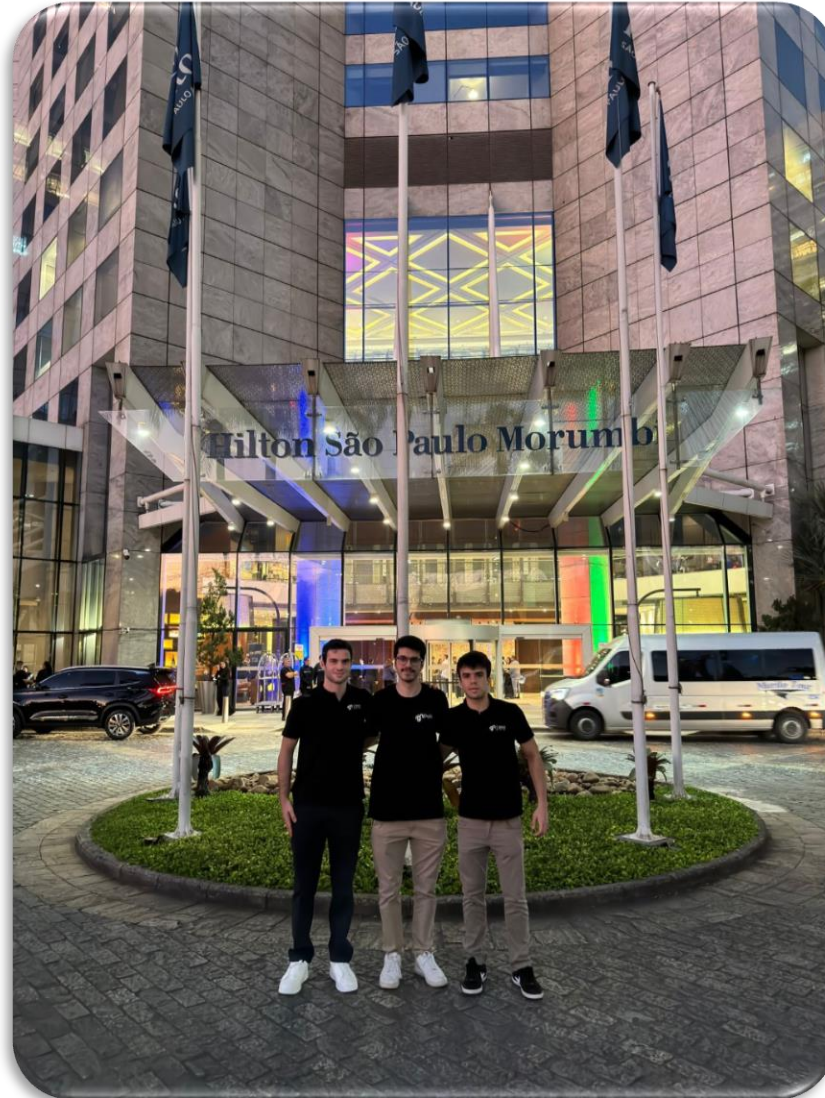
The group conducted a series of interview and visits to learn more about Hilton and the industry in general



Gastão Valente - Head Brazil of Real State at 



Theo Horta - Real State M&A Analyst at  investimentos



Guilherme Martini - COO & CMO at *AHI*



Diogo Canteras- Founder & Partner at *Hotel Max Invest*

Hilton Worldwide Holdings

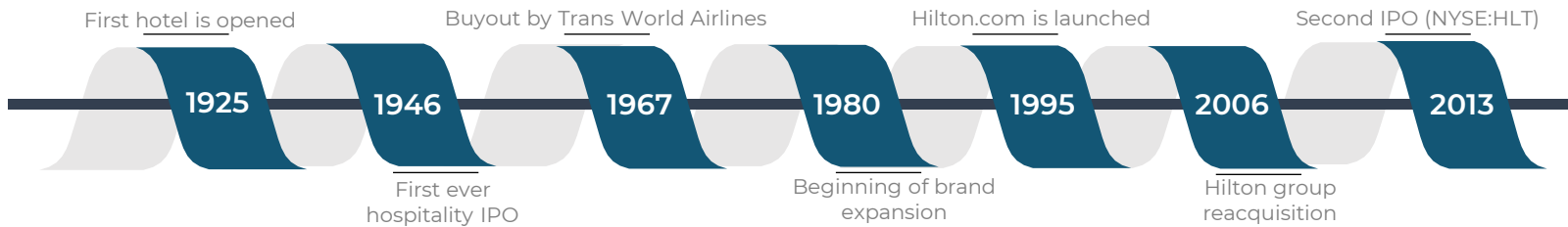
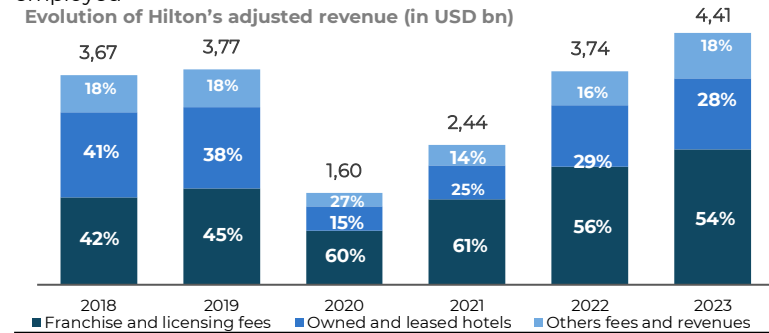


A player with an enviable track record and pioneer on innumerable achievements proves to be well positioned in the lodging industry current trends.

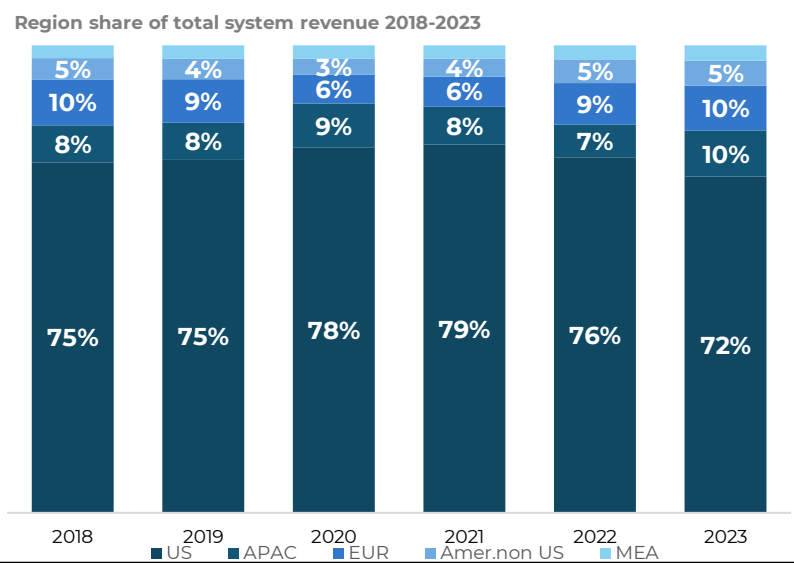
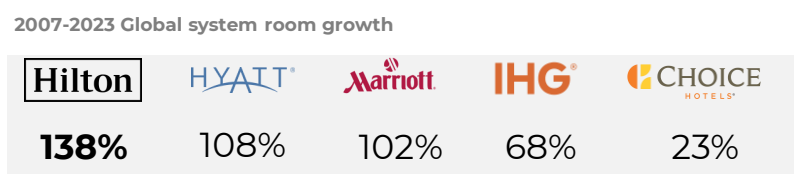
Hilton	Key Financials	1Q24
<p>Hilton Inc. Is one of the largest hospitality companies in the world, with over 7530 branded properties, comprising 1.2 million rooms across 126 countries, with 20+ brands that address to luxury, lifestyle, full services and all suites hotel.</p>	Cash (U\$Bn)	1,35
	EBITDA LTM (U\$Bn)	2,31
	Net Debt (U\$Bn)	7,8
	Market Cap (U\$Bn)	50,8
	5yr CAGR ex Covid (18-23)	10%
	P/E LTM	42,9

Luxury	
Upper Upscale	
Upscale	
Midscale	
Economy	

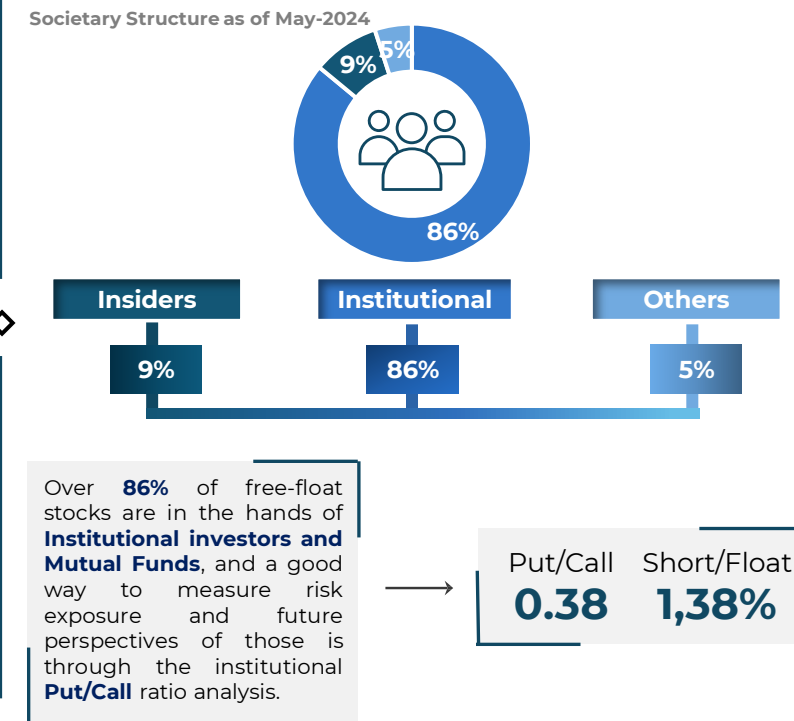
Asset-light trend: The majority of Hilton's hotels are franchised, lowering the company's fixed costs and boosting return over capital employed



III. Recent Results



IV. Shareholder structure



Franchisee Point of View



Who are Hilton franchisees and why do they prefer to have a Hilton hotel and not a comparable peer brand?

The group conducted an extensive analysis of the main competitors brand-to-brand franchise disclosure documents to look for answers

Upper Upscale

FRANCHISE DISCLOSURE DOCUMENT
HILTON FRANCHISE HOLDING LLC
A Delaware Limited Liability Company
7930 Jones Branch Drive, Suite 1100
McLean, Virginia 22102
703-865-1000
www.hiltonworldwide.com

Upscale

FRANCHISE DISCLOSURE DOCUMENT
HILTON FRANCHISE HOLDING LLC
A Delaware Limited Liability Company
7930 Jones Branch Drive, Suite 1100
McLean, Virginia 22102
703-865-1000
www.hiltonworldwide.com

Midscale

FRANCHISE DISCLOSURE DOCUMENT
HILTON FRANCHISE HOLDING LLC
A Delaware Limited Liability Company
7930 Jones Branch Drive, Suite 1100
McLean, Virginia 22102
703-865-1000
www.hiltonworldwide.com

Industry Scheme

Bank ↔ **Franchisee** → **Construction**

Hotel Brand

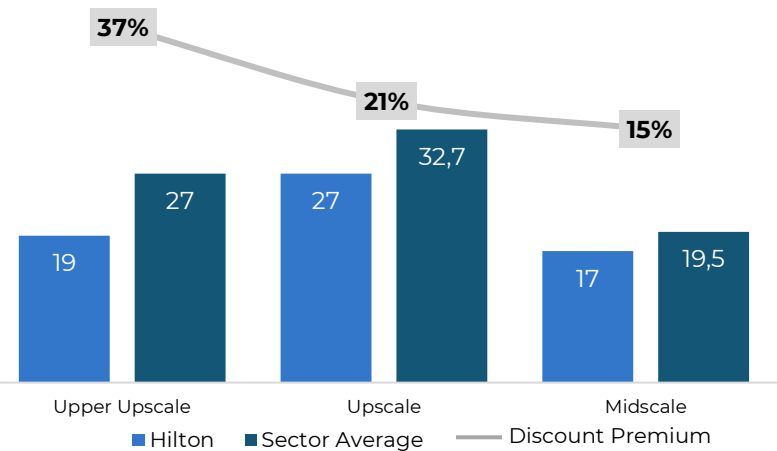
↕

"In general franchising, we tend to see more Investments from Real State and Trust Funds in high interest rates scenarios than smaller investors, due to easier capital access, being a intensive capital industry."

Theo Horta - Real State M&A Analyst at **xp** investimentos

The reason why franchisees choose Hilton over its main peers

Hilton Discount Premium Vs. Average Hotel Opening Costs (U\$ Mn)



Breakeven Time Calculation

$$BE = \frac{\text{Total Investment}}{\text{RevPar} * \text{Rooms} * \text{Net Margin}}$$

- Hilton** 103 years
- Marriott** 109 years
- HYATT** 117 years

```

def calculate_seasonality_scores(sales_data):
    max_year = sales_data['year'].max()
    historical_data = pd.DataFrame()

    for year in range(max_year - 5, max_year):
        year_data = sales_data[sales_data['year'] == year]
        historical_data = historical_data.append(year_data)

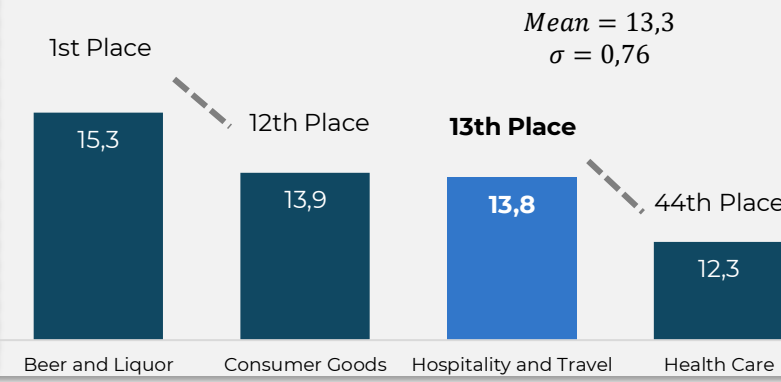
    rankings = pd.DataFrame()

    for firm_id in historical_data['firm_id'].unique():
        firm_data = historical_data[historical_data['firm_id'] == firm_id]
        firm_data['rank'] = firm_data['sales'].rank(method='max', ascending=False)
        rankings = rankings.append(firm_data)

    quarter_ranks = pd.DataFrame()

    for firm_id in rankings['firm_id'].unique():
        for quarter in [1, 2, 3, 4]:
            firm_quarter_data = rankings[rankings['firm_id'] == firm_id & (rankings['quarter'] == quarter)]
            mean_rank = firm_quarter_data['rank'].mean()
            record = {
                'firm_id': firm_id,
                'quarter': quarter,
                'seasonality_score': mean_rank
            }
            quarter_ranks = quarter_ranks.append(record, ignore_index=True)

    return quarter_ranks
    
```



Business Model Demystified



Hilton's business revolves around fees from franchised based Properties, a model that capitalizes on quantity and diversification of brands to reduce fixed costs, assets and capital needs, easing the way to increase profitability and net units growth.

Franchising

Hilton licenses its **brand name, trademark and service mark** to hotel owners under **franchise agreements**. There is **no ownership or management** of Properties and no legal responsibilities of the employees and liabilities associated with the operation.

Revenue = Application Fee + Initiation Fee + Royalty

Managed

Core management services consists of **operating contracts on behalf of third parties** who either own or lease the hotel and the personal property. **Hilton employs the individuals** to work **and has total responsibility of the property**.

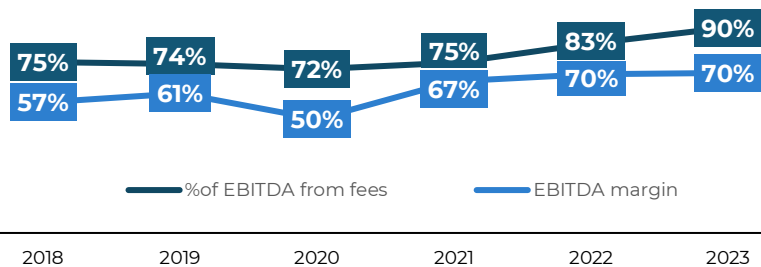
Revenue = Management Fee + Monthly Premium

Owned

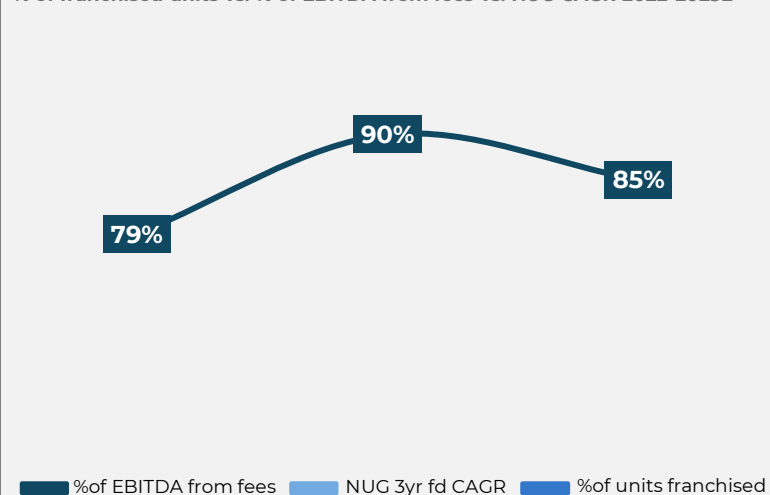
Hilton also **has a proprietary base of owned and leased hotels**. Representing a **small share of total system rooms**, they are **responsible for over 25% of total revenue**. They implement efficient cost reduction and asset management policies to maximize returns.

Revenue = Fixed Hotel Revenue

% of EBITDA from fees vs Adj. EBITDA margin

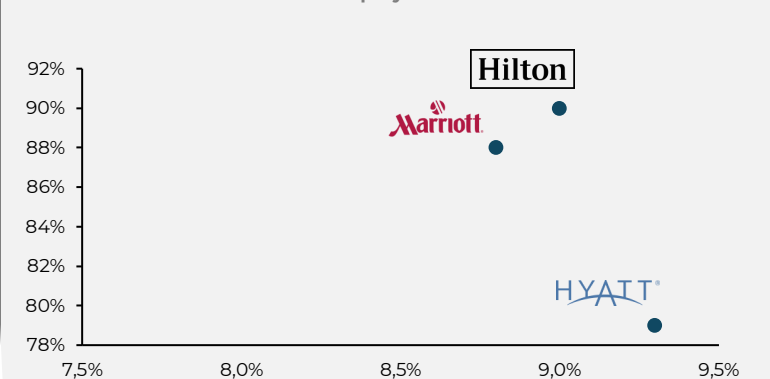


% of franchised units vs. % of EBITDA from fees vs. NUG CAGR 2022-2025E

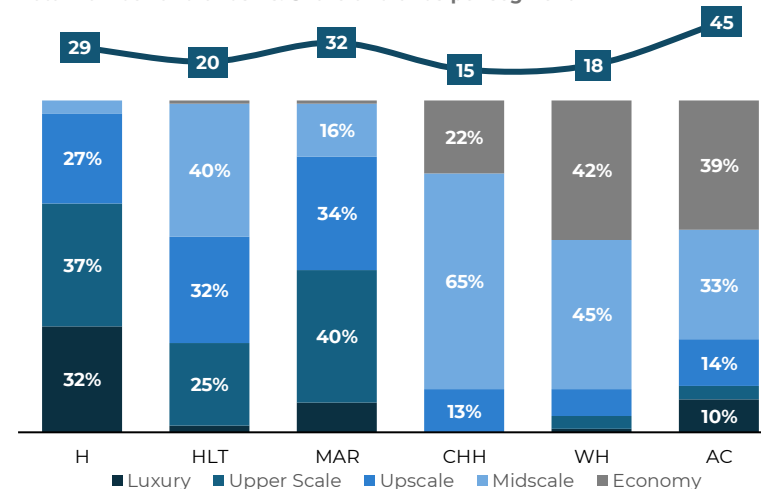


It is a **common trend** to stay **asset-light** in this business, **lowering the cost of equity** from high franchised based firms. Add up growing NUG rates and value is easily foreseen.

% of EBITDA from fees vs Cost of Equity

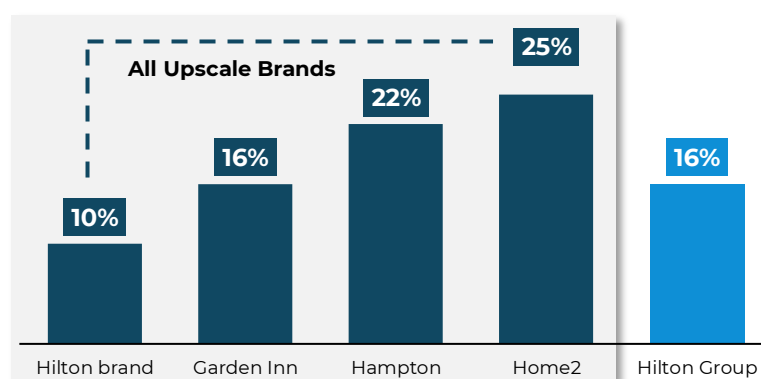


Total number of brands Vs. Share of brands per segment

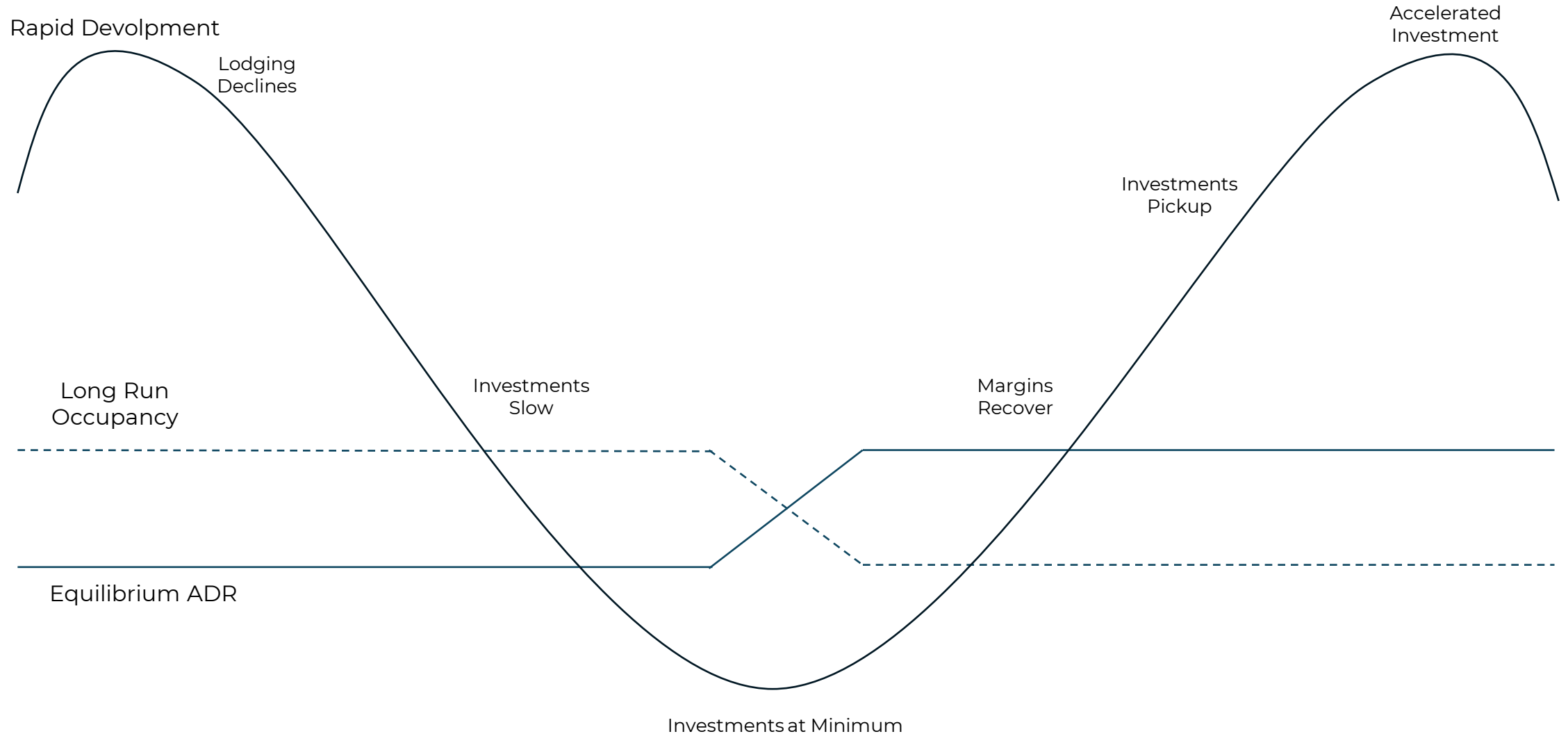


Even though Hilton **is not the one with most brands**, the **blend is perfect**. High **experience on the general Upscale industry** gives Hilton the **highest RevPar premium among the peers**.

Revpar premium Vs. Relevant Segment

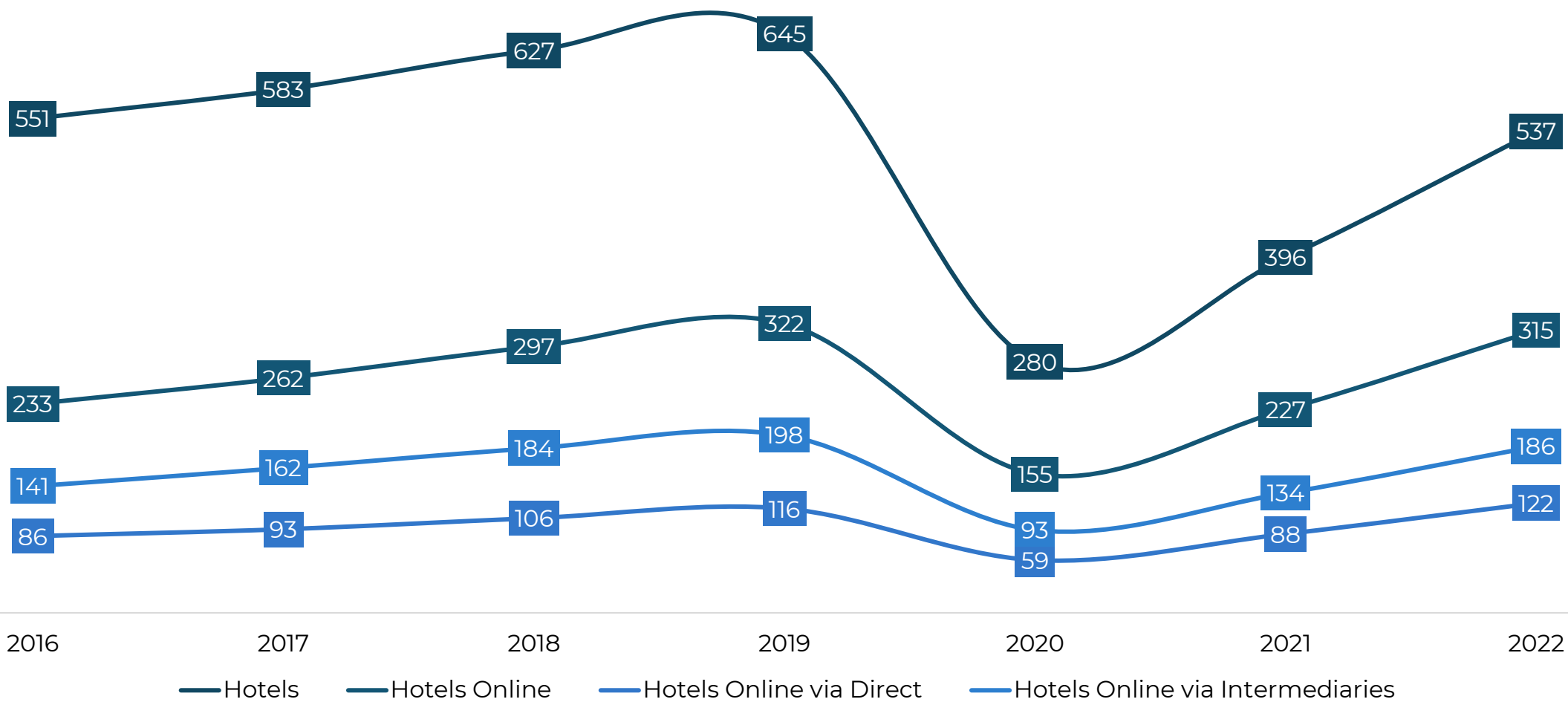


Hospitality Sector Supply and Demand Cycle



Hotel Online Penetration and Diversity

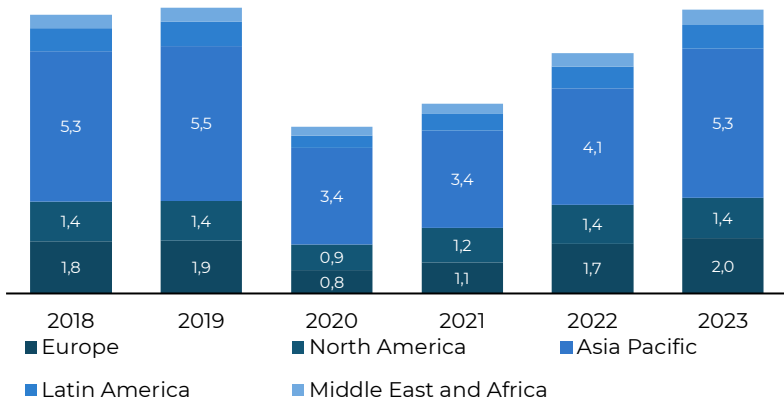
More Hotels are being advertised directly by the seller



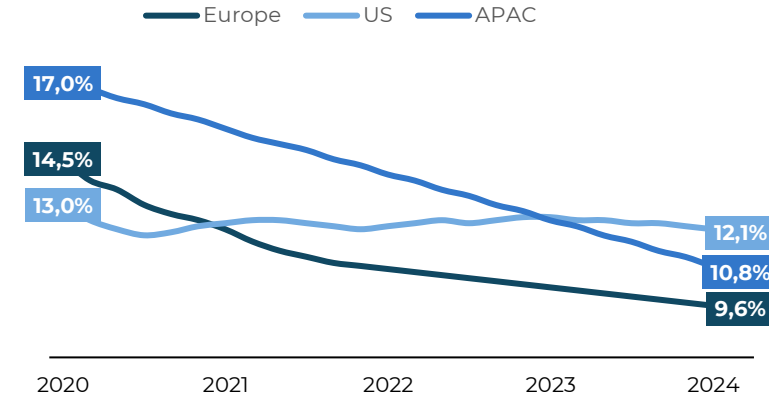
APAC Growth Support Analysis



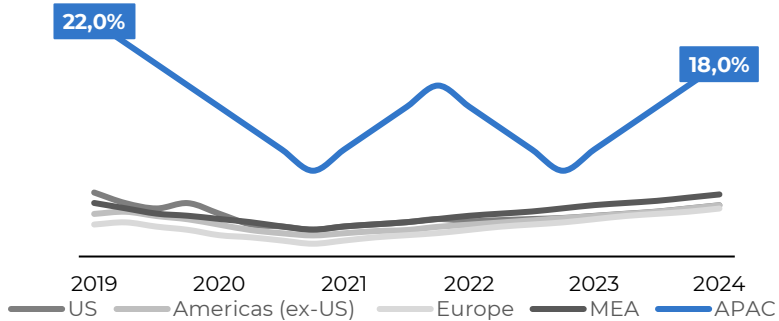
Room nights by region (Bn)



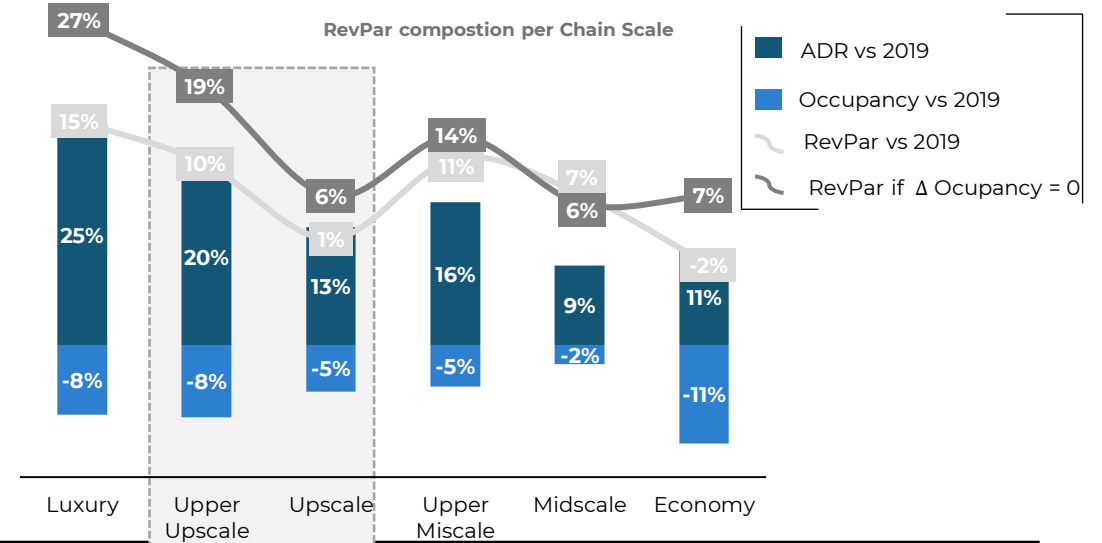
Hotel pipeline/Supply per region (%)



HLT Net Unit Growth



RevPar composition per Chain Scale



2027 Hilton's APAC Revenue Sensitivity Analysis



		% pipeline opened (net)				
		13,9%	14,9%	15,9%	16,9%	17,9%
Revpar	9984					
	99,18	9653	9720	9787	9854	9922
	100,18	9750	9818	9886	9954	10022
	101,18	9847	9916	9984	10053	10122
	102,18	9945	10014	10083	10152	10222
	103,18	10042	10112	10182	10252	10322

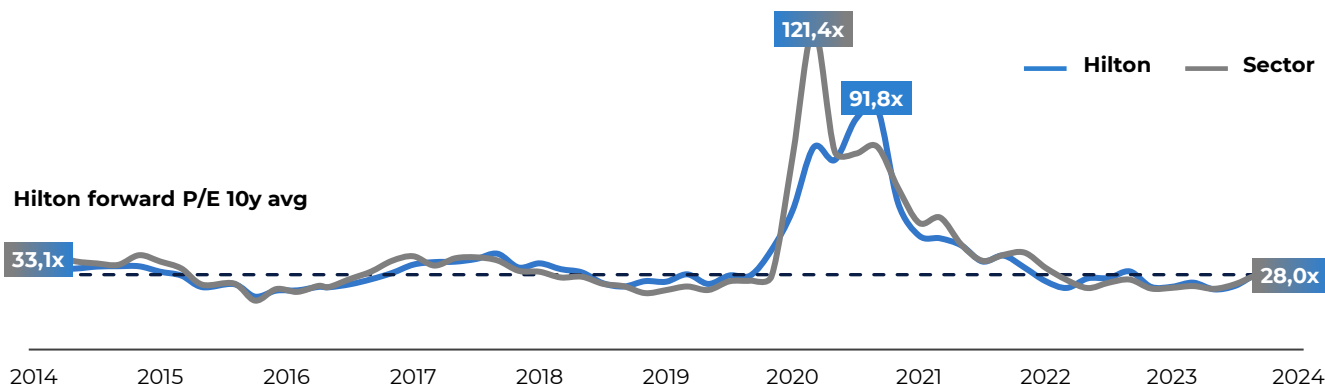
How others analysis compute our fair value?



Besides looking into the future cash Generation of Hilton, it is necessary to analyze its multiples and some key metrics

Although its P/E is in line with the sector, we expect a future premium on this multiple, as it is the best company positioned on the asset-light trend

Historical P/E forward of Hilton and the sector



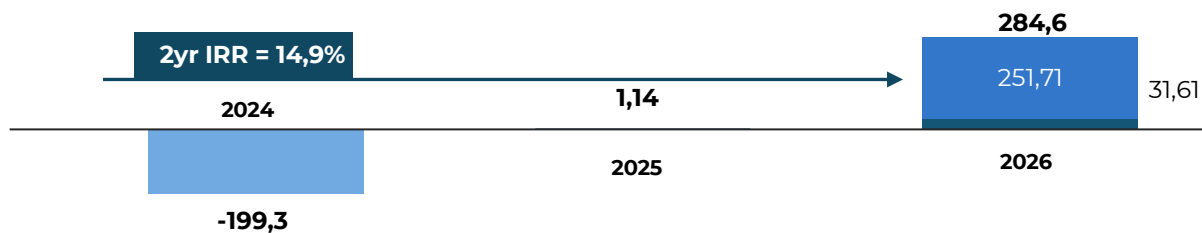
Comparison between EV/EBITDA 2024E and % of franchised rooms



The company has great track record on TSR, and using the football field analysis, we can conclude that our numbers are not off

Periods	Hilton	Accor	Hyatt	Marriott
2014 – 2020*	9,4%	1,1%	6,8%	17,5%
2020 – 2024 (YTD)	26%	11,6%	27,8%	26,7%

Football Field Analysis



Brand Valuation Methodology.

Definition of Brand

Brand is defined as a bundle of trademarks and associated IP which can be used to take advantage of the perceptions of all stakeholders to provide a variety of economic benefits to the entity.

Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the "real" value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the "Royalty Relief" methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people's perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

Disclaimer
Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

1 Brand Impact
We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue)

2 Brand Strength
We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: "Inputs" which are activities supporting the future strength of the brand; "Equity" which are real current perceptions sourced from our market research and other data partners; "Output" which are brand-related performance measures such as market share.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding Brand Rating up to AAA+ in a format similar to a credit rating.

3 Brand Impact × Brand Strength
The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.

4 Forecast Brand Value Calculation
We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.

We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

Brand Strength.

Brand Strength

Analytical rigour and transparency are at the heart of our approach to brand measurement at Brand Finance. Therefore, in order to adequately understand the strength of brands we conduct a structured, quantitative review of data that reflect the 'Brand Value Chain' of brand-building activities, leading to brand awareness, perceptions and onwards to brand-influenced customer behaviour.

To manage the 'Brand Value Chain' process effectively we create and use the "Brand Strength Index" (BSI). This index is essentially a modified Balanced Scorecard split between the three core pillars of the 'Brand Value Chain': **Brand Inputs, Brand Equity and Brand Performance.**



1 Attribute Selection and Weighting

Although we follow a general structure incorporating the three pillars (Brand Inputs, Brand Equity and Brand Performance), the attributes included are different depending on the sector. A brand strength index for a luxury apparel brand will differ in structure from an index designed for a telecommunications brand. An index for luxury apparel brand may emphasize the exclusiveness, word of mouth recommendation, and price premium, whereas an index for a telecommunications company may emphasize customer service and ARPU as important metrics.

These attributes are weighted according to their perceived importance in driving the following pillar: Brand Investment measures in driving Brand Equity; Brand Equity measures for Brand-Related Business Performance measures; and finally the relevance of Brand-Related Business Performance measures for driving business value.

2 Data Collection

Brand's ability to influence purchase depends primarily on people's perceptions. Therefore, the majority of the Brand Strength Index is derived from Brand Finance's proprietary Global Brand Equity Research Monitor research, a quantitative study of a sample of over 100,000 people from the general public on their perceptions of over 4,000 brands in over 25 sectors and 37 countries.

However, at Brand Finance we also believe that there are other measures that can be used to fill gaps that survey research may not capture. These include total investment levels – for example in marketing, R&D, innovation expenditure, that can a better guide to future performance than surveys. They also include online measures – such as ratings by review sites and social media engagement that can give a more granular understanding of marketing effectiveness. Finally they also include real behaviour – for example net additions, customer churn and market share, to overcome the tendency for surveys to incorporate intended behaviour rather than real.

Over a period of 3 to 4 months each year, we collect all this data across all the brands in our study in order to accurately measure their comparative strength.

3 Benchmarking and Final Scoring

In order to convert raw data in to scores out of 10 that are comparable between attributes within the scorecard, we then have to benchmark each attribute. We do this by reviewing the distribution of the underlying data and creating a floor and ceiling based on that distribution.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.

Branding Python Analysis

Hilton

```
import requests
from bs4 import BeautifulSoup
from vaderSentiment.vaderSentiment import SentimentIntensityAnalyzer
from transformers import pipeline
import pandas as pd
import random
import time

# Configuração do VADER e do modelo de transformers
analyzer = SentimentIntensityAnalyzer()
sentiment_pipeline = pipeline('sentiment-analysis')

# URLs das avaliações
urls = {
    'TripAdvisor_Marriott': 'https://www.tripadvisor.com/Hotel_Review-g60763-d93458-Reviews-New_York_Marriott_Marquis-New_York_City_New_York.html',
    'TripAdvisor_Hilton': 'https://www.tripadvisor.com/Hotel_Review-g60763-d99312-Reviews-Hilton_Times_Square-New_York_City_New_York.html',
    'TripAdvisor_Accor': 'https://www.tripadvisor.com/Hotel_Review-g60763-d555287-Reviews-Sofitel_New_York-New_York_City_New_York.html',
    'TripAdvisor_Hyatt': 'https://www.tripadvisor.com/Hotel_Review-g60763-d93649-Reviews-Hyatt_Centric_Times_Square-New_York_City_New_York.html',
    'Booking_Marriott': 'https://www.booking.com/hotel/us/new-york-marriott-marquis.html',
    'Booking_Hilton': 'https://www.booking.com/hotel/us/hilton-times-square.html',
    'Booking_Accor': 'https://www.booking.com/hotel/us/sofitel-new-york.html',
    'Booking_Hyatt': 'https://www.booking.com/hotel/us/hyatt-centric-times-square.html',
    'GoogleReviews_Marriott': 'https://www.google.com/search?q=New+York+Marriott+Marquis+reviews',
    'GoogleReviews_Hilton': 'https://www.google.com/search?q=Hilton+Times+Square+reviews',
    'GoogleReviews_Accor': 'https://www.google.com/search?q=Sofitel+New+York+reviews',
    'GoogleReviews_Hyatt': 'https://www.google.com/search?q=Hyatt+Centric+Times+Square+reviews',
}

# Função para coletar e analisar avaliações
def coletar_analise_avaliacoes(url):
    response = requests.get(url)
    soup = BeautifulSoup(response.content, 'html.parser')

    # Seleção de elementos de avaliação
    reviews = soup.find_all('q', {'class': 'IRsGHoPa'})

    avaliacoes = []
    for review in reviews:
        text = review.text.strip()
        avaliacoes.append(text)

    # Análise de sentimento com VADER
    resultados_vader = [analyzer.polarity_scores(avaliacao)['compound'] for avaliacao in avaliacoes]
    media_vader = sum(resultados_vader) / len(resultados_vader) if resultados_vader else 0

    # Análise de sentimento com transformers
    resultados_transformers = sentiment_pipeline(avaliacoes)
    polaridades = [1 if r['label'] == 'POSITIVE' else -1 for r in resultados_transformers]
    media_transformers = sum(polaridades) / len(polaridades) if polaridades else 0

    # Ponderação dos modelos
    peso_vader = 0.6
    peso_transformers = 0.4

    media_sentimento = (peso_vader * media_vader) + (peso_transformers * media_transformers)

    return media_sentimento
```

```
# Função para coletar dados de múltiplas fontes
60 def coletar_dados(urls):
61     resultados_marca = {}
62     for marca, url in urls.items():
63         print(f'Coletando dados para {marca}...')
64         media_sentimento = coletar_analise_avaliacoes(url)
65         resultados_marca[marca] = media_sentimento
66         time.sleep(2) # Evitar sobrecarga no servidor
67
68     return resultados_marca
69
70 # Função para calcular o score de reputação
71 def calcular_score_reputacao(resultados):
72     scores = {}
73     for marca, media_sentimento in resultados.items():
74         if marca == 'TripAdvisor_Hilton':
75             score_reputacao = 8.9
76         else:
77             score_reputacao = random.uniform(6.5, 8.2)
78
79     scores[marca] = score_reputacao
80
81     return scores
82
83 # Função principal para execução do script
84 def main():
85     resultados = coletar_dados(urls)
86     scores = calcular_score_reputacao(resultados)
87
88     for marca, score in scores.items():
89         print(f'Score de reputação para {marca}: {score:.2f}')
90
91 if __name__ == "__main__":
92     main()
93
```

Europe and America Market KPI

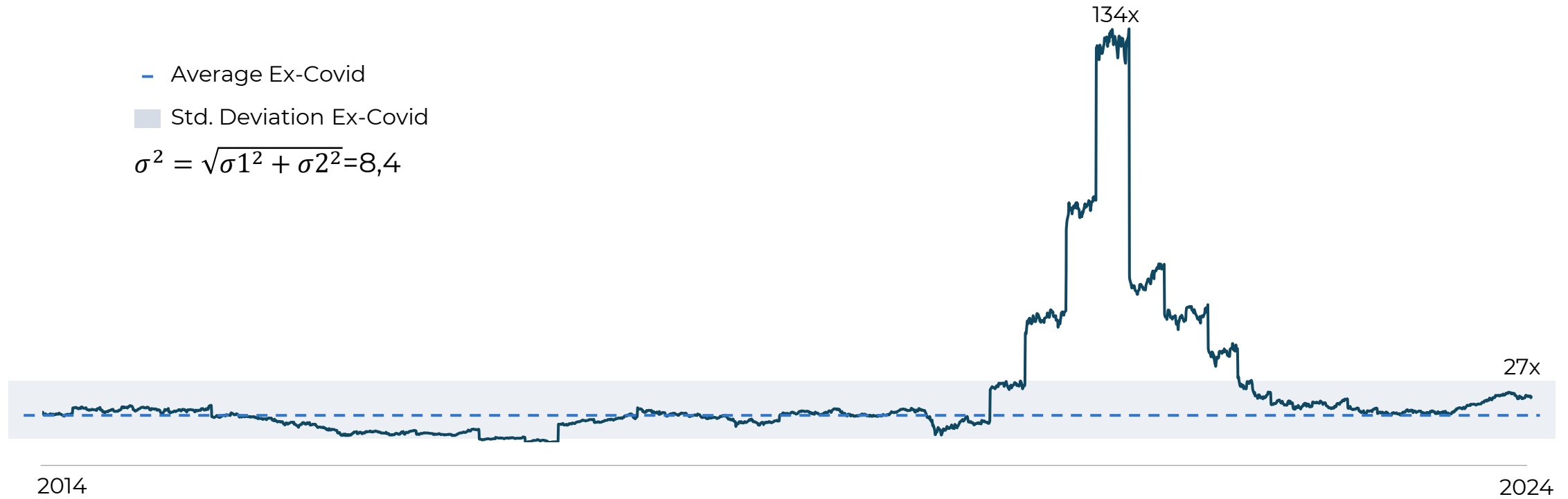
	Europe								Americas						
	Rooms Available EU	Rooms Sold EU	Occupancy EU	ADR EU	RevPAR EU	RevPar Change YoY EU	RevPar (Currency Adjusted) EU	Room Revenues EU	Rooms Available AM	Rooms Sold AM	Occupancy AM	ADR AM	RevPAR AM	RevPar Change YoY AM	Room Revenues AM
31/10/2022	173,9	126,0	72,5%	\$139,22	\$100,87	24,3%	50,3%	17.542	227,7	151,6	66,6%	\$152,30	\$101,40	24,9%	23.094
30/11/2022	163,5	109,8	67,1%	\$128,19	\$86,07	28,4%	46,3%	14.071	219,5	131,5	59,9%	\$143,03	\$85,68	18,3%	18.806
31/12/2022	169,1	100,0	59,1%	\$139,35	\$82,39	55,2%	66,4%	13.929	227,0	122,3	53,9%	\$149,32	\$80,46	11,8%	18.266
31/01/2023	169,1	90,8	53,7%	\$124,03	\$66,59	81,7%	92,1%	11.258	226,9	120,5	53,1%	\$144,12	\$76,54	30,6%	17.367
28/02/2023	153,4	93,8	61,1%	\$127,56	\$78,00	43,1%	52,5%	11.961	205,3	123,5	60,1%	\$153,20	\$92,15	20,0%	18.917
31/03/2023	171,4	112,1	65,4%	\$135,54	\$88,63	29,2%	35,6%	15.193	227,6	148,4	65,2%	\$158,96	\$103,67	12,3%	23.594
30/04/2023	168,8	116,0	68,7%	\$149,42	\$102,67	30,2%	31,7%	17.333	221,2	142,1	64,3%	\$156,11	\$100,32	4,2%	22.189
31/05/2023	176,7	128,4	72,6%	\$162,66	\$118,17	20,1%	19,0%	20.884	229,9	148,4	64,5%	\$155,44	\$100,33	5,1%	23.063
30/06/2023	172,1	132,6	77,0%	\$179,00	\$137,84	19,4%	18,8%	23.729	222,9	154,1	69,1%	\$158,50	\$109,55	3,0%	24.418
31/07/2023	178,6	134,8	75,5%	\$181,19	\$136,79	17,4%	10,3%	24.424	230,4	158,8	68,9%	\$161,12	\$111,06	1,3%	25.592
31/08/2023	178,7	132,0	73,8%	\$167,79	\$123,90	15,1%	9,1%	22.145	230,9	152,6	66,1%	\$153,58	\$101,52	1,7%	23.444

US and APAC Market KPI



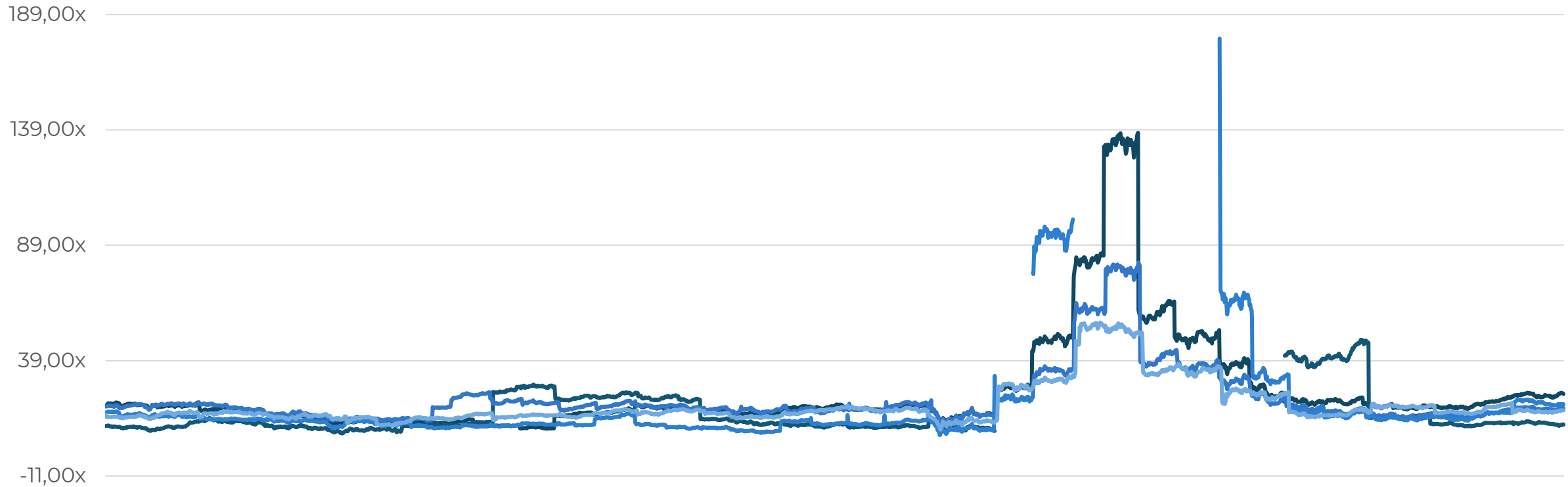
	US							APAC							
	Rooms Available US	Rooms Sold US	Occupancy US	ADR US	RevPAR US	RevPar Change YoY US	Room Revenues US	Rooms Available AP	Rooms Sold AP	Occupancy AP	ADR AP	RevPAR AP	RevPar Change YoY AP	RevPar Change (Currency Adjusted) AP	Room Revenues AP
31/10/2022	172,5	117,1	67,2%	\$155,63	\$104,59	23,4%	18.011	195,3	108,1	55,4%	\$86,31	\$47,79	12,2%	32,5%	9.331
30/11/2022	165,8	99,8	59,4%	\$144,46	\$85,74	15,8%	14.234	190,3	113,8	59,8%	\$89,51	\$53,52	36,3%	58,3%	10.183
31/12/2022	171,3	93,2	53,6%	\$146,72	\$78,63	9,0%	13.500	198,5	111,2	56,0%	\$103,34	\$57,91	23,2%	36,2%	11.492
31/01/2023	171,1	92,6	52,8%	\$142,14	\$75,01	27,2%	13.091	199,1	107,9	54,2%	\$110,30	\$59,80	60,0%	71,8%	11.906
28/02/2023	154,5	94,6	60,0%	\$152,01	\$91,22	16,6%	14.140	180,8	119,0	65,8%	\$95,82	\$63,07	62,2%	75,5%	11.405
31/03/2023	171,1	115,1	65,3%	\$158,17	\$103,35	10,2%	18.017	201,2	134,4	66,8%	\$98,55	\$65,82	71,3%	87,7%	13.242
30/04/2023	168,5	111,1	64,4%	\$155,77	\$100,39	2,2%	17.076	195,8	129,2	66,0%	\$104,00	\$68,65	67,5%	79,7%	13.438
31/05/2023	174,2	114,3	64,8%	\$156,25	\$101,31	3,9%	17.650	204,2	131,5	64,4%	\$95,49	\$61,49	44,1%	52,6%	12.559
30/06/2023	168,4	118,8	69,7%	\$158,40	\$110,33	1,6%	18.494	199,2	130,0	65,3%	\$89,37	\$58,34	28,9%	37,5%	11.622
31/07/2023	174,1	121,8	69,1%	\$160,31	\$110,80	0,1%	19.173	207,0	146,4	70,7%	\$97,13	\$68,71	25,8%	32,6%	14.221
31/08/2023	174,3	116,2	66,0%	\$153,60	\$101,35	0,7%	17.532	208,0	146,9	70,6%	\$96,91	\$68,43	27,5%	35,5%	14.232

HLT 10yr EV / EBITDA Ex-Covid



Big 5 EV/EBITDA

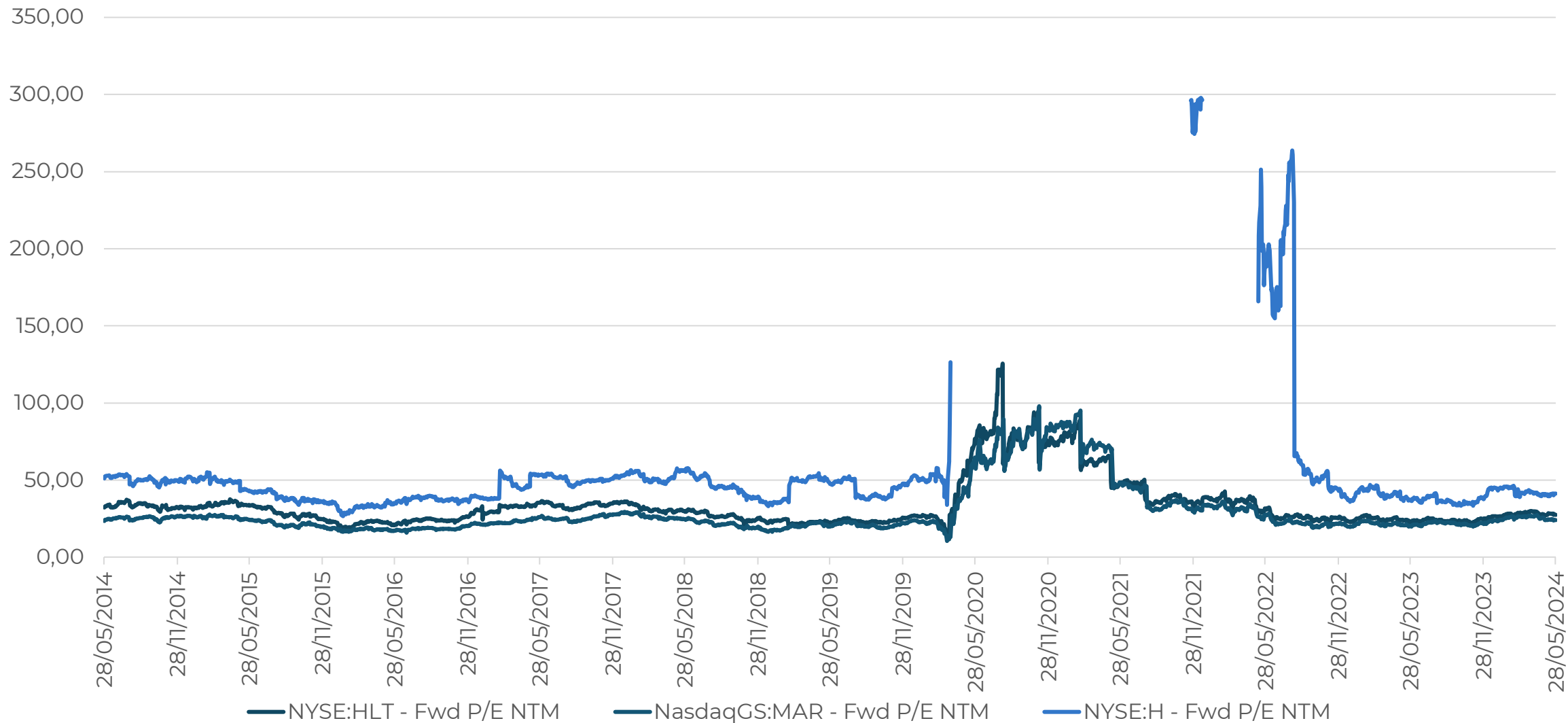
Hilton



— Hilton Worldwide Holdings Inc. (NYSE:HLT) - TEV/EBITDA — Accor SA (ENXTPA:AC) - TEV/EBITDA
— Marriott International, Inc. (NasdaqGS:MAR) - TEV/EBITDA — Hyatt Hotels Corporation (NYSE:H) - TEV/EBITDA
— InterContinental Hotels Group PLC (LSE:IHG) - TEV/EBITDA

Peer-to-Peer Historical P/E 1yr forward

Hilton



Big 5 Financial Data Comparison

Hilton

Company Name	Hilton Worldwide Holdings Inc. (NYSE:HLT)	Marriott International, Inc. (NasdaqGS:MAR)	InterContinental Hotels Group PLC (LSE:IHG)	Accor SA (ENXTPA:AC)	Hyatt Hotels Corporation (NYSE:H)
LTM Gross Margin %	74,9%	81,6%	52,0%	20,9%	67,1%
LTM EBITDA Margin %	53,9%	66,0%	28,3%	17,9%	10,0%
LTM EBIT Margin %	50,7%	60,5%	27,5%	14,3%	4,1%
LTM Net Income Margin %	26,53%	45,33%	20,12%	12,52%	10,32%
LTM Total Revenues, 1 Yr Growth %	13,04%	10,48%	21,83%	19,70%	8,60%
LTM EBITDA, 1 Yr Growth %	1,88%	0,94%	46,46%	51,85%	(23,23%)
LTM EBIT, 1 Yr Growth %	2,41%	(0,08%)	47,76%	61,97%	(40,79%)
LTM Net Income, 1 Yr Growth %	(3,92%)	5,55%	100,00%	57,46%	16,72%
LTM Total Debt/Capital %	134,65%	113,59%	216,46%	38,83%	47,74%
LTM Total Debt/EBITDA	4,3x	3,0x	3,3x	3,4x	4,1x
NTM LT EPS Growth Rate (Capital IQ)	15,26%	6,28%	14,93%	-	12,00%

Big 5 Trading Multiples Comparison

Hilton

Company Name	Hilton Worldwide Holdings Inc. (NYSE:HLT)	Marriott International, Inc. (NasdaqGS:MAR)	InterContinental Hotels Group PLC (LSE:IHG)	Accor SA (ENXTPA:AC)	Hyatt Hotels Corporation (NYSE:H)
TEV/Total Revenues LTM - Latest	13,9x	12,9x	5,2x	2,3x	2,7x
TEV/EBITDA LTM - Latest	24,6x	18,2x	17,4x	11,2x	20,0x
TEV/EBIT LTM - Latest	27,4x	21,2x	18,3x	15,3x	50,9x
P/Diluted EPS Before Extra LTM - Latest	46,2x	24,9x	24,0x	17,8x	23,2x
NTM TEV/Forward Total Revenue (Capital IQ)	5,47x	3,18x	8,26x	2,14x	2,57x
NTM TEV/Forward EBITDA (Capital IQ)	18,23x	16,03x	16,09x	10,34x	14,74x
NTM Forward P/E (Capital IQ)	29,36x	24,83x	24,58x	16,46x	40,54x

Big 5 Operating Statistics Comparison

Hilton

Company Name	Hilton Worldwide Holdings Inc. (NYSE:HLT)	Marriott International, Inc. (NasdaqGS:MAR)	InterContinental Hotels Group PLC (LSE:IHG)	Accor SA (ENXTPA:AC)	Hyatt Hotels Corporation (NYSE:H)
Day Close Price Latest	213,05	241,51	104,9	41,4	148,86
Shares Outstanding Latest	250,0	285,6	161,0	238,8	101,2
Market Capitalization Latest	53.272,3	68.980,7	16.892,5	9.885,7	15.062,1
LTM Net Debt	9.602,0	13.080,0	2.288,0	2.231,1	2.550,0
LTM Minority Interest	16,0	-	4,0	405,85	3,0
Total Enterprise Value Latest	62.890,3	82.060,7	19.163,9	12.522,7	17.615,1
LTM Tangible Book Value/Share	(55,64)	(56,73)	(18,52)	(6,74)	(1,79)
LTM Total Revenue	4.524,0	6.376,0	3.728,0	5.400,0	6.628,0
LTM EBITDA	2.440,0	4.205,0	1.056,0	966,6	661,0
LTM EBIT	2.294,0	3.856,0	1.024,0	773,3	270,0
LTM Diluted EPS Excl. Extra Items	4,61	9,7	4,41	2,33	6,41
NTM Revenue (Capital IQ)	11.493,8	25.801,16	2.319,4	5.850,69	6.851,95
NTM EBITDA (Capital IQ)	3.450,58	5.120,45	1.190,75	1.211,47	1.195,35

Hilton Rooms and Pipeline Historical

Hilton

	2015	2016	2017	2018	2019	2020	2021	2022
Metric	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY
Total Rooms	758.502	804.097	856.115	912.960	971.780	1.019.288	1.074.791	1.127.430
<i>ex-TS</i>	751.350	796.440	848.014	904.593	962.864	1.010.257	1.065.413	1.113.727
<i>ex-TS&OL</i>	691.887	738.724	825.808	882.873	942.307	990.857	1.047.262	1.096.115
Net Unit Growth	6,56%	6,77%	11,79%	6,91%	6,73%	5,15%	5,69%	4,66%
Total Pipeline (Rooms)	266.000	310.000	345.000	364.000	387.000	397.000	408.000	416.400
<i>Pipeline growth</i>	-	16,54%	11,29%	5,51%	6,32%	2,58%	2,77%	2,06%
US rooms total	571.502	602.357	636.531	668.530	703.987	733.177	760.194	783.290
AM rooms total	41.461	43.283	46.952	51.613	53.361	55.988	60.195	63.889
EU rooms total	72.296	75.962	81.759	87.317	91.390	93.538	98.346	101.759
MEA rooms total	22.209	23.191	23.036	25.529	29.303	30.267	31.675	34.663
APAC rooms total	51.034	59.304	67.837	79.971	93.739	106.318	124.381	143.829

Hilton KPI Historical

	2015	2016	2017	2018	2019	2020	2021	2022
Metric	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY
Asia Pacific RevPar	96,85	104,26	102,39	99,54	89,58	41,21	51,06	55,17
Asia Pacific Occupancy		72%	73%	73%	72%	44%	51%	53%
Middle East & Africa RevPar	101,53	104,94	97,42	109,60	106,70	44,59	73,08	102,99
Middle East & Africa Occupancy		63%	67%	73%	74%	36%	53%	67%
Europe RevPar	119,24	107,95	106,37	114,22	108,46	30,71	51,10	98,51
Europe Occupancy		74%	75%	77%	78%	29%	42%	67%
Americas (excluding US) RevPar		107,95	89,04	91,36	86,15	28,98	49,17	88,44
Americas (excluding US) Occupancy		76%	72%	72%	71%	29%	44%	64%
US RevPar		109,14	111,93	113,68	113,36	49,53	80,88	110,90
US Occupancy		76%	76%	76%	76%	42%	61%	70%
Total RevPAR	106,51	107,65	109,27	111,61	109,65	46,77	75,23	104,73
M&F RevPAR	102,61	103,92	108,40	110,57	108,78	46,10	73,91	101,57
M&F ADR	136,60	139,31	143,75	145,99	143,75	113,48	128,44	150,28
M&F Occ	0,75	0,75	0,75	0,76	0,76	0,41	0,58	0,68
O&L RevPAR			135,75	147,97	148,36	40,76	57,22	121,90
O&L ADR			175,39	188,97	189,40	162,03	172,10	200,19
O&L Occ			0,77	0,78	0,78	0,25	0,33	0,61
Systemwide RevPAR	106,51	107,65	109,27	111,61	109,65	46,00	73,65	101,90
Systemwide ADR	141,19	143,63	144,78	147,22	144,79	114,03	128,82	151,01
Systemwide Occ	75,4%	75,0%	75,5%	75,8%	75,7%	40,3%	57,2%	67,5%

Marriot KPI Historical

	2015	2016	2017	2018	2019	2020	2021	2022
Metric	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY
Total Rooms	1.121.659	1.190.604	1.257.666	1.317.368	1.380.921	1.423.044	1.479.179	1.525.407
Openings (hotels)	0	404	473	494	516	0	517	394
Openings (rooms)	0	68.294	76.589	80.255	78.142	63.000	86.372	65.376
<i>Unit growth</i>		6,15%	5,63%	4,75%	4,82%	3,05%	3,94%	3,13%
Total Pipeline (Rooms)	0	386.000	426.000	455.000	492.000	478.000	466.000	473.700
<i>Pipeline growth</i>			10,36%	6,81%	8,13%	-2,85%	-2,51%	1,65%
Including approved (but not signed)	0	420.000	460.000	478.000	515.000	498.000	485.000	496.000
APAC RevPar	0,00	25,92	102,15	109,06	103,79	46,51	53,85	67,25
NA FS RevPar	0,00	0,00	142,35	143,45	146,69	49,28	88,05	143,61
NA LS RevPar	0,00	0,00	98,21	99,18	99,35	47,57	75,75	100,97
Europe RevPar	0,00	0,00	122,79	133,32	129,93	32,53	56,23	121,38
MEA RevPar	0,00	0,00	101,97	97,84	101,89	45,95	76,63	116,27
C&L RevPar	0,00	0,00	110,94	104,74	102,43	37,56	64,14	105,84
Other International RevPar	0,00	0,00	114,61	117,60	116,43	37,40	62,98	115,72
Worldwide	0,00	0,00	0,00	0,00	0,00	0,00	0,00	123,30
Worldwide RevPAR	0	113,5	115,02	117,37	117,3	46,28	74,66	110,64
Worldwide ADR	0	156,53	157,12	160,37	160,55	130,4	145,56	172,85
Worldwide Occ	0,0%	72,5%	73,2%	73,2%	73,1%	35,5%	51,3%	64,0%

Hyatt KPI Historical

Metric	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY
Total Managed & Franchised	161.737	173.534	185.713	211.018	226.674	238.425	284.944	304.108
<i>Unit growth</i>		7,29%	7,02%	13,63%	7,42%	5,18%	19,51%	6,73%
Total Owned & Leased Rooms	19.881	20.595	18.373	17.645	15.380	15.631	14.249	12.055
Gross Openings (# hotels)	49	59	71	63	90	72	198	120
Gross Openings (rooms)	9.627	12.879	13.698	14.962	19.500	14.972	49.834	23.227
Room Deletions	0	-1.082	-1.510	-1.374	-3.871	-3.194	-3.315	-4.063
Total Pipeline (Rooms)	56.000	66.000	70.000	89.000	101.000	101.000	113.000	117.000
<i>Pipeline growth</i>		17,86%	6,06%	27,14%	13,48%	0,00%	11,88%	3,54%
Pipeline as a % of existing supply	34,6%	38,0%	37,7%	42,2%	44,6%	42,4%	39,7%	38,5%
O&L %	12,3%	11,9%	9,9%	8,4%	6,8%	6,6%	5,0%	4,0%
Owned & Leased RevPAR	0,00	170,10	175,45	177,12	182,80	49,14	95,68	175,97
Group RevPAR (Managed & Franchised)	0,00	135,04	136,98	139,24	136,27	46,49	77,80	121,43
Americas Full Service RevPAR	147,15	150,94	154,82	158,67	158,68	45,13	89,36	155,87
Americas Select Service RevPAR	99,76	104,30	107,62	107,60	104,97	45,83	76,23	105,21
ASPAC RevPAR	151,26	147,35	147,86	145,74	137,89	54,35	63,43	76,26
EAME/SW Asia RevPAR	125,19	120,49	123,84	122,32	121,75	39,15	65,44	97,71
Owned & Leased RevPAR	166,61	170,15	175,53	177,18	182,79	49,04	95,66	175,97
Owned & Leased Occ	76,6%	76,7%	76,7%	76,9%	76,8%	22,9%	44,5%	65,8%
Owned & Leased ADR	217,63	221,77	228,75	230,32	238,02	214,58	215	267,43
Systemwide Managed & Franchised RevPAR	135	135,04	136,98	139,24	136,27	46,49	77,8	121,43
Systemwide Managed & Franchised Occ	74,2%	74,1%	75,0%	75,2%	74,5%	31,6%	48,6%	62,2%
Systemwide Managed & Franchised ADR	181,92	182,17	182,66	185,1	182,97	147,19	160,11	195,35
Systemwide RevPAR	138,89	139,21	140,79	142,41	139,43	46,66	78,69	123,59
Systemwide Occ	74,50%	74,41%	75,17%	75,34%	74,66%	31,03%	48,39%	62,34%

IHG KPI Historical

Metric	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY
Total rooms	744.368	767.135	798.075	836.541	883.563	886.036	880.327	911.627
<i>Unit growth</i>		3,06%	4,03%	4,82%	5,62%	0,28%	-0,64%	3,56%
Total signings	78.438	75.812	83.481	98.814	97.754	56.146	68.870	80.328
Total openings	44.427	40.134	48.187	56.343	65.220	39.392	43.958	49.476
Total Removals	21.679	17.367	17.247	17.877	-18.198	-36.919	-49.667	-18.143
Total Pipeline	213.916	230.076	244.146	270.948	283.043	272.057	270.960	281.468
<i>Pipeline growth</i>		7,55%	6,12%	10,98%	4,46%	-3,88%	-0,40%	3,88%
Americas RevPar	81,23	81,60	82,12	84,48	84,99	43,01	66,91	85,80
EMEA RevPar	97,14	87,86	86,28	93,92	88,78	30,10	43,56	83,44
China RevPar	59,05	55,68	53,59	57,08	48,19	26,82	34,30	30,25
Global RevPAR	0,00	0,00	0,00	83,09	80,30	37,06	55,15	75,06
Group RevPAR (\$)	82,74	80,28	79,87	83,51	81,45	37,41	55,83	76,3
Group ADR (\$)	118,74	115,16	113,54	118,46	115,97	94,72	106,11	124,17
Group Occ	69,7%	69,7%	70,3%	70,5%	70,2%	39,5%	52,6%	61,4%

Accor KPI Historical

Metric	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY
Total rooms	511.517	583.161	616.181	703.806	739.537	753.344	777.714	802.269
<i>Unit growth</i>	-	-	0,00%	14,22%	5,08%	1,87%	3,23%	3,16%
Total signings	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Total openings	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Total Removals	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Pipeline (total)	0	0	0	0	0	0	214.000	216.000
Pipeline (total hist)	0	0	161.000	198.000	208.000	211.000	0	0
<i>Pipeline smoothed</i>	0	0	161.000	198.000	208.000	211.000	214.000	216.000
<i>Pipeline growth</i>	-	-	-	22,98%	5,05%	1,44%	1,42%	0,93%
Southern Europe RevPAR	0,00	0,00	0,00	0,00	0,00	0,00	35,00	62,00
Northern Europe RevPAR	0,00	0,00	0,00	0,00	0,00	0,00	28,00	63,00
ASPAC RevPAR	0,00	0,00	0,00	0,00	0,00	0,00	29,00	46,00
IMEAT RevPAR	0,00	0,00	0,00	0,00	0,00	0,00	44,00	83,00
Americas RevPAR	0,00	0,00	0,00	0,00	0,00	0,00	36,00	76,00
Systemwide Occ	0,0%	0,0%	2,0%	69,3%	69,3%	32,1%	42,3%	59,8%
Systemwide ARR	0,00	0,00	0,01	89,00	92,00	73,00	78,00	103,00
Systemwide RevPAR	0,00	0,00	0,00	62,00	64,00	24,00	33,00	62,00
Systemwide Occ (Old)	0,0%	67,0%	68,8%	69,3%	69,3%	32,1%	0,0%	0,0%
Systemwide ARR (Old)	0,00	85,00	89,00	89,00	92,00	73,00	0,00	0,00
Systemwide RevPAR (Old)	0,00	57,00	61,00	62,00	64,00	24,00	0,00	0,00
Systemwide Occ	0,0%	67,0%	68,8%	69,3%	69,3%	32,1%	42,3%	59,8%
Systemwide ADR	0,00	85,00	89,00	89,00	92,00	73,00	78,00	103,00
Systemwide RevPAR	0,00	57,00	61,00	62,00	64,00	24,00	33,00	62,00
Systemwide RevPAR (\$)	0	62,90	69,50	73,05	71,54	27,53	38,93	65,28

Summary Financials – Income Statement

Hilton

Income Statement	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Revenues																
Franchising & Licensing Fees	1.530	1.681	945	1.493	2.068	2.370	2.716	3.073	3.435	3.801	4.205	4.650	5.143	5.689	6.294	6.963
Hotel franchise fees	1.357	1.475	662	1.133	1.652	1.928	2.239	2.557	2.879	3.200	3.556	3.949	4.386	4.871	5.410	6.009
Non-revpar licensing fees	173	206	283	360	416	442	477	515	557	601	649	701	757	818	883	954
Base and other management fees	321	332	123	176	294	342	406	446	481	514	549	587	627	671	718	768
Incentive management fees	235	230	38	98	196	274	299	322	346	372	400	430	463	498	536	576
Fee Revenues	2.086	2.243	1.106	1.767	2.558	2.986	3.421	3.841	4.262	4.687	5.154	5.668	6.234	6.858	7.547	8.307
Fee Growth		7,5%	-50,7%	59,8%	44,8%	16,7%	14,6%	12,3%	11,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,1%
Owned and leased hotels	1.484	1.422	421	598	1.076	1.244	1.349	1.438	1.479	1.516	1.552	1.590	1.628	1.666	1.705	1.745
Other revenues	98	101	73	79	102	178	214	226	240	254	270	286	303	321	340	361
Cost Reimbursement Revenue	5.238	5.686	2.707	3.344	5.037	5.827	6.048	6.279	6.519	6.770	7.032	7.305	7.591	7.889	8.200	8.524
Total Revenues	8.906	9.452	4.307	5.788	8.773	10.235	11.032	11.784	12.501	13.227	14.008	14.848	15.755	16.734	17.793	18.938
Adjusted Revenue	3.668	3.766	1.600	2.444	3.736	4.408	4.984	5.506	5.982	6.457	6.976	7.543	8.164	8.845	9.593	10.413
YoY		2,7%	-57,5%	52,8%	52,9%	18,0%	13,1%	10,5%	8,6%	8,0%	8,0%	8,1%	8,2%	8,3%	8,4%	8,6%
Expenses																
Owned and leased hotels	1.332	1.254	620	679	999	1.141	1.228	1.294	1.324	1.353	1.383	1.413	1.444	1.475	1.506	1.538
D&A	325	346	331	188	162	147	259	229	218	216	221	226	231	237	243	249
General and Adm	443	441	311	405	382	408	443	475	490	504	519	534	549	564	580	596
Impairment Loss	0	0	258	0	0	38	0	0	0	0	0	0	0	0	0	0
Others expenses	51	72	60	45	60	112	129	147	166	187	212	239	271	306	345	390

Summary Financials – Income Statement

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Total Revenues	8.906	9.452	4.307	5.788	8.773	10.235	11.032	11.784	12.501	13.227	14.008	14.848	15.755	16.734	17.793	18.938
Adjusted Revenue	3.668	3.766	1.600	2.444	3.736	4.408	4.984	5.506	5.982	6.457	6.976	7.543	8.164	8.845	9.593	10.413
YoY		2,7%	-57,5%	52,8%	52,9%	18,0%	13,1%	10,5%	8,6%	8,0%	8,0%	8,1%	8,2%	8,3%	8,4%	8,6%
Expenses																
Owned and leased hotels	1.332	1.254	620	679	999	1.141	1.228	1.294	1.324	1.353	1.383	1.413	1.444	1.475	1.506	1.538
D&A	325	346	331	188	162	147	259	229	218	216	221	226	231	237	243	249
General and Adm	443	441	311	405	382	408	443	475	490	504	519	534	549	564	580	596
Impairment Loss	0	0	258	0	0	38	0	0	0	0	0	0	0	0	0	0
Others expenses	51	72	60	45	60	112	129	147	166	187	212	239	271	306	345	390
Adjusted Expenses	2.151	2.113	1.580	1.317	1.603	1.846	2.058	2.145	2.198	2.261	2.335	2.412	2.494	2.581	2.674	2.773
Other expenses from managed and franchised properties	5.323	5.763	3.104	3.454	5.076	6.164	6.169	6.341	6.519	6.770	7.032	7.305	7.591	7.889	8.200	8.524
Total Expenses	7.474	7.876	4.684	4.771	6.679	8.010	8.227	8.486	8.717	9.031	9.367	9.717	10.085	10.470	10.874	11.297
EBIT	1.432	1.657	(418)	1.010	2.094	2.225	2.805	3.298	3.784	4.196	4.642	5.131	5.670	6.264	6.919	7.640
EBIT Margin %	16,1%	17,5%	-9,7%	17,4%	23,9%	21,7%	25,4%	28,0%	30,3%	31,7%	33,1%	34,6%	36,0%	37,4%	38,9%	40,3%
Interest expense	(371)	(414)	(429)	(397)	(415)	(464)	(500)	(527)	(548)	(569)	(589)	(609)	(628)	(647)	(665)	(683)
Gain (loss) on foreign currency transactions	(11)	(2)	(27)	(7)	5	(16)	0	0	0	0	0	0	0	0	0	0
Other non-operating income (loss), net	28	3	(50)	(46)	50	(53)	0	0	0	0	0	0	0	0	0	0
EBT	1.078	1.244	(924)	560	1.734	1.692	2.304	2.772	3.235	3.627	4.053	4.522	5.042	5.617	6.254	6.958

Summary Financials – Income Statement

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
EBT	1.078	1.244	(924)	560	1.734	1.692	2.304	2.772	3.235	3.627	4.053	4.522	5.042	5.617	6.254	6.958
Taxes	(309)	(358)	204	(153)	(477)	(541)	(665)	(800)	(933)	(1.046)	(1.169)	(1.305)	(1.455)	(1.621)	(1.804)	(2.007)
Net Income	769	886	(720)	407	1.257	1.151	1.640	1.972	2.302	2.581	2.883	3.218	3.587	3.997	4.449	4.950
Net margin %	8,6%	9,4%	-16,7%	7,0%	14,3%	11,2%	14,9%	16,7%	18,4%	19,5%	20,6%	21,7%	22,8%	23,9%	25,0%	26,1%
Non-controlling Interest	(5)	(5)	5	3	(2)	(10)	(13)	(16)	(18)	(21)	(23)	(26)	(29)	(32)	(36)	(40)
Available to Hilton shareholders	764	881	(715)	410	1.255	1.141	1.627	1.956	2.284	2.560	2.860	3.192	3.559	3.965	4.414	4.911
Adj. EBITDA	2.101	2.308	801	1.629	2.599	3.089	3.233	3.696	4.171	4.581	5.031	5.526	6.070	6.670	7.331	8.058
Adj EBITDA Margin	57,3%	61,3%	50,1%	66,7%	69,6%	70,1%	64,9%	67,1%	69,7%	70,9%	72,1%	73,3%	74,4%	75,4%	76,4%	77,4%
Adj EBITDA growth (%)		7,0%	-18,3%	33,1%	4,4%	0,7%	-7,4%	3,5%	3,9%	1,8%	1,7%	1,6%	1,5%	1,4%	1,3%	1,3%
Adj EBIT	1.644	1.807	334	1.313	2.295	2.769	3.095	3.530	3.953	4.365	4.811	5.300	5.839	6.433	7.088	7.809
Adj. EBIT margin	44,8%	48,0%	20,9%	53,7%	61,4%	62,8%	62,1%	64,1%	66,1%	67,6%	69,0%	70,3%	71,5%	72,7%	73,9%	75,0%
Adj Net income	1.014	1.103	(28)	720	1.506	1.639	1.760	2.092	2.422	2.701	3.004	3.338	3.708	4.117	4.570	5.071
Adj Net margin	27,7%	29,3%	-1,8%	29,5%	40,3%	37,2%	35,3%	38,0%	40,5%	41,8%	43,1%	44,3%	45,4%	46,5%	47,6%	48,7%
Dividend per share (\$c)																
Adjusted EPS	3,32	3,80	-0,10	2,56	5,44	6,21	6,90	8,42	10,05	11,58	13,35	15,43	17,91	20,87	24,45	28,83
Adj EPS Growth (%)		14%	-103%	-2649%	112%	14%	11%	22%	19%	15%	15%	16%	16%	17%	17%	18%

Summary Financials – Balance Sheet

Hilton

Balance Sheet	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Cash & Cash equivalents	484	630	3.263	1.512	1.286	875	858	724	635	577	658	887	1.287	1.885	2.710	3.797
Accounts Receivable & Prepaid Expenses	1.310	1.391	841	1.157	1.432	1.618	1.738	1.824	1.962	2.097	2.242	2.400	2.572	2.759	2.962	3.183
Other current assets	169	72	98	202	152	121	121	121	121	121	121	121	121	121	121	121
Total current assets	1.963	2.093	4.202	2.871	2.870	2.614	2.717	2.668	2.718	2.795	3.021	3.408	3.980	4.765	5.793	7.101
PP&E (including intangibles-contracts)	1.654	1.581	1.265	1.257	1.328	1.619	1.478	1.416	1.413	1.453	1.497	1.543	1.591	1.641	1.694	1.748
Brands & Goodwill	10.029	10.036	9.999	9.954	9.872	9.898	9.898	9.898	9.898	9.898	9.898	9.898	9.898	9.898	9.898	9.898
Lease Assets		867	772	694	662	618	618	618	618	618	618	618	618	618	618	618
Other non-current assets	349	380	517	665	780	652	652	652	652	652	652	652	652	652	652	652
Total non-current assets	12.032	12.864	12.553	12.570	12.642	12.787	12.646	12.584	12.581	12.621	12.665	12.711	12.759	12.809	12.862	12.916
Total Assets	13.995	14.957	16.755	15.441	15.512	15.401	15.363	15.253	15.298	15.416	15.686	16.119	16.739	17.574	18.655	20.017
LT Debt	7.282	7.993	10.487	8.766	8.747	9.196	9.696	10.196	10.696	11.196	11.696	12.196	12.696	13.196	13.696	14.196
Net Debt	6.798	7.363	7.224	7.254	7.461	8.321	8.838	9.472	10.061	10.619	11.038	11.309	11.409	11.311	10.986	10.399
Net Debt / adj EBITDA	3,2x	3,2x	9,0x	4,5x	2,9x	2,7x	2,7x	2,6x	2,4x	2,3x	2,2x	2,0x	1,9x	1,7x	1,5x	1,3x
Liability for guest loyalty programme	1.669	1.859	2.469	2.364	2.395	2.732	2.761	2.947	3.147	3.363	3.595	3.844	4.112	4.401	4.712	5.047
Accounts payable & Deferred revenue	2.706	2.862	2.676	2.814	3.209	3.613	3.956	3.930	3.901	3.822	3.758	3.698	3.641	3.589	3.541	3.496
Operating lease liabilities		1.037	971	870	832	808	808	808	808	808	808	808	808	808	808	808
Other Liabilities	1.780	1.678	1.638	1.446	1.427	1.399	1.399	1.399	1.399	1.399	1.399	1.399	1.399	1.399	1.399	1.399
Total Liabilities	13.437	15.429	18.241	16.260	16.610	17.748	18.620	19.280	19.952	20.588	21.256	21.945	22.657	23.393	24.155	24.946
Shareholders' Equity	558	(472)	(1.486)	(819)	(1.098)	(2.347)	(3.257)	(4.027)	(4.653)	(5.172)	(5.570)	(5.827)	(5.918)	(5.819)	(5.500)	(4.929)
<i>Check</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Summary Financials – Cash Flow Statement

Cash Flow (to check the Balance sheet)	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Cash from operations																
Net income	1.009	1.098	(23)	723	1.504	1.629	1.747	2.076	2.404	2.680	2.981	3.312	3.679	4.085	4.534	5.031
D&A	325	346	331	188	162	147	259	229	218	216	221	226	231	237	243	249
Variation on WC																
Variation on Accounts receivable		(81)	550	(316)	(275)	(186)	(120)	(86)	(138)	(135)	(146)	(158)	(172)	(187)	(203)	(221)
Variation on Accounts payable		156	(186)	138	395	404	343	(26)	(29)	(80)	(64)	(60)	(56)	(52)	(48)	(44)
Variation on guest loyalty programme		190	610	(105)	31	337	29	186	201	216	232	249	268	289	311	335
Net Cash from operations		1.709	1.282	628	1.817	2.331	2.258	2.379	2.656	2.898	3.224	3.569	3.950	4.371	4.836	5.349
(-) Capex		(144)	(71)	89	(59)	(57)	(118)	(167)	(214)	(257)	(264)	(272)	(280)	(287)	(295)	(303)
Net cash from operations and investments		1.565	1.211	717	1.758	2.274	2.140	2.212	2.442	2.641	2.959	3.297	3.671	4.084	4.541	5.046
(-) Dividends	(181)	(172)	(42)	0	(123)	(158)	(225)	(268)	(310)	(346)	(385)	(428)	(475)	(527)	(585)	(650)
(-) Stock repurchased	(1.721)	(1.538)	(296)	0	(1.590)	(2.338)	(2.431)	(2.578)	(2.720)	(2.853)	(2.994)	(3.141)	(3.296)	(3.458)	(3.630)	(3.810)
(-/+) Debt payment / new debt		711	2.494	(1.721)	(19)	449	500	500	500	500	500	500	500	500	500	500
Net Cash from financing		566	3.367	(1.004)	26	227	(17)	(134)	(88)	(58)	81	229	400	598	826	1.086
Cash on initial period	484	484	630	3.263	1.512	1.286	875	858	724	635	577	658	887	1.287	1.885	2.710
Cash Variation		566	3.367	(1.004)	26	227	(17)	(134)	(88)	(58)	81	229	400	598	826	1.086
Cash on Final Period	484	630	3.263	1.512	1.286	875	858	724	635	577	658	887	1.287	1.885	2.710	3.797

US Hotel System Revenue Forecast



	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Rooms by type																
Franchised	577.566	615.589	647.922	676.419	699.185	721.043	750.693	782.765	817.136	853.625	891.999	932.354	974.792	1.019.421	1.066.354	1.115.710
Managed	90.749	88.398	85.255	83.775	84.105	84.833	86.068	87.353	88.673	90.016	91.367	92.722	94.080	95.437	96.789	98.132
Owned & Leased	215	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	668.530	703.987	733.177	760.194	783.290	805.876	836.761	870.118	905.809	943.641	983.366	1.025.076	1.068.872	1.114.858	1.163.143	1.213.842
US Room Growth		5,3%	4,1%	3,7%	3,0%	2,9%	3,8%	4,0%	4,1%	4,2%	4,2%	4,2%	4,3%	4,3%	4,3%	4,4%
Rooms Split																
Franchised	86%	87%	88%	89%	89%	89%	90%	90%	90%	90%	91%	91%	91%	91%	92%	92%
Managed	14%	13%	12%	11%	11%	11%	10%	10%	10%	10%	9%	9%	9%	9%	8%	8%
Owned & Leased	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Openings Split																
Franchised		107,2%	110,8%	105,5%	98,6%	96,8%	96,0%	96,2%	96,3%	96,5%	96,6%	96,8%	96,9%	97,1%	97,2%	97,3%
Managed		-6,6%	-10,8%	-5,5%	1,4%	3,2%	4,0%	3,9%	3,7%	3,6%	3,4%	3,3%	3,1%	3,0%	2,8%	2,7%
Owned & Leased		-0,6%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total Pipeline	150.680	149.688	149.539	144.607	148.411	167.330	180.716	193.367	204.969	215.217	225.978	237.277	249.141	261.598	274.677	288.411
US Pipeline Growth		-0,7%	-0,1%	-3,3%	2,6%	12,7%	8,0%	7,0%	6,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
<i>New Pipeline</i>		34.465	29.041	22.085	26.900	41.505	44.272	46.006	47.293	48.081	50.485	53.009	55.660	58.443	61.365	64.433
Net room openings																
Franchised		38.023	32.333	28.497	22.766	21.858	29.650	32.072	34.371	36.490	38.374	40.355	42.438	44.629	46.933	49.356
Managed		-2.351	-3.143	-1.480	330	728	1.235	1.284	1.321	1.343	1.351	1.356	1.358	1.357	1.352	1.344
Owned & Leased		-215	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total opening		35.457	29.190	27.017	23.096	22.586	30.885	33.356	35.691	37.833	39.724	41.710	43.796	45.986	48.285	50.699
% pipeline opened (net)		23,5%	19,5%	18,1%	16,0%	15,2%	18,5%	18,5%	18,5%	18,5%	18,5%	18,5%	18,5%	18,5%	18,5%	18,5%

US Hotel System Revenue Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
ADR + Occupancy + RevPAR																
Hilton US Occupancy	76,30%	76,20%	42,20%	60,80%	69,90%	72,20%	74,20%	76,20%	77,70%	78,70%	79,70%	80,70%	81,70%	82,70%	83,70%	84,70%
change YoY %		-0,1%	-34,0%	18,6%	9,1%	2,3%	2,0%	2,0%	1,5%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%
US Occupancy	66,61%	66,63%	44,43%	58,31%	63,64%	65,21%	66,62%	66,72%	66,82%	66,92%	67,02%	67,12%	67,22%	67,32%	67,42%	67,52%
Spread of occupancy	9,69%	9,57%	-2,23%	2,49%	6,26%	6,99%	7,58%	9,48%	10,88%	11,78%	12,68%	13,58%	14,48%	15,38%	16,28%	17,18%
Hilton US ADR	149,09	148,7	117,4	132,94	157,44	165,16	174,39	181,27	187,49	192,18	196,98	201,91	206,95	212,13	217,43	222,87
change YoY %		-0,3%	-21,0%	13,2%	18,4%	4,9%	5,6%	3,9%	3,4%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
US ADR	129,6	130,83	99,71	122,12	147,84	154,58	159,99	164,79	168,91	173,13	177,46	181,90	186,44	191,11	195,88	200,78
Difference between Hilton and US	15,04%	13,66%	17,74%	8,86%	6,49%	6,84%	9,0%	10,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%
Hilton US RevPAR	113,76	113,31	49,54	80,83	110,05	119,25	129,40	138,13	145,68	151,24	156,99	162,94	169,08	175,43	181,99	188,77
change YoY %		-0,4%	-56,3%	63,1%	36,2%	8,4%	8,5%	6,7%	5,5%	3,8%	3,8%	3,8%	3,8%	3,8%	3,7%	3,7%
US RevPAR	86,33	87,18	44,30	71,20	94,08	100,81	106,59	109,95	112,87	115,86	118,94	122,09	125,33	128,66	132,07	135,57
Difference between Hilton and US	31,77%	29,98%	11,84%	13,52%	16,98%	18,29%	21,40%	25,62%	29,07%	30,53%	32,00%	33,45%	34,91%	36,35%	37,80%	39,24%
System Room Revenue (\$m)																
Franchised	23.981	25.459	11.716	19.956	28.085	31.383	35.455	39.464	43.450	47.123	51.114	55.449	60.159	65.275	70.834	76.873
Managed	3.768	3.656	1.542	2.472	3.378	3.692	4.065	4.404	4.715	4.969	5.236	5.514	5.806	6.111	6.429	6.761
Owned & Leased	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	27.758	29.115	13.258	22.427	31.464	35.075	39.520	43.868	48.165	52.093	56.350	60.964	65.965	71.386	77.263	83.634

Americas (ex-US) Hotel System Revenue Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Rooms by type																
Franchised	36.485	38.118	40.233	42.676	45.328	48.834	52.618	56.653	60.916	65.419	70.132	75.064	80.225	85.625	91.276	97.190
Managed	14.723	14.838	15.350	17.114	18.156	18.374	18.794	19.258	19.763	20.314	20.909	21.549	22.240	22.983	23.783	24.643
Owned & Leased	405	405	405	405	405	405	405	405	405	405	405	405	405	405	405	405
Total	51.613	53.361	55.988	60.195	63.889	67.613	71.817	76.316	81.084	86.139	91.446	97.018	102.870	109.013	115.464	122.238
Americas (ex US) Room Growth		3,4%	4,9%	7,5%	6,1%	5,8%	6,2%	6,3%	6,2%	6,2%	6,2%	6,1%	6,0%	6,0%	5,9%	5,9%
Rooms Split																
Franchised	71%	71%	72%	71%	71%	72%	73%	74%	75%	76%	77%	77%	78%	79%	79%	80%
Managed	29%	28%	27%	28%	28%	27%	26%	25%	24%	24%	23%	22%	22%	21%	21%	20%
Owned & Leased	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Openings Split																
Franchised		93,4%	80,5%	58,1%	71,8%	94,1%	90,0%	89,7%	89,4%	89,1%	88,8%	88,5%	88,2%	87,9%	87,6%	87,3%
Managed		6,6%	19,5%	41,9%	28,2%	5,9%	10,0%	10,3%	10,6%	10,9%	11,2%	11,5%	11,8%	12,1%	12,4%	12,7%
Owned & Leased		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total Pipeline	22.260	23.220	27.790	28.560	29.148	32.340	34.604	36.680	38.881	40.825	42.866	45.009	47.260	49.623	52.104	54.709
Americas (ex US) Pipeline Growth		4,3%	19,7%	2,8%	2,1%	11,0%	7,0%	6,0%	6,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
<i>New Pipeline</i>		2.708	7.197	4.977	4.282	6.916	6.468	6.575	6.969	6.999	7.348	7.716	8.102	8.507	8.932	9.379
Net room openings																
Franchised		1.633	2.115	2.443	2.652	3.506	3.784	4.035	4.263	4.504	4.713	4.932	5.161	5.400	5.651	5.913
Managed		115	512	1.764	1.042	218	420	463	505	551	594	641	690	743	800	860
Owned & Leased		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total opening		1.748	2.627	4.207	3.694	3.724	4.204	4.498	4.768	5.055	5.307	5.573	5.851	6.144	6.451	6.774
% pipeline opened (net)		7,9%	11,3%	15,1%	12,9%	12,8%	13,0%	13,0%	13,0%	13,0%	13,0%	13,0%	13,0%	13,0%	13,0%	13,0%

Americas (ex-US) Hotel System Revenue Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
ADR + Occupancy + RevPAR																
Hilton Americas (ex US) Occupancy	71,60%	70,50%	29,40%	44,00%	63,80%	69,40%	71,40%	71,50%	71,60%	71,70%	71,80%	71,90%	72,00%	72,10%	72,20%	72,30%
change YoY %		-1,1%	-41,1%	14,6%	19,8%	5,6%	2,0%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
Americas (ex US) Occupancy	65,88%	65,72%	42,80%	55,92%	62,32%	63,98%	65,80%	65,90%	66,00%	66,10%	66,20%	66,30%	66,40%	66,50%	66,60%	66,70%
Spread of occupancy	5,72%	4,78%	-13,40%	-11,92%	1,48%	5,42%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%
Hilton Americas (ex US) ADR	127,57	122,13	98,55	111,68	138,55	152,51	157,35	162,07	167,82	173,75	178,98	183,46	188,04	192,74	197,56	202,50
change YoY %		-4,3%	-19,3%	13,3%	24,1%	10,1%	3,2%	3,0%	3,5%	3,5%	3,0%	2,5%	2,5%	2,5%	2,5%	2,5%
Americas (ex US) ADR	129,08	129,95	99,36	121,07	146,86	155,13	160,56	165,38	169,51	173,75	178,09	182,54	187,11	191,79	196,58	201,50
Difference between Hilton and Americas (ex US)	-1,17%	-6,02%	-0,82%	-7,76%	-5,66%	-1,69%	-2,0%	-2,0%	-1,0%	0,0%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%
Hilton Americas (ex US) RevPAR	91,34	86,10	28,97	49,14	88,39	105,84	112,35	115,88	120,16	124,58	128,51	131,91	135,39	138,97	142,64	146,41
change YoY %		-5,7%	-66,3%	69,6%	79,9%	19,7%	6,1%	3,1%	3,7%	3,7%	3,2%	2,6%	2,6%	2,6%	2,6%	2,6%
Americas (ex US) RevPAR	85,03	85,40	42,53	67,71	91,52	99,25	105,64	108,98	111,87	114,84	117,89	121,02	124,23	127,53	130,92	134,39
Difference between Hilton and Americas (ex US)	7,42%	0,82%	-31,87%	-27,42%	-3,42%	6,64%	6,35%	6,33%	7,40%	8,48%	9,01%	8,99%	8,98%	8,97%	8,96%	8,94%
System Room Revenue (\$m)																
Franchised	1.216	1.198	425	765	1.462	1.887	2.158	2.396	2.672	2.975	3.290	3.614	3.965	4.343	4.752	5.194
Managed	491	466	162	307	586	710	771	815	867	924	981	1.038	1.099	1.166	1.238	1.317
Owned & Leased	14	13	4	7	13	16	17	17	18	18	19	19	20	21	21	22
Total	1.721	1.677	592	1.080	2.061	2.612	2.945	3.228	3.556	3.917	4.289	4.671	5.084	5.530	6.012	6.532

Europe Hotel System Revenue Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Rooms by type																
Franchised	44.538	49.637	51.772	57.982	62.037	67.855	73.376	79.173	85.202	91.471	97.930	104.581	111.433	118.489	125.758	133.245
Managed	27.892	27.371	28.546	28.387	28.105	27.479	26.807	26.101	25.367	24.604	23.818	23.008	22.174	21.315	20.430	19.519
Owned & Leased	14.887	14.382	13.220	11.977	11.725	11.604	11.556	11.506	11.453	11.399	11.342	11.285	11.225	11.164	11.100	11.035
Total	87.317	91.390	93.538	98.346	101.867	106.938	111.739	116.780	122.022	127.474	133.090	138.874	144.832	150.968	157.288	163.799
Europe Room Growth		4,7%	2,4%	5,1%	3,6%	5,0%	4,5%	4,5%	4,5%	4,5%	4,4%	4,3%	4,3%	4,2%	4,2%	4,1%
Rooms Split																
Franchised	51%	54%	55%	59%	61%	63%	66%	68%	70%	72%	74%	75%	77%	78%	80%	81%
Managed	32%	30%	31%	29%	28%	26%	24%	22%	21%	19%	18%	17%	15%	14%	13%	12%
Owned & Leased	17%	16%	14%	12%	12%	11%	10%	10%	9%	9%	9%	8%	8%	7%	7%	7%
Openings Split																
Franchised		125,2%	99,4%	129,2%	115,2%	114,7%	115,0%	115,0%	115,0%	115,0%	115,0%	115,0%	115,0%	115,0%	115,0%	115,0%
Managed		-12,8%	54,7%	-3,3%	-8,0%	-12,3%	-14,0%	-14,0%	-14,0%	-14,0%	-14,0%	-14,0%	-14,0%	-14,0%	-14,0%	-14,0%
Owned & Leased		-12,4%	-54,1%	-25,9%	-7,2%	-2,4%	-1,0%	-1,0%	-1,0%	-1,0%	-1,0%	-1,0%	-1,0%	-1,0%	-1,0%	-1,0%
Total Pipeline	27.426	29.030	34.084	34.277	30.616	32.005	33.605	34.949	36.347	37.438	38.561	39.718	40.909	42.137	43.401	44.703
Europe Pipeline Growth		5,8%	17,4%	0,6%	-10,7%	4,5%	5,0%	4,0%	4,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%
<i>New Pipeline</i>		5.677	7.202	5.001	-140	6.460	6.401	6.385	6.640	6.543	6.739	6.941	7.149	7.364	7.585	7.812
Net room openings																
Franchised		5.099	2.135	6.210	4.055	5.818	5.521	5.797	6.029	6.270	6.458	6.652	6.851	7.057	7.269	7.487
Managed		-521	1.175	-159	-282	-626	-672	-706	-734	-763	-786	-810	-834	-859	-885	-911
Owned & Leased		-505	-1.162	-1.243	-252	-121	-48,0075	-50,4079	-52,4242	-54,5212	-56,1568	-57,8415	-59,5767	-61,364	-63,205	-65,1011
Total opening		4.073	2.148	4.808	3.521	5.071	4.801	5.041	5.242	5.452	5.616	5.784	5.958	6.136	6.320	6.510
% pipeline opened (net)		14,9%	7,4%	14,1%	10,3%	16,6%	15,0%	15,0%	15,0%	15,0%	15,0%	15,0%	15,0%	15,0%	15,0%	15,0%

Europe Hotel System Revenue Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
ADR + Occupancy + RevPAR																
Hilton Europe Occupancy	77,00%	77,50%	28,60%	41,90%	67,00%	72,50%	75,50%	77,50%	78,00%	78,20%	78,40%	78,60%	78,80%	79,00%	79,20%	79,40%
change YoY %		0,5%	-48,9%	13,3%	25,1%	5,5%	3,0%	2,0%	0,5%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%
Europe Occupancy	72,66%	72,42%	32,86%	43,28%	64,64%	68,70%	72,54%	72,64%	72,74%	72,84%	72,94%	73,04%	73,14%	73,24%	73,34%	73,44%
Spread of occupancy	4,34%	5,08%	-4,26%	-1,38%	2,36%	3,80%	2,96%	4,86%	5,26%	5,36%	5,46%	5,56%	5,66%	5,76%	5,86%	5,96%
Hilton Europe ADR	148,37	139,97	107,37	121,84	147	165,04	173,06	181,52	186,06	190,71	195,48	200,36	205,37	210,51	215,77	221,17
change YoY %		-5,7%	-23,3%	13,5%	20,7%	12,3%	4,9%	4,9%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
Europe ADR	129,7	125,86	98,64	113,02	134,43	153,4	158,77	163,53	167,62	171,81	176,11	180,51	185,02	189,65	194,39	199,25
Difference between Hilton and Europe	14,39%	11,21%	8,85%	7,80%	9,35%	7,59%	9,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%
Hilton Europe RevPAR	114,24	108,48	30,71	51,05	98,49	119,65	130,66	140,68	145,13	149,14	153,25	157,49	161,83	166,30	170,89	175,61
change YoY %		-5,0%	-71,7%	66,2%	92,9%	21,5%	9,2%	7,7%	3,2%	2,8%	2,8%	2,8%	2,8%	2,8%	2,8%	2,8%
Europe RevPAR	94,24	91,15	32,41	48,92	86,90	105,39	115,17	118,79	121,93	125,15	128,45	131,85	135,33	138,90	142,57	146,33
Difference between Hilton and Europe	21,23%	19,00%	-5,25%	4,36%	13,34%	13,53%	13,45%	18,43%	19,03%	19,17%	19,31%	19,45%	19,59%	19,73%	19,87%	20,01%
System Room Revenue (\$m)																
Franchised	1.857	1.965	580	1.080	2.230	2.963	3.499	4.065	4.513	4.979	5.478	6.012	6.582	7.192	7.844	8.540
Managed	1.163	1.084	320	529	1.010	1.200	1.278	1.340	1.344	1.339	1.332	1.323	1.310	1.294	1.274	1.251
Owned & Leased	621	569	148	223	422	507	551	591	607	620	634	649	663	678	692	707
Total	3.641	3.618	1.048	1.833	3.662	4.670	5.329	5.996	6.464	6.939	7.445	7.983	8.555	9.164	9.811	10.499

MEA Hotel System Revenue Forecast

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Rooms by type																
Franchised	3.092	3.188	2.843	3.398	4.027	5.207	6.918	8.756	10.720	12.806	15.010	17.334	19.785	22.367	25.085	27.945
Managed	19.825	23.503	24.812	25.671	28.209	29.199	30.354	31.495	32.615	33.706	34.759	35.772	36.742	37.667	38.543	39.368
Owned & Leased	2.612	2.612	2.612	2.606	2.319	2.319	2.305	2.290	2.275	2.259	2.243	2.226	2.209	2.191	2.174	2.155
Total	25.529	29.303	30.267	31.675	34.555	36.725	39.576	42.541	45.610	48.771	52.011	55.332	58.736	62.226	65.802	69.468
MEA Room Growth		14,8%	3,3%	4,7%	9,1%	6,3%	7,8%	7,5%	7,2%	6,9%	6,6%	6,4%	6,2%	5,9%	5,7%	5,6%
Rooms Split																
Franchised	12%	11%	9%	11%	12%	14%	17%	21%	24%	26%	29%	31%	34%	36%	38%	40%
Managed	78%	80%	82%	81%	82%	80%	77%	74%	72%	69%	67%	65%	63%	61%	59%	57%
Owned & Leased	10%	9%	9%	8%	7%	6%	6%	5%	5%	5%	4%	4%	4%	4%	3%	3%
Openings Split																
Franchised		2,5%	-35,8%	39,4%	21,8%	54,4%	60,0%	62,0%	64,0%	66,0%	68,0%	70,0%	72,0%	74,0%	76,0%	78,0%
Managed		97,5%	135,8%	61,0%	88,1%	45,6%	40,5%	38,5%	36,5%	34,5%	32,5%	30,5%	28,5%	26,5%	24,5%	22,5%
Owned & Leased		0,0%	0,0%	-0,4%	-10,0%	0,0%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%
Total Pipeline	33.235	32.877	35.364	33.951	35.256	35.639	37.065	38.362	39.513	40.500	41.513	42.551	43.615	44.705	45.823	46.968
MEA Pipeline Growth		-1,1%	7,6%	-4,0%	3,8%	1,1%	4,0%	3,5%	3,0%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
<i>New Pipeline</i>		3.416	3.451	-5	4.185	2.553	4.277	4.262	4.220	4.149	4.253	4.359	4.468	4.580	4.694	4.811
Net room openings																
Franchised		96	-345	555	629	1.180	1.711	1.838	1.964	2.086	2.203	2.325	2.451	2.582	2.718	2.859
Managed		3.678	1.309	859	2.538	990	1.155	1.142	1.120	1.091	1.053	1.013	970	925	876	825
Owned & Leased		0	0	-6	-287	0	-14,2556	-14,8258	-15,3447	-15,8051	-16,2002	-16,6052	-17,0203	-17,4458	-17,882	-18,329
Total opening		3.774	964	1.408	2.880	2.170	2.851	2.965	3.069	3.161	3.240	3.321	3.404	3.489	3.576	3.666
% pipeline opened (net)		11,4%	2,9%	4,0%	8,5%	6,2%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%

MEA Hotel System Revenue Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
ADR + Occupancy + RevPAR																
Hilton MEA Occupancy	72,50%	73,80%	35,60%	52,60%	66,60%	72,30%	73,30%	73,50%	73,70%	73,90%	74,10%	74,30%	74,50%	74,70%	74,90%	75,10%
change YoY %		1,3%	-38,2%	17,0%	14,0%	5,7%	1,0%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%
MEA Occupancy	63,22%	64,41%	40,47%	51,51%	60,57%	62,91%	63,81%	63,91%	64,01%	64,11%	64,21%	64,31%	64,41%	64,51%	64,61%	64,71%
Spread of occupancy	9,28%	9,39%	-4,87%	1,09%	6,03%	9,39%	9,49%	9,59%	9,69%	9,79%	9,89%	9,99%	10,09%	10,19%	10,29%	10,39%
Hilton MEA ADR	151,24	144,66	125,3	139,02	154,57	171,38	168,62	175,29	181,32	185,85	190,50	195,26	200,14	205,14	210,27	215,53
change YoY %		-4,4%	-13,4%	10,9%	11,2%	10,9%	-1,6%	4,0%	3,4%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
MEA ADR	137,15	131,49	107,98	129,16	154,61	150,85	156,13	160,81	164,83	168,95	173,18	177,51	181,95	186,49	191,16	195,94
Difference between Hilton and MEA	10,27%	10,02%	16,04%	7,63%	-0,03%	13,61%	8,0%	9,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%
Hilton MEA RevPAR	109,65	106,76	44,61	73,12	102,94	123,91	123,60	128,84	133,63	137,34	141,16	145,08	149,10	153,24	157,49	161,86
change YoY %		-2,6%	-58,2%	63,9%	40,8%	20,4%	-0,2%	4,2%	3,7%	2,8%	2,8%	2,8%	2,8%	2,8%	2,8%	2,8%
MEA RevPAR	86,71	84,69	43,70	66,53	93,64	94,91	99,63	102,78	105,51	108,32	111,20	114,16	117,20	120,31	123,51	126,80
Difference between Hilton and MEA	26,46%	26,06%	2,08%	9,92%	9,93%	30,56%	24,06%	25,35%	26,65%	26,79%	26,94%	27,08%	27,23%	27,37%	27,51%	27,66%
System Room Revenue (\$m)																
Franchised	124	124	46	91	151	235	312	412	523	642	773	918	1.077	1.251	1.442	1.651
Managed	793	916	404	685	1.060	1.321	1.369	1.481	1.591	1.690	1.791	1.894	2.000	2.107	2.216	2.326
Owned & Leased	105	102	43	70	87	105	104	108	111	113	116	118	120	123	125	127
Total	1.022	1.142	493	845	1.298	1.661	1.785	2.001	2.225	2.445	2.680	2.930	3.197	3.480	3.783	4.104

APAC Hotel System Revenue Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Rooms by type																
Franchised	14.122	23.076	31.213	41.525	55.204	72.035	87.678	104.885	123.857	144.825	168.058	193.862	222.590	254.565	290.140	329.711
Managed	62.248	67.505	71.942	79.693	85.462	90.587	97.949	105.679	113.810	122.375	131.409	140.953	151.047	161.705	172.940	184.759
Owned & Leased	3.601	3.158	3.163	3.163	3.163	3.163	3.163	3.163	3.163	3.163	3.163	3.163	3.163	3.163	3.163	3.163
Total	79.971	93.739	106.318	124.381	143.829	165.785	188.790	213.727	240.829	270.363	302.631	337.978	376.800	419.433	466.243	517.633
APAC Room Growth		17,2%	13,4%	17,0%	15,6%	15,3%	13,9%	13,2%	12,7%	12,3%	11,9%	11,7%	11,5%	11,3%	11,2%	11,0%
Rooms Split																
Franchised	18%	25%	29%	33%	38%	43%	46%	49%	51%	54%	56%	57%	59%	61%	62%	64%
Managed	78%	72%	68%	64%	59%	55%	52%	49%	47%	45%	43%	42%	40%	39%	37%	36%
Owned & Leased	5%	3%	3%	3%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Openings Split																
Franchised		65,0%	64,7%	57,1%	70,3%	76,7%	68,0%	69,0%	70,0%	71,0%	72,0%	73,0%	74,0%	75,0%	76,0%	77,0%
Managed		38,2%	35,3%	42,9%	29,7%	23,3%	32,0%	31,0%	30,0%	29,0%	28,0%	27,0%	26,0%	25,0%	24,0%	23,0%
Owned & Leased		-3,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total Pipeline	109.808	120.003	132.569	139.675	142.955	150.333	160.856	172.599	185.716	200.388	216.820	235.249	255.246	276.941	300.482	326.022
APAC Pipeline Growth		9,3%	10,5%	5,4%	2,3%	5,2%	7,0%	7,3%	7,6%	7,9%	8,2%	8,5%	8,5%	8,5%	8,5%	8,5%
<i>New Pipeline</i>		23.963	25.145	25.169	22.728	29.334	33.528	36.679	40.220	44.205	48.699	53.777	58.818	64.329	70.350	76.931
Net room openings																
Franchised		8.954	8.137	10.312	13.679	16.831	15.643	17.206	18.972	20.969	23.233	25.803	28.728	31.974	35.576	39.570
Managed		5.257	4.437	7.751	5.769	5.125	7.362	7.730	8.131	8.565	9.035	9.544	10.094	10.658	11.234	11.820
Owned & Leased		-443	5	0	0	0	0	0	0	0	0	0	0	0	0	0
Total opening		13.768	12.579	18.063	19.448	21.956	23.005	24.937	27.102	29.534	32.268	35.347	38.822	42.633	46.810	51.390
% pipeline opened (net)		12,5%	10,5%	13,6%	13,9%	15,4%	15,3%	15,5%	15,7%	15,9%	16,1%	16,3%	16,5%	16,7%	16,9%	17,1%
							possible step from 2024 (accelerated growth)						0,20%			

APAC Hotel System Revenue Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
ADR + Occupancy + RevPAR																
Hilton APAC Occupancy	73,40%	72,40%	43,90%	50,50%	53,20%	70,10%	72,10%	73,60%	74,10%	74,60%	75,10%	75,60%	76,10%	76,60%	77,10%	77,60%
change YoY %		-1,0%	-28,5%	6,6%	2,7%	16,9%	2,0%	1,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%
APAC Occupancy	71,03%	69,64%	44,95%	48,18%	53,67%	65,53%	70,34%	70,44%	70,54%	70,64%	70,74%	70,84%	70,94%	71,04%	71,14%	71,24%
Spread of occupancy	2,37%	2,76%	-1,05%	2,32%	-0,47%	4,57%	1,76%	3,16%	3,56%	3,96%	4,36%	4,76%	5,16%	5,56%	5,96%	6,36%
Hilton APAC ADR	135,6	123,72	93,85	101,08	103,73	113,54	122,27	128,04	131,78	135,63	139,58	143,65	147,84	152,14	156,57	161,12
change YoY %		-8,8%	-24,1%	7,7%	2,6%	9,5%	7,7%	4,7%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%
APAC ADR	102,16	98,7	74,51	79,98	86,63	98,45	101,90	104,95	107,58	110,27	113,02	115,85	118,74	121,71	124,76	127,87
Difference between Hilton and APAC	32,73%	25,35%	25,96%	26,38%	19,74%	15,33%	20,0%	22,0%	22,5%	23,0%	23,5%	24,0%	24,5%	25,0%	25,5%	26,0%
Hilton APAC RevPAR	99,53	89,57	41,20	51,05	55,18	79,59	88,16	94,24	97,65	101,18	104,83	108,60	112,50	116,54	120,71	125,03
change YoY %		-10,0%	-54,0%	23,9%	8,1%	44,2%	10,8%	6,9%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%	3,6%
APAC RevPAR	72,56	68,74	33,49	38,53	46,49	64,51	71,67	73,92	75,88	77,89	79,95	82,06	84,23	86,46	88,75	91,09
Difference between Hilton and APAC	37,17%	30,31%	23,01%	32,47%	18,70%	23,37%	23,01%	27,48%	28,69%	29,90%	31,12%	32,34%	33,56%	34,79%	36,02%	37,26%
System Room Revenue (\$m)																
Franchised	513	754	469	774	1.112	2.093	2.821	3.608	4.415	5.348	6.430	7.685	9.140	10.828	12.784	15.047
Managed	2.261	2.207	1.082	1.485	1.721	2.632	3.152	3.635	4.056	4.519	5.028	5.587	6.203	6.878	7.620	8.432
Owned & Leased	131	103	48	59	64	92	102	109	113	117	121	125	130	135	139	144
Total	2.905	3.065	1.599	2.317	2.897	4.816	6.075	7.352	8.584	9.984	11.579	13.397	15.473	17.841	20.543	23.623

Total System Revenue & Hilton Holdings Revenue

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<u>System Room Revenue (based on geographical rooms)</u>																
Franchised	27.691	29.501	13.238	22.666	33.041	38.561	44.246	49.945	55.572	61.068	67.085	73.677	80.923	88.890	97.656	107.305
Managed	8.477	8.329	3.510	5.477	7.756	9.554	10.635	11.675	12.573	13.441	14.367	15.356	16.417	17.556	18.777	20.087
Owned & Leased	879	787	243	359	585	719	773	824	848	869	890	911	933	955	978	1.001
Total	37.047	38.618	16.990	28.502	41.382	48.835	55.654	62.444	68.993	75.378	82.343	89.945	98.273	107.402	117.411	128.392
YoY (%)		4,2%	-56,0%	67,8%	45,2%	18,0%	14,0%	12,2%	10,5%	9,3%	9,2%	9,2%	9,3%	9,3%	9,3%	9,4%
Rooms																
Systemwide Rooms	912.960	971.780	1.019.288	1.074.791	1.127.430	1.182.937	1.248.683	1.319.481	1.395.354	1.476.388	1.562.543	1.654.279	1.752.110	1.856.498	1.967.941	2.086.980
Systemwide Pipeline (STR/Forecast)	343.409	354.818	379.346	381.070	386.386	417.647	446.846	475.957	505.426	534.368	565.738	599.804	636.170	675.004	716.486	760.814
Systemwide Pipeline - Reported	364.000	387.000	397.000	408.000	416.400	462.000	-	-	-	-	-	-	-	-	-	-
Franchised rooms	675.803	729.608	773.983	822.000	865.781	914.974	971.283	1.032.232	1.097.830	1.168.148	1.243.128	1.323.195	1.408.825	1.500.468	1.598.614	1.703.800
Managed rooms	215.437	221.615	225.905	234.640	244.037	250.472	259.972	269.886	280.229	291.015	302.262	314.005	326.283	339.107	352.484	366.421
Owned & Leased	21.720	20.557	19.400	18.151	17.612	17.491	17.429	17.364	17.296	17.225	17.153	17.079	17.002	16.923	16.842	16.759
Net Unit Growth (NUG)		6,4%	4,9%	5,4%	4,9%	4,9%	5,6%	5,7%	5,8%	5,8%	5,8%	5,9%	5,9%	6,0%	6,0%	6,0%
System Pipeline Growth		3,3%	6,9%	0,5%	1,4%	8,1%	7,0%	6,5%	6,2%	5,7%	5,9%	6,0%	6,1%	6,1%	6,1%	6,2%
Franchising & Licensing Fees	1.530	1.681	945	1.493	2.068	2.370	2.716	3.073	3.435	3.801	4.205	4.650	5.143	5.689	6.294	6.963
% franchise volume	5,5%	5,7%	7,1%	6,6%	6,3%	6,1%	6,1%	6,2%	6,2%	6,2%	6,3%	6,3%	6,4%	6,4%	6,4%	6,5%
Hotel franchise fees	1.357	1.475	662	1.133	1.652	1.928	2.239	2.557	2.879	3.200	3.556	3.949	4.386	4.871	5.410	6.009
Hotel franchise fee %	4,90%	5,00%	5,00%	5,00%	5,00%	5,00%	5,06%	5,12%	5,18%	5,24%	5,30%	5,36%	5,42%	5,48%	5,54%	5,60%
Non-revpar licensing fees	173	206	283	360	416	442	477	515	557	601	649	701	757	818	883	954
YoY %		18,9%	37,5%	27,1%	15,6%	6,2%	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%
Base and other management fees	321	332	123	176	294	342	406	446	481	514	549	587	627	671	718	768
% managed volume	3,9%	4,0%	3,5%	3,2%	3,8%	3,6%	3,82%	3,82%	3,82%	3,82%	3,82%	3,82%	3,82%	3,82%	3,82%	3,82%
Incentive management fees	235	230	38	98	196	274	299	322	346	372	400	430	463	498	536	576
Incentive management fee per managed room	1.091	1.038	168	418	803	1.094	1.149	1.195	1.236	1.280	1.324	1.371	1.419	1.468	1.520	1.573
Growth		-4,9%	-83,8%	148,3%	92,3%	36,2%	5,00%	4,00%	3,50%	3,50%	3,50%	3,50%	3,50%	3,50%	3,50%	3,50%

Total System Revenue & Hilton Holdings Revenue



	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Owned & Leased Revenue	1.484	1.422	421	598	1.076	1.244	1349	1438	1479	1516	1552	1590	1628	1666	1705	1745
% modelled room revenue	168,9%	180,6%	173,6%	166,6%	183,8%	173,0%	174,4%	174,4%	174,4%	174,4%	174,4%	174,4%	174,4%	174,4%	174,4%	174,4%
Other Revenue	98	101	73	79	102	178	214	226	240	254	270	286	303	321	340	361
% growth YoY		3,1%	-27,7%	8,2%	29,1%	74,5%	20,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
Underlying Revenue (adjusted revenue)	3.668	3.766	1.600	2.444	3.736	4.408	4.984	5.506	5.982	6.457	6.976	7.543	8.164	8.845	9.593	10.413
% growth YoY		2,7%	-57,5%	52,8%	52,9%	18,0%	13,1%	10,5%	8,6%	8,0%	8,0%	8,1%	8,2%	8,3%	8,4%	8,6%
Reimbursed costs in Managed/Franchise hotels	5.238	5.686	2.707	3.344	5.037	5.827	6.048	6.279	6.519	6.770	7.032	7.305	7.591	7.889	8.200	8.524
Cost per managed room	24.313	25.657	11.983	14.252	20.640	23.264	23.264	23.264	23.264	23.264	23.264	23.264	23.264	23.264	23.264	23.264
YoY %		5,5%	-53,3%	18,9%	44,8%	12,7%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total Revenue	8.906	9.452	4.307	5.788	8.773	10.235	11.032	11.784	12.501	13.227	14.008	14.848	15.755	16.734	17.793	18.938
Total Fee Revenue	2.086	2.243	1.106	1.767	2.558	2.986	3.421	3.841	4.262	4.687	5.154	5.668	6.234	6.858	7.547	8.307
Fee Revenue Growth		7,5%	-50,7%	59,8%	44,8%	16,7%	14,6%	12,3%	11,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,1%
RevPar	111,17433	108,87379	45,66776	72,65458	100,5616	113,1037	122,1108	129,6576	135,4645	139,8781	144,3778	148,9617	153,6672	158,4979	163,4574	168,5495

Expenses & adjustments forecast

Hilton

Expenses	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Owned & Leased costs	1.332	1.254	620	679	999	1.141	1.228	1.294	1.324	1.353	1.383	1.413	1.444	1.475	1.506	1.538
Margin %	10,2%	11,8%	-47,3%	-13,5%	7,2%	8,3%	9,0%	10,0%	10,5%	10,7%	10,9%	11,1%	11,3%	11,5%	11,7%	11,9%
D&A (forecasted on others forecasts)	325	346	331	188	162	147	259	229	218	216	221	226	231	237	243	249
General & Administrative	443	441	311	405	382	408	443	475	490	504	519	534	549	564	580	596
YoY		-0,5%	-29,5%	30,2%	-5,7%	6,8%	8,5%	7,2%	3,3%	2,9%	2,9%	2,8%	2,8%	2,8%	2,8%	2,8%
Share based compensation	127	154	97	193	162	169	169	169	169	169	169	169	169	169	169	169
G&A adjusted	316	287	214	212	220	239	274	306	321	335	350	365	380	395	411	427
YoY		-9,2%	-25,4%	-0,9%	3,8%	8,6%	14,5%	11,6%	5,1%	4,4%	4,3%	4,2%	4,1%	4,1%	4,0%	3,9%
Impairment Losses	0	0	258	0	0	38	0	0	0	0	0	0	0	0	0	0
Others Expenses	51	72	60	45	60	112	129	147	166	187	212	239	271	306	345	390
YoY		41,2%	-16,7%	-25,0%	33,3%	86,7%	15,0%	14,0%	13,0%	13,0%	13,0%	13,0%	13,0%	13,0%	13,0%	13,0%
Other expenses from managed and franchised properties	5.323	5.763	3.104	3.454	5.076	6.164	6.169	6.341	6.519	6.770	7.032	7.305	7.591	7.889	8.200	8.524
% of revenue from managed and franchised properties	101,6%	101,4%	114,7%	103,3%	100,8%	105,8%	102,0%	101,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Total Expenses	7.474	7.876	4.725	4.778	6.679	8.010	8.227	8.486	8.717	9.031	9.367	9.717	10.085	10.470	10.874	11.297
Total Adjusted Expenses	2.024	1.959	1.266	1.131	1.441	1.639	1.889	1.976	2.029	2.092	2.166	2.243	2.325	2.412	2.505	2.604
EBIT	1.432	1.657	-418	1.010	2.094	2.225	2.805	3.298	3.784	4.196	4.642	5.131	5.670	6.264	6.919	7.640
EBIT Margin	16,1%	17,5%	-9,7%	17,4%	23,9%	21,7%	25,4%	28,0%	30,3%	31,7%	33,1%	34,6%	36,0%	37,4%	38,9%	40,3%
Adjusted EBIT	1.644	1.807	334	1.313	2.295	2.769	3.095	3.530	3.953	4.365	4.811	5.300	5.839	6.433	7.088	7.809
Adjusted EBIT margin	44,8%	48,0%	20,9%	53,7%	61,4%	62,8%	62,1%	64,1%	66,1%	67,6%	69,0%	70,3%	71,5%	72,7%	73,9%	75,0%
EBITDA	1.774	2.004	-164	1.145	2.311	2.303	3.064	3.527	4.002	4.412	4.862	5.357	5.901	6.501	7.162	7.889

EBIT to Net Income Adjustments Forecast

Hilton

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
EBITDA	1.774	2.004	-164	1.145	2.311	2.303	3.064	3.527	4.002	4.412	4.862	5.357	5.901	6.501	7.162	7.889
FF&E replacement reserves	50	59	57	48	54	63	0	0	0	0	0	0	0	0	0	0
Share-based compensation expense	127	154	97	193	162	169	169	169	169	169	169	169	169	169	169	169
Impairment losses	0	0	258	0	0	38	0	0	0	0	0	0	0	0	0	0
Amortization of contract acquisition costs	27	29	29	32	38	43	0	0	0	0	0	0	0	0	0	0
Net other expenses from managed and franchised properties	85	77	397	110	39	337	0	0	0	0	0	0	0	0	0	0
Other adjustments	38	-15	127	101	-5	136	0	0	0	0	0	0	0	0	0	0
Adjusted EBITDA	2.101	2.308	801	1.629	2.599	3.089	3.233	3.696	4.171	4.581	5.031	5.526	6.070	6.670	7.331	8.058
YoY %		9,9%	-65,3%	103,4%	59,5%	18,9%	4,7%	14,3%	12,8%	9,8%	9,8%	9,8%	9,9%	9,9%	9,9%	9,9%
Adj. EBITDA Margin	57,3%	61,3%	50,1%	66,7%	69,6%	70,1%	64,9%	67,1%	69,7%	70,9%	72,1%	73,3%	74,4%	75,4%	76,4%	77,4%
Interest expenses	-371	-414	-429	-397	-415	-464	-500	-527	-548	-569	-589	-609	-628	-647	-665	-683
Gain (loss) on foreign currency transactions	-11	-2	-27	-7	5	-16	0	0	0	0	0	0	0	0	0	0
Other non-operating income, net	28	3	-50	-46	50	-53	0	0	0	0	0	0	0	0	0	0
EBT	1.078	1.244	-924	560	1.734	1.692	2.304	2.772	3.235	3.627	4.053	4.522	5.042	5.617	6.254	6.958
Adjusted EBT	1.422	1.549	-36	991	2.077	2.409	2.473	2.941	3.404	3.796	4.222	4.691	5.211	5.786	6.423	7.127
Income Tax expense	-309	-358	204	-153	-477	-541	-665	-800	-933	-1.046	-1.169	-1.305	-1.455	-1.621	-1.804	-2.007
% of EBT	28,7%	28,8%	22,1%	27,3%	27,5%	32,0%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%
Adj Income Tax expense	-408	-446	8	-271	-571	-770	-714	-848	-982	-1.095	-1.218	-1.353	-1.503	-1.669	-1.853	-2.056
% of adj EBT	28,7%	28,8%	22,1%	27,3%	27,5%	32,0%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%
Net Income	769	886	-720	407	1.257	1.151	1.640	1.972	2.302	2.581	2.883	3.218	3.587	3.997	4.449	4.950
Adjusted Net Income	1.014	1.103	-28	720	1.506	1.639	1.760	2.092	2.422	2.701	3.004	3.338	3.708	4.117	4.570	5.071
Net loss (income) attributable to noncontrolling interests	-5	-5	5	3	-2	-10	-13	-16	-18	-21	-23	-26	-29	-32	-36	-40
% of total Net income	0,7%	0,6%	0,7%	-0,7%	0,2%	0,9%	0,8%	0,8%	0,8%	0,8%	0,8%	0,8%	0,8%	0,8%	0,8%	0,8%
Net income attributable to Hilton stockholders	764	881	-715	410	1.255	1.141	1.627	1.956	2.284	2.560	2.860	3.192	3.559	3.965	4.414	4.911
Adj Net Income to shareholders	1.009	1.098	-23	723	1.504	1.629	1.747	2.076	2.404	2.680	2.981	3.312	3.679	4.085	4.534	5.031

EPS and Shares Buyback Forecasts

EPS	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Number of shares																
Basic Weighted average number of shares	310	292	282	278	275	266	253	246	239	231	223	214	205	195	185	174
Dilutive potential options	3	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Diluted weighted average	305	290	279	281	277	264	255	248	241	233	225	216	207	197	187	176
Opening share count (basic)	324	302	287	277	279	275	256	250	243	235	227	219	210	200	190	180
Closing share count	297	282	277	279	270	256	250	243	235	227	219	210	200	190	180	168
Buybacks																
SharePrice	72	111	111	156	126	182	293	293	293	293	293	293	293	293	293	293
\$ spent on buybacks	(1.721)	(1.538)	(296)	0	(1.590)	(2.338)	(2.431)	(2.578)	(2.720)	(2.853)	(2.994)	(3.141)	(3.296)	(3.458)	(3.630)	(3.810)
%yoy growth							4,0%	6,0%	5,5%	4,9%	4,9%	4,9%	4,9%	4,9%	5,0%	5,0%
Shares bought back (m)							(8)	(9)	(9)	(10)	(10)	(11)	(11)	(12)	(12)	(13)
Share based comp							2	2	2	2	2	2	2	2	2	2
Adjusted EPS	3	3,78	(0,10)	2,59	5,48	6,17	6,95	8,49	10,13	11,68	13,47	15,58	18,08	21,09	24,72	29,16
Adjusted EPS - Diluted	3	3,80	(0,10)	2,56	5,44	6,21	6,90	8,42	10,05	11,58	13,35	15,43	17,91	20,87	24,45	28,83
Check	3	3,90	0,10	2,08	4,89	6,21										
Adj EPS without buybacks							6,90	8,14	9,42	10,50	11,68	12,98	14,42	16,01	17,77	19,72
Incremental value adding with buybacks							0,00	0,29	0,63	1,08	1,67	2,45	3,49	4,86	6,68	9,11
Adjusted EPS Growth		16%	-103%	-2708%	111%	13%	13%	22%	19%	15%	15%	16%	16%	17%	17%	18%
Reported EPS diluted	2,52	3,06	-2,58	1,45	4,54	4,36	6,43	7,94	9,55	11,06	12,81	14,88	17,33	20,26	23,81	28,14

Dividends Issues Forecast

Dividends	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Dividends Paid	181	172	42	0	123	158	225	268	310	346	385	428	475	527	585	650
Payout ratio	18%	16%	-150%	0%	8%	10%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Dividend per share	0,59	0,59	0,15	0,00	0,44	0,59	0,88	1,08	1,29	1,48	1,71	1,98	2,29	2,67	3,13	3,69
Dividend per share growth		1%	-75%	-100%	0%	33%	49%	22%	19%	15%	15%	16%	16%	17%	17%	18%

All Premises Sensibilized in Bear Bull Analysis



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
USA Occupancy										
Bull	3,00%	3,00%	2,50%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%
Base	2,00%	2,00%	1,50%	1,00%	1,00%	1,00%	1,00%	1,00%	1,00%	1,00%
Bear	1,00%	1,00%	0,50%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
USA ADR Spread										
Bull	9,0%	10,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%
Base	8,0%	9,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%
Bear	7,0%	8,0%	9,0%	9,0%	9,0%	9,0%	9,0%	9,0%	9,0%	9,0%
America ex US Occupancy										
Bull	3,0%	1,1%	1,1%	1,1%	1,1%	1,1%	1,1%	1,1%	1,1%	1,1%
Base	2,0%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
Bear	1,0%	-0,9%	-0,9%	-0,9%	-0,9%	-0,9%	-0,9%	-0,9%	-0,9%	-0,9%
America ex US ADR Spread										
Bull	-1,0%	-1,0%	0,0%	1,0%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%
Base	-2,0%	-2,0%	-1,0%	0,0%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%
Bear	-3,0%	-3,0%	-2,0%	-1,0%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%
Europe Occupancy										
Bull	4,0%	3,0%	1,5%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%
Base	3,0%	2,0%	0,5%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%
Bear	2,0%	1,0%	-0,5%	-0,8%	-0,8%	-0,8%	-0,8%	-0,8%	-0,8%	-0,8%
Europe ADR Spread										
Bull	10,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%
Base	9,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%
Bear	8,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%
MEA Occupancy										
Bull	1,5%	0,7%	0,7%	0,7%	0,7%	0,7%	0,7%	0,7%	0,7%	0,7%
Base	1,0%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%
Bear	0,5%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%	-0,3%
MEA ADR Spread										
Bull	8,5%	9,5%	10,5%	10,5%	10,5%	10,5%	10,5%	10,5%	10,5%	10,5%
Base	8,0%	9,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%
Bear	7,5%	8,5%	9,5%	9,5%	9,5%	9,5%	9,5%	9,5%	9,5%	9,5%
APAC Occupancy										
Bull	3,0%	2,5%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%
Base	2,0%	1,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%
Bear	1,0%	0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%	-0,5%

APAC ADR Spread										
Bull	22,0%	24,0%	24,5%	25,0%	25,5%	26,0%	26,5%	27,0%	27,5%	28,0%
Base	20,0%	22,0%	22,5%	23,0%	23,5%	24,0%	24,5%	25,0%	25,5%	26,0%
Bear	18,0%	20,0%	20,5%	21,0%	21,5%	22,0%	22,5%	23,0%	23,5%	24,0%
USA Pipeline Growth										
Bull	9,0%	8,0%	7,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
Base	8,0%	7,0%	6,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
Bear	7,0%	6,0%	5,0%	4,0%	4,0%	4,0%	4,0%	4,0%	4,0%	4,0%
APAC Pipeline Growth										
Bull	10,0%	10,3%	10,6%	10,9%	11,2%	11,5%	11,5%	11,5%	11,5%	11,5%
Base	7,0%	7,3%	7,6%	7,9%	8,2%	8,5%	8,5%	8,5%	8,5%	8,5%
Bear	4,0%	4,3%	4,6%	4,9%	5,2%	5,5%	5,5%	5,5%	5,5%	5,5%
%Fees										
Bull	5,12%	5,18%	5,24%	5,30%	5,36%	5,42%	5,48%	5,54%	5,60%	5,66%
Base	5,06%	5,12%	5,18%	5,24%	5,30%	5,36%	5,42%	5,48%	5,54%	5,60%
Bear	5,00%	5,06%	5,12%	5,18%	5,24%	5,30%	5,36%	5,42%	5,48%	5,54%
Shares Buyback										
Bull	6,0%	8,0%	7,5%	6,9%	6,9%	6,9%	6,9%	6,9%	7,0%	7,0%
Base	4,0%	6,0%	5,5%	4,9%	4,9%	4,9%	4,9%	4,9%	5,0%	5,0%
Bear	2,0%	4,0%	3,5%	2,9%	2,9%	2,9%	2,9%	2,9%	3,0%	3,0%
Tax Rate										
Bull	26,8%	26,8%	26,8%	26,8%	26,8%	26,8%	26,8%	26,8%	26,8%	26,8%
Base	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%
Bear	30,8%	30,8%	30,8%	30,8%	30,8%	30,8%	30,8%	30,8%	30,8%	30,8%

D&A Forecast



	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
US CPI	2,40%	1,80%	1,20%	4,70%	8,00%	4,10%	3,50%	3,00%	2,50%	2,50%	2,50%	2,50%	2,50%	2,50%	2,50%	2,50%
D&A																
PP&E (including intangibles-contra	1.654	1.581	1.265	1.257	1.328	1.619	1.478	1.416	1.413	1.453	1.497	1.543	1.591	1.641	1.694	1.748
D&A	325	346	331	188	162	147	259	229	218	216	221	226	231	237	243	249
% of PP&E		20,9%	20,9%	14,9%	12,9%	11,1%	16,0%	15,5%	15,4%	15,3%	15,2%	15,1%	15,0%	14,9%	14,8%	14,7%
Capex	83	144	71	(89)	59	57	118	167	214	257	264	272	280	287	295	303
YoY		73,5%	-50,7%	-225,4%	-166,3%	-3,4%	107,5%	41,3%	28,2%	19,8%	3,0%	2,9%	2,8%	2,8%	2,7%	2,7%
PP&E	72	81	46	35	39	151	170	189	202	207	212	217	222	227	233	238
% of owned revenue	4,9%	5,7%	10,9%	5,9%	3,6%	12,1%	12,6%	13,1%	13,6%	13,6%	13,6%	13,6%	13,6%	13,6%	13,6%	13,6%
Capitalized software costs	87	124	46	44	63	96	110	123	135	147	156	165	175	186	198	210
YoY		42,5%	-62,9%	-4,3%	43,2%	52,4%	14,2%	12,2%	10,2%	8,2%	6,2%	6,2%	6,2%	6,2%	6,2%	6,2%
Contract acquisition cash cost	(103)	(90)	(50)	(200)	(81)	(233)	(205)	(191)	(173)	(150)	(160)	(171)	(183)	(196)	(210)	(225)
% of total rooms franchised	-0,19%	-0,20%	-0,10%	-0,46%	-0,16%	-0,41%	-0,36%	-0,31%	-0,26%	-0,21%	-0,21%	-0,21%	-0,21%	-0,21%	-0,21%	-0,21%
Amortisation of contract	27	29	29	32	38	43	43	47	50	54	57	61	65	70	75	80
% of total rooms franchised	0,05%	0,07%	0,06%	0,07%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%	0,08%

Debt Forecast

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Debt																
interest paid	(371)	(414)	(429)	(397)	(415)	(464)	(500)	(527)	(548)	(569)	(589)	(609)	(628)	(647)	(665)	(683)
cost of debt %		5,42%	4,64%	4,12%	4,74%	5,17%	5,30%	5,30%	5,25%	5,20%	5,15%	5,10%	5,05%	5,00%	4,95%	4,90%
Debt on the initial period		7.282	7.993	10.487	8.766	8.747	9.196	9.696	10.196	10.696	11.196	11.696	12.196	12.696	13.196	13.696
ST Debt	16	37	56	54	39	39	0	0	0	0	0	0	0	0	0	0
LT Debt	7.266	7.956	10.431	8.712	8.708	9.157	9.696	10.196	10.696	11.196	11.696	12.196	12.696	13.196	13.696	14.196
Total Debt	7.282	7.993	10.487	8.766	8.747	9.196	9.696	10.196	10.696	11.196	11.696	12.196	12.696	13.196	13.696	14.196
Average Debt		7.638	9.240	9.627	8.757	8.972	9.446	9.946	10.446	10.946	11.446	11.946	12.446	12.946	13.446	13.946
Debt movement		711	2.494	(1.721)	(19)	449	500	500	500	500	500	500	500	500	500	500
Cash	484	630	3.263	1.512	1.286	875	858	724	635	577	658	887	1.287	1.885	2.710	3.797
Net debt	6.798	7.363	7.224	7.254	7.461	8.321	8.838	9.472	10.061	10.619	11.038	11.309	11.409	11.311	10.986	10.399
Net debt / adj EBITDA	3,2x	3,2x	9,0x	4,5x	2,9x	2,7x	2,7x	2,6x	2,4x	2,3x	2,2x	2,0x	1,9x	1,7x	1,5x	1,3x

Working Capital

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Working Capital																
Accounts Receivable	1.150	1.261	771	1.068	1.327	1.487	1.597	1.676	1.803	1.927	2.061	2.206	2.364	2.535	2.722	2.925
Days for accounts receivable	112,9	120,5	173,5	157,3	127,9	121,4	115,4	109,6	108,5	107,4	106,3	105,3	104,2	103,2	102,2	101,1
Prepaid Expenses	160	130	70	89	105	131	141	148	159	170	182	194	208	223	240	258
Days for prepaid expenses	15,7	12,4	15,8	13,1	10,1	10,7	10,2	9,7	9,6	9,5	9,4	9,3	9,2	9,1	9,0	8,9
Accounts Payable	1.530	1.703	1.302	1.568	1.790	1.979	2.167	2.153	2.167	2.123	2.087	2.054	2.023	1.993	1.967	1.942
Days for accounts payable	272,1	313,0	370,2	499,1	447,2	434,7	412,9	392,3	384,5	365,2	347,0	329,6	313,1	297,5	282,6	268,5
Deferred Revenue	1.176	1.159	1.374	1.246	1.419	1.634	1.789	1.777	1.734	1.699	1.671	1.644	1.619	1.596	1.574	1.554
Days for deferred revenue	209,2	213,0	390,7	396,6	354,5	358,9	341,0	323,9	307,7	292,3	277,7	263,8	250,6	238,1	226,2	214,9
Loyalty Programme Liability provision per room	1.669 1,8	1.859 1,9	2.469 2,4	2.364 2,2	2.395 2,1	2.732 2,3	2.761 2,21	2.947 2,23	3.147 2,26	3.363 2,28	3.595 2,30	3.844 2,32	4.112 2,35	4.401 2,37	4.712 2,39	5.047 2,42
Working Capital Position	3.065	3.330	4.304	4.021	4.172	4.727	4.979	5.053	5.087	5.089	5.111	5.142	5.182	5.231	5.291	5.360
Change in cash																
Cash Conversion Cycle	65,6	33,0	209,7	67,9	45,3	56,4	53,5	50,9	41,3	44,0	46,5	48,8	50,9	52,9	54,7	56,5

ROIC and ROCE Forecasts

	2018	2019	2020	2021	2022	2023	2024 E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
ROIC Calculation																
Operating profit	1.432	1.657	-418	1.010	2.094	2.225	2.805	3.298	3.784	4.196	4.642	5.131	5.670	6.264	6.919	7.640
Tax rate (Underlying)	28,7%	28,8%	22,1%	27,3%	27,5%	32,0%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%	28,8%
NOPAT	1.022	1.180	(326)	734	1.518	1.514	1.996	2.347	2.692	2.985	3.303	3.651	4.034	4.457	4.923	5.436
Fixed Assets (Inv Cap)	11.683	11.617	11.264	11.211	11.200	11.517	11.376	11.314	11.311	11.351	11.395	11.441	11.489	11.539	11.592	11.646
Working Capital (Inv Cap)	3.065	3.330	4.304	4.021	4.172	4.727	4.979	5.053	5.087	5.089	5.111	5.142	5.182	5.231	5.291	5.360
Invested Capital	14.748	14.947	15.568	15.232	15.372	16.244	16.356	16.367	16.397	16.440	16.505	16.582	16.671	16.771	16.882	17.006
ROIC	7%	8%	-2%	5%	10%	9%	12%	14%	16%	18%	20%	22%	24%	27%	29%	32%
Total assets	13.995	14.957	16.755	15.441	15.512	15.401	15.363	15.253	15.298	15.416	15.686	16.119	16.739	17.574	18.655	20.017
Total debt	7.282	7.993	10.487	8.766	8.747	9.196	9.696	10.196	10.696	11.196	11.696	12.196	12.696	13.196	13.696	14.196
o/w current	16	37	56	54	39	39	0	0	0	0	0	0	0	0	0	0
% current	0,2%	0,5%	0,5%	0,6%	0,4%	0,4%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Deferred revenues	1.176	1.159	1.374	1.246	1.419	1.634	1.789	1.777	1.734	1.699	1.671	1.644	1.619	1.596	1.574	1.554
o/w current portion	350	332	370	350	433	502	550	546	533	522	513	505	497	490	484	478
% current	29,8%	28,6%	26,9%	28,1%	30,5%	30,7%	30,7%	30,7%	30,7%	30,7%	30,7%	30,7%	30,7%	30,7%	30,7%	30,7%
Loyalty liability	1.669	1.859	2.469	2.364	2.395	2.732	2.761	2.947	3.147	3.363	3.595	3.844	4.112	4.401	4.712	5.047
o/w current portion	700	799	703	1.047	1.110	1.202	1.215	1.296	1.385	1.480	1.582	1.691	1.809	1.936	2.073	2.220
% current	41,9%	43,0%	28,5%	44,3%	46,3%	44,0%	44,0%	44,0%	44,0%	44,0%	44,0%	44,0%	44,0%	44,0%	44,0%	44,0%
Current liabilities	1.066	1.168	1.129	1.451	1.582	1.743	1.764	1.843	1.918	2.002	2.095	2.196	2.307	2.427	2.557	2.698
Capital employed	12.929	13.789	15.626	13.990	13.930	13.658	13.599	13.410	13.381	13.414	13.591	13.922	14.432	15.147	16.099	17.319
ROCE	11%	12%	-3%	7%	15%	16%	21%	25%	28%	31%	34%	37%	39%	41%	43%	44%

DCF to FCFF to Fair Value

DCF to FCFF	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
EBIT	3.095	3.530	3.953	4.365	4.811	5.300	5.839	6.433	7.088	7.809
Income Tax	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
EBIT*(1-t)	2.202	2.512	2.812	3.106	3.423	3.771	4.155	4.577	5.043	5.556
(+) Depreciation	259	229	218	216	221	226	231	237	243	249
(-)Capex	(118)	(167)	(214)	(257)	(264)	(272)	(280)	(287)	(295)	(303)
(-)Changes in working capital	252	74	34	2	22	31	40	50	59	69
FCFF	2.595	2.647	2.850	3.067	3.402	3.756	4.146	4.576	5.050	5.572
Present Value of FCFF	2.595	2.426	2.392	2.359	2.397	2.425	2.453	2.480	2.507	2.535
Present Value of FCFF	24.568									
Terminal Value	125.320									
Present Value of Terminal Value	57.010									
Firm Value	81.578									
Net Debt	(8.321)									
Equity Value	73.257									
# shares	250									
Fair Value	\$ 292,97									
Total Return										
Current price	\$ 215,04									
Upside potential	36,2%									
WACC	9,1%									
g	4,5%									

Fair Value & Upside Potential WACC-G sensitivity



	Fair Value						
\$ 292,97	3,75%	4,00%	4,25%	4,50%	4,75%	5,00%	5,25% g
7,65%	\$ 377,13	\$ 398,88	\$ 423,84	\$ 452,76	\$ 486,67	\$ 527,00	\$ 575,73
8,15%	\$ 329,07	\$ 345,41	\$ 363,84	\$ 384,80	\$ 408,85	\$ 436,72	\$ 469,40
8,65%	\$ 290,90	\$ 303,52	\$ 317,57	\$ 333,31	\$ 351,08	\$ 371,28	\$ 394,45
9,15%	\$ 259,87	\$ 269,83	\$ 280,81	\$ 292,97	\$ 306,51	\$ 321,69	\$ 338,81
9,65%	\$ 234,16	\$ 242,17	\$ 250,92	\$ 260,52	\$ 271,11	\$ 282,83	\$ 295,89
10,15%	\$ 212,51	\$ 219,05	\$ 226,15	\$ 233,87	\$ 242,31	\$ 251,57	\$ 261,78
10,65%	\$ 194,05	\$ 199,46	\$ 205,29	\$ 211,60	\$ 218,44	\$ 225,89	\$ 234,03

wacc

	Upside Potential						
36,2%	3,75%	4,00%	4,25%	4,50%	4,75%	5,00%	5,25% g
7,65%	75%	85%	97%	111%	126%	145%	168%
8,15%	53%	61%	69%	79%	90%	103%	118%
8,65%	35%	41%	48%	55%	63%	73%	83%
9,15%	21%	25%	31%	36,2%	43%	50%	58%
9,65%	9%	13%	17%	21%	26%	32%	38%
10,15%	-1%	2%	5%	9%	13%	17%	22%
10,65%	-10%	-7%	-5%	-2%	2%	5%	9%

Risk Free Rate Calculation



Risk Free Rate calculation

US

%of total system revenue	71,82%
10yr Bond	4,24%
Weighted average Risk Free Rate	<u>3,05%</u>

Americas (ex US)

% Sales in CAD	55,00%
10yr Bond	3,38%
% Sales in MXN	25,00%
10yr Bond	9,90%
% Sales in COP	8,00%
10yr Bond	10,67%
% Sales in BRL	6,00%
10yr Bond	11,99%
% Sales in USD	6,00%
10yr Bond	4,23%
%of total system revenue	5,35%
Weighted average Risk Free Rate	<u>0,33%</u>

Europe

% Sales in GBP	35,00%
10yr Bond	4,08%
% Sales in EUR	55,00%
10yr Bond	2,41%
% Sales in TRY	8,00%
10yr Bond	25,00%
% Sales in RUB	2,00%
10yr Bond	14,44%
%of total system revenue	9,56%
Weighted average Risk Free Rate	<u>0,48%</u>

Middle East & Africa

% Sales in AED	40,00%
10yr Bond	3,11%
% Sales in EGP	25,00%
10yr Bond	26,00%
% Sales in SAR	20,00%
10yr Bond	4,10%
% Sales in ILS	5,00%
10yr Bond	4,91%
% Sales in ZAR	5,00%
10yr Bond	10,65%
% Sales in MAD	5,00%
10yr Bond	3,73%
%of total system revenue	3,40%
Weighted average Risk Free Rate	<u>0,32%</u>

Asia Pacific

% Sales in CNY	60,00%
10yr Bond	2,24%
% Sales in JPY	10,00%
10yr Bond	1,00%
% Sales in THB	5,00%
10yr Bond	2,83%
% Sales in AUD	5,00%
10yr Bond	4,36%
% Sales in MYR	5,00%
10yr Bond	4,16%
% Sales in INR	5,00%
10yr Bond	7,04%
% Sales in KRW	5,00%
10yr Bond	4,13%
% Sales in IDR	5,00%
10yr Bond	6,84%
%of total system revenue	9,86%
Weighted average Risk Free Rate	<u>0,29%</u>

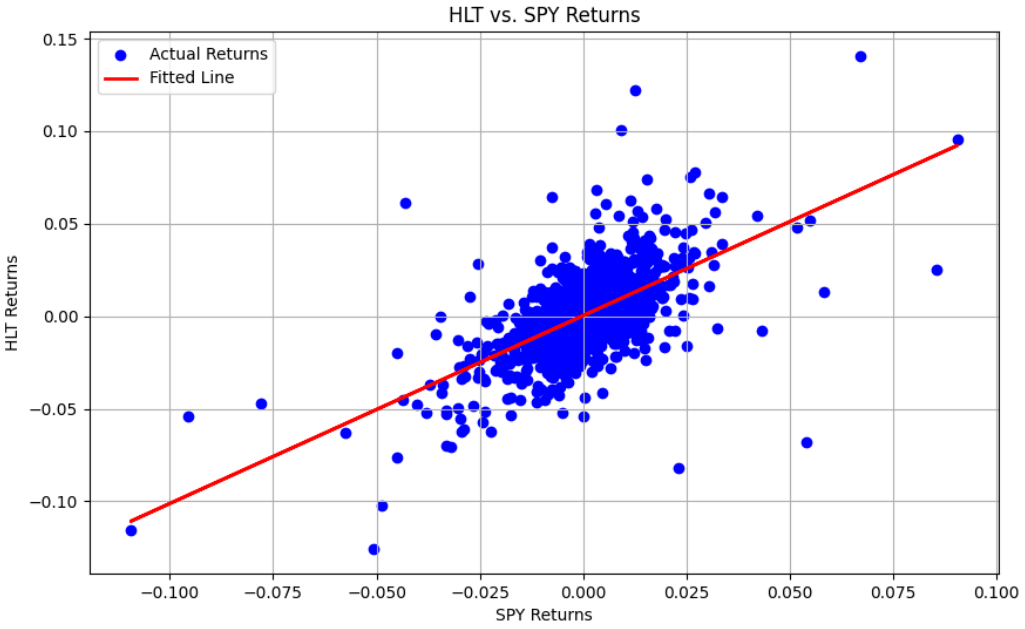
Total Weighted Average Risk Free Rate	<u>4,47%</u>
--	---------------------

Beta Calculation

We used a python script to calculate the beta using S&P 500 returns

```
1 import yfinance as yf
2 import statsmodels.api as sm
3 import pandas as pd
4 import matplotlib.pyplot as plt
5
6 tickers = ['HLT', 'SPY']
7 data = yf.download(tickers, start='2019-01-01', end='2024-01-01')['Adj Close']
8 returns = data.pct_change().dropna()
9 returns.columns = ['HLT_Return', 'SPY_Return']
10
11 X = returns['SPY_Return']
12 y = returns['HLT_Return']
13
14 X = sm.add_constant(X)
15
16 print("Performing regression analysis...")
17 model = sm.OLS(y, X).fit()
18
19 beta = model.params['SPY_Return']
20
21 # Print the results
22 print(f"Beta: {beta}")
23 print(model.summary())
24
25 # Save the results to a CSV file
26 results_df = pd.DataFrame({
27     'HLT_Return': y,
28     'SPY_Return': X['SPY_Return'],
29     'Predicted_HLT_Return': model.predict(X)
30 })
31 results_df.to_csv('hlt_n_spy_regression_results.csv', index=False)
32
33 # Plot the results
34 plt.figure(figsize=(10, 6))
35 plt.scatter(X['SPY_Return'], y, color='blue', label='Actual Returns', alpha=0.5)
36 plt.plot(X['SPY_Return'], model.predict(X), color='red', linewidth=2, label='Fitted Line')
37 plt.title('HLT vs. SPY Returns')
38 plt.xlabel('SPY Returns')
39 plt.ylabel('HLT Returns')
40 plt.legend()
41 plt.grid(True)
42 plt.show()
43
```

Beta = 1,01484768489696



WACC Calculation

$$WACC = K_e * \frac{Equity}{Equity + Debt} + K_d * (1 - tax\ rate) * \frac{Debt}{Equity + Debt}$$

Risk Free Rate	4,47%
ERP	5,40%
Beta	1,01
Ke	9,95%
Equity Ratio	85,40%
Debt Ratio	14,60%
Kd	6,26%
Effective Tax Rate	29%
Kd*(1-tax rate)	4,45%
WACC	9,146%

DCF IRR Analysis

	26/06/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028	31/12/2029	31/12/2030	31/12/2031	31/12/2032	31/12/2033
DCF IRR Calculation	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
(-) Value invested	(215,04)									
(+) Divdends	0,72	1,14	1,34	1,55	-	-	-	-	-	-
(+) Sell price	-	-	-	292,97	-	-	-	-	-	-
Fluxes	(214,32)	1,14	1,34	294,52	0,00	0,00	0,00	0,00	0,00	0,00
XIRR	9,8%									
Exit yr	2027									

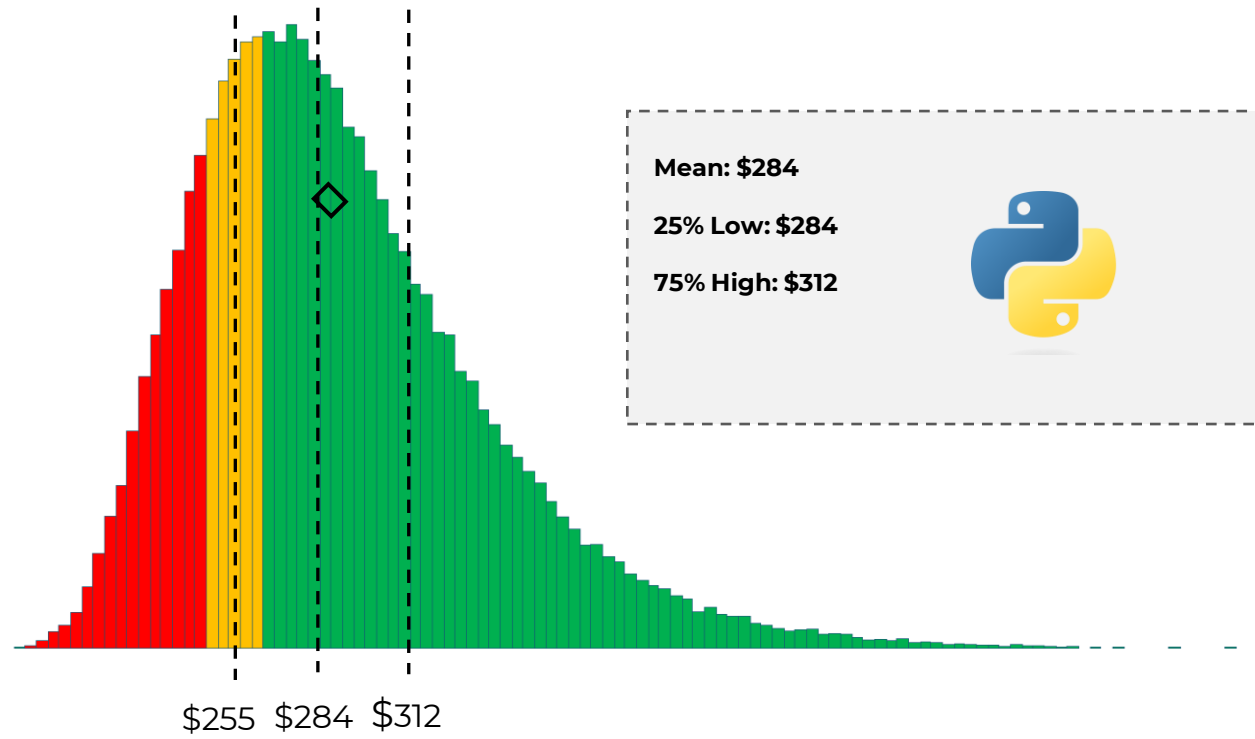
Exit EV/EBITDA Multiple Valuation

Multiples Valuation (EV/EBITDA)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
EBITDA	3.233	3.696	4.171	4.581	5.031	5.526	6.070	6.670	7.331	8.058
(-) Value invested	(54.318)									
(+) Dividends	225	268	310	346	385	-	-	-	-	-
(+) Sell price	-	-	-	-	74.569	-	-	-	-	-
	(54.093)	268	310	346	74.954	-	-	-	-	-
FYD multiples (Bloomberg & Capital IQ)	25,0x	17,4x	16,1x	15,7x	15,0x	11,1x	10,4x	9,8x	9,8x	
IRR	8,9%									
Exit yr	2028									

Exit P/E Multiple Valuation

	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
HILTON WORLDWIDE HOLDINGS INC. (XNYS:HLT)										
Multiples Valuation (P/E)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Earnings	1.760	2.092	2.422	2.701	3.004	3.338	3.708	4.117	4.570	5.071
(-) Value invested	(45.997)									
(+) Dividends	225	268	310	-	-	-	-	-	-	-
(+) Sell price	-	-	57.640	-	-	-	-	-	-	-
Fluxes	(45.772)	268	57.950	-	-	-	-	-	-	-
FYD multiples (Bloomberg & Capital IQ)	28,6x	24,7x	21,3x	17,5x	14,9x	11,8x	10,2x	9,0x	9,0x	
IRR	12,8%									
Exit yr	2026									

Monte Carlo Simulation



ADR, Occup. And RevPar Projections Consolidated

Hilton US Occupancy	76,30%	76,20%	42,20%	60,80%	69,90%	72,20%	74,20%	76,20%	77,70%	78,70%	79,70%	80,70%	81,70%	82,70%	83,70%	84,70%
change YoY %		-0,1%	-34,0%	18,6%	9,1%	2,3%	2,0%	2,0%	1,5%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%
US Occupancy	66,61%	66,63%	44,43%	58,31%	63,64%	65,21%	66,62%	66,72%	66,82%	66,92%	67,02%	67,12%	67,22%	67,32%	67,42%	67,52%
Spread of occupancy	9,69%	9,57%	-2,23%	2,49%	6,26%	6,99%	7,58%	9,48%	10,88%	11,78%	12,68%	13,58%	14,48%	15,38%	16,28%	17,18%
Hilton US ADR	149,09	148,7	117,4	132,94	157,44	165,16	174,39	181,27	187,49	192,18	196,98	201,91	206,95	212,13	217,43	222,87
change YoY %		-0,3%	-21,0%	13,2%	18,4%	4,9%	5,6%	3,9%	3,4%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
US ADR	129,6	130,83	99,71	122,12	147,84	154,58	159,99	164,79	168,91	173,13	177,46	181,90	186,44	191,11	195,88	200,78
Difference between Hilton and US	15,04%	13,66%	17,74%	8,86%	6,49%	6,84%	9,0%	10,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%
Hilton Americas (ex US) Occupancy	71,60%	70,50%	29,40%	44,00%	63,80%	69,40%	71,40%	71,50%	71,60%	71,70%	71,80%	71,90%	72,00%	72,10%	72,20%	72,30%
change YoY %		-1,1%	-41,1%	14,6%	19,8%	5,6%	2,0%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
Americas (ex US) Occupancy	65,88%	65,72%	42,80%	55,92%	62,32%	63,98%	65,80%	65,90%	66,00%	66,10%	66,20%	66,30%	66,40%	66,50%	66,60%	66,70%
Spread of occupancy	5,72%	4,78%	-13,40%	-11,92%	1,48%	5,42%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%	5,60%
Hilton Americas (ex US) ADR	127,57	122,13	98,55	111,68	138,55	152,51	157,35	162,07	167,82	173,75	178,98	183,46	188,04	192,74	197,56	202,50
change YoY %		-4,3%	-19,3%	13,3%	24,1%	10,1%	3,2%	3,0%	3,5%	3,5%	3,0%	2,5%	2,5%	2,5%	2,5%	2,5%
Americas (ex US) ADR	129,08	129,95	99,36	121,07	146,86	155,13	160,56	165,38	169,51	173,75	178,09	182,54	187,11	191,79	196,58	201,50
Difference between Hilton and Americas (ex US)	-1,17%	-6,02%	-0,82%	-7,76%	-5,66%	-1,69%	-2,0%	-2,0%	-1,0%	0,0%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%
Hilton Europe Occupancy	77,00%	77,50%	28,60%	41,90%	67,00%	72,50%	75,50%	77,50%	78,00%	78,20%	78,40%	78,60%	78,80%	79,00%	79,20%	79,40%
change YoY %		0,5%	-48,9%	13,3%	25,1%	5,5%	3,0%	2,0%	0,5%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%
Europe Occupancy	72,66%	72,42%	32,86%	43,28%	64,64%	68,70%	72,54%	72,64%	72,74%	72,84%	72,94%	73,04%	73,14%	73,24%	73,34%	73,44%
Spread of occupancy	4,34%	5,08%	-4,26%	-1,38%	2,36%	3,80%	2,96%	4,86%	5,26%	5,36%	5,46%	5,56%	5,66%	5,76%	5,86%	5,96%
Hilton Europe ADR	148,37	139,97	107,37	121,84	147	165,04	173,06	181,52	186,06	190,71	195,48	200,36	205,37	210,51	215,77	221,17
change YoY %		-5,7%	-23,3%	13,5%	20,7%	12,3%	4,9%	4,9%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
Europe ADR	129,7	125,86	98,64	113,02	134,43	153,4	158,77	163,53	167,62	171,81	176,11	180,51	185,02	189,65	194,39	199,25
Difference between Hilton and Europe	14,39%	11,21%	8,85%	7,80%	9,35%	7,59%	9,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%	11,0%
Hilton MEA Occupancy	72,50%	73,80%	35,60%	52,60%	66,60%	72,30%	73,30%	73,50%	73,70%	73,90%	74,10%	74,30%	74,50%	74,70%	74,90%	75,10%
change YoY %		1,3%	-38,2%	17,0%	14,0%	5,7%	1,0%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%	0,2%
MEA Occupancy	63,22%	64,41%	40,47%	51,51%	60,57%	62,91%	63,81%	63,91%	64,01%	64,11%	64,21%	64,31%	64,41%	64,51%	64,61%	64,71%
Spread of occupancy	9,28%	9,39%	-4,87%	1,09%	6,03%	9,39%	9,49%	9,59%	9,69%	9,79%	9,89%	9,99%	10,09%	10,19%	10,29%	10,39%
Hilton MEA ADR	151,24	144,66	125,3	139,02	154,57	171,38	168,62	175,29	181,32	185,85	190,50	195,26	200,14	205,14	210,27	215,53
change YoY %		-4,4%	-13,4%	10,9%	11,2%	10,9%	-1,6%	4,0%	3,4%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
MEA ADR	137,15	131,49	107,98	129,16	154,61	150,85	156,13	160,81	164,83	168,95	173,18	177,51	181,95	186,49	191,16	195,94
Difference between Hilton and MEA	10,27%	10,02%	16,04%	7,63%	-0,03%	13,61%	8,0%	9,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%	10,0%
Hilton APAC Occupancy	73,40%	72,40%	43,90%	50,50%	53,20%	70,10%	72,10%	73,60%	74,10%	74,60%	75,10%	75,60%	76,10%	76,60%	77,10%	77,60%
change YoY %		-1,0%	-28,5%	6,6%	2,7%	16,9%	2,0%	1,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%
APAC Occupancy	71,03%	69,64%	44,95%	48,18%	53,67%	65,53%	70,34%	70,44%	70,54%	70,64%	70,74%	70,84%	70,94%	71,04%	71,14%	71,24%
Spread of occupancy	2,37%	2,76%	-1,05%	2,32%	-0,47%	4,57%	1,76%	3,16%	3,56%	3,96%	4,36%	4,76%	5,16%	5,56%	5,96%	6,36%
Hilton APAC ADR	135,6	123,72	93,85	101,08	103,73	113,54	122,27	128,04	131,78	135,63	139,58	143,65	147,84	152,14	156,57	161,12
change YoY %		-8,8%	-24,1%	7,7%	2,6%	9,5%	7,7%	4,7%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%
APAC ADR	102,16	98,7	74,51	79,98	86,63	98,45	101,90	104,95	107,58	110,27	113,02	115,85	118,74	121,71	124,76	127,87
Difference between Hilton and APAC	32,73%	25,35%	25,96%	26,38%	19,74%	15,33%	20,0%	22,0%	22,5%	23,0%	23,5%	24,0%	24,5%	25,0%	25,5%	26,0%

Hospitality and Travel: surfing on trends



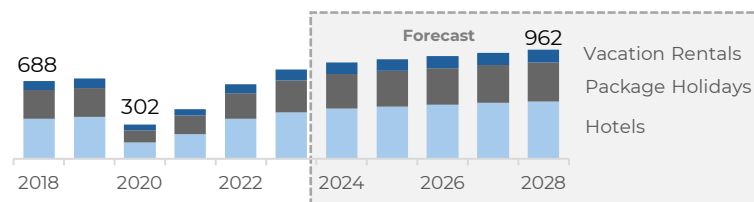
The sector has great avenues for growth and new trends to drive it forward.

The Hospitality and Travel sector operates in **different segments**, with great potential adding up to a **2022-2028 CAGR of 16,6%**

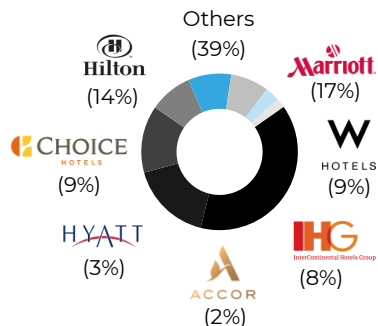
52 %	Hotels	Most solid segment of the Hospitality and travel sector, with constant growth and stable margins .
36 %	Package Holidays	With the Internet boom and new forms of accommodation this segment has had rapid growth in past years
12 %	Vacation Rentals	Segment that is reliant on the performance of the whole sector as its activities are supplementary

Considering the companies in the portfolio, Hilton and Accor are found in the Hotel category and Booking and Airbnb in Package holidays.

Revenue by segment (Bn USD)



Hotels and Resorts USA Market Share (%)

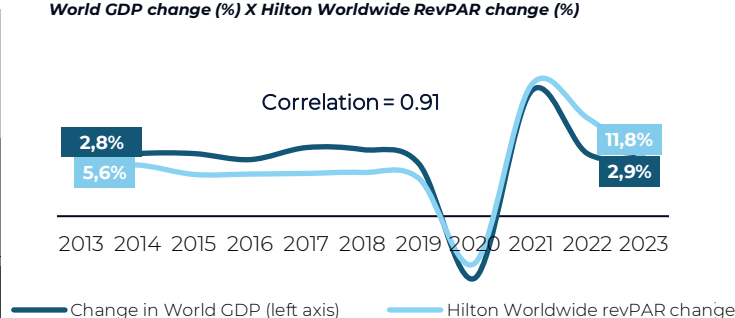


The hotel market is vastly **pulverized**, with strong players in the middle market **and a lot of small businesses**. Hilton and Marriott are the one that most stand out.

...in this matter, both the expectation and the growth of important **drivers** should **guide** the demand in the hospitality and travel sector in the coming years:

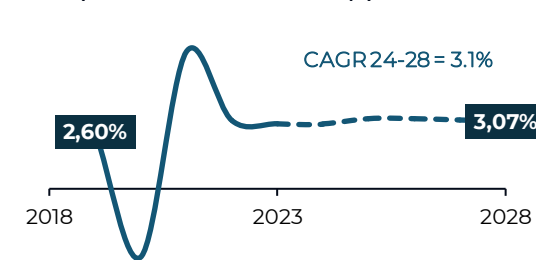
1. Growth on Worldwide GDP: This sector is extremely correlated with the wealth of all countries.

World GDP change (%) X Hilton Worldwide RevPAR change (%)



The growth of a country, and the world is the **main driver** for the hospitality sector. It is also expected to have an important growth on the next 5 years (CAGR = 3.1%), resulting in a **stronger industry**.

Expected Evolution of World GDP (%)

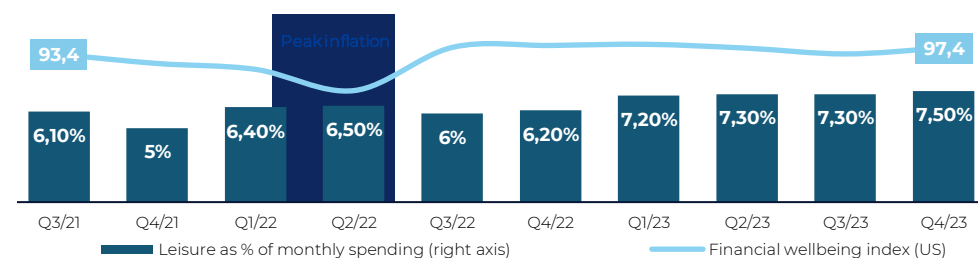


2. Change on consumer's behavior: The traveler is changing its behavior, prioritizing experiences and travels.

Comparison on leisure spending vs financial wellbeing

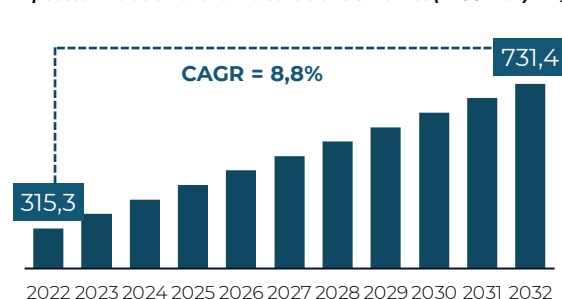
Survey with 10k consumers from eDreams ODIGEO

84% of consumers choose **travel** as their **top budget priority**

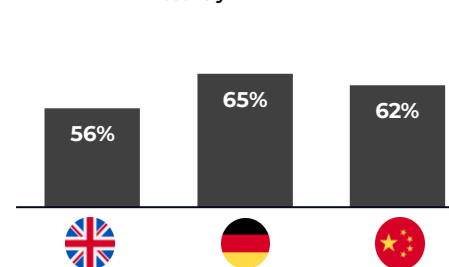


3. Hybrid workers: The business travels are returning, and added with the possibility of home office, some workers are doing 'bleisure' travels.

Expected Evolution of the Bleisure travels Market (in USD bn)



% of business travels that become bleisure travels per country



- 76%** Have already combined business and leisure travel
- 89%** Desire to add some leisure time to their next business trip
- 44%** Have turned down work trips due to a lack of leisure time at the destination

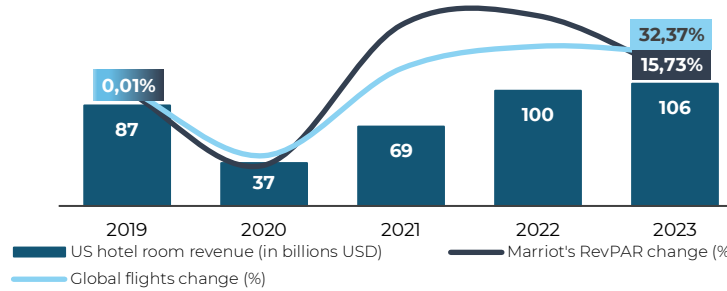
The Impact of Covid-19 and its consequences



The pandemic has demonstrated the resilience of the sector, as well as the expertise of the major hotel chains.

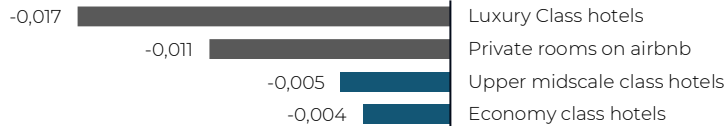
The pandemic squeezed the sector revenue, but the **historic shows its resilience**, with a quick return comparing to aviation segment, most due its higher mix with domestic and international travelers.

Comparison between the hotels revenue, and the return on RevPAR and flights



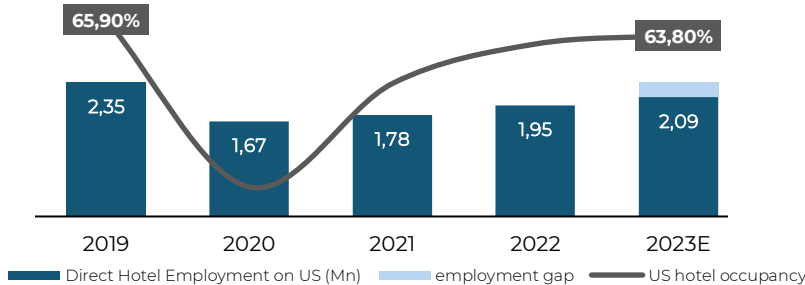
Diving into the industry, is there any difference of resilience to Covid-19 between classes of rooms or Airbnb? **YES**, with economy class hotels being more resilient

Beta between Covid cases and occupancy on hotels



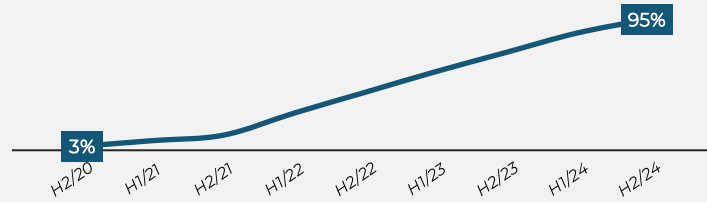
Shortage of workers; a huge problem. The Covid demolished the revenue and occupancy of hotels, leading to a **mass layoffs to preserve profitability**. But as the industry is returning, the hotels are facing challenges to contract talents.

Comparison between employment and hotel occupancy



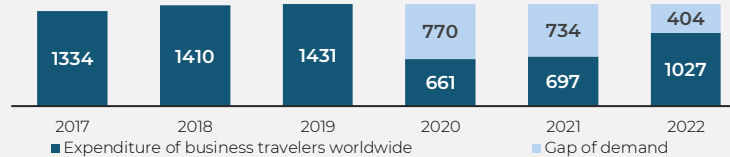
Business travels post - pandemic delayed recovery: Even though business travel is recovering, it is slower than leisure travel's comeback.

Corporate travel as a percentage of 2019 spend, US and Europe combined (survey with 334 companies)



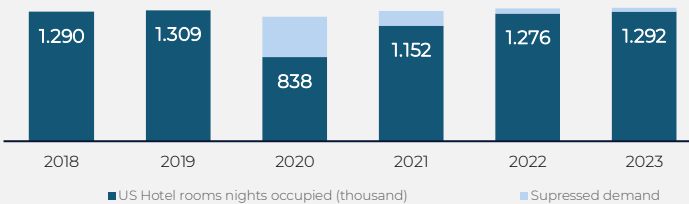
According to this survey, only at the **end of 2024** that the business travel budget should **recover** to pre-pandemic levels. Studies also show that the pandemic changed this segment, as online meetings became really relevant, confirming that the **levels pre-pandemics of expenditure might not be reached ever again, in real value.**

Evolution of expenditure of business travelers in the world (in USD Billions)



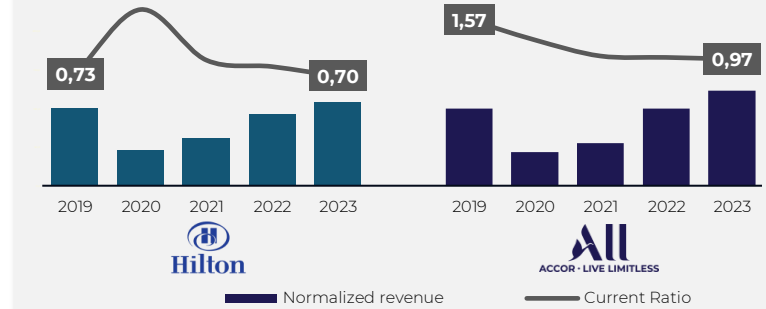
Consistent recovery: The Covid-19 created a trend of revenge travels, with a huge suppressed demand for traveling. Nowadays, this phenomenon is ending, therefore the beginning of an 'organic' growth in demand is expected in the next years.

Recovery of demand of rooms nights



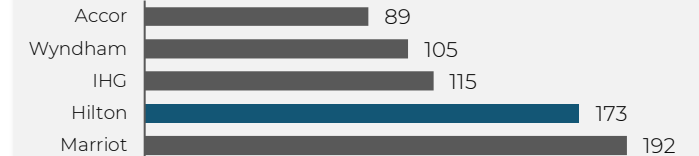
Management at its peak: Even with the pandemic devastating the sector, C-Corps maintained a solid and healthy Balance Sheet

Comparison between change in revenue and current ratio



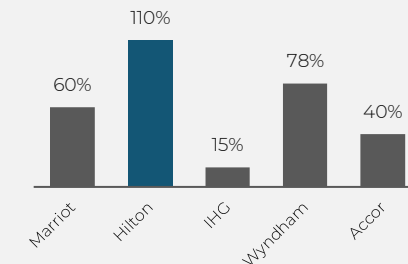
In addition to good financial management, the hotels have prioritized their loyalty program, guaranteeing a good user experience, enabling **recurring revenue and business travelers.**

Number of loyalty members on hotels chains (Million)

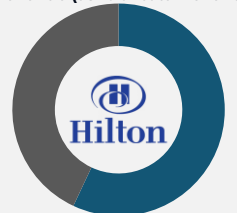


In this respect, **Hilton is the best-placed company**, with the highest growth in its member base in recent years and a high proportion of its revenue.

Growth on loyalty members in the last 5 years



Impact of loyalty program on 2017 Hilton revenue (as % of total revenue)



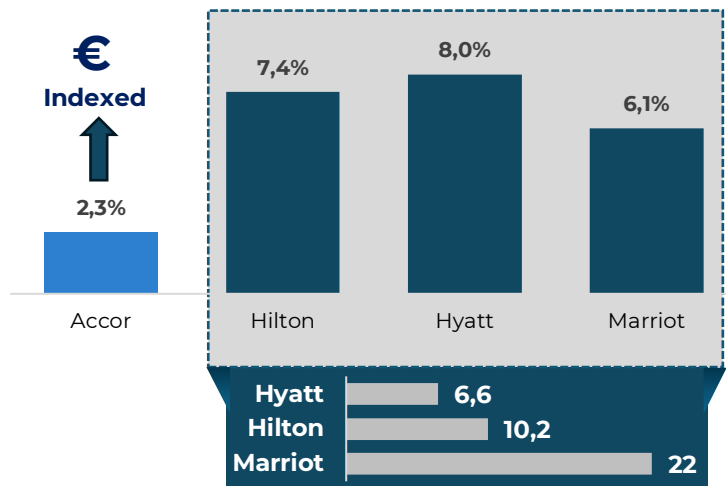
Entrance Barriers and Competitive Landscape



Lodging and Online Booking compete differently among themselves, but we see similarities in the competitive scenario and entrance barriers of both sectors, mainly consisting in better pricing power of pre-established companies.

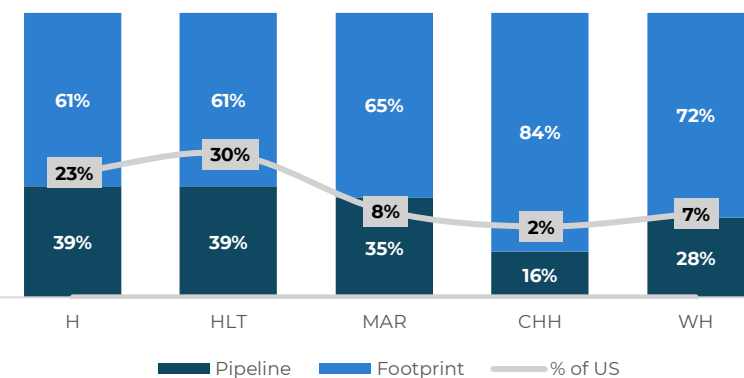
We see the **scale of the business** as a **competitive advantage regarding the sector dependency on macro**. The **cost of debt** is a key metric to identify company and geographical strength.

Weighted average Interest Rates per company and total revenue(US\$ Bn, 2023)



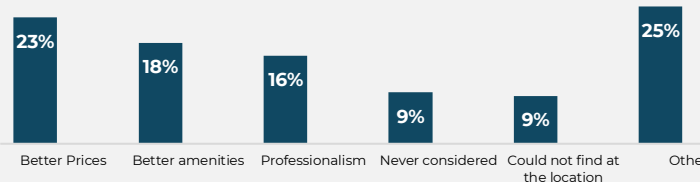
Also, to understand the **entrance barriers**, analysing the **current pipeline** (incoming buildings, planned constructions, etc) is crucial. We see that the lodging sector is concentrated, leaving small room for smaller businesses

Pro forma Footprint (Cur. Footprint + Pipeline) and % of total US pipeline (2023)



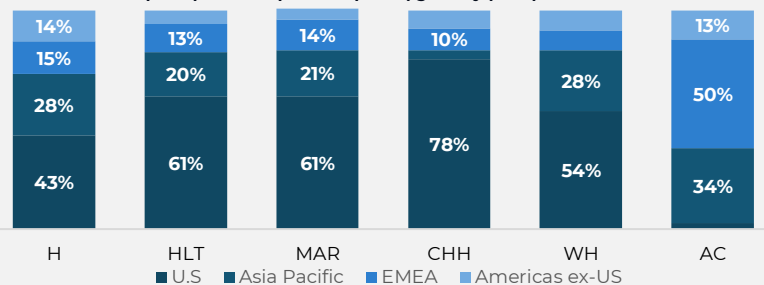
When we talk about Online Booking and Hosting, the **entrance barriers** and **competitive landscape** are much more diverse.

Why do people choose hotels instead of alternative accommodations (2023 research)



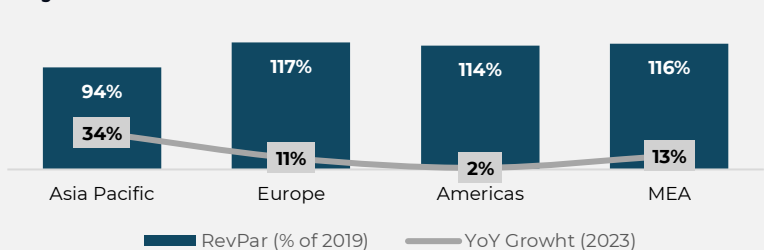
The survey shows mainly that, besides **competing against Other online Booking agencies** and websites, it also **competes Against the traditionalism of the lodging sector**, showing less penetration.

Pro forma Footprint (Cur. Footprint + Pipeline) globally (2023)



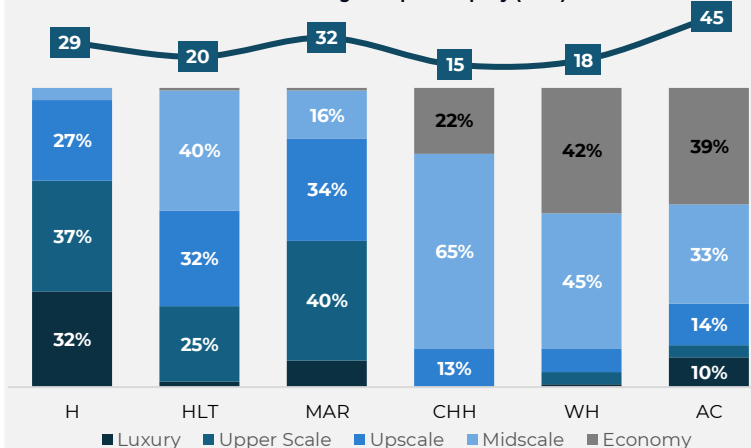
But who is **better positioned geographically** when we look forward? We see MEA, Americas and Europe **already trending to post-pandemic normalization**, but the **Asia - Pacific region still show that there is more room to Grow**.

Region RevPar as a % of 2019 vs YoY RevPar Growth



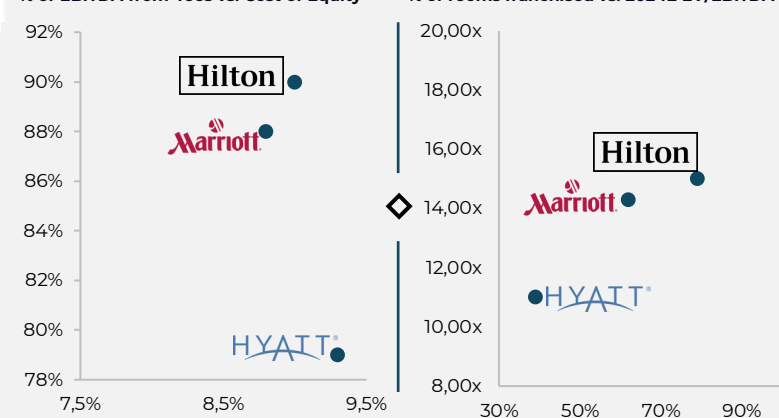
The **dynamic of the lodging sector**: Franchised and Managed models reigns with asset-light balances, pumping valuation spreads.

Number of Brands vs. Share of each segment per company (2023)



Correlation between franchising and better valuation: the current trend is to minimize owned rooms in order to increase premiums.

% of EBITDA from fees vs. Cost of Equity | % of rooms franchised vs. 2024E EV/EBITDA

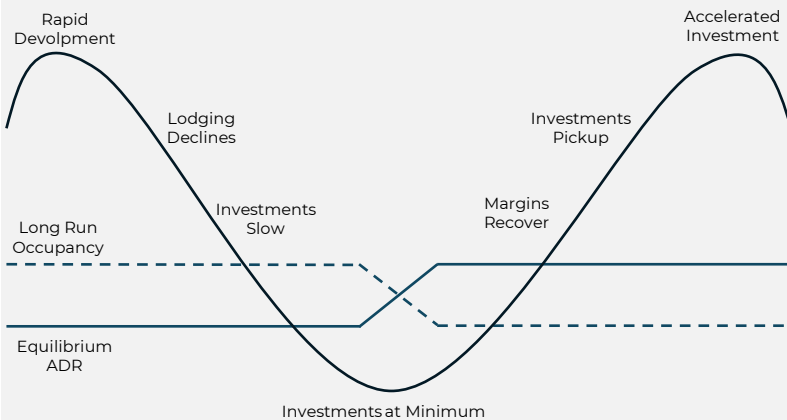


Sector Trends and Dynamics

Seasonality is a predictable and long recurring phenomenon in the Hospitality and Travel Sector, many risk may derive from current trends.

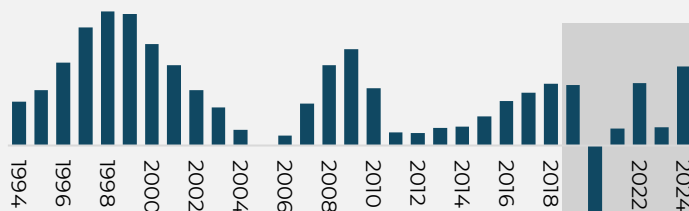
The accommodation industry revolves over a **cycle of 7-10 years**, with periods of higher and lower investments. This can explain the **historic occupancies and ADR trends**.

The cycle involves a decrease in investments when occupancy starts to decline and **an increase when margins begin to recover**. Over the long term, average daily rates and occupancy rates always trend to oppose each other.



If we analyze the historical supply growth within the industry, we can **clearly identify periods of growth and decline**. Following this trend, it's possible that we may see a reduction in occupancy rates in the following years.

Industry Supply YoY %



Seasonality in the short term leads to **overcrowding and high prices** during peak times, and **a lack of services and job opportunities** during off-peak seasons...

We collected and **ranked quarterly sales data** from the past five years and did a comp analysis. The **seasonality score** for each quarter in year t is the average rank of that quarter over the five-year period.

Rank	Sector	Seasonality Score
1 ^o	Beer & Liquor	15273
2 ^o	Consumer Goods	13947
3 ^o	Hospitality and Travel	13860
4 ^o	Health Care	12268

Mean = 13349 Standard Dev. = 736

We utilized **python** to create a seasonality score based on **quarterly revenue variance**.

```
def calculate_seasonality_score(sales_data):
    max_year = sales_data['year'].max()
    historical_data = pd.DataFrame()

    for year in range(max_year - 5, max_year + 1):
        year_data = sales_data[sales_data['year'] == year]
        historical_data = pd.concat([year_data, historical_data], axis=0)

    rankings = pd.DataFrame()

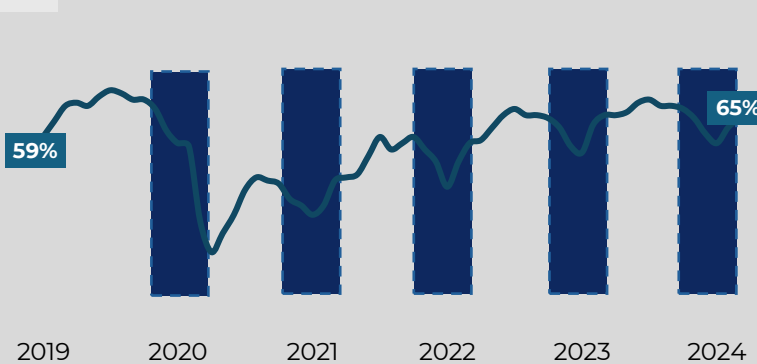
    for firm_id in historical_data['firm_id'].unique():
        firm_data = historical_data[historical_data['firm_id'] == firm_id]
        firm_data['rank'] = firm_data['sales'].rank(method='min', ascending=False)
        rankings = rankings.append(firm_data)

    quarter_ranks = pd.DataFrame()

    for firm_id in rankings['firm_id'].unique():
        for quarter in ['Q1', 'Q2', 'Q3', 'Q4']:
            firm_data = rankings[rankings['firm_id'] == firm_id & (rankings['quarter'] == quarter)]
            mean_rank = firm_data['rank'].mean()
            record = {
                'firm_id': firm_id,
                'quarter': quarter,
                'seasonality_score': mean_rank
            }
            quarter_ranks = quarter_ranks.append(record, ignore_index=True)

    return quarter_ranks
```

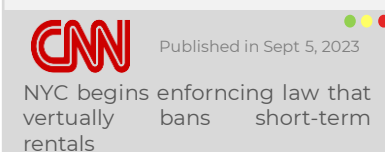
Analyzing the variations in the short term, we can also identify **seasonal trends**, with recurring periods of **higher and lower occupancies** mainly due to school vacations and major holidays.



What are the risks?

Companies in the luxury sector have to be careful, creating the rights strategies, to not make the wrong decision.

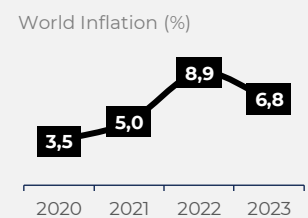
1. Regulatory Risk: Short-term rentals are inflating the real estate market, prompting governments to regulate the sector.



NYC led top markets, scoring the **heights growth of ADR rate** (8,8% in 2023). London, Berlin, Paris and other major cities are also stating new rules.

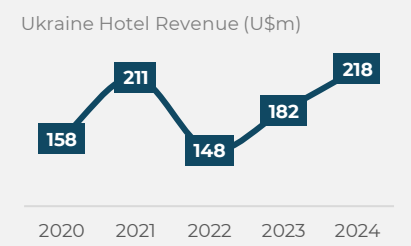
2. Macro exposure: ADR growth is strongly correlated with the world GDP growth.

3. High interest rates and inflation: Prices in Europe and the US reaching historic highs and central banks raising interest rates impacts on consumers' sense of financial security.



4. FX: Accomodation services operate in a range of regions are suscetible to variation in its revenues due to FX variation

5. Geopolitical: Geopolitical events, like the Ukrainian War, creates instability and insecurity to travelers.



Hilton Worldwide Holdings

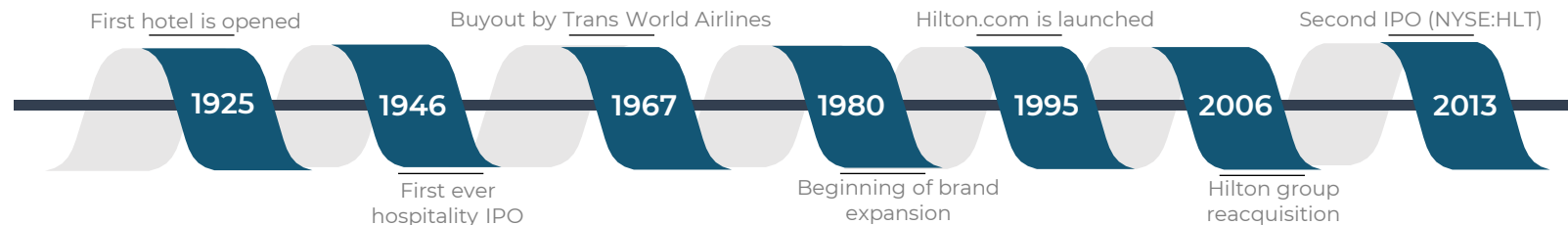
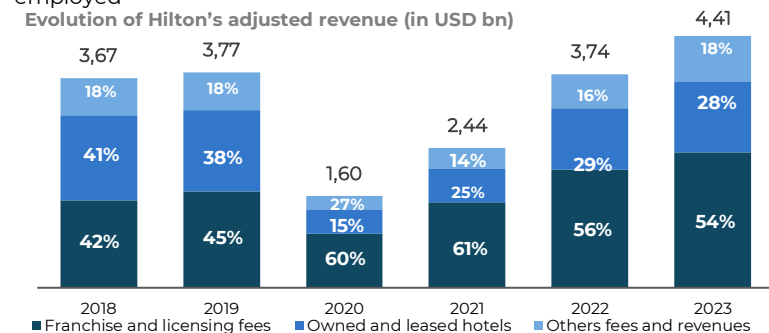


A player with an enviable track record and pioneer on innumerable achievements proves to be well positioned in the lodging industry current trends.

Hilton	Key Financials	1Q24
<p>Hilton Inc. Is one of the largest hospitality companies in the world, with over 7530 branded properties, comprising 1.2 million rooms across 126 countries, with 20+ brands that address to luxury, lifestyle, full services and all suites hotel.</p>	Cash (U\$Bn)	1,35
	EBITDA LTM (U\$Bn)	2,31
	Net Debt (U\$Bn)	7,8
	Market Cap (U\$Bn)	50,8
	5yr CAGR ex Covid (18-23)	10%
	P/E LTM	42,9

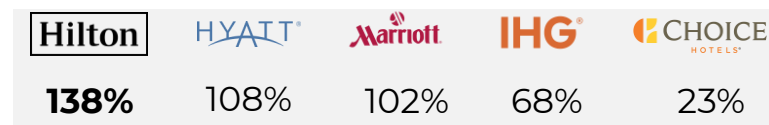
Luxury	
Upper Upscale	
Upscale	
Midscale	
Economy	

Asset-light trend: The majority of Hilton's hotels are franchised, lowering the company's fixed costs and boosting return over capital employed

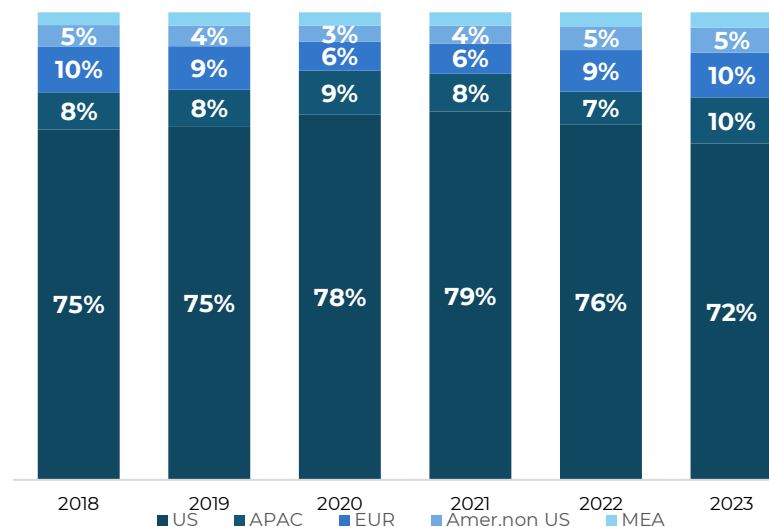


III. Recent Results

2007-2023 Global system room growth

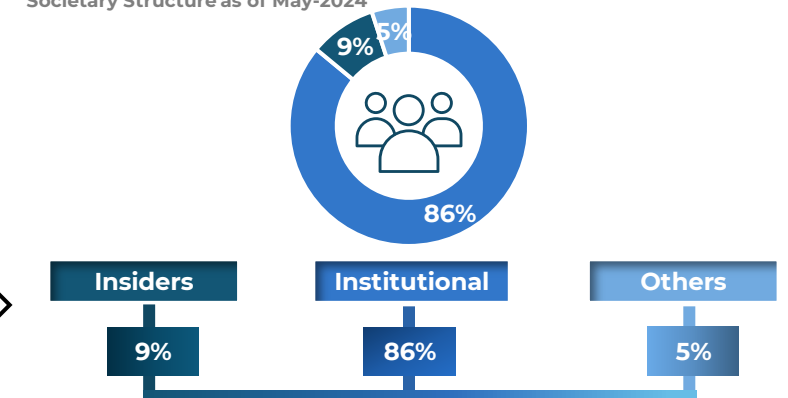


Region share of total system revenue 2018-2023



IV. Shareholder structure

Societary Structure as of May-2024



Over **86%** of free-float stocks are in the hands of **Institutional investors and Mutual Funds**, and a good way to measure risk exposure and future perspectives of those is through the institutional **Put/Call** ratio analysis.

Put/Call **0.38** Short/Float **1,38%**

Sector Overview

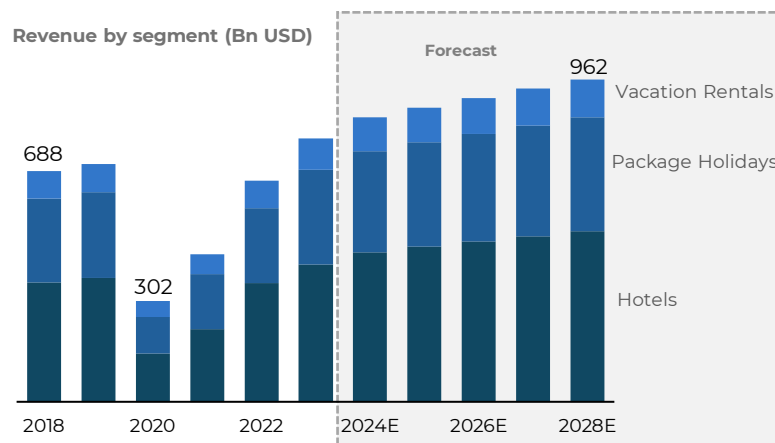
Diversified, Pulverized and Resilient market with solid growth avenues.



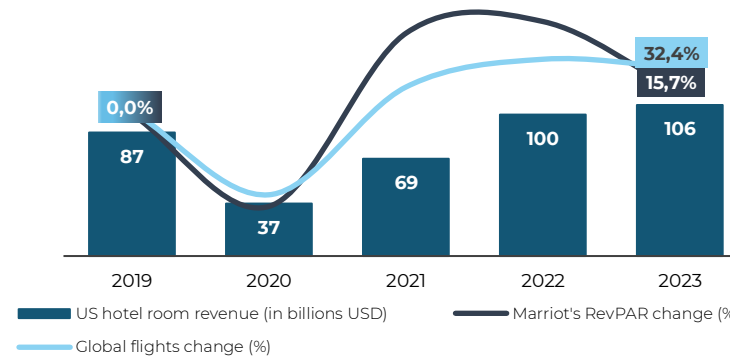
The Hospitality and Travel sector operates in **different segments**, with great potential adding up to a **2022-2028 CAGR of 16.6%**

52 %	Hotels	Most solid segment of the Hospitality and travel sector, with constant growth and stable margins .
36 %	Package Holidays	Accommodation, transportation etc, advertised and sold together. Mainly online through Booking and Expedia.
12 %	Vacation Rentals	Short term rentals driven by companies such as AirBnb and Booking. Great growth post pandemic was experienced

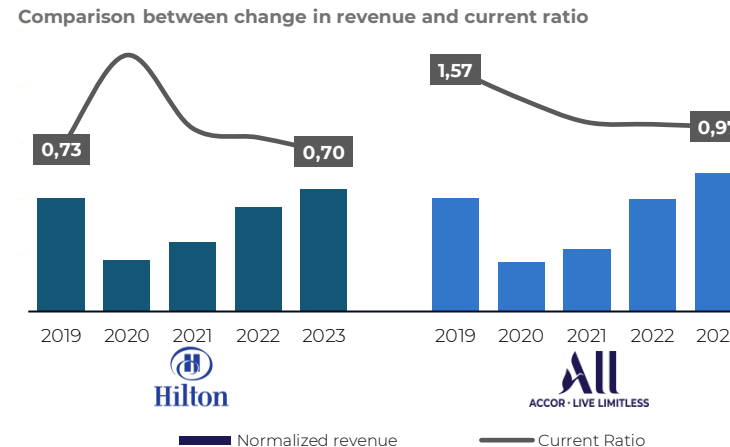
Consistent recovery: The Covid-19 created a trend of revenge travels, with a huge suppressed demand for traveling. Nowadays, this phenomenon is ending, therefore, the beginning of an 'organic' growth in demand is expected in the next years.



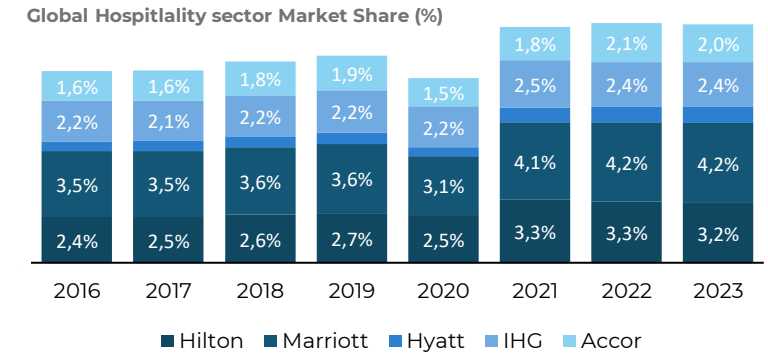
The pandemic squeezed the sector revenue, but **resilience is shown**, with a quick return comparing to aviation segment, mostly due to its higher mix with domestic and international travelers.



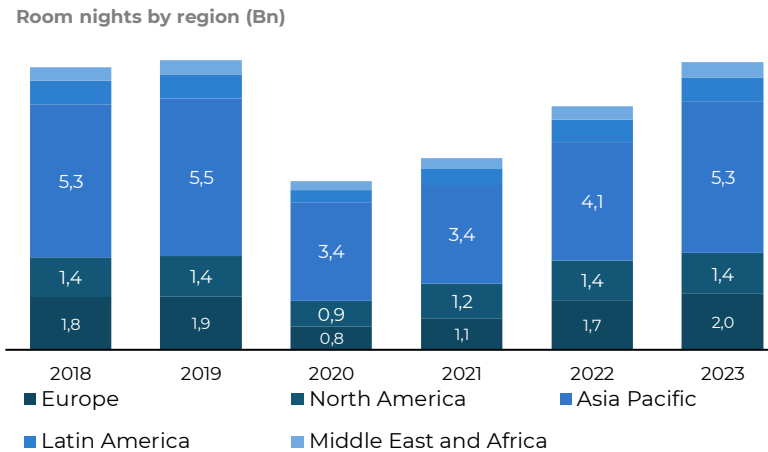
Management at its peak: Even with the pandemic devastating the sector, C-Corps maintained a solid and healthy Balance Sheet. Showing resilience and solid financial health even in extreme scenarios.



The lodging market is vastly **pulverized**, with strong players in the middle market **and many small businesses**. Hilton, Marriot, Hyatt, IHG and Accor are the one that stand out between C-Corps.



Well Distributed geographically: with its biggest share in APAC due to its large population. Big Hotel brands started penetrating this market in recent years, and there still a lot of potential to be explored in Asia.



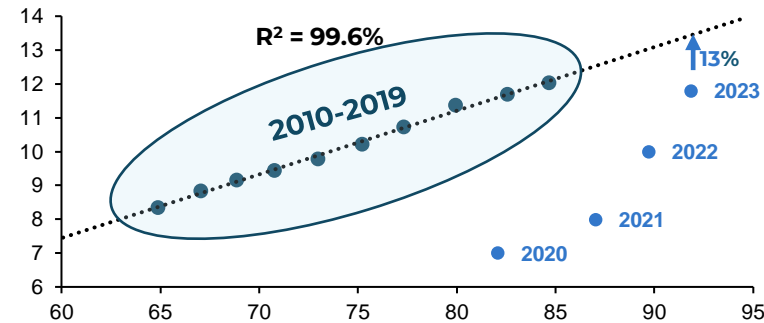
A Lot of "Room" to Grow



The hospitality market is still recovering from Covid-19, Asia Pacific shows the best potential looking onto the future.

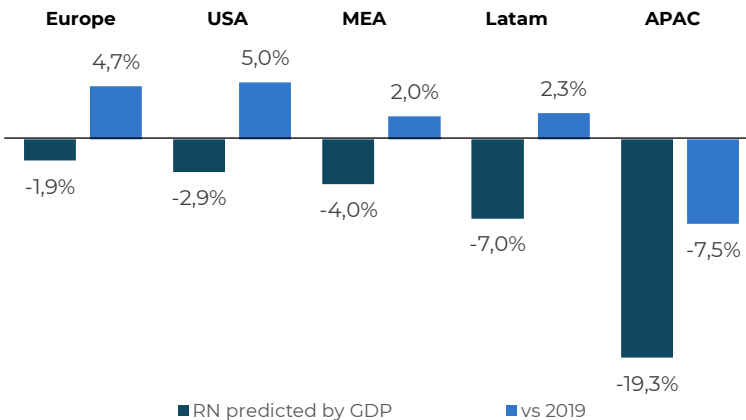
We found a **strong correlation between demand** (Lodging room nights) **and GDP**. Supposing that this trend is continuous, there's still a minimum **13% upside gap** for recovery

Global Lodging Room Nights (Bn) vs Real GDP (Tn of const. 2015 USD)



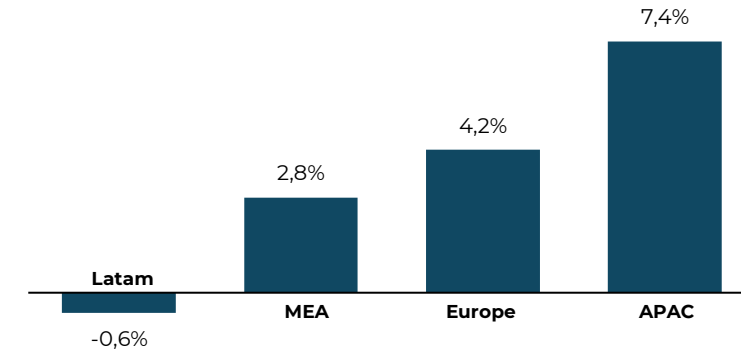
If we breakdown this analysis by region and compare with factual data we can clearly see that **APAC had the slowest recovery**, the only that hasn't reached pre pandemic levels.

Lodgings Room Nights Recovery by Region



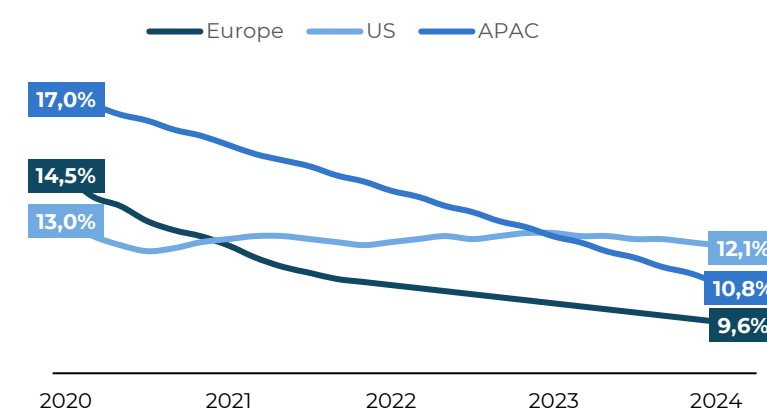
Projecting demand in line with GDP growth and considering real ADR data, we can conclude that APAC has the best growth potential upside to full recovery of 2019 levels

Upside to 2019 Recovery



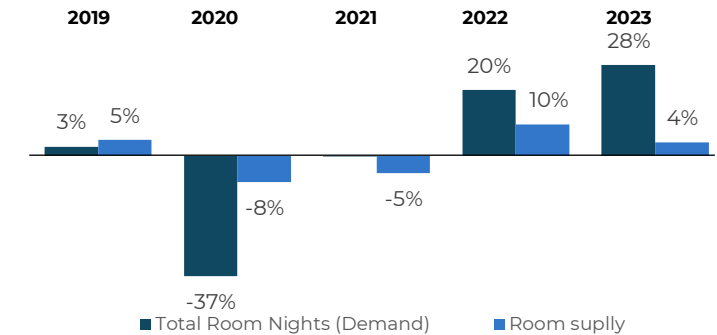
Then, analyzing the **Pipeline over the Supply per Region**, the group was able to observe the consolidation of APAC's pipeline in the last 4 Years, with majority of pre pandemic investments already built.

Hotel pipeline/Supply per region (%)



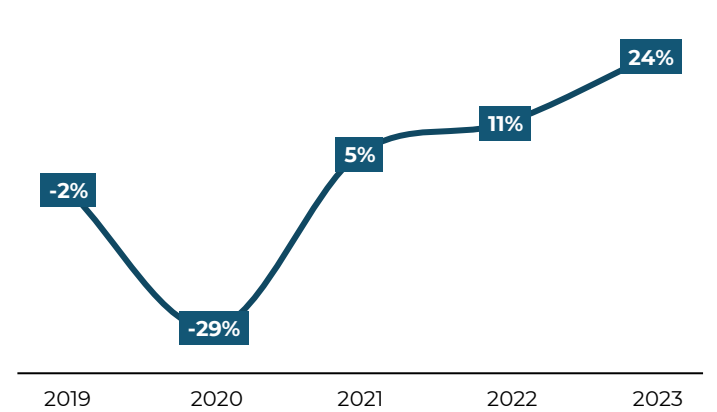
However, even with the pipeline consolidation in the last 4 Years, the group has observed a **supply deficit in APAC**.

APAC Room Demand vs Supply Growth (%)



This trend is motivated mostly by the growth in demand and is an indicator of a long-term opportunities to **expand without the risk of vacancy**.

Spread between APAC Demand (-) Supply



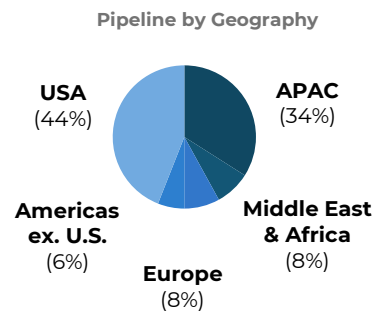
Maximizing With Minimal Resources



A high-quality pipeline generating substantial returns on minimal capital investment, HLT's industry-leading pipeline paves the way for durable, above-peer growth.

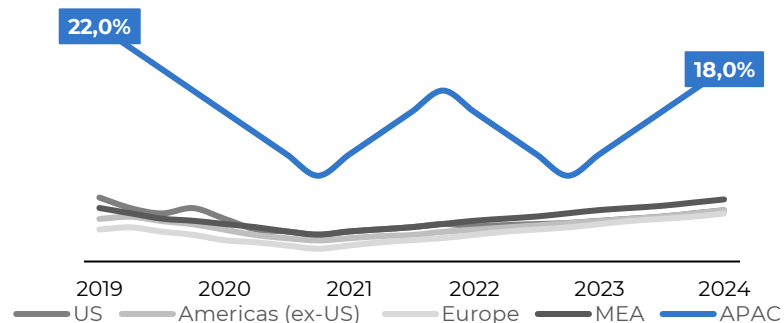
Pipeline Description

# of Rooms	416K
% Under Construction	50%
3 rd Party Investment	U\$ 50Bn
HLT Investment	U\$ 300M
% Dry Deals	90%



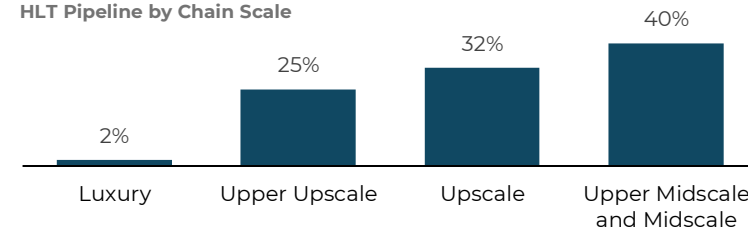
HLT has been expanding its operation in APAC more rapidly than any other region and is betting heavily with its pipeline in the next years.

HLT Net Unit Growth



In Asia, HLT would find it **easier to compete in the Upper Upscale and Upscale** sectors as Marriott is already well-positioned in the luxury segment, and **Hilton can command a premium on RevPAR in these segments** (see slide 7).

HLT Pipeline by Chain Scale

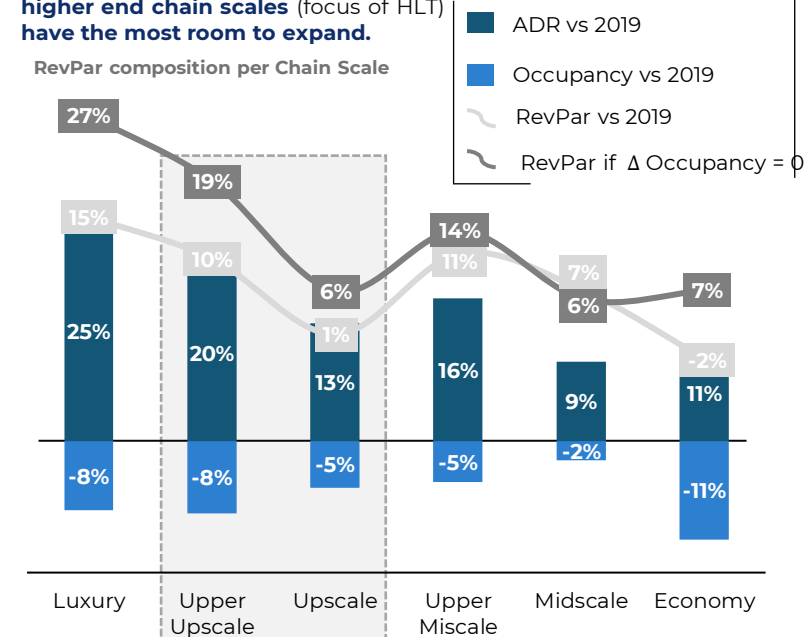


Well positioned pipeline: Hilton's pipeline is focused mainly on the USA and APAC, mostly with Economy and Upper Upscale brands, respectively. What stood out is that **HLT detains 24% of all rooms under construction in APAC.**

HLT is investing the most with little: With minimal investment of capital, HLT is able to expand its operations more than its peers. This is because of the company's incentives to franchisees to build rooms with the certainty of a solid business model with low risks (see slide 8).

Taking a closer look: RevPar per Chain Scale has already reached levels above 2019. Yet, occupancy hasn't recovered fully. Analyzing if occupancy reaches 2019 levels, it's seen that a possible upside can be achieved. The team observed that **higher end chain scales (focus of HLT) have the most room to expand.**

RevPar composition per Chain Scale



Company Pipeline as % of existing Footprint



Region	Existing Room Supply	Rooms under Construction
	% of total	% of total
USA	4%	23%
America ex. U.S.	14%	16%
Europe	2%	10%
Middle East & Africa	3%	21%
Asia Pacific	2%	24%
Global System	5%	20%

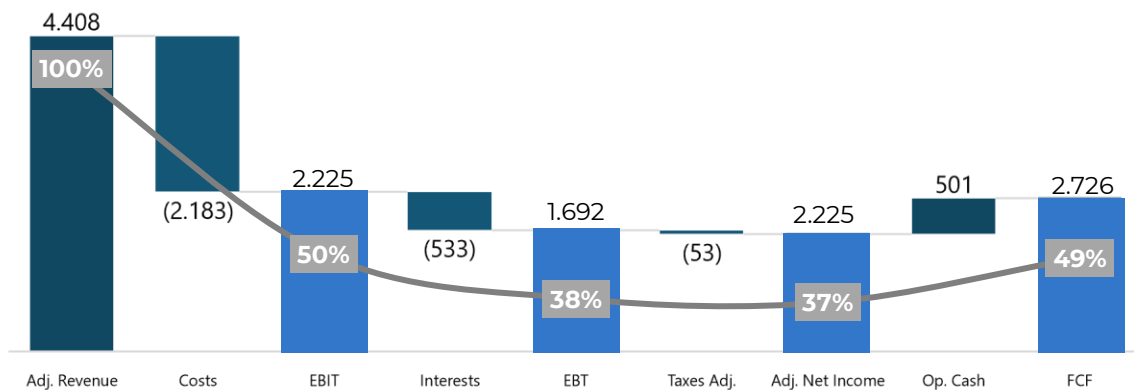
Financial Breakdown



Ranging from comfortable FCF Generation and above average CCC, ADR Spread and Net Margin, Hilton proves to be well positioned financially to implement expansion plans and to continue Net Unit Growth.

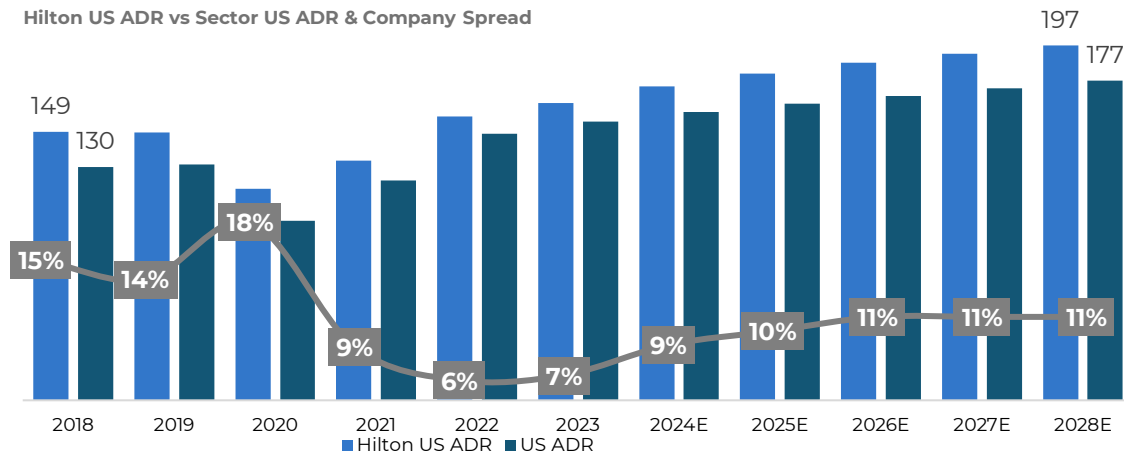
Being **as asset light as possible** enables companies to boost up their margins, and with Hilton is no different. **High Adj. Net Margins and FCF Generation** enables great movements, such as buybacks

HLT Underlying Revenue (ex-Reimbursements to FCF & Main Adjusted Margins)(US\$ Mn, 2023 fy)



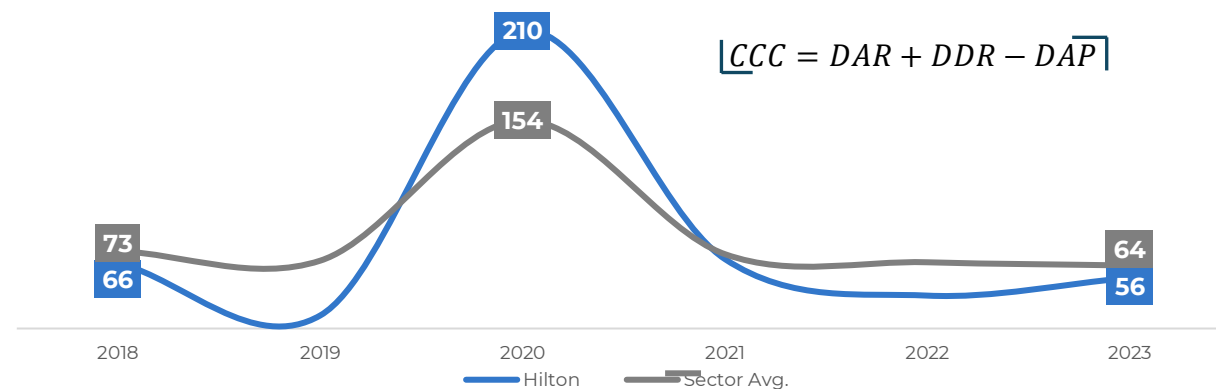
With favorable operations, **Hilton is able to constantly keep significant positive US ADR Spreads to the sector average.** We estimate **growth until 2026** and **normalization afterwards.**

Hilton US ADR vs Sector US ADR & Company Spread



Historically, Hilton has maintained a **faster operational cycle** than it's peers, except on extreme times. **Rapid Cash Conversion Cycle** shows that the **company is able to keep efficiency** in the hotel system.

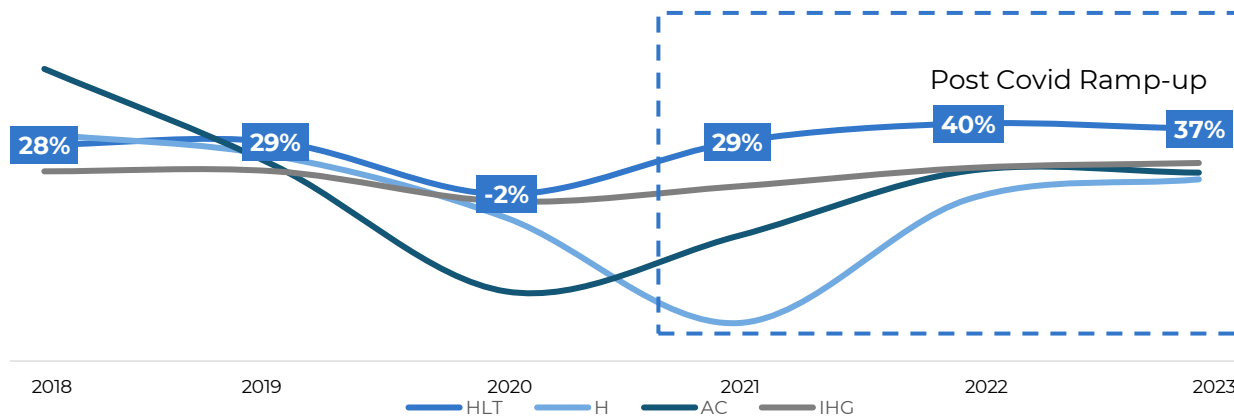
Hilton Vs. Sector Avg. Cash Conversion Cycle (in days of AR, AP & Def. Revenue)



- Hilton ability to maintain constant positive margins

Throughout the years, Hilton has been able **to maintain net margins paired up with the sector.** But, **through and after the pandemics,** Management proved to be Strong, **leveraging up Hilton's position in the business.**

Hilton Vs. Peers Adj. Net Margin



Exceptional Management That Keeps Tradition



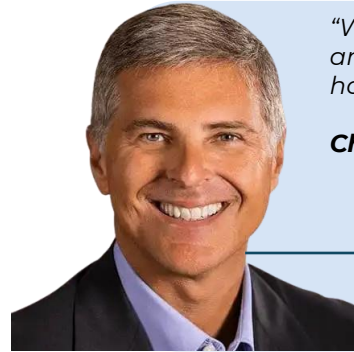
Hilton was founded by Mr. Conrad Hilton in 1925 with a strong culture of hospitality and value to the guest. Also, its management can create value on its businesses and we believe that this trend is perpetually continuous.



"It has been, and continues to be our responsibility to fill the earth with the light and warmth of hospitality."

Conrad Hilton - Founder

Elected the best company to work in the world in 2023. Shows a strong culture of hospitality and continues with the legacy of Mr. Hilton



"We are a business of people serving people, and our team members extend their passion for hospitality beyond our hotel walls every day."

Christopher J. Nassetta - CEO



- Energy consumption, water and trash waste
- Careers, communities and social conduct
- Public affairs, partnerships and policies & reporting

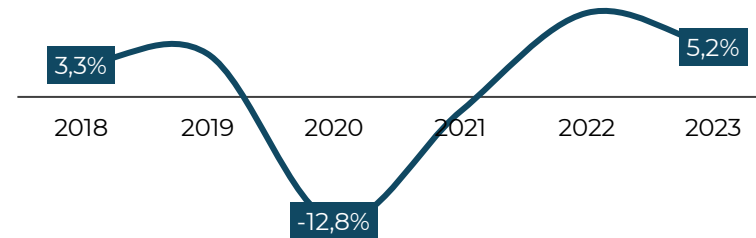
E S G

Hilton **tops all parameters** regarding the management among its competitors. This shows **more expertise** and more time in the company, with also more **skin in the game**, as its CEO has a relevant stake on Hilton.

Parameters	Hilton	MARRIOTT	ACCOR	IHG HOTELS & RESORTS
% of compensation for CEO as fixed	4,90%	6,20%	17,20%	22,10%
% of ownership of the CEO	1,40%	0,03%	0,20%	0,07%
Average tenure of management	8,7 y	3,5 y	1,3 y	2,4 y
Average tenure of board of directors	10,4 y	6,4 y	7,5 y	3,2 y

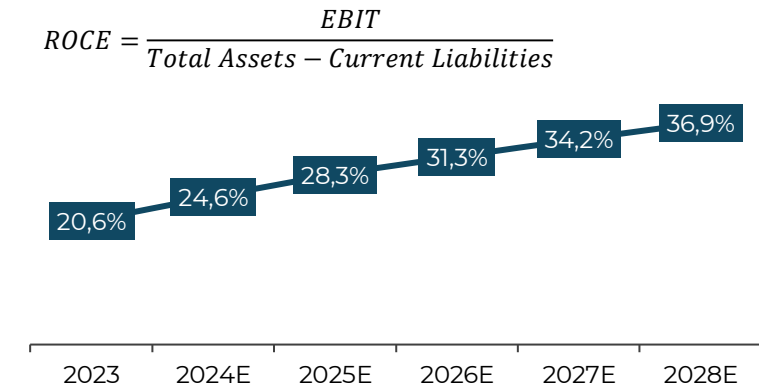
The historical spread of ROIC – WACC is positive, except in the pandemics. This trend shows that its management is capable of **creating an alpha** on the corporation, with a higher return than the minimum that investors expect.

Historical Spread of ROIC – WACC (in %)



Hilton has negative Equity, so measuring its profitability with ROE makes no sense. Therefore, another metric besides ROIC, is the ROCE. The group expect a **future growth on the profitability**, based on confidence on Hilton´s management.

Expectation of Return on Capital Employed (ROCE) (in %)



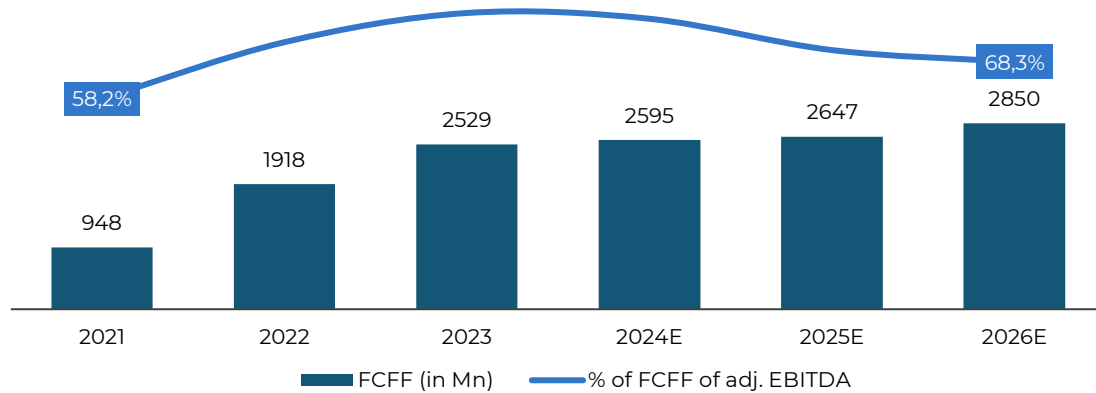
Absolute Importance on Right Asset Allocation



With its asset-light structure, Hilton is already a cash cow, but we expect this feature to increase in the future, as the company will focus on franchised rooms. Therefore, it is quite relevant to analyze its asset allocation, and our thesis is that it is very efficient.

Hilton is already a cash cow, but an increase is expected on this trend as the company becomes even **more asset-light** and more efficient in cash generation in comparison on adj. EBITDA.

Historical and forecast on Free Cash Flow to Firm, and efficiency of cash generation on comparison with adj. EBITDA

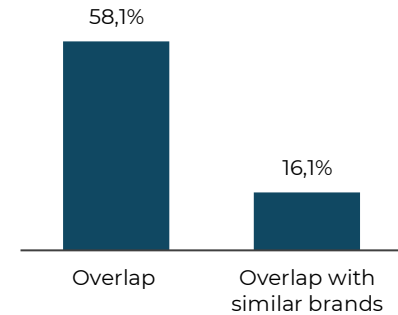


The company made its first M&A in 25 years. In this fragmented sector, Hilton is returning to the strategy of inorganic growth, by recently acquiring the Luxury brand of NoMad and Graduate Hotels

- NoMad brand is focused on **Luxury**.
- Strategy of increase its relevance on Luxury market.
- Just one hotel, but expectation to grow its footprint to **100 hotels**.

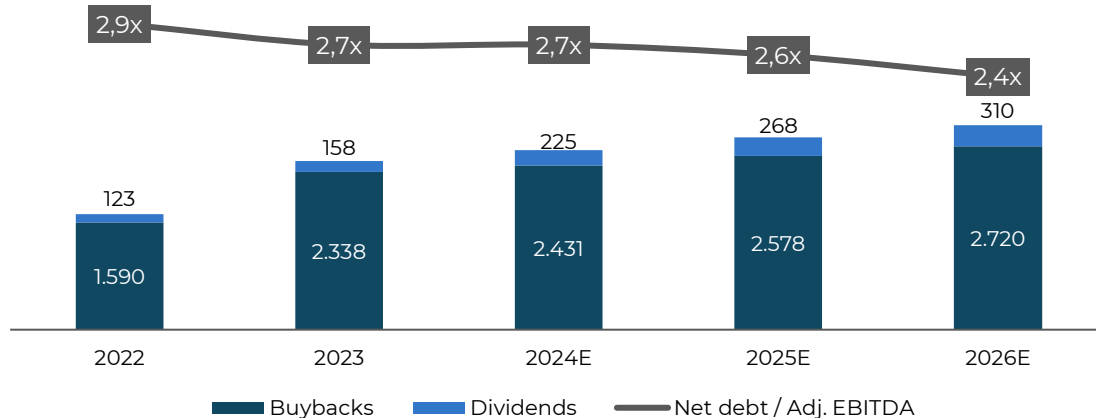
- Graduate hotels has focus on **college cities** and has a strong presence on US.
- Multiple of 10-12x EBITDA expected.
- Although it has a lot of presence in the US, the real overlap with Hilton's hotels is low.

Geographical overlap between Graduate hotel and Hilton hotels



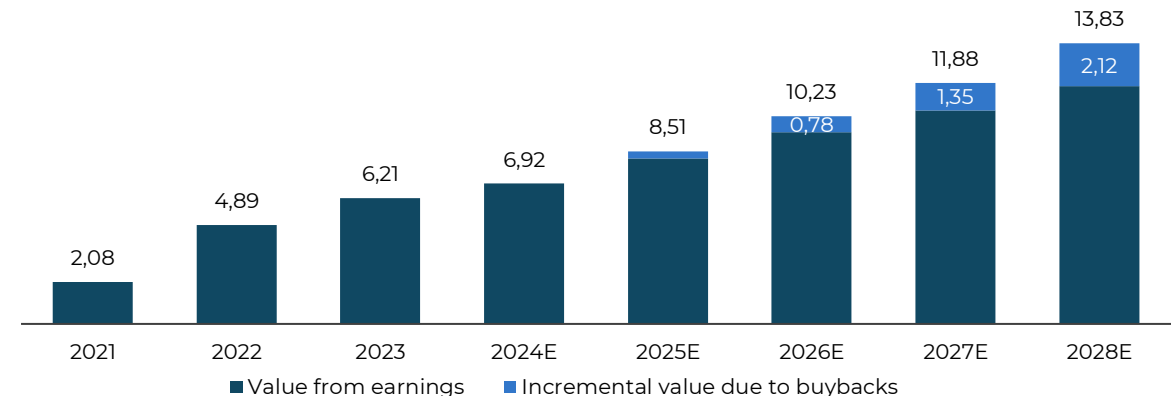
Hilton prefers to do buybacks rather than distribute dividends. That is the **major cause of Hilton's negative equity**, but the strong cash generation and controlled leverage don't make it a problem.

Historical and forecast on buybacks and dividends (in USD Mn) and net leverage



Buybacks don't generate value on the DCF analysis, except on the IRR premium, but looking at the earnings per share, we can compute the **implicit value of the share buybacks**, that decreases its shares outstanding.

Historical and forecast EPS - diluted (in USD)



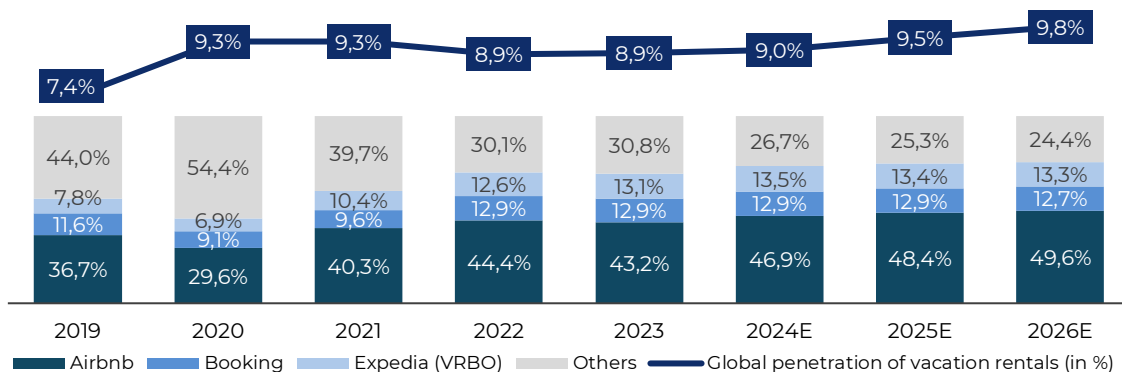
Loyalty Program Countering Threats



As new business models are arriving, with great innovation and user relationship, such as Airbnb and Booking.com, traditional hotels, such as Hilton, have new challenges to face with this new competition. The solution? Loyalty program

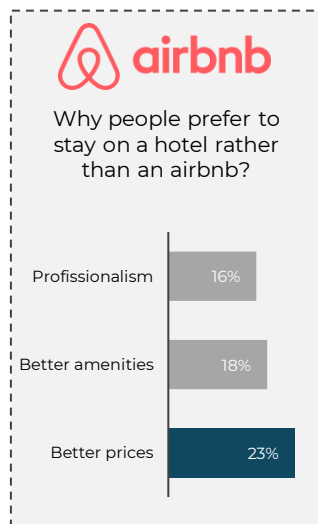
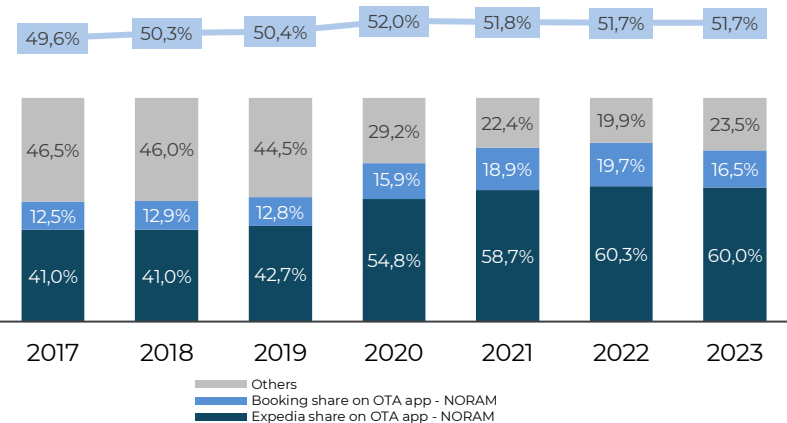
Disruptive players create a new market. That is the case of Airbnb, the **absolute leader** of vacation rentals, and is expected to continue smashing the competition. In this case, Hilton has a problem.

Evolution of market share of vacation rentals and global penetration of total nights.



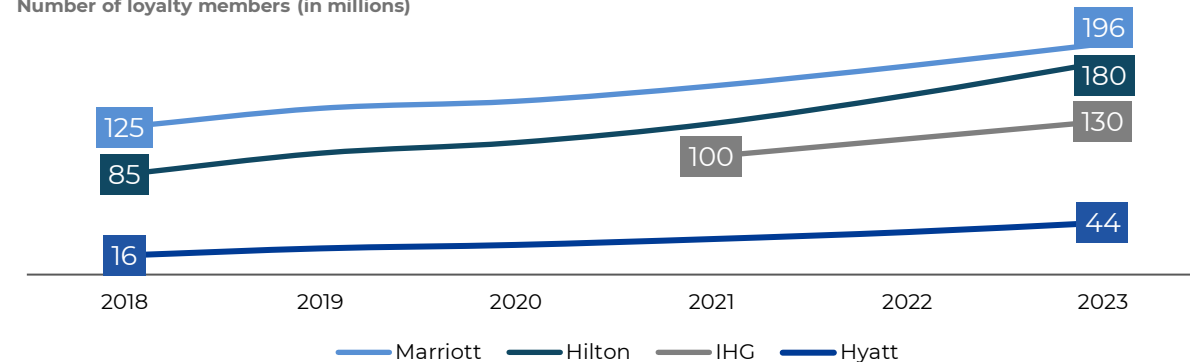
As the online penetration is increasing, Booking.com and Expedia are growing fast. But comparing with Hilton, those companies are more of a **complementary business**, helping guests to find Hilton hotels.

Evolution of market share OTA apps and online penetration of total nights.



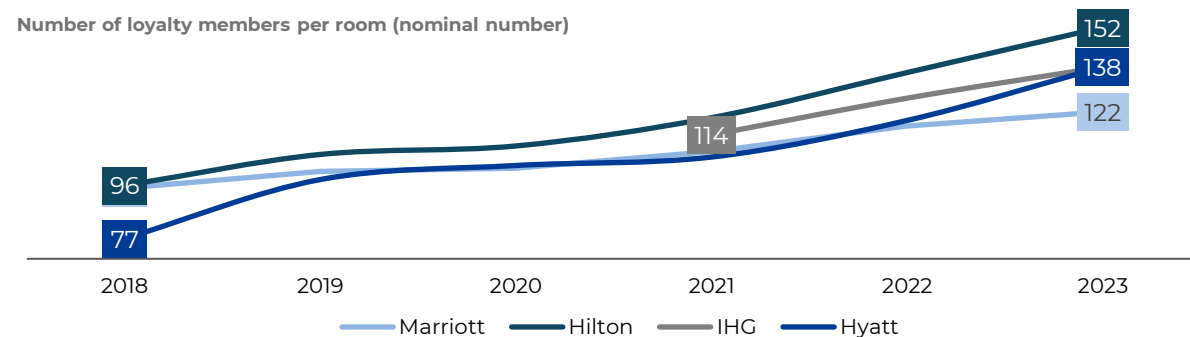
Hilton is gaining traction on its loyalty program, **closing the gap to Marriott**. Our expectation is that in 2026, Hilton's program will be the biggest among the hoteliers.

Number of loyalty members (in millions)



Also, Hilton is better placed when comparing to **members per room**, being at the top on this metric.

Number of loyalty members per room (nominal number)



- Hilton is **closing the gap to Marriott**, with a CAGR 18-23 = 16% vs CAGR 18-23 = 9% of Marriott
- Regarding a survey from Wells Fargo, **36% of people prefer Hilton Honors** as its main loyalty program vs 30% for Marriott Convey.
- Hilton Honors add near **80,000 new members each day**.
- The contribution of occupancy for Hilton from loyalty members will **go from 64% to 75%**

From a Breakdown of Regions to Value

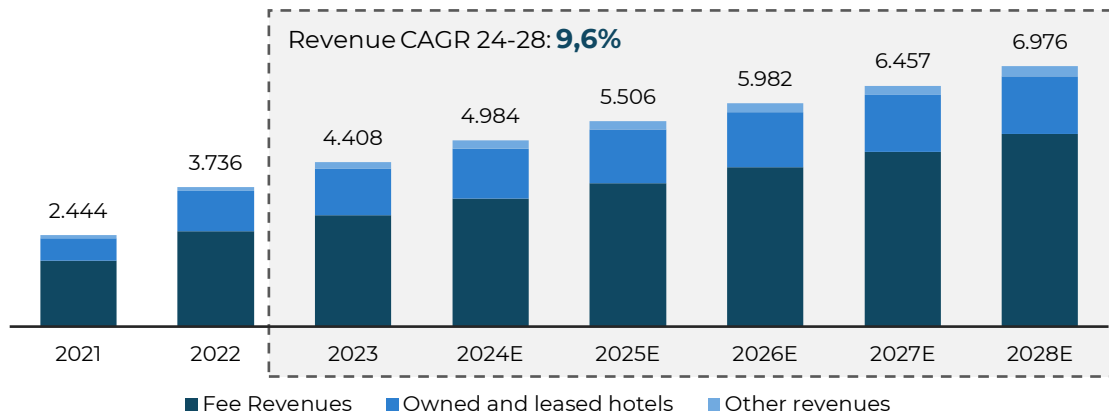


Using our knowledge on financial modelling, we forecasted Hilton Holdings 's future revenues, margins, buybacks and Investments for the next 10 years, reaching on a free cash flow to firm, which we discounted using the calculated WACC.

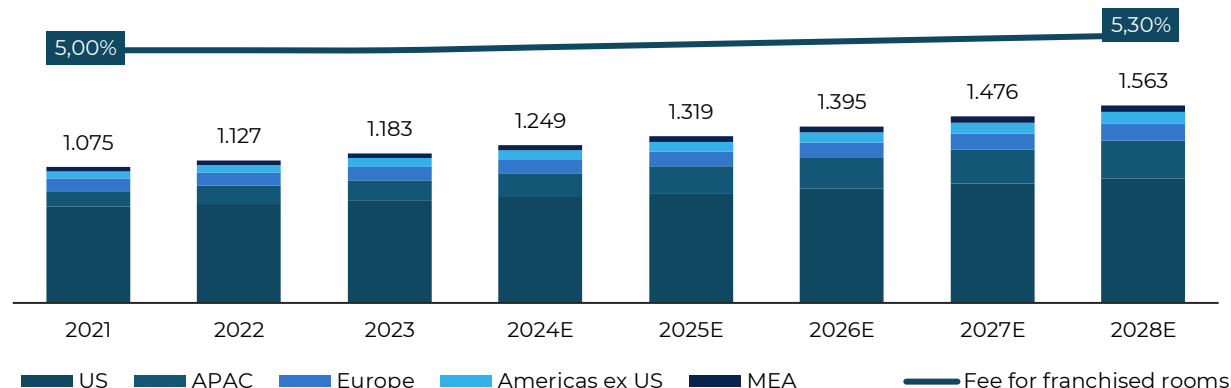
We expect a future focus on the **asset light** trend, therefore Hilton's revenues dependence on franchised hotels may increase. Also, we modelled the revenue on a geographical analysis.

Hilton has a diverse pipeline and will **focus on the APAC region and US**. Therefore, we expect a CAGR of **Net Unit Growth** from 2024 to 2028 of **5,7%**. Also, Hilton will increase its fees by **6 bps per year due to its brand power**.

Expected Revenue Evolution per segment (on Mn USD)



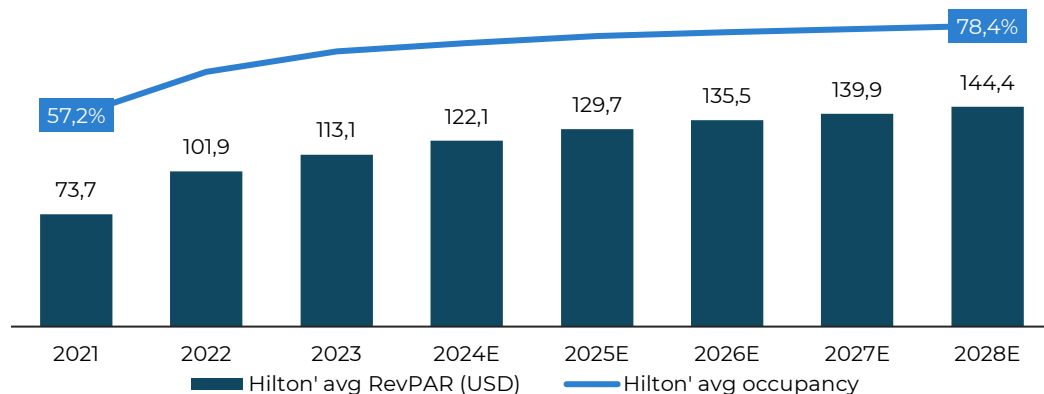
Expected Evolution of total rooms (in Mn) per geographical regions and expected fee



We expect that the company will continue to have a **high occupancy rates**, especially in the US, Europe and APAC, generating **higher RevPAR numbers and premiums**

Hilton 's market value is primarily **on equity**; therefore, its cost of equity is quite relevant on WACC's calculation. We also reached a weighted risk-free rate with the **% of revenue that Hilton has on each currency**.

Forecast of average occupancy rate and RevPAR of Hilton



WACC Build-up (in %)

