



Hilton

Financial Statement Analysis

The Hotel & Lodging Rivalry

Butler University

Mark Donner

625 Butler Way, Indianapolis, IN 46208, United States

Preston Asher | Timothy Nelson | Trevor Storm

625 Butler Way, Indianapolis, IN 46208, United States

2/7/2026

Price as of 2/6/2026: \$333.24

Price as of 2/6/2026: \$314.38

Company Description

General Overview

Marriott International (MAR) and Hilton Worldwide Holdings (HLT) are two of the most influential corporations in the global hospitality industry, shaping competitive standards through scale, brand development, and fee-driven operating models. Both companies have transitioned almost entirely away from property ownership, relying instead on management and franchise agreements that generate recurring revenue with comparatively low capital intensity. This shift has placed MAR and HLT at the center of the modern lodging landscape, where brand strength, operational efficiency, and loyalty program engagement drive long-term growth more than physical assets.

MAR is the larger of the two companies, maintaining the world's most expansive portfolio of hotel brands and global distribution. Its competitive advantage relies on its wider offerings and the ability to capture demand across all major travel segments. MAR's strategy emphasizes leveraging scale to support franchisees, strengthen owner economics, and drive elevated systemwide revenue performance.

HLT, while smaller, is recognized for its highly disciplined operating structure and efficient franchise model. The company has built a reputation for delivering

Figure 1
US Market Share (%)

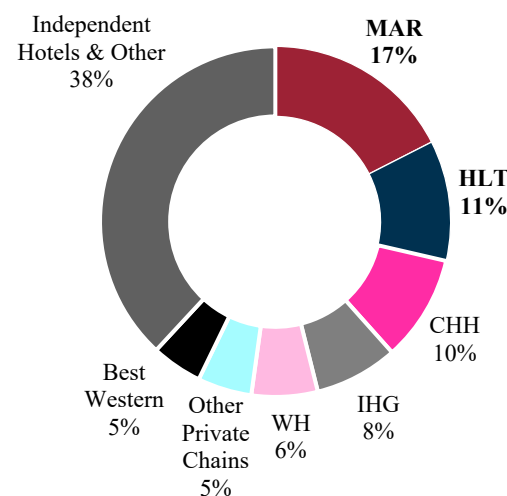
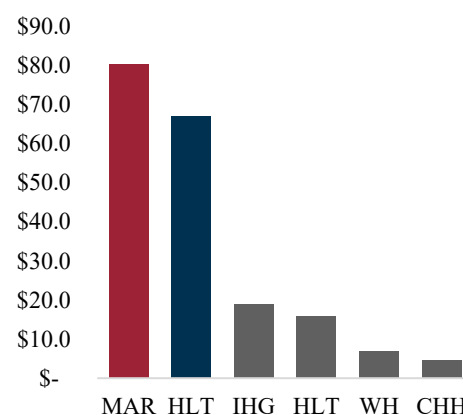


Figure 2
Market Cap of Hotel Chains



	Headquarters	Website	Ticker	Exchange	Fiscal Year End	Auditor	Properties
MAR	Bethesda, MD	marriott.com	MAR	NASDAQ	December, 31	EY	9300
HLT	McLean, VA	hilton.com	HLT	NYSE	December, 31	Deloitte	9000

consistent unit economics to hotel owners, prioritizing predictable operations and streamlined brand standards. HLT's approach has supported steady network expansion and strong franchise alignment, positioning the company as one of the most operationally reliable players in the sector.

Although MAR and HLT differ in size, both maintain leadership positions driven by scalable fee-based business models, durable brand loyalty ecosystems, and global recognition. Their combined influence defines much of the competitive framework within the hotel industry.

Product Offerings

MAR and HLT each operate diverse portfolios spanning luxury, premium, lifestyle, and select-service segments. MAR maintains the largest brand portfolio in the industry, with more than 30 brands with a wide array of experiences. Its luxury and premium offerings include some of the most globally recognized hospitality names, while its select-service brands form the backbone of its large and growing pipeline. MAR's strategy emphasizes segmentation, personalization, and brand-specific guest experience, supported by loyalty platforms that connects all offerings across its global network.

HLT operates a portfolio of 22 global brands, but its structure is intentionally streamlined for clarity and development efficiency. HLT's select and focused service brands are among the fastest growing in the world, driven by standardized operating models and attractive cost structures for franchise partners. The company has also expanded rapidly into lifestyle and extended-stay categories, aligning its offerings with changing consumer preferences. Recent brand

Figure 4



Figure 5



introductions highlight HLT's focus on target market expansion while maintaining systemwide operational consistency.

The hotel industry generates most of its revenue through various fees including franchise, management, incentive, and loyalty fees.

Geographics

The global footprints of MAR and HLT spans more than 100 countries each. MAR maintains the broadest international presence of any hospitality company. North America remains its largest market by property count and revenue contribution, supported by deep owner relationships and strong brand recognition. MAR also maintains significant reach across Europe, Asia-Pacific, and the Middle East where rising middle-class travel and increased business activity continue to drive new hotel supply.

HLT also operates a diverse global network, with greater concentration in the Americas. Their development strategy favors markets where operational consistency, standardized design, and efficient buildouts can be maximized. Internationally, HLT continues to expand across Europe, Asia-Pacific, and the Middle East, with a strong focus on new-build opportunities and conversions where its brand systems can immediately enhance property performance.

Horizontal Analysis

Overview

MAR and HLT both benefited from a post-pandemic rebound in travel demand, supported by the rapid recovery of leisure travel and gradual strengthening of group and business demand. Their business models have allowed them to convert

Figure 7

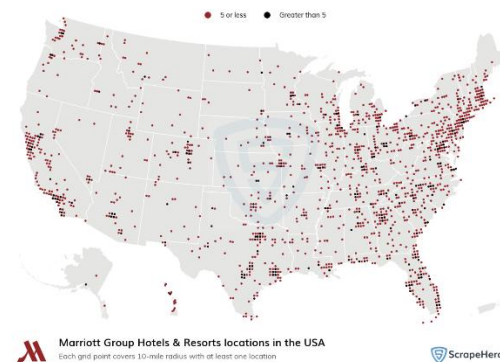
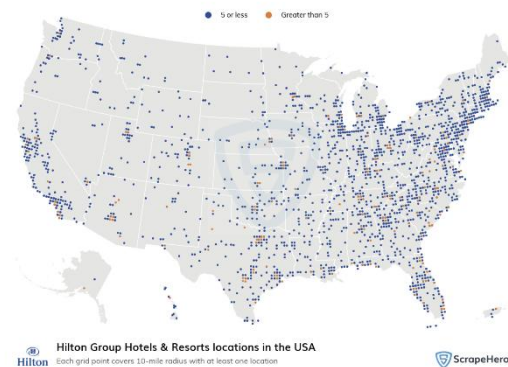


Figure 8



rising systemwide revenue into fee income without substantial increases in capital expenditures. Yet, operating efficiency pressures and rising cost structures have limited the magnitude to which growth translates to the bottom-line.

MAR's recent financial results show the company contending with a sharp increase in interest expense that is rising faster than revenue. Although incentive management fees remain a strong contributor to profitability, MAR is experiencing tighter cost conditions, especially in SG&A, having grown materially over the last three years. Deferred tax liabilities have increased substantially, signaling larger future cash obligations that may constrain long-term financial flexibility. The decline in depreciation expense, while consistent with asset-light strategy, also reflects a slowing pace of property additions in owned or leased categories.

HLT is in a stabilization period following years of negative retained earnings. Though the company maintains a strong franchise-driven foundation, recent performance shows ongoing reliance on financing activities, including roughly \$2.9 billion in new borrowings. Expense growth exceeding revenue by approximately 12% suggests persistent inflationary pressure. HLT's conservative cash positioning supports liquidity but limits capacity for aggressive reinvestment. While HLT has begun narrowing its retained earnings deficit, its overall trajectory reflects financial repair rather than accelerated expansion.

Overall, both MAR and HLT remain resilient operators, but both face a tightening macroeconomic environment that is increasing operating pressure and limiting near-term margin expansion.

Figure 9
Topline Revenue Growth

	MAR	HLT
2022	\$20,773.0	\$ 8,773.0
2023	\$23,713.0	\$10,235.0
2024	\$25,100.0	\$11,179.0
CAGR	6.5%	8.4%

Figure 10
Long-Term Debt

