



Horwath HTL

Hotel, Tourism and Leisure

ITALY Hotels & Chains Report 2023

10th Edition



ASSOCIAZIONE ITALIANA
CONFINDUSTRIA ALBERGHI



Introduction

We are delighted to present the 10th edition of the Italian Hotels & Chains, which consistently remains a reference point for the Italian Hotel Industry.

Thanks to the collaboration of operators and with the support of institutional organizations, the Hotels & Chains Report has carved out an important role for itself in the Italian panorama, becoming the only census of hotel chains in the 'Bel Paese'.

In the last edition of the report, we referenced estimates from the main international research institutes which predicted the return of tourist flows, especially in the main Italian tourist destinations, to the pre-pandemic levels in 2024. We are delighted to report that in the past year, we experienced a recovery of the entire hospitality sector, unexpectedly early, in part thanks to the return of overseas tourists.

Although the phenomenon can be attributed to revenge tourism, we expect 2023 to consolidate, -or even improve, these results, allowing the whole sector to look into the future with greater confidence.

When we started monitoring national and international hotel chains in Italy ten years ago, we recorded a penetration rate of 3.9% for hotel assets. Today, this rate is 5.5%, a noticeable improvement that has benefitted the general hotel supply. Even though this is an improvement, the Italian Market remains far below the other European Markets.

While recognizing the strength of the Italian hotel model and product as a whole, we believe that much still needs to be done to encourage the development of new hotel models. The new standards should reflect current market standards, but also incorporate new trends that reflect the modern traveler.

Over the last year, working alongside investors, developers, and operators, we encountered a rising awareness and focus on environmental issues, sustainability, well-being, technological and digital innovation issues. These are challenges from which the whole Industry, from the strategic to the operational level, can no longer escape.

In this sense, we hope that Italy's candidacy as the host venue for the 2032 European Football Championships as well as Rome at EXPO 2030, in addition to the well-known events that will take place in our country (Ryder Cup 2023, Jubilee 2025, Milan-Cortina 2026 Winter Olympics Games) will give the right boost to tourism, a sector that has an overall impact (directly and indirectly) equal to the 13% of Italy's GDP.

We are pleased to have collaborated, again this year, with the Italian Confindustria Alberghi Association and the Bocconi University. We also take this opportunity to renew our thanks to all domestic and international operators who have allowed us to continue studying their presence in our territory and for their willingness to contribute, with their professionalism, to raising the quality of the Italian Hospitality.

Zoran Bačić

Senior Partner & Managing Director
Horwath HTL Italy

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A change of direction from Spring 2022 and challenges for the near future

After the long and deep crisis caused by the Covid emergency, tourism demand began to be on the increase again in May 2022, as foreign tourists started to come back. ISTAT data showed 109.4 million arrivals and over 396 million nights spent in accommodation facilities last year in Italy, with a recovery of 83.3% in arrivals and 91% in nights spent respectively, compared to 2019, despite the first part of the year was still compromised by the then on-going travel restrictions.

A strong drive came from foreign customers, up by 88% in arrivals and by 81.4% in nights spent compared to 2021. This had an immediate impact on our balance of payments, which closed 2022 with a positive balance of more than €18.2 billion, thanks to foreign tourists' spending in Italy, which rose to €44.2 billion, compared to €21.7 billion in 2021.

Positive signs also came from Osservatorio Confindustria Alberghi - STR: if the first quarter 2022 closed with a room occupancy rate that was still more than 46% lower than in 2019, the recovery in tourist demand - driven above all by the return of foreigners - gradually closed the gap with 2019 and even led to a higher performance in August compared to the same month in 2019. At the end of 2022, the room occupancy rate was 11% lower than the pre-Covid figure, which is not a foregone conclusion considering the dire conditions we were in.

On the hotel investment side, the trend of growing interest from operators and investors in the sector is confirmed, driven by double-digit increases in ADR and RevPAR, which have already reached and exceeded 2019 levels. As far as the weight of hotel chains in Italy is concerned, although overall the figure is still much lower than in the other European countries, there has been a significant growth over the last decade: the chain hotel-total hotel ratio increased by 44.7% between 2013 and 2022.

2023 is considered by many the year of recovery. To some, even the year when the 2019 figures - a record year for the sector - will be exceeded. A challenge we can win, if we look at ISTAT data for the first two months (11.6 million arrivals and more than 37 million nights spent, -3.8% and +4.2% respectively, compared to the same period in 2019) and at the results of Easter and Spring Holidays.

However, nothing should be taken for granted for the future. Competition between the various tourist destinations is becoming increasingly fierce and never before has it been so important to provide an offer capable of intercepting the new desires of travelers.

Therefore, it becomes imperative to assist the companies in the sector, which have not yet recovered from the losses caused by Covid, so that the investments required to respond to increasingly demanding customers, will not slow down.

Maria Carmela Colaiacovo
President
Associazione Italiana Confindustria Alberghi

Ongoing evolution of the Italian hotel sector and its potential and opportunities for the future

The hotel industry, as part of the broader travel and tourism sector, is fundamental for the Italian economy. The recovery of the tourism demand after the pandemic, the positive performances of hotels, and the bright forecast for the coming 2023 season are all indicators that allow optimism after the profound crisis induced by the sanitary emergency.

The crisis and the changes of the market over the past years have transformed the hotel industry. As the current edition of the "Hotels & Chains in Italy" report shows, many businesses did not survive or are still facing difficulties, while others have adapted their business models or have differentiated their offer. The penetration of international investors in the Italian market is growing, mostly in the luxury segment, while it is interesting to observe the unexploited potential of the economy market that is expected to show an acceleration in the coming years. Domestic chains are growing as well, showing the transition of the typical Italian family business model towards more sophisticated strategies. The asset-light and branded approach is spreading to a certain extent also in the Italian market improving value creation and efficiencies.

Together with this, hotel businesses must consider new emerging trends in order to concentrate their efforts and maximize profitability. With the digital transformation of the sector and shifting guest preferences, the hotel industry is changing rapidly and this is expected to continue in the future.

After years of standardization, the shift towards more personalization and specialization may translate into increased value creation for hospitality companies. As the report shows, lifestyle hotels are becoming more relevant in our market. Italian hotels, in particular, may leverage on

intrinsic skills reflecting the Italian way of life and innate sense of hospitality. Technology will be more and more important in all phases of hotel experience allowing to engage customers and improve the entire guest journey thanks to more personalized offers. The use of data to better understand and anticipate guests' needs, emerging segments and their preferences will lead to innovation and to new service concepts. Tourists also search for sustainable and transformative experiences that must translate into real sustainable business models.

All these changes in the market show also the potential for new job profiles and competences that the hotel industry must give value to. Pressure on the hotel's workforce and ways to attract and retain talents remain a priority for the sector.

In an increasingly complex environment, the "Hotels & Chains in Italy" report is designed to provide critical insights to the hotel community. The importance of monitoring and benchmarking is well known and this report contributes to spread the culture of sharing valuable information that, in return, helps to focalize on strategic objectives. The 2023 edition shows a bright perspective for the next future of the Italian hotel industry. The report also offers insights on areas that still have sizable growth potential and highlights untapped opportunities. Overall, it provides practitioners and policy makers a valuable tool in order to drive smarter decisions.

Prof. Cristina Mottironi
Director MET - Master in Tourism Economics and Management, Bocconi University

Domestic demand still leading the recovery in European countries

2021, the second year of the Covid-19 pandemic, showed the first hint of a recovery, while 2022 confirms the positive trend back to the 2019 figures.

In particular:

- Italy, after gaining a position in 2020 despite the sharp drop compared to 2019 (-60.1%), returns to 4th place in 2021, confirming this rank also in 2022, positioning itself after Germany, France, and Spain, with 77 million arrivals (-7.6% compared to 2019);
- if in 2021 Italy was one of the best-performing European countries (after France and the Netherlands), in 2022, it shows the biggest gap compared to the pre-pandemic figure with -7.6%, while Spain, France, and the Netherlands almost equalize the 2019 figures with a decline between about 2% and 3%;
- in general, the domestic component has been more confident about resuming travel in their home country since 2021 and have reconfirmed this willingness in 2022 as well, almost equaling (particularly in France and Austria, respectively with -1.4% and -1.8%), or even exceeding (as in the case of Spain and the Netherlands, +0.3% and +3%) the 2019 figures;
- on the other hand, the international component, which was less likely to travel outside the border in 2021, made up considerable ground in 2022. In particular, the European countries that benefited the most were Spain and France, with -4% on the 2019 figure, while Italy recorded -11%, as did Germany.

A monthly detail of the flows allows us to confirm that in 2021 the best period for the main European countries was July-October as many of them (especially Spain, Italy, Austria, and the Netherlands), thanks to the domestic component that recorded data with a positive sign, managed to narrow the difference with the 2019 figure the most.

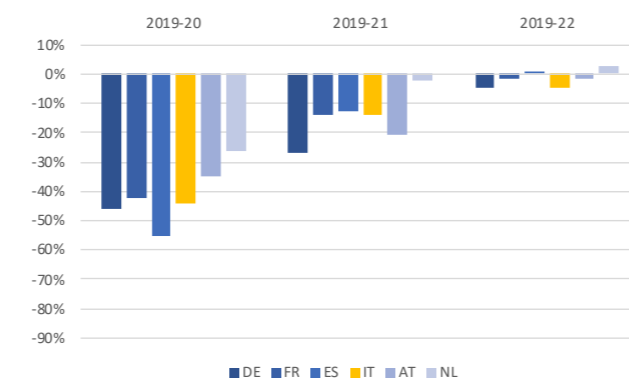
In the year 2022, except for the first quarter, when on average, the major European countries experienced declines between 10% and 15%, performed better since April with drops below 5% on average. In this context, it is interesting to note that:

- the countries that managed to match the 2019 figures in the July-October period were Spain and the Netherlands: the latter also stretched to the end of the year, leaving virtually the worst period for tourism behind;
- domestic flows recovered considerably as early as April (downturns below -3% on average), while international flows had to wait until June with decreases below -5% on average;

- in particular, Italy has never managed to record a positive figure in overall hotel demand during the year (monthly declines of more than -4%). The domestic demand, which could have supported an early recovery compared to the 2023 forecasts, has never significantly recovered from the 2019 levels.

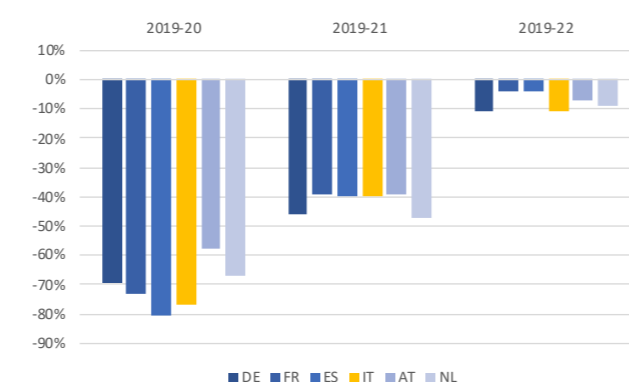
In 2021 and more in 2022, those European countries characterized, even before the pandemic, by a strong propensity for domestic tourism were, therefore, most favored. Despite having primarily changed its way of seeing and doing tourism these last two years, the Italian market has seen the first signs of recovery, but it still needs to be faster than its European competitors. For our country, the events scheduled at the national level as early as next September will play a fundamental role.

Domestic arrivals in Hotels, CAGR %



Source: Horwath HTL Italy research based on Eurostat data

International arrivals in Hotels, CAGR %



Source: Horwath HTL Italy research based on Eurostat data



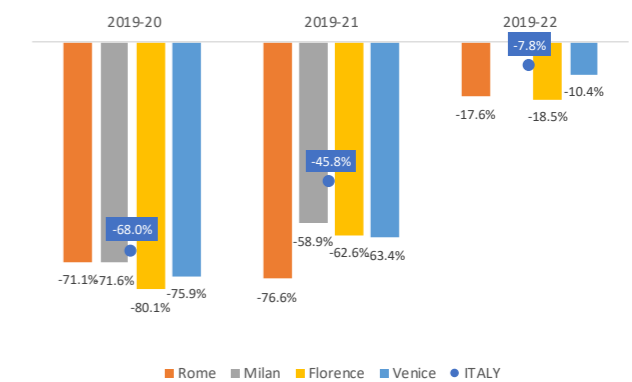
Promising figures from Italy's top four destinations

In 2021, Italy's main tourist cities, although still in the 'red' and with figures higher than the national average (-22.3% in 2019), recorded a recovery (figures 1.5-2 times lower than in 2020) thanks to the general climate of travel confidence initiated with the vaccination campaign. In particular, as in 2020, Venice recorded the smallest decline (-36.5%) while Florence made up ground from being the worst in 2020 to the second-lowest declining Italian art city (-39.3%) in 2021, halving as Venice the 2020 figure. Milan and Rome lost one position recording the worst results (-40.2% and -57.6% respectively).

The partial data for 2022 (January-June) follow the general Italian recovery but with the following observations:

- declines in Florence (-18.5% in 2019), Rome (-17.6%), and Venice (-10.4%), while seeing a move closer to the 2019 figure, are still distant from the national levels (-7.8%);
- Venice recovered ground in the same proportion as Italy (ratio 1 to 6), while the decline of Rome and Florence in 2022 is equal to a ratio 1 to 3-4, underling a lower return to pre-pandemic figures for both cities;
- Rome and, at the second place, Venice become the most popular Italian cities as hotel overnights in the first 6 months of 2022, respectively 8 million and 2.7 million, corresponding to over 10 and 5 times more than those of 2021 (783 thousand and 495 thousand).

Overnight stays in Hotels (January-June), CAGR %



Source: Horwath HTL Italy elaborations on ISTAT, EBTL, PoliSLombardia, Città Metropolitana di Firenze, Regione Veneto data

More in detail, after the unfortunate results recorded during 2020, the first half of 2021 began with decreases over 2019 values of -77% in Rome, -63% in Venice and Florence, and -59% in Milan, thus still unfavorable data for the tourism recovery. The change in direction was registered only in the second half of 2021, a period in which the summer months played a key role: domestic and foreign, predominantly European, tourists were more confident, resuming travel even to cities of art, previously put on the back burner to prioritize "open air" destinations such as sun&beach and mountain locations. Venice was the first art city to be most attractive, registering the smallest decline in the second half of the year (-19.6% in the same period of 2019), followed by Florence (-23.7%) and Milan (-25.8%), while Rome continued to record sharp declines, amounting to 2-2.5 times more than other cities (-46.2%).

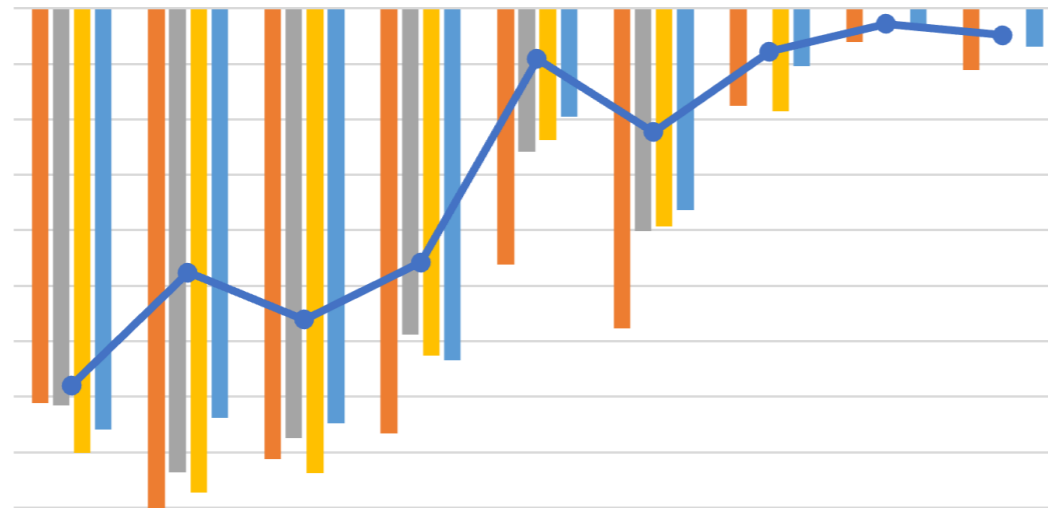
2022 opened with a national slowdown in the recovery of hotel overnight stays recorded in 2019, against a more dynamic trend in cities of art: in particular, Florence, with -18.5%, recorded a decline equal to a third of that of the previous semester, while Venice (-10.4%) and Rome (-17.6%) even halved the last six-month decline.

At the national level, the second half of the year saw a further reduction in the distance with the data for

the same period of 2019. The only data available are those of Rome and Venice, which recorded -6.1% and -3.9% respectively, closing the year with -11.1% (47 percentage points less than the previous year) and 6.9% (-30 percentage points), a reduction of the gap by as much as 81%.

The 2022 data for Milan has yet to be disclosed, and those for Florence are available until June 2022.

Overnight stays (I and II semester), CAGR %



	I Sem	II Sem	Tot	I Sem	II Sem	Tot	I Sem	II Sem	Tot
	CAGR % 2019-20			CAGR % 2019-21			CAGR % 2019-22		
Rome	-71.1%	-90.2%	-81.3%	-76.6%	-46.2%	-57.6%	-17.6%	-6.1%	-11.1%
Milan	-71.6%	-83.6%	-77.5%	-58.9%	-25.8%	-40.2%			
Florence	-80.1%	-87.3%	-83.8%	-62.6%	-23.7%	-39.3%	-18.5%		
Venice	-75.9%	-73.8%	-74.8%	-63.4%	-19.6%	-36.4%	-10.4%	-3.9%	-6.9%
ITALY	-68.0%	-47.6%	-56.1%	-45.8%	-9.1%	-22.3%	-7.8%	-2.8%	-4.8%

Source: Horwath HTL Italy elaborations on ISTAT, EBTL, PoliSLombardia, Città Metropolitana di Firenze and Regione Veneto data

Key Findings from 2022

Key Findings of the last 10 years census

Key Findings of the last 10 years census	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	10 years CAGR	2022 vs 2021 % Growth
Chain hotels												
Chain hotel properties	1,352	1,363	1,400	1,453	1,524	1,622	1,661	1,776	1,831	1,892	3.8%	3.3%
Chain hotel properties - White Labels (Double Counted Properties)	39	41	43	49	52	61	66	71	83	90	9.9%	9.1%
Italian Hotels Stock* (Overall Supply)	33,999	33,911	33,728	33,316	33,290	33,199	33,166	32,988	32,896	32,896	-0.4%	N.A.
Chain Penetration by hotel properties	4.0%	4.0%	4.2%	4.4%	4.6%	4.9%	5.0%	5.4%	5.6%	5.8%	4.2%	3.3%
Chain Penetration by hotel properties (Double Counting excluded)	3.9%	3.9%	4.0%	4.2%	4.4%	4.7%	4.8%	5.2%	5.3%	5.5%	4.0%	3.1%
Chain Rooms												
Chain Rooms	152,289	153,205	156,644	164,727	171,418	179,530	184,102	191,527	197,204	202,696	3.2%	2.8%
Chain hotel Rooms - White Labels (Double Counted Keys)	5,605	5,859	6,079	6,754	7,131	8,415	8,805	9,633	11,172	12,480	9.3%	11.7%
Italian Rooms Stock* (Overall Supply)	1,089,770	1,090,300	1,091,569	1,091,061	1,086,910	1,091,180	1,092,758	1,075,484	1,073,592	1,073,592	-0.2%	N.A.
Chain Penetration by hotel rooms	14.0%	14.1%	14.4%	15.1%	15.8%	16.5%	16.8%	17.8%	18.4%	18.9%	3.4%	2.8%
Chain Penetration by hotel rooms (Double Counting excluded)	13.5%	13.5%	13.8%	14.5%	15.1%	15.7%	16.0%	16.9%	17.3%	17.7%	3.1%	2.2%
Average Hotel Size												
Chain Hotels Average Size (IDC - Including Double Counting)	113	112	112	113	112	111	111	108	108	107	-0.6%	-0.5%
Italian Overall Supply Average Size	32	32	32	33	33	33	33	33	33	33	0.2%	0.0%
Chain Brands												
Total number of Chains Brands	192	210	214	216	235	247	249	264	276	287	4.6%	4.0%
Domestic Chains Brands	118	128	127	131	140	148	144	155	152	158	3.3%	3.9%
International Chains Brands	74	82	87	85	95	99	105	109	124	129	6.4%	4.0%
Chains Origin												
Domestic Chains Properties (IDC)	832	843	867	936	997	1,064	1,075	1,160	1,186	1,249	4.6%	5.3%
International Chains Properties (IDC)	520	520	533	517	527	558	586	616	645	643	2.4%	-0.3%
Domestic Chains Keys (IDC)	87,624	89,839	90,873	99,463	104,711	110,231	111,300	115,436	118,543	125,567	4.1%	5.9%
International Chains Keys (IDC)	64,665	63,366	65,771	65,264	66,707	69,299	72,802	76,091	78,661	77,129	2.0%	-1.9%
Business Models												
Ownership Share (IDC)	37%	37%	37%	36%	36%	36%	36%	36%	35%	34%	-1.2%	-2.9%
Lease Share (IDC)	30%	31%	33%	36%	37%	38%	39%	39%	40%	41%	3.6%	2.3%
HMA Share (IDC)	6%	6%	7%	6%	6%	5%	5%	5%	6%	7%	0.5%	21.7%
Franchising Share (IDC)	26%	25%	24%	22%	21%	21%	20%	19%	19%	18%	-3.8%	-5.7%

Source: Horwath HTL Italy elaborations on ISTAT, EBTL, PoliSLombardia, Città Metropolitana di Firenze and Regione Veneto data

- 2022 was a year of remarkable recovery for the industry, albeit far from 2019 operating levels. While the overall Italian supply continues to decline, Chain hotels gained 61 new properties this year and increased by almost 3% in terms of keys compared to last year, or a net increase of 5,492 keys.
- Third-party operated hotels, or managed by white label groups, pursue their robust growth with a 9% increase since last year. In ten years, white-label operators groups increased their hotel portfolio from 39, in 2013, to 90 in 2022, or from 5,6K to 12,5K hotel keys. This model is expected to flourish consistently in the next five years.
- Over the last decade, the penetration of Chain hotel rooms over the Italian Stock has gradually increased with a sustained rate of 3.4% (CAGR) passing from 14% to 19%, or from 13.5% to 17.7% excluding double counted keys.
- Over the last decade, the recorded average Chain hotel size has slowly decreased (-0.6% CAGR) passing from 113 to 107 keys per hotel. The most significant trend is, however, seen in the Economy segment, with an average size surging from 43 to 86 keys per property.
- The most popular business models remain Ownership and Lease, stable at respectively 34% and 41% of the total Chain hotels. In this last decade, the business model preferences have evolved in favor of Lease contracts while diminishing Franchises and, slightly only, for Ownership.
- Over the last decade, Rome recorded the highest room increase, in absolute values, with almost 5,000 rooms in 10 years, while Milan and Venice 2,5K and 2,8K respectively. Meanwhile, the Budoni destination, in Central Western Sardinia, recorded the most substantial relative growth with a 12% CAGR in 10 years, from 900 to 2,5K rooms.
- By the end of 2025, 25,441 keys are expected, including double counting, 50% of them in the Upscale tier as well as 29% in the Upper Upscale & Luxury Segment thanks to the arrival of new international players for the first time in the Belpaese.
- In the next three years, Lease, HMA, and Franchising are expected to grow similarly, with the Lease model on top with 31% of the announced keys, followed by the Hotel Management Agreement with 29% and, eventually, Franchising with 27%. Aligned with the last decade's trends, the Ownership will continue to lose ground.

New keys added in 2022

Over the last decade, the recorded Chain hotels keys have increased by a CAGR of 3.2%, surging from 152K to 203K keys, double counting rooms included. Despite its small number of keys, the Economy supply has recorded the most vigorous growth, achieving 18.5%, or a wave of +2,000 keys since 2013. The Upper Upscale & Luxury Segment achieved 4.2%, the Upscale supply 3.0%, and the Midscale 2.9%.

In 2022, the Chain hotels keys increased by 5,492 keys, double counting included, for a 2.8% increase from the previous year.

The Upscale tier holds the highest share of the outstanding supply, or 72%. Its dominance is still observed in the new supply of 2022, in which this segment accounts for 52% of the net new supply. In the remaining 28% of this year's recorded net keys increase, the Midscale segment accounts for 31%, the Upper Upscale & Luxury 15%, and, eventually, the Economy segment with only 138 new keys, the 3%.

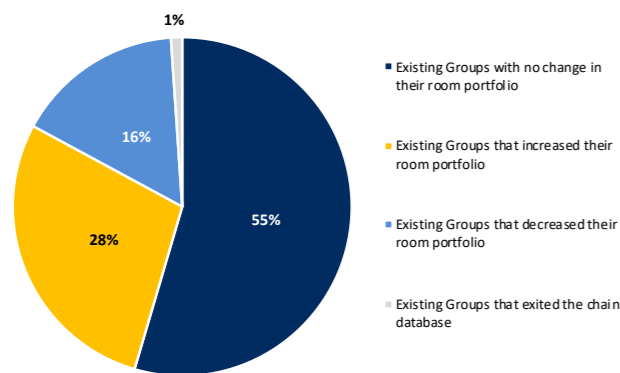
The full potential of the Economy scale still needs to be explored, remaining the segment with the fewest Chain hotels keys, representing only 1% of the outstanding supply, or 2,578 outstanding rooms.

Observed changes in the development of groups in 2022

Out of the 187 hotel chain groups registered in 2021:

- 55% remained unchanged;
- 28% saw their room supply increase. Top increase was recorded for B&B Hotels (+762 keys), Gruppo Studio Vacanze (+756 keys), and TH Resorts (+677 keys);
- 16% saw their room supply decrease. Highest decrease was recorded for Best Western Hotels & Resorts (-973 keys), IHG (-955 keys), and Smy Hotels (-470 keys).
- 1% of the groups left the database: Uvet Hotel Company (-495 keys), and Roxa Hospitality (-271 keys).

2021-2022: Chain Portfolio evolution



Source: Horwath HTL Italy

This year 10 new groups were added in the database, adding 4K hotel rooms to the H&C supply. These groups are mainly domestic small chains, but not only, and are: 12.18, Belstay Hotels, B.Zar Hotel&Co., Dreams Hotels, Casual Hoteles, Horizons Hotels, HM Hotels & Resorts, Gregori Hotels, Oetker Collection (A/N: partial opening) and Sherid Hotel Group.

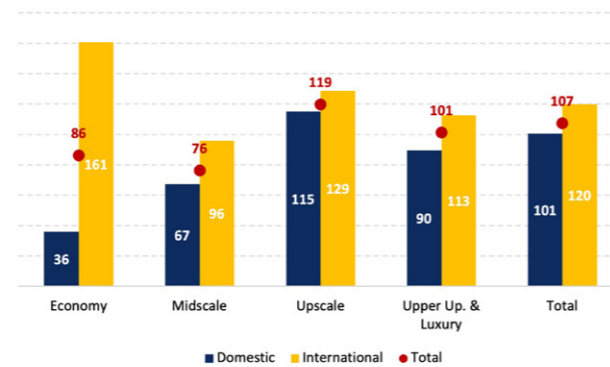
Chain hotels by number and size

Over the last decade, the recorded average Chain hotels size has slowly decreased (-0.6% CAGR) passing from 113 to 107 keys per hotel. In 2022, the overall average size of Chain hotels in Italy remained almost unvaried, no matter the scale. International Chain hotels are more prominent in all segments than Domestic Chain properties. The first records an average size of 120 keys per property, while the second 100.

The most significant trend is, however, seen in the Economy segment, with an average size surging from 43 to 86 keys per property. This is mainly driven by the International Chains that record a 161 average hotel key per property. Oppositely, Domestic Chains record an average 36 keys per economy hotel, thus indicating the role of local operators in the ongoing structuration of the Italian hotel supply.

The Economy segment remains marked by the difference between Domestic and International hotels in size and product since international operators are structured and primarily oriented to large projects with economy of scale opportunities.

2022: Chain Hotel Average Size per scale and Chain Origin in number of keys



Source: Horwath HTL Italy

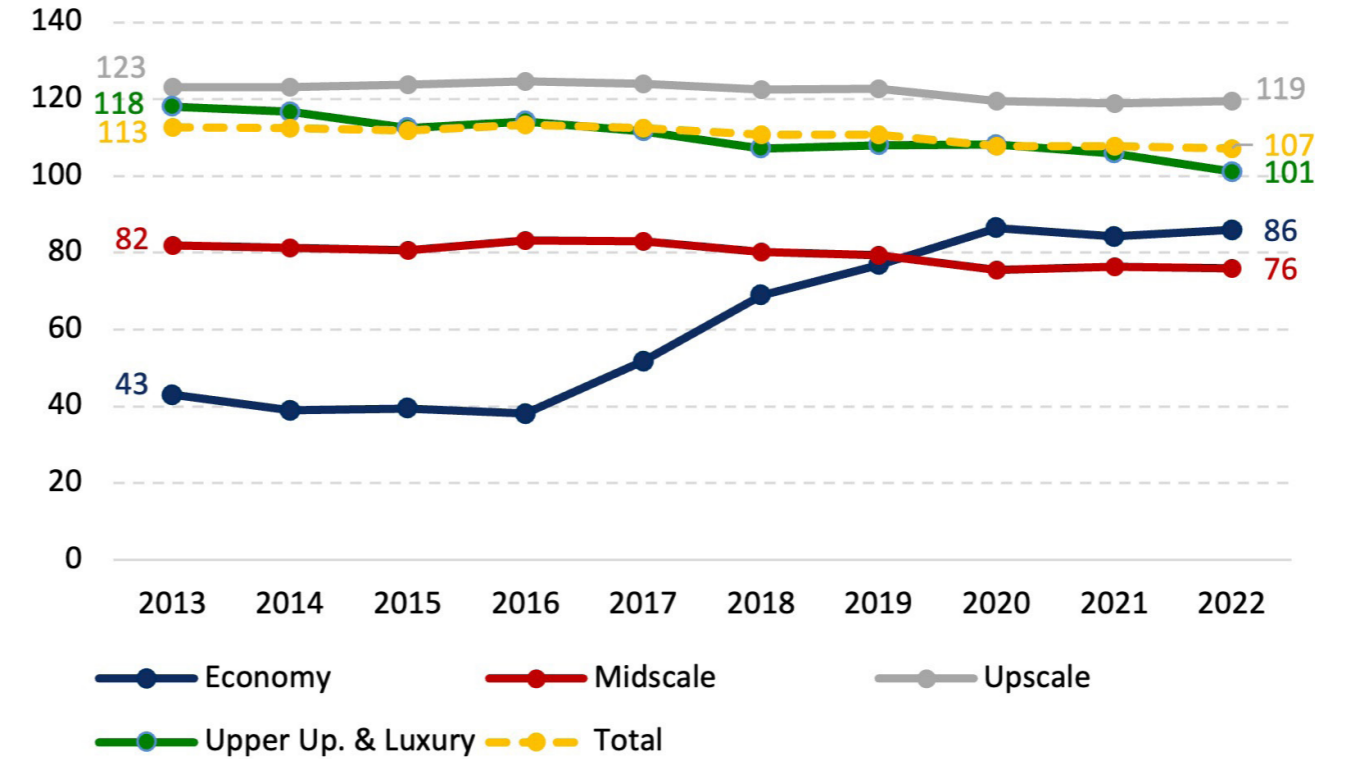
With 119 rooms per hotel, the Upscale properties still hold the largest average size across hotel scales. In this segment, the gap in capacity between International and Domestic groups is closer, with the first recording 129 keys and the second 115.

The average number of keys per Upper Upscale & Luxury hotel slightly decreased from 106, in 2021, to 101. International groups recorded an average of 113 keys per hotel, while the Domestic ones 90.

This trend confirms the development of top-tier hotels favorizing e room quality and sizes, as well as crating more competitive ancillary facilities. For instance, more lifestyle product offering suggestive common areas open to both in-house and local customers.

The Midscale segment remains unchanged from last year. The average capacity remains at 76 keys, 96 for the international groups and 67 for the Domestic ones.

2013-2022: Chain Hotel Average Size per scale



Source: Horwath HTL Italy

Ranking by Size

CHAINS			
Rank	Overall Chain Groups	Hotels	Rooms
1	Best Western Hotels & Resorts	151	10,778
2	Accor	82	10,557
3	Marriott International	62	9,896
4	Minor Hotels	57	8,627
5	TH Resorts	30	6,048
6	Hilton Hotels & Resorts	31	5,605
7	B&B Hotels	59	5,484
8	Gruppo UNA	47	5,339
9	Bluserena	13	4,264
10	Iti Hotels	30	4,142
11	IHG Hotels & Resorts	26	4,074
12	Starhotels	26	3,847
13	Alpitour	14	3,276
14	Blu Hotels	30	3,210
15	Gruppo Studio Vacanze	18	3,088
16	Aeroviaggi	13	3,082
17	CDSHotels	12	2,383
18	iH Hotels	22	2,258
19	Apogia Hotels Group	36	2,220
20	Geturhotels	15	2,123

BRANDS			
Rank	Overall Chain Brands	Hotels	Rooms
1	Best Western	84	6,074
2	NH Hotels	39	5,923
3	TH Resorts	29	5,900
4	B&B	59	5,484
5	Bluserena	13	4,264
6	UNAHOTELS	25	4,048
7	Mercure	33	3,543
8	Blu Hotels	30	3,210
9	Studio Vacanze	18	3,088
10	Voi Hotels	10	2,959
11	Starhotels Premium	17	2,768
12	CDSHotels	12	2,383
13	Iti Hotels-Marina H&R	17	2,381
14	NH Collection	16	2,220
15	Best Western Plus	26	2,195
16	iH Hotels	21	2,195
17	Novotel	13	2,136
18	Geturhotels	15	2,123
19	Aurum	16	2,108
20	Club Esse	13	2,092

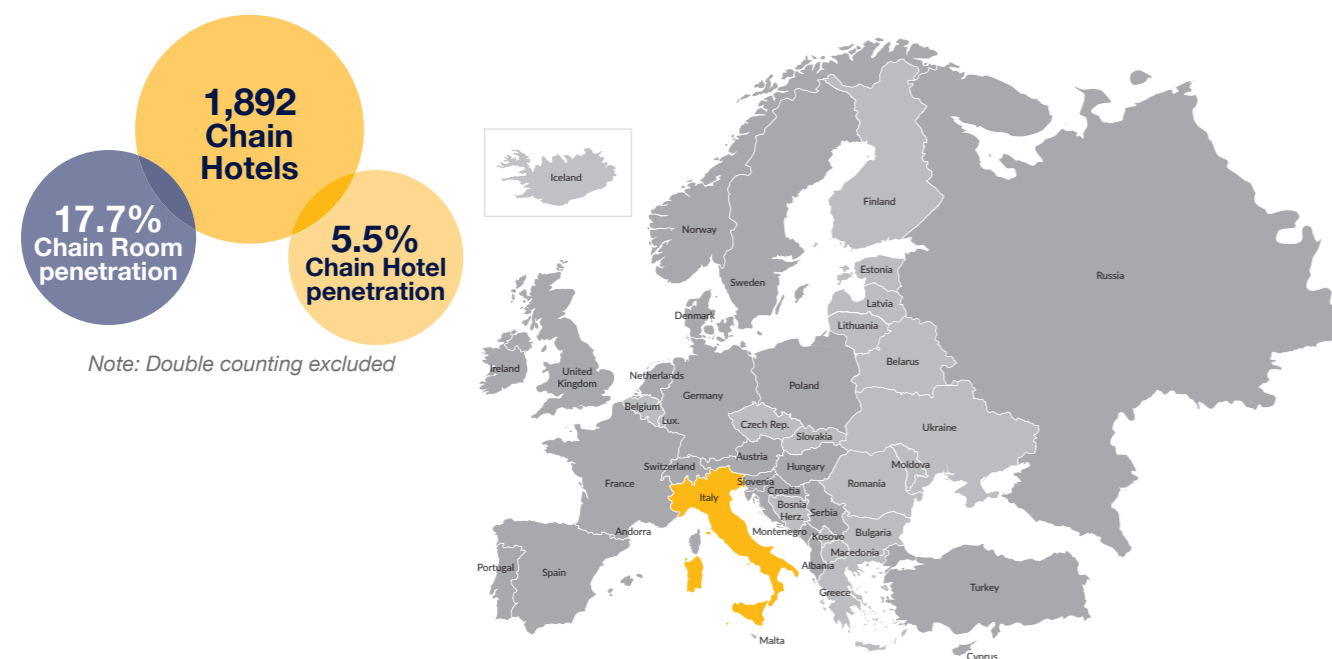
Ranking by Size

CHAINS			
Rank	Domestic Chain Groups	Hotels	Rooms
1	TH Resorts	30	6,048
2	Gruppo UNA	47	5,339
3	Bluserena	13	4,264
4	Iti Hotels	30	4,142
5	Starhotels	26	3,847
6	Alpitour	14	3,276
7	Blu Hotels	30	3,210
8	Gruppo Studio Vacanze	18	3,088
9	Aeroviaggi	13	3,082
10	CDSHotels	12	2,383
11	iH Hotels	22	2,258
12	Apogia Hotels Group	36	2,220
13	Geturhotels	15	2,123
14	Amapa Group	18	2,110
15	Aurum Hotels	16	2,108
16	Club Esse Hotels & Resorts	13	2,092
17	Chincherini Holiday Group	25	2,075
18	Parc Hotels Italia	13	2,004
19	Hnh Hospitality	15	1,970
20	Gruppo Loan Hotels	14	1,765

BRANDS			
Rank	Domestic Chain Brands	Hotels	Rooms
1	TH Resorts	29	5,900
2	Bluserena	13	4,264
3	UNAHOTELS	25	4,048
4	Blu Hotels	30	3,210
5	Studio Vacanze	18	3,088
6	Voi Hotels	10	2,959
7	Starhotels Premium	17	2,768
8	CDSHotels	12	2,383
9	Iti Hotels-Marina H&R	17	2,381
10	iH Hotels	21	2,195
11	Geturhotels	15	2,123
12	Aurum	16	2,108
13	Club Esse	13	2,092
14	Chincherini Holiday Group	25	2,075
15	Parc Hotels	13	2,004
16	Apogia Hotels Beach	28	1,712
17	Mangia'S Resorts	7	1,689
18	I Grandi Viaggi	6	1,667
19	Aries	4	1,640
20	Delphina	8	1,582

CHAINS			
Rank	International Chain Groups	Hotels	Rooms
1	Best Western Hotels & Resorts	151	10,778
2	Accor	82	10,557
3	Marriott International	62	9,896
4	Minor Hotels	57	8,627
5	Hilton Hotels & Resorts	31	5,605
6	B&B Hotels	59	5,484
7	IHG Hotels & Resorts	26	4,074
8	TUI Group	6	1,496
9	Radisson Hotel Group	10	1,433
10	Club Med	3	1,401
11	FMTG	8	1,261
12	Westmont Hospitality Group	9	1,235
13	Hotusa Group	10	998
14	Fattal Hotels Group	5	899
15	Meliá Hotels International	6	878
16	The Social Hub	2	751
17	Zeus International	4	740
18	Barceló Group	3	732
19	Choice Hotels International	8	654
20	Rocco Forte Hotels	7	653

BRANDS			
Rank	International Chain Brands	Hotels	Rooms
1	Best Western	84	6,074
2	NH Hotels	39	5,923
3	B&B	59	5,484
4	Mercure	33	3,543
5	NH Collection	16	2,220
6	Best Western Plus	26	2,195
7	Novotel	13	2,136
8	Hilton	6	1,939
9	Sheraton	6	1,852
10	Ibis Styles	15	1,640
11	Holiday Inn	10	1,639
12	Ibis	8	1,481
13	Crowne Plaza	7	1,475
14	Club Med	3	1,401
15	Doubletree By Hilton	8	1,350
16	AC Hotels Marriott	11	1,311
17	Falkensteiner H&R	8	1,261
18	Hilton Garden Inn	7	1,175
19	Four Points By Sheraton	6	1,114
20	Marriott	3	1,076



Chain hotels penetration rate

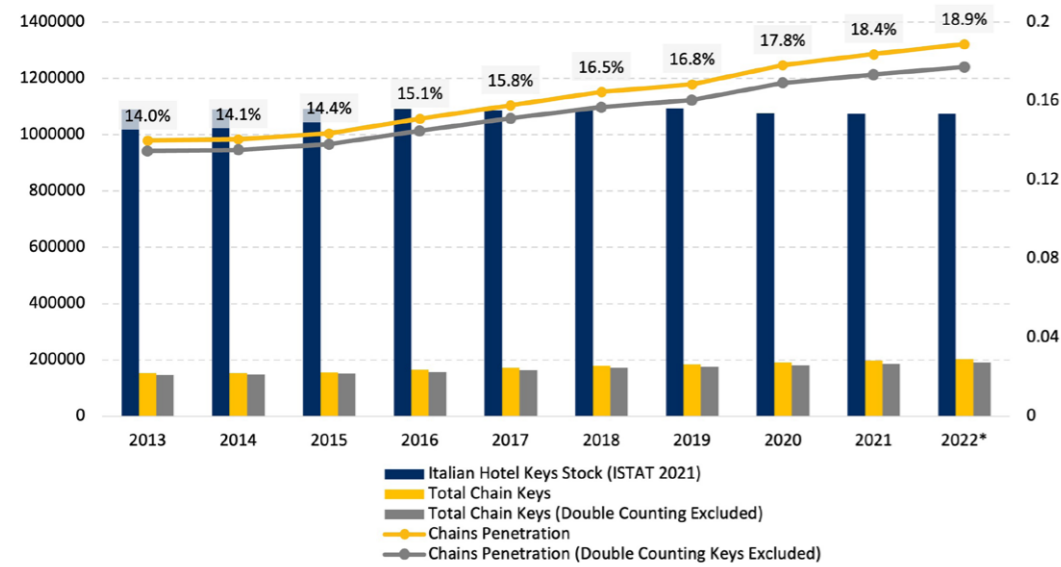
Over the last decade, the penetration of Chain hotel rooms over the Italian Stock has gradually increased with a sustained rate of 3.4% (CAGR), while the overall room stock remained stable (-0.2% CAGR).

Although superficial in absolute values, the growing gap between the penetration rate recorded of the Chain hotels, including double counting keys, and the one excluding double counting, which passed from 0.5% to 1.2%, shows the increasing role of white label operators in Italy.

The penetration rate of Chain hotels rooms in the Economy segment is stable at 2%. Even though remarkable projects are in the pipeline, this still constitutes to be an untapped market segment to be further explored both in terms of brand and product targeting especially youngsters, students, and budget travelers.

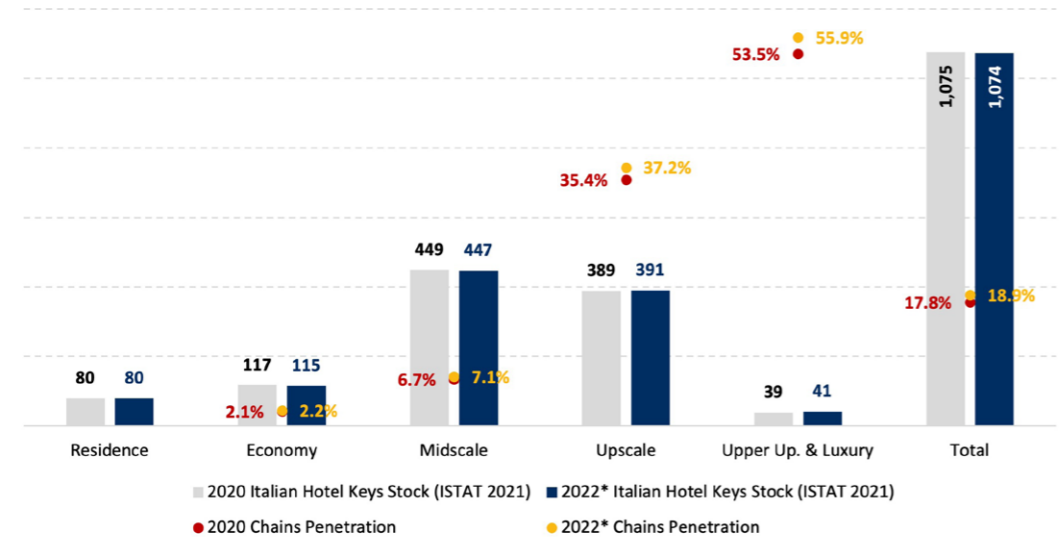
In the Upper Upscale & Luxury category, more than half of the hotel keys in Italy are branded, making it the tier with most Chain hotel keys – in percentage terms - in the Italian market, and the fastest growing one. Compared to 2020, the Midscale and the Upscale Market category registered a slight increase.

2013-2022: Chain Hotel Average Size per scale and Chains' Origin in number of keys



*2022: due the lack of ISTAT's Updates, the values for the 2022 Italian Stock are assumed to be equal to 2021. Source: ISTAT, Horwath HTL Italy

2020-2022: Italian hotel rooms stock by scale and Chains' penetration rate (,000 keys)



*2022: due the lack of ISTAT's Updates, the values for the 2022 Italian Stock are assumed to be equal to 2021. Source: ISTAT, Horwath HTL Italy

Chain hotels by scale and brands

In 2022, the total Chain Brands present in Italy amount to 287, of which 158 are Domestic and 129 International. Nevertheless, as several brands cover different market scale, the potential number of brands, or gross number of brands, could be assessed at 465, of which 300 Domestic and 165 International.

Domestic groups account for 1,249 hotels and 158 hotel brands, or 66% of the overall number of Chain properties and 55% of the Chain brands in the market. International groups recorded 643 properties and 129 hotel brands, or 34% of the overall Chain supply and 45% of the Chain brands in the market.

In 2022, Domestic Chains brands still held the most significant market share in terms of the number of hotels and rooms as well as the total number of brands, with the only exception of the Upper Upscale & Luxury segment. In this, the properties are equally shared, and the number of brands is greater for the International groups.

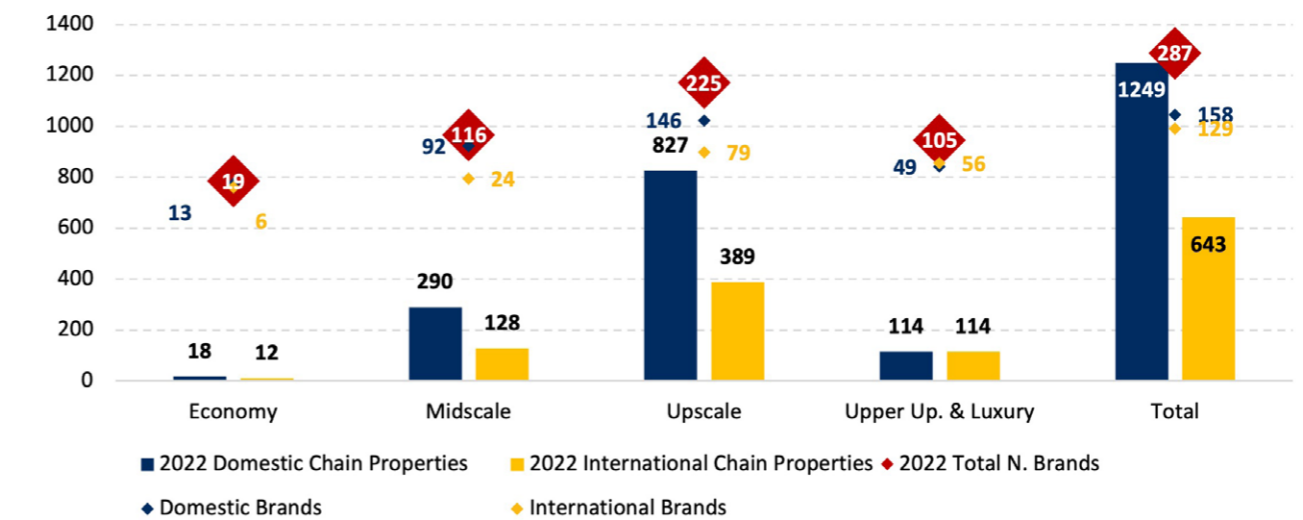
Compared to last year, Domestic Chains recorded a net increase of 63 hotels, while International Chains recorded a net decrease of 2 properties. The dominance of the Domestic brands is still very

marked in the Upscale properties (827 vs. 389 hotels), where international operators lost 14 properties against the Domestic, which added 32 hotels.

The Upscale segment accounts for 64% of the total Chain supply in the number of properties. Aligned with this, in this market are present 225 hotel brands, the highest by far than any other segment.

Far behind is the Midscale tier, with 418 properties and 116 brands. The Upper Upscale & Luxury segment represents 12% of the total Chain hotels. The Economy tier holds 2% of the full supply share with its 30 hotels.

2022: Chain Properties and Brands by Scale and Origin



Source: Horwath HTL Italy

Ranking by Scale & Groups

OVERALL				DOMESTIC CHAIN GROUPS			INTERNATIONAL CHAIN GROUPS				
	Economy & Midscale (1-3*)	Hotels	Rms	Economy & Midscale (1-3*)	Hotels	Rms	Economy & Midscale (1-3*)	Hotels	Rms		
1	B&B Hotels	55	5,103	1	TH Resorts	9	1,655	1	B&B Hotels	55	5,103
2	Accor	20	2,635	2	Geturhotels	7	1,330	2	Accor	20	2,635
3	Best Western H&R	36	1,973	3	Chincherini HG	12	1,205	3	Best Western H&R	36	1,973
4	TH Resorts	9	1,655	4	Apogia Hotels Group	15	768	4	The Social Hub	2	751
5	Geturhotels	7	1,330	5	Fabilia H&R	7	589	5	Club Med	1	681
6	Chincherini HG	12	1,205	6	Bianchi Hotels	8	575	6	A&O H&H	2	593
7	Apogia Hotels Group	15	768	7	Aeroviaggi	1	559	7	Louvre Hotels Group	4	533
8	The Social Hub	2	751	8	Aurum Hotels	2	530	8	IHG H&R	4	456
9	Club Med	1	681	9	Club Esse H&R	5	507	9	Meininger Hotels	4	441
10	A&O H&H	2	593	10	Gruppo Mondotondo	1	456	10	Marriott International	2	362

	Upscale & U.Upscale (4-4S*)	Hotels	Rms	Upscale & U.Upscale (4-4S*)	Hotels	Rms	Upscale & U.Upscale (4-4S*)	Hotels	Rms		
1	Best Western H&R	115	8,805	1	Gruppo UNA	41	5,043	1	Best Western H&R	115	8,805
2	Minor Hotels	48	7,576	2	TH Resorts	21	4,393	2	Minor Hotels	48	7,576
3	Accor	58	7,398	3	Bluserena	11	4,030	3	Accor	58	7,398
4	Marriott International	34	6,287	4	Starhotels	22	3,499	4	Marriott International	34	6,287
5	Gruppo UNA	41	5,043	5	Iti Hotels	25	3,417	5	Hilton H&R	25	4,471
6	Hilton H&R	25	4,471	6	Gruppo Studio Vac.	18	3,088	6	IHG H&R	21	3,554
7	TH Resorts	21	4,393	7	Alpitour	11	3,058	7	TUI Group	6	1,496
8	Bluserena	11	4,030	8	Blu Hotels	25	3,030	8	Hotusa Group	9	950
9	IHG H&R	21	3,554	9	CDSHotels	10	2,287	9	Westmont Hospitality	4	871
10	Starhotels	22	3,499	10	iH Hotels	20	2,080	10	FMTG	5	839

	Luxury (5-5L*)	Hotels	Rms	Luxury (5-5L*)	Hotels	Rms	Luxury (5-5L*)	Hotels	Rms		
1	Marriott International	26	3,247	1	Aeroviaggi	3	834	1	Marriott International	26	3,247
2	Minor Hotels	9	1,051	2	Delphina H&R	3	564	2	Minor Hotels	9	1,051
3	Hilton H&R	5	986	3	GB Thermae Hotels	3	542	3	Hilton H&R	5	986
4	Aeroviaggi	3	834	4	Batani Select Hotels	3	451	4	Radisson HG	7	810
5	Radisson Hotel Grp	7	810	5	Gruppo Mazzella	2	448	5	Rocco Forte Hotels	7	653
6	Rocco Forte Hotels	7	653	6	Adler Spa R&L	6	394	6	Meliá Hotels Int.	4	632
7	Meliá Hotels Int.	4	632	7	Sina Hotels Group	5	391	7	Accor	4	524
8	Delphina H&R	3	564	8	Baglioni H&R	6	384	8	Palladium HG	2	469
9	GB Thermae Hotels	3	542	9	Iti Hotels	2	375	9	Belmond	8	440
10	Accor	4	524	10	Starhotels	4	348	10	FMTG	3	422

Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy (1-2*)	30	2,578	1.3%	86	18	649	12	1,929
Midscale (3*)	418	31,769	15.7%	76	290	19,480	128	12,289
Upscale & U.Upscale (4-4S*)	1,216	145,305	71.7%	119	827	95,228	389	50,077
Luxury (5-5L*)	228	23,044	11.4%	101	114	10,210	114	12,834
TOTAL	1,892	202,696	100%	107	1,249	125,567	643	77,129

Chain hotels by business model

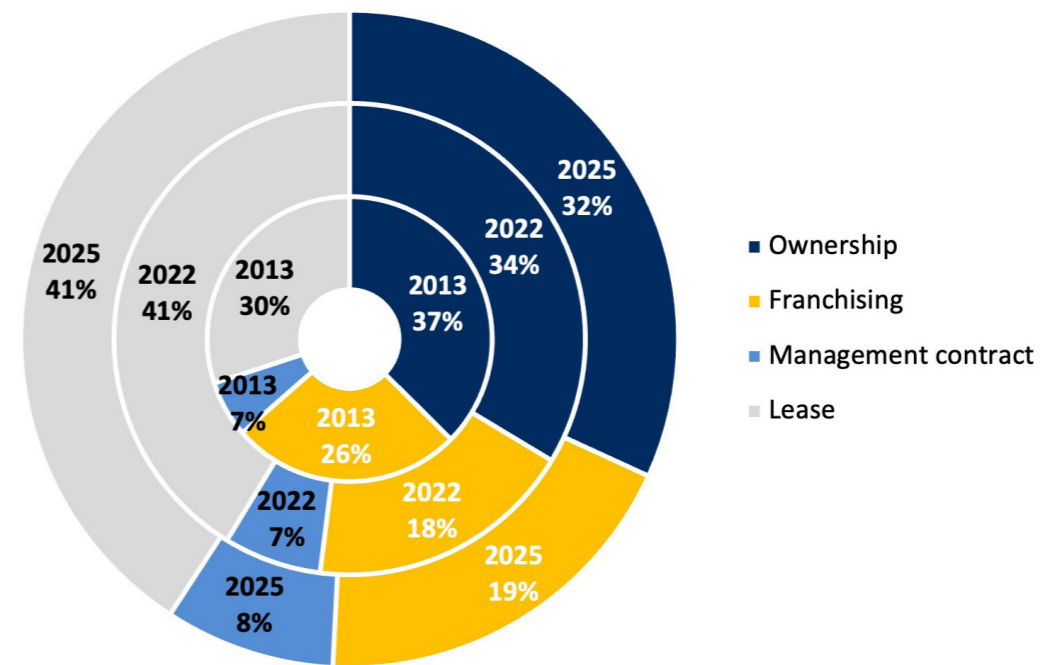
The most popular business models remain Ownership and Lease, stable at respectively 34% and 41% of the total Chain hotels.

In this last decade, the business model preferences have evolved in favor of Lease contracts while diminishing franchises and, slightly only, for Ownership.

The Management contract model position itself as the last preferred mode. Nevertheless, the achieved 7% in 2022, the same as ten years ago, shows the model's resilience, thus its importance for the market and industry.

However, the dramatic increase in the share of the Lease model sets forth the traits of the Italian market, especially on the requirements and preferences of the owners.

2022 VS 2013: Breakdown of Chain hotels by business model



Source: Horwath HTL Italy

Chain Hotels by Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Contr	%	Owned	%	Total	%
Economy	1	0.3%	12	1.5%	1	0.8%	16	2.5%	30	1.6%
Midscale	64	18.4%	199	25.5%	26	20.5%	129	20.3%	418	22.1%
Upscale & U.Upscale	260	74.7%	501	64.1%	62	48.8%	393	61.8%	1,216	64.3%
Luxury	23	6.6%	69	8.8%	38	29.9%	98	15.4%	228	12.1%
TOTAL	348	100%	781	100%	127	100%	636	100.0%	1,892	100%

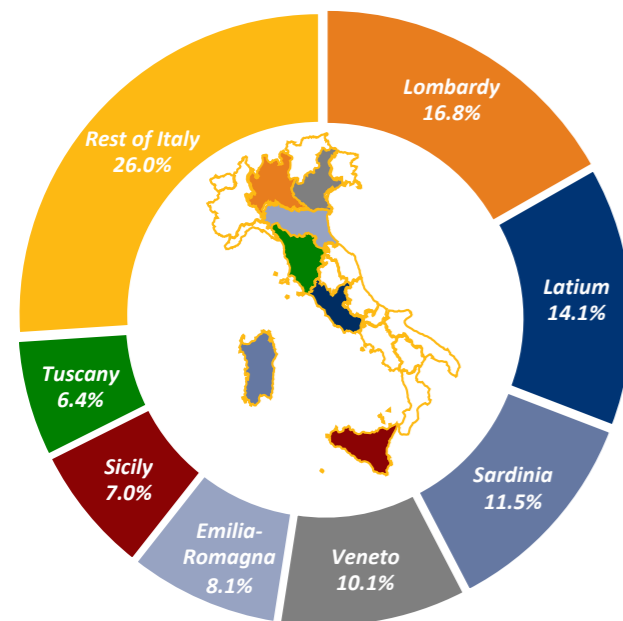
BY ROOMS										
	Franchise	%	Lease	%	Mgt Contr	%	Owned	%	Total	%
Economy	17	0.0%	638	0.7%	50	0.3%	1,873	2.9%	2,578	1.3%
Midscale	4,703	13.1%	16,608	19.3%	2,257	13.4%	8,201	12.8%	31,769	15.7%
Upscale & U.Upscale	29,035	80.8%	62,176	72.3%	9,415	55.9%	44,679	69.8%	145,305	71.7%
Luxury	2,182	6.1%	6,517	7.6%	5,131	30.4%	9,214	14.4%	23,044	11.4%
TOTAL	35,937	100%	85,939	100%	16,853	100%	63,967	100%	202,696	100%

Source: Horwath HTL Italy

Chain hotels top destination

Lombardy (16.8%), Latium (14.1%), Sardinia (11.5%), and Veneto (10.1%) still hold together more than half of the branded hotels in the country, accounting 52% of the total share.

2022 Distribution of Chain properties per region



Source: Horwath HTL Italy

In 2022, Rome held the first podium regarding Chain properties and keys, registering 232 hotels and 25.7K rooms.

Following up the capital, with 9,000 fewer Chain rooms, is Milan with its 16.7K keys, Venice with 7,9K rooms, and Florence with 6,2K rooms.

Compared to last year, all the top 10 Chain destinations grew on average by 4% in terms of rooms, double counting included.

Only Milan and, especially, Genoa saw their room portfolio decrease by -103 (-1%) and -305 keys (-9%), respectively, despite their properties count increased by +8 properties for the first one, and +1 for the second.

The most substantial growth is recorded in the Arzachena region, in Northern Sardinia, where Chain rooms increased by 17% annually. Florence and Venice also recorded strong growth with a 10% and 11% increase in room count, respectively.

The observed trend shows that the key 5 Italian cities are still attractive to hotel groups and confirms the growing interest in other destinations in the country.

2021-2022: Top 10 destinations by Chain rooms

Rank	Destination	CHAIN HOTEL PROPERTIES				CHAIN HOTEL KEYS			
		2021	2022	YoY change	YoY change	2021	2022	YoY change	YoY change
1	Rome	204	232	28	14%	24,494	25,699	1,205	5%
2	Milan	120	128	8	7%	16,834	16,731	-103	-1%
3	Venice	74	80	6	8%	7,236	7,985	749	10%
4	Florence	64	73	9	14%	5,631	6,244	613	11%
5	Bologna	23	25	2	9%	3,326	3,414	88	3%
6	Genoa	24	25	1	4%	3,323	3,018	-305	-9%
7	Turin	24	25	1	4%	2,671	2,663	-8	0%
8	Budoni	14	15	1	7%	2,399	2,435	36	2%
9	Arzachena	17	21	4	24%	1,848	2,153	305	17%
10	Naples	16	19	3	19%	2,026	2,133	107	5%

Source: Horwath HTL Italy

Over the last decade, these top 10 destinations recorded a 2.4% CAGR passing from 58K to 72K rooms, or an increase of 24%. Similarly, the Chain hotels count increased by a 3% CAGR, passing from 492 to 643 properties, or an increase of 31%. In absolute values, Rome recorded the highest room increase, with almost 5,000 rooms in 10 years, while Milan and Venice 2,5K and 2,8K respectively. However, the Budoni destination, in Central Western Sardinia, recorded the most substantial relative growth with 12% CAGR in 10 years, passing from 900 to 2,5K rooms.

2013-2022: Top 10 destinations by Chain rooms

Rank	Destination	CHAIN HOTEL PROPERTIES				CHAIN HOTEL KEYS			
		2013	2022	% VAR	% CAGR	2013	2022	% VAR	% CAGR
1	Rome	158	232	47%	4%	20,937	25,699	23%	2%
2	Milan	103	128	24%	2%	14,248	16,731	17%	2%
3	Venice	60	80	33%	3%	5,188	7,985	54%	5%
4	Florence	63	73	16%	2%	5,280	6,244	18%	2%
5	Bologna	23	25	9%	1%	2,976	3,414	15%	2%
6	Genoa	23	25	9%	1%	2,623	3,018	15%	2%
7	Turin	24	25	4%	0%	2,492	2,663	7%	1%
8	Budoni	6	15	150%	11%	906	2,435	169%	12%
9	Arzachena	19	21	11%	1%	1,962	2,153	10%	1%
10	Naples	13	19	46%	4%	1,771	2,133	20%	2%

Source: Horwath HTL Italy

In the past years, the average size of the top 5 cities is slowly decreasing thanks to the arrival of significant luxury international players and the continuous development of lifestyle hotels over limited-service properties. In the Economy tier, Rome and Milan are still behind. However, the announced pipeline will make them more competitive at the national level.

2022: Average Chain hotels size by scale in the top 5 cities in Italy

Destination	Economy	Midscale	Upscale	Upper Up. & Luxury	Destination Average
Rome	72	72	123	105	111
Milan	58	89	143	140	131
Venice	184	53	95	130	100
Florence	202	61	91	71	86
Bologna	361	128	128	106	137

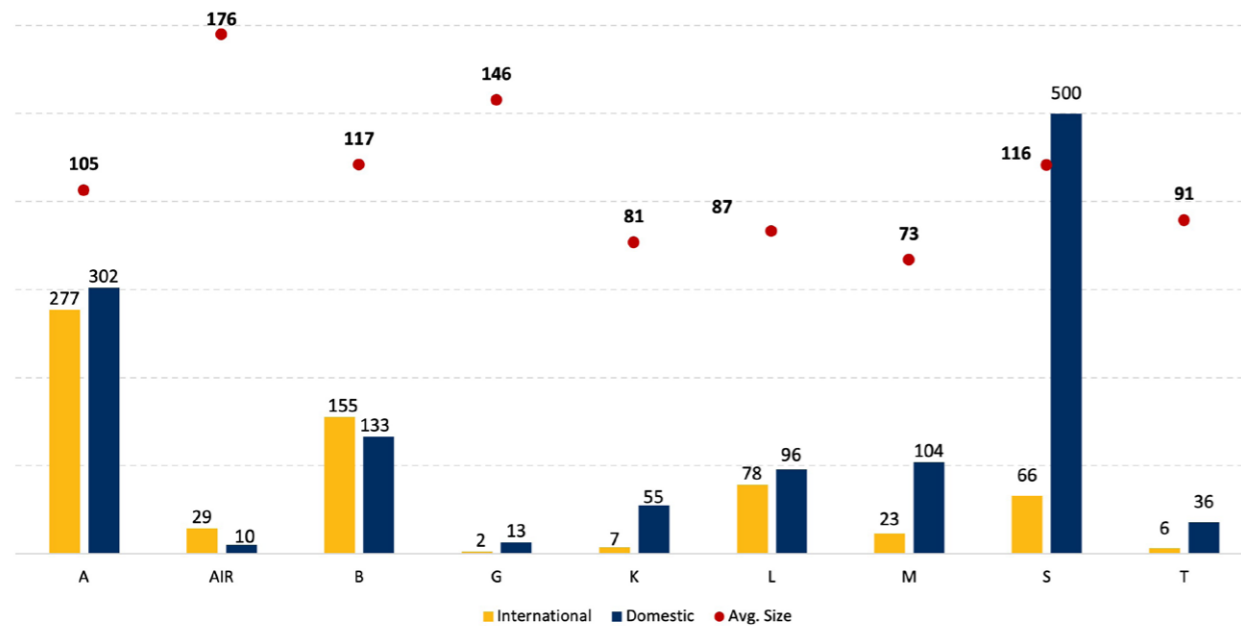
Source: Horwath HTL Italy

Over 60% of the branded hotels are either in Art & Business locations (A & B) or Sun & Beach destinations (S), almost equally distributed, gaining new branded properties yearly.

As confirmed by the properties announced in the pipeline, the interest of international players is growing toward sea destinations, still dominated by Domestic groups.

With the announcement of the Olympic Games in Cortina, mountain destinations (M) are becoming more appealing. Only in 2022 were three properties and 104 keys added. Especially the locations nearby Cortina will change consistently in the next four years.

2022 Breakdown of Chain properties by destination type and Chains' Origin



Destination types: A for Art Cities, AIR for Airports, B for Business Focused, G for Golf, K for Lakes, L for Other Leisure destinations, M for Mountains, S for Sun & Beach, and T for Thermal/Spa destinations.

Source: Horwath HTL Italy

Demand Drivers

DRIVER	OVERALL		DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
A: Art & Business	579	60,836	302	26,055	277	34,781
AIR: Airport	39	6,859	10	1,402	29	5,457
B: Business Focus	288	33,612	133	14,723	155	18,889
G: Golf	15	2,190	13	1,871	2	319
K+L: Other Leisure	236	20,107	151	13,380	85	6,727
M: Ski	127	9,322	104	7,351	23	1,971
S: Sun & Beach	566	65,928	500	57,348	66	8,580
T: Thermal	42	3,842	36	3,437	6	405

Top 5 Brands by destination type in 2022

ART & BUSINESS (A)					SKI (M)				
Rank	Brand	Hotels	Rooms	Market	Rank	Brand	Hotels	Rooms	Market
1	Nh Hotels	20	3,086	5.1%	1	Th Resorts	10	1,786	19.2%
2	Best Western	26	1,986	3.3%	2	Blu Hotels	9	705	7.6%
3	Unahotels	11	1,966	3.2%	3	Saint Jane H&S	10	536	5.7%
4	B&B	22	1,946	3.2%	4	Falkensteiner H&R	5	418	4.5%
5	Mercure	15	1,813	3.0%	5	Geturhotels	4	400	4.3%

BUSINESS FOCUS (B)					GOLF (G)				
Rank	Brand	Hotels	Rooms	Market	Rank	Brand	Hotels	Rooms	Market
1	B&B	25	2,365	7.0%	1	Voi Hotels	1	903	41.2%
2	Nh Hotels	14	2,353	7.0%	2	Mira H&R	3	251	11.5%
3	Best Western	23	1,707	5.1%	3	Rocco Forte	1	203	9.3%
4	Unahotels	9	1,598	4.8%	4	Veratour	1	138	6.3%
5	Starhotels Premium	8	1,334	4.0%	5	Starhotels Collezione	1	124	5.7%

OTHER LEISURE (K+L)					THERMAL (T)				
Rank	Brand	Hotels	Rooms	Market	Rank	Brand	Hotels	Rooms	Market
1	Chincherini Holiday Group	16	1,572	7.8%	1	Dimhotels	9	898	23.4%
2	Parc Hotels	7	1,171	5.8%	2	Gb Thermae Hotels	5	855	22.3%
3	Best Western	17	1,068	5.3%	3	Adler Spa Resorts & Lodges	6	394	10.3%
4	Blu Hotels	8	1,009	5.0%	4	Qc Terme	6	354	9.2%
5	Zacchera Hotels	5	909	4.5%	5	Aurum	2	290	7.5%

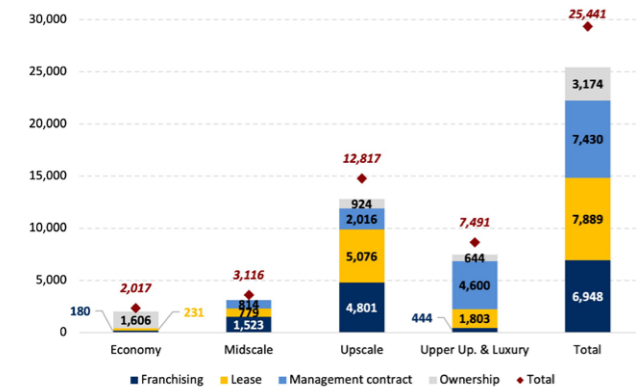
SUN & BEACH (S)					AIRPORT (AIR)				
Rank	Brand	Hotels	Rooms	Market	Rank	Brand	Hotels	Rooms	Market
1	Bluserena	11	3,794	5.8%	1	Novotel	3	594	8.7%
2	Th Resorts	14	3,183	4.8%	2	Crowne Plaza	2	569	8.3%
3	Studio Vacanze	17	2,938	4.5%	3	Hilton	1	517	7.5%
4	Iti Hotels-Marina	19	2,702	4.1%	4	Hilton Garden Inn	2	489	7.1%
5	Cdshotels	12	2,383	3.6%	5	Best Western	5	469	6.8%

Source: Horwath HTL Italy

Pipeline by Scale & Business Model

By the end of 2025, the Chain portfolio is expected to increase by 24,758 keys and 184 prop-erties, with new 25,441 keys and 683 exiting keys. Out of the new keys, and including double counting, 50% of them will be in the Upscale tier, and 29% in the Upper Upscale & Luxury segment. New international players are expected to enter for the first time in the Belpaese such as, but not limited to, Evok Hotels, Leeu Collection, Nobu Hospitality, Ruby Hotels, Kerten Hos-pitality, Auberge Resorts Collection.

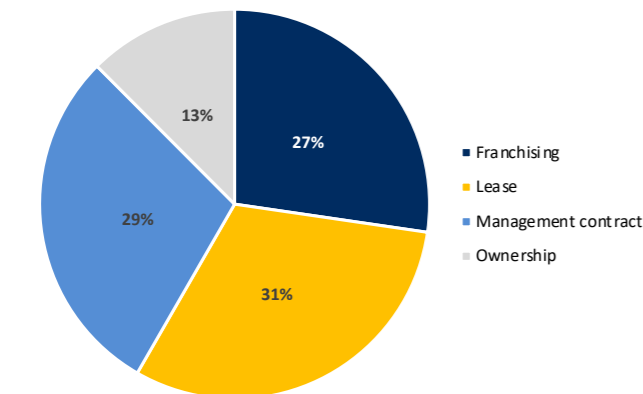
2023-2025 New Chain Hotel Keys by Hotel Scale, including double counting (IDC)



Source: Horwath HTL Italy

In the next three years, Lease, HMA, and Franchising are expected to grow similarly, with the Lease model on top with 31% of the announced keys, followed by the Hotel Management Agreement with 29% and, eventually, Franchising with 27%. Aligned with the last decade's trends, the Ownership will continue to lose ground.

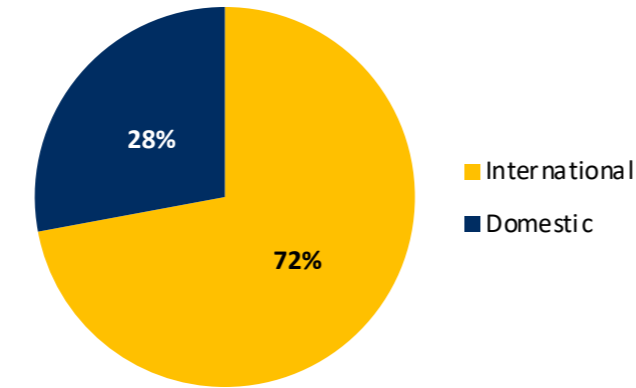
2023-2025 New Chain Hotel Keys by Business Model, including double counting (IDC)



Source: Horwath HTL Italy

International operators are year by year more attracted to the country, in fact less than 30% of the properties in the pipeline will belong to Domestic Chains.

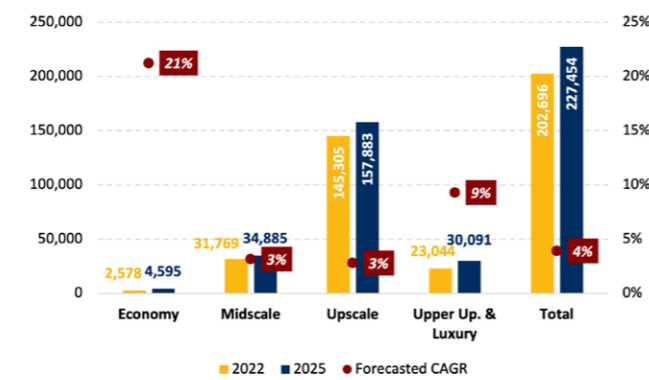
2023-2025 New Chain Hotel Keys by Origin, including double counting (IDC)



Source: Horwath HTL Italy

If the actual database will remain unvaried as the rooms in the pipeline, the Italian Chain supply should increase by 12% over the next three years, with CAGR of 4%. Here follows a sneak peek of the 2025 Chain Hotels Supply.

2022 vs 2025 Chain Hotel Keys Breakdown by Hotel Scale, including double counting (IDC)

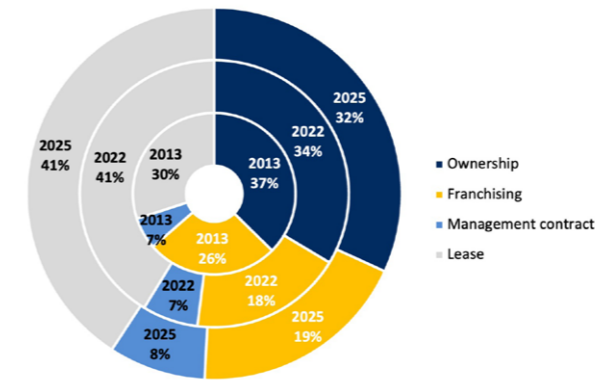


Source: Horwath HTL Italy

By 2025 the existing supply of the Economy tier will be boosted a 21% CAGR, with almost 2,000 new rooms, followed, at long distance, by the Upper Upscale & Luxury (+9% CAGR), Midscale (+3% CAGR) and Upscale (+3% CAGR).

If the actual database will remain unvaried as the rooms in the pipeline, the Italian Chain supply should increase by 12% over the next three years, with CAGR of 4%. Here follows a sneak peek of the 2025 Chain Hotels Supply.

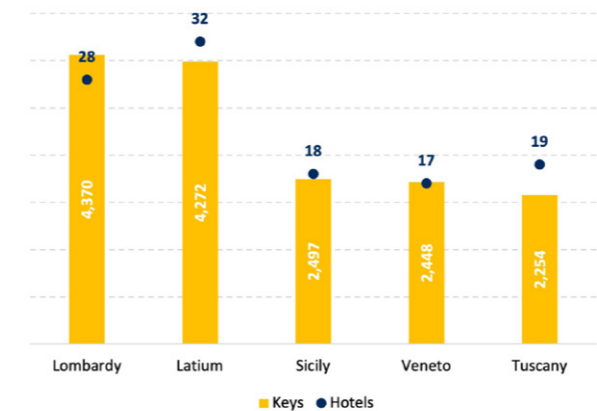
2023 / 2022 / 2025 Chain Hotel Keys Breakdown by Business Model, including double counting (IDC)



Source: Horwath HTL Italy

The future hotel development will involve mainly the following five regions, confirming the actual interest of investing in the establish target destination.

2023-2025 Pipeline: Top 5 Italian regions



Source: Horwath HTL Italy

These Top 5 Regions hold more than 70% of the current Pipeline for the next three years, for a total of 114 hotels and 15,8K hotel Keys, excluding double counted properties.

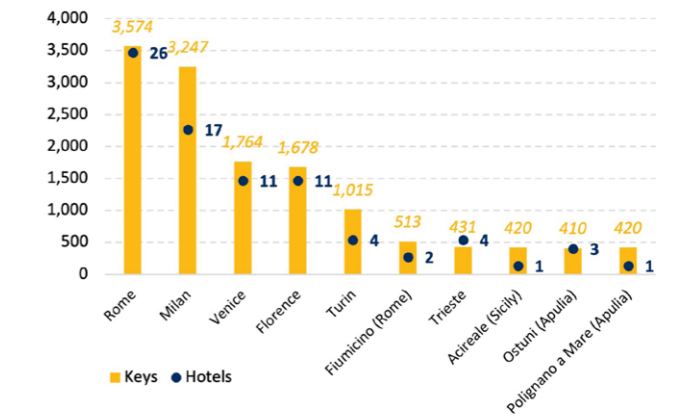
Latium and Lombardy will equally lead the way, with 38% of the announced pipeline, for a total of 8,6K hotel keys and 60 hotel properties.

In the Latium region, a large part of the pipeline, will play in the luxury tier making the roman scenario very competitive also thanks to the arrival of renowned international players coming for the first time in Italy.

By contrast, Lombardy is forecasted to add +4.3K keys not only in Milan, an evergreen target city, but also in secondary destinations of the industrial region.

Apulia, Piedmont, and Campania are also expected to be very dynamic, accounting together over 3,500 new rooms, respectively with 1,227 keys, 1,158 and 1,132. The rising interest in Sardinia and Emilia-Romagna regions marks the interest of developing on investing in the Sun & Beach market and overall, in secondary destinations.

2023-2025 Pipeline: Top 10 destinations



Source: Horwath HTL Italy

At both national and international levels, Art cities remain the most targeted, but there is also a growing interest in secondary destinations especially for Sun & Beach destinations.

Top 3 Hot Topics

Italy is a mosaic of extraordinary destinations with countless opportunities. As intercontinental travel is kicking back, the hospitality market is taking this chance to reinforce its competitiveness. Domestic and international players are actively launching new projects to boost the general offer, thus improving the quality of the overall hospitality supply.

1. Costa Smeralda, an evergreen destination.

Costa Smeralda, the iconic beach location in the Sardinia region, is back to life, and international players are increasingly interested in investing in this location. Even though this destination can be considered seasonal, the past years' results in terms of KPIs are impressive thanks to the presence of high spenders' international tourists. In 2023, Olbia Airport is expected to attract 3.7 million passengers thanks to the connection with 73 destinations, of which 19 in Italy and 54 abroad over 21 countries.

The hospitality scenario has been relatively stable and stagnant in the past five years. However, by 2026 this luxury location is expected to be shaken by the arrival of international players such as, but not limited to, Rosewood, Accor's Delano, Rocco Forte, and both from the LVMH group, Belmond and Cheval Blanc, the latter for the first time in Italy - taking over two of the most iconic properties respectively, the Hotel Romazzino and Hotel Pitrezza.

Will this destination re-flourish as the new summer hot spot of la Dolce Vita worldwide?

2. Cortina, back on top.

As widely announced, Cortina will host the 2026 Winter Olympics and Paralympics Games for the second time after 70 years. This global event has been seen as an opportunity to renew the hotel supply of the destination. Domestic and international investors back up the announced projects concerning brownfield development.

In 2022, Cortina d'Ampezzo accounted for 15 Chain hotels and 872 keys, with four Upper Upscale & Luxury hotels, five properties in the Upscale segment, and six Midscale hotels and, respectively, an average size of 89, 50, and 44 keys.

Over ten hotel projects are currently under development. Some of the most outspoken projects must be mentioned, such as the Mandarin Oriental Cristallo, which will reopen in 2025, the Hotel Ancora, with 40 keys under SD Hotels, and the Rosapetra Spa Resort, with 33 keys by the domestic brand The Unexpected Collection. Cortina is a destination heavily characterized by high-end secondary residences, multigenerational family-run

hotels, and a few hotel brands. Thanks to the ongoing interests of international and domestic investors and operators, this market is opening up to new global demand and becoming Italy's first mountain destination for the number of chain hotel properties, especially on the high-end level.

On top of this, this hospitality impulse is also observed in the general F&B supply in the city, where new high-end culinary outlets have opened and more to come, thus strengthening the attractiveness of Cortina as a prime high-end "Salotto" lifestyle location.

Cortina meets all the conditions over the next few years to affirm its undisputed position as the prime Italian mountain destination and, more importantly, regain its spot in the world-class league of mountain destinations such as Courchevel, Zermatt, Crans-Montana, or Aspen.

3. Golf, can Italy (finally) become a new international golf destination?

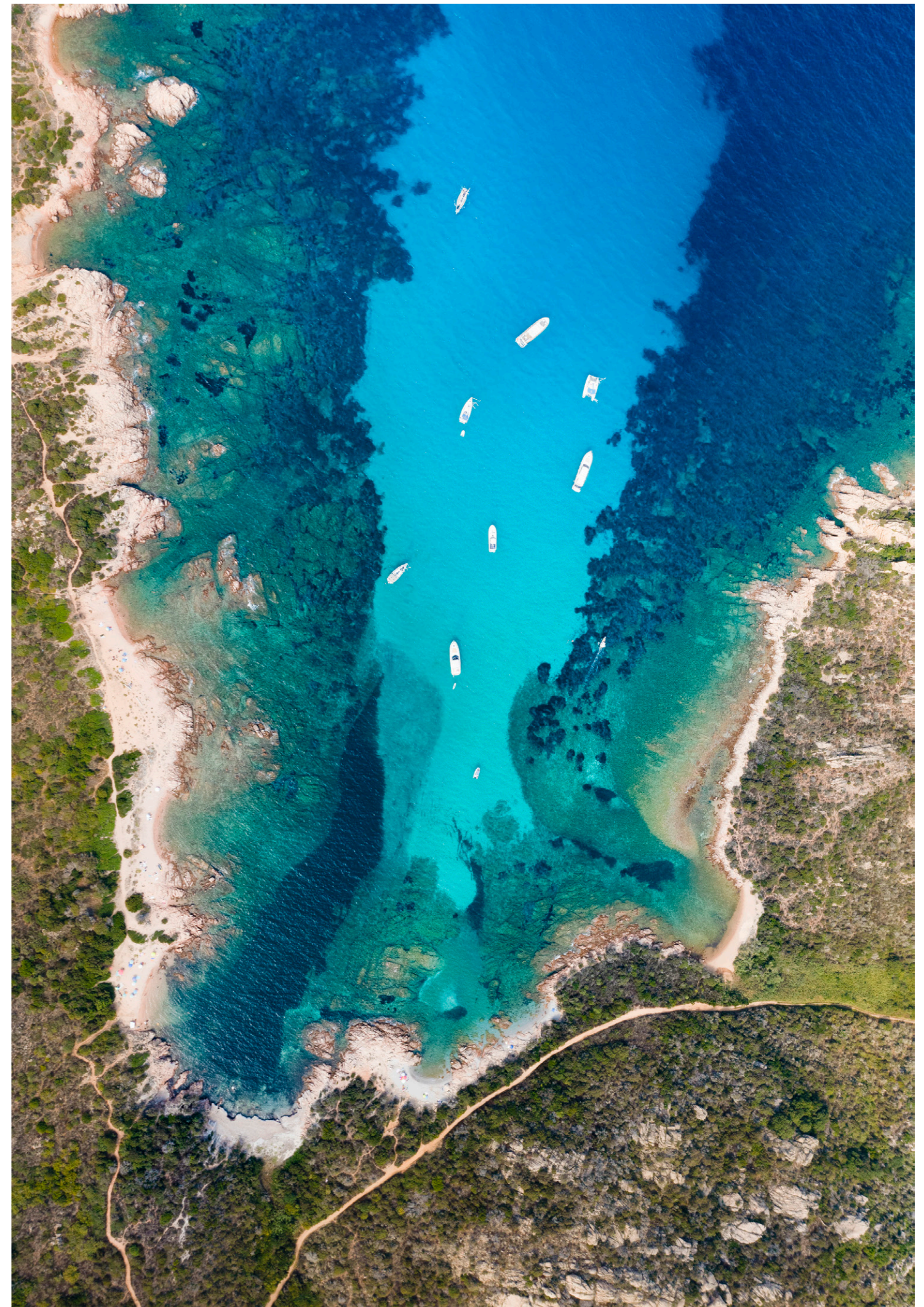
According to the latest ENIT surveys, Italy has 385 national Golf Clubs, of which the Italian Golf Federation has defined 104 as having a tourist vocation and only one PGA course (Argentario Golf Resort).

The northern regions hold the most significant number of camps (65%), with Lombardy and Piedmont standing out, by a long-distance Central Italy (22.5%), where Tuscany and Latium lead, and lastly the South (7.7%) along with the Islands (4.9%), which remain minor in terms of market share. Thanks to its diversified landscape and scenarios, the Belpaese has the potential to become a very attractive destination for golfers too.

Italy is a very underdeveloped golf market, far behind other European countries such as Spain, Portugal, Ireland, and Scotland. Indeed, this sport's exclusive status, along with the fragmented and limited offer in courses and golf resorts, impedes its development and commercialization, especially at the international level.

Around 5% of tourists come to Italy to play Golf or any related activity. This could reach an additional 1 billion in the post-Ryder Cup period. According to the Italian Golf Federation, this event will bring 157 million euros as tax revenues to the Italian treasury, and around 56 million euros is forecasted for television rights and sponsorships.

Will the Ryder Cup mark the starting point of a new era for Italian Golf?





Legend

Avg	Average
Bn	Billion
CAGR	Compound Annual Growth Rate
F&B	Food & Beverage
GDP	Gross Domestic Product
IDC	Including Double Counting. For instance, a hotel operated by a white label Chain but franchised by an International Chain will be accounted twice in the census
MICE	Meetings, Incentives, Conferences, Exhibitions
Mln	Million
OR	Occupancy Rate
K	Thousand
YoY	Year Over Year
YTD	Year To Date

Definitions

Hotel Chains (in this report): any hotel organization operating 5 or more hotels in the world by owning, managing, leasing or franchising properties.
Simple ownership (in the lack of operations control) does not qualify to be reported as an hotel chain.

International Chain: a chain with HQ outside Italy.

Domestic Chain: a chain with headquarter in Italy, including those which also run operations abroad.

White label, Second Tier: a chain operating one or more hotels branded by another chain.

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This version of the Report is distributed for free. We have tried our best to correctly report information and data on the hotel chains by directly contacting the persons responsible for the hotel chains prior to distribution, for data checking, in order to improve accuracy. Nevertheless, involuntary omissions and minor errors may occur as for any census.

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Associazione Italiana Confindustria Alberghi

Associazione Italiana Confindustria Alberghi originated from the merger of the two industries- representing players at Confindustria: the independent hotels and the hotel companies.

Associazione Italiana Confindustria Alberghi is present throughout the country, with more than 2,500 tourist accommodation facilities totaling 175,000 rooms, 70,000 employees, and more than 5 billion Euros in revenues. It is therefore a reference player of the tourism economy in Italy and has an entrepreneurial vision whose main features are commitment, planning skills, and attention to market change and rationale. Associazione Italiana Confindustria Alberghi is a member of Confindustria and of Federturismo and, as such, it integrates with the other players of the Italian economy and tourism industry.

At an international level, Associazione Italiana Confindustria Alberghi looks to new phenomena and dynamics that drive investments and tourist flows. It aims to provide companies with the tools to address today's crisis while looking at the future of an industry that all indicators see as growing strongly worldwide in the years to come.

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