

Valuing a Hotel Management Company

October 2026

THE PORTFOLIO

The portfolio is the starting point

A hotel management company's historical income statements record fees already earned. The hotels it manages provide evidence of whether those fees will grow, persist, or disappear. Valuation should therefore begin with the managed portfolio: its competitive performance, the direction of that performance, and the property values supportable by future operating results.

The management company and its hotels remain different assets. Owners hold the property interests and generally bear the hotels' capital requirements. Managers hold contractual rights to compensation, supported by personnel, systems, relationships, and sometimes proprietary brands. An increase in hotel value does not belong to the manager. It can nevertheless reveal stronger fee capacity, healthier owners, and a greater likelihood of renewal.

The managed portfolio deserves greater weight than a review confined to the manager's earnings history can provide. Competitive position, operating momentum, and prospective hotel value are essential diagnostics of fee durability. Their contribution to a selected multiple must be traced through expected cash flow, contract survival, and risk.

0.5 - 3.5%³

base fees as a share of gross
hotel revenue across one
REIT's managed portfolio

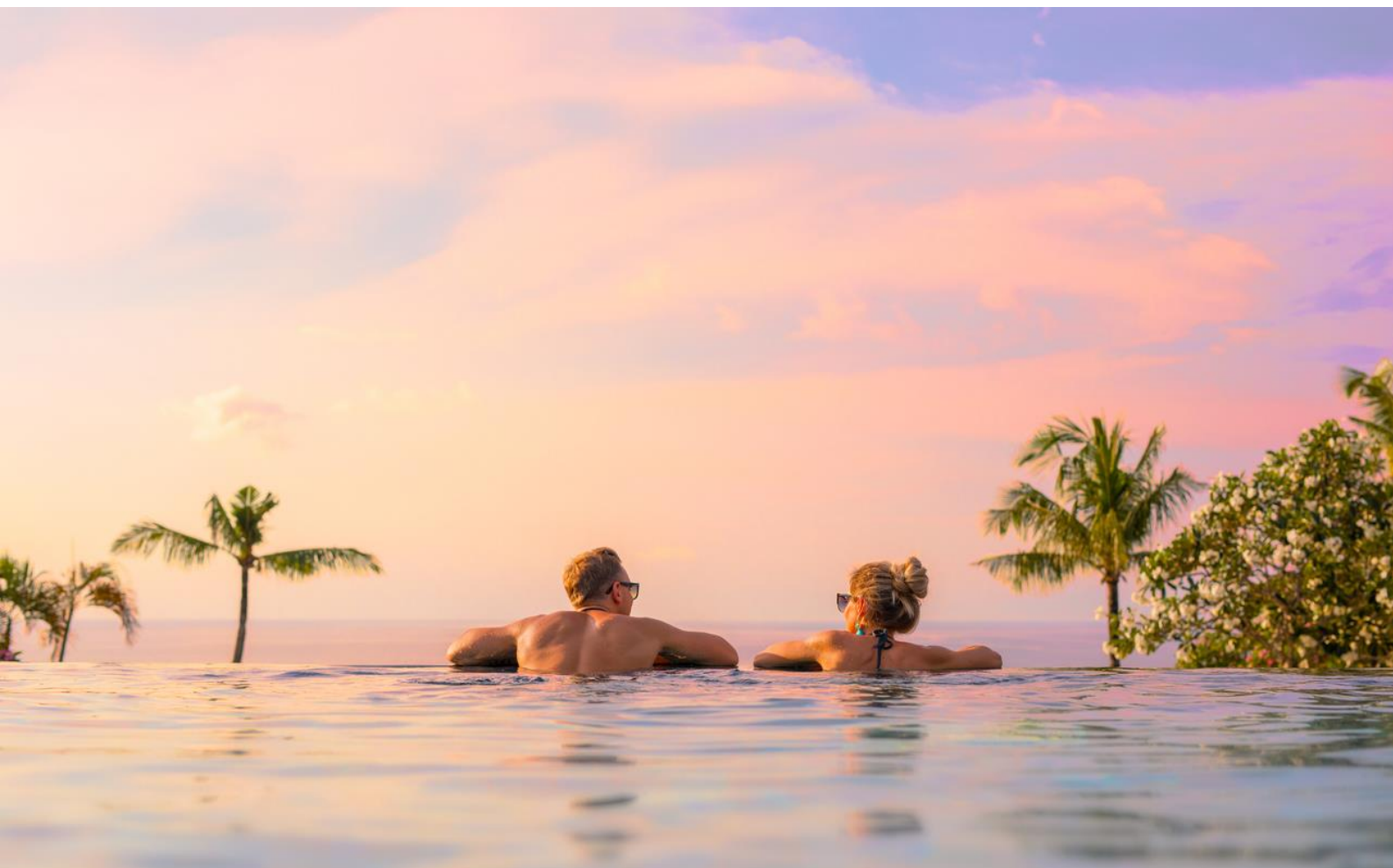
69%⁴

of Marriott's managed hotels
worldwide earned incentive
fees in 2025

~12x⁶

stabilized 2021 EBITDA:
Hyatt's stated multiple for
Two Roads Hospitality,
incl. synergies

Sources: DiamondRock Hospitality (2026); Marriott International (2026); Hyatt Hotels Corporation (2018). See References. Figures are company-specific, not market benchmarks.



WHAT IS BEING VALUED

What the company owns, and how it earns

For a pure third-party manager, the principal earning assets are management contracts and the operating platform that fulfills them, not the managed real estate. Any hotel equity interests or leases require separate identification. Cornell University's Jan A. deRoos describes management agreements as a collection of interdependent rights and obligations covering operations, intellectual property, reporting, and owner protections, rather than a simple fee entitlement (February 2010).¹

Base fees generally vary with hotel revenue; incentive fees depend on contract-defined profit, sometimes after an owner's priority return. Hilton Worldwide Holdings Inc. describes both arrangements in its annual report dated February 11, 2026.² DiamondRock Hospitality Company's February 27, 2026 filing reports base fees ranging from **0.5% to 3.5% of gross hotel revenue** within its portfolio.³ That is evidence of negotiated variation, not a universal market range.

A base fee can remain payable while an owner loses money, although falling revenue reduces the fee and financial distress can impair collection. Incentive fees are more nonlinear. Where payment applies only above an owner's hurdle, the manager participates in upside without receiving a negative incentive payment below the hurdle. Economically, this resembles an option on operating performance.

That analogy does not justify mechanically applying a traded-option formula. The underlying hotel profit is not freely tradable, and caps, cumulative shortfalls, capital-adjusted priorities, guarantees, and termination provisions alter the payoff. Forecast the contractual formula across plausible operating outcomes. Marriott International, Inc. reported earning incentive fees from **69% of its managed hotels worldwide in 2025**, illustrating why incentive income should not be assumed across every contract.⁴

**Forecast the contractual formula across plausible operating outcomes.
Incentive income should not be assumed across every contract.**

Accounting, revenue management, purchasing, technology, and preopening services may generate additional earnings. Establish which charges represent retained revenue and which reimburse costs. Marriott explicitly distinguishes cost reimbursements without a markup in its February 10, 2026 annual report.⁴ A multiple applied to gross receipts that include hotel payroll reimbursements can materially misstate value.

Through a downturn, fixed service charges may hold up better than revenue-based fees while the contract survives, but their margins still depend on delivery costs. Preopening income depends on development activity. Procurement-related income follows purchasing volumes. Each requires its own cycle assumptions rather than the growth rate assigned to base fees.



MARKET EVIDENCE

From observed prices to a selected multiple

Enterprise value divided by normalized earnings before interest, taxes, depreciation, and amortization (EBITDA) measures the price of operating earnings. Enterprise value divided by retained fee revenue provides a complementary check, particularly when overhead is changing. Neither ratio explains value independently. The fee-revenue multiple equals the EBITDA multiple multiplied by the EBITDA margin, provided the definitions and periods match.

Public hotel companies provide reference points, but not direct substitutes for independent operators. Their economics include brands, distribution, loyalty relationships, licensing, and development pipelines. Hyatt Hotels Corporation's investor presentation dated February 12, 2026 separates base, incentive, franchise-related, and non-room-performance fees, including credit-card licensing and vacation-club income.⁵ Applying the whole company's enterprise value to its management-fee segment alone would mismatch numerator and denominator.

Published acquisitions also require reconstruction. At the **November 30, 2018** closing of Two Roads Hospitality, Hyatt reported **\$405 million** of base consideration and up to **\$96 million** of additional consideration. It described total consideration as approximately **12 times stabilized 2021 EBITDA**, incorporating anticipated synergies and growth.⁶ This is neither a trailing-earnings multiple nor an observation for an unbranded regional operator.

Hyatt's **November 29, 2022** Dream Hotel Group announcement specified **\$125 million** of base consideration and approximately **\$12 million** of associated stabilized management fees.⁷ Dividing those figures produces **10.4 times projected stabilized management fees**, an author calculation, not an EBITDA multiple. The acquisition included brands, and additional consideration depended on future openings. This raw price-to-fee ratio therefore neither isolates management-contract value nor measures the entire transaction.⁷

The **October 25, 2019** Aimbridge Hospitality and Interstate Hotels & Resorts merger announcement disclosed no transaction terms.⁸ Its strategic significance does not supply a usable valuation multiple. Absence of a disclosed price and comparable earnings must remain an evidence gap.

Absence of a disclosed price and comparable earnings must remain an evidence gap.



An analyst should proceed in a documented sequence:

01	Define the interest and basis of value Specify enterprise or equity value, the valuation date, the ownership interest and its rights, and whether buyer-specific synergies belong in the assignment.
02	Normalize earnings Reconcile retained fees, recurring service margins, market compensation, necessary corporate staffing, related-party charges, and exceptional termination receipts. Deduct the costs required to preserve service quality.
03	Reconstruct comparables Match consideration, assumed debt, contingent payments, acquired assets, and earnings periods. Distinguish trailing results from projected stabilized earnings and standalone earnings from post-acquisition synergies.
04	Build the portfolio forecast Translate hotel performance into collectible fees, contract survival, servicing costs, reinvestment, and taxes. Quantify downside and renewal cases.
05	Select and reconcile Weight the most comparable evidence, document adjustments for scale, growth, durability, concentration, and platform depth, and compare the indicated value with discounted cash flow (DCF). Express the reconciled value as an implied multiple of the same normalized denominator. Bridge operating enterprise value to equity by adding excess cash and nonoperating assets and subtracting debt and other senior claims. Address control and marketability separately where appropriate; do not presume automatic adjustments.

The International Valuation Standards Council's standards, effective January 31, 2025, address businesses in International Valuation Standard 200 and intangible assets in International Valuation Standard 210. They require consideration of comparability, economic life, and attrition, and caution against reflecting the same factor repeatedly in cash flows and valuation adjustments.⁹

CONTRACT ECONOMICS

Value the contracts through the hotels

Contract-by-contract DCF begins with each hotel's operating forecast. Apply actual fee definitions, owner priorities, caps, and collection timing, then deduct servicing costs. Reconcile overhead, taxes, working capital, technology investment, and contract-acquisition spending to enterprise cash flow. Discount after-tax, unlevered cash flow at a corresponding enterprise rate, commonly a weighted-average cost of capital; align currency and inflation assumptions.⁹

This builds a business valuation from contracts. Separately valuing contracts as intangible assets requires isolating their contribution from the supporting platform. An excess-earnings method, for example, allows for returns on contributory assets, rather than attributing all business profit to contracts.⁹

Remaining legal term is only part of economic life. Read renewal options, notice requirements, assignment and change-of-control provisions, termination on sale, lender rights, performance tests, exclusions, guarantees, and cure rights. DiamondRock's filing describes performance-related termination rights and manager cure payments.³ An operator's ability to avoid termination by funding a cure protects revenue while consuming cash.

Model survival and termination as alternative scenarios. A termination payment replaces foregone contractual cash flow in the relevant scenario; it is not automatically added to a forecast assuming uninterrupted management. Renewal probabilities should reflect owner behavior, competitive alternatives, and required concessions, not merely the absence of an announced departure.

A termination payment replaces foregone contractual cash flow in the relevant scenario; it is not automatically added to a forecast assuming uninterrupted management.

Key money also changes economics. Hilton reports that consideration paid to obtain management contracts is amortized as a reduction of fees.² The valuation must reconcile that accounting treatment with actual cash spending. An add-back must distinguish this contra-revenue item from amortization already excluded in EBITDA and allow for replacement-contract spending. Count neither the add-back nor the cash outlay twice.

Finally, separate existing contracts from the platform's ability to win future work. A finite contract portfolio should run off unless renewals are supported. A going-concern terminal value requires a credible, funded process for retaining and replacing business. Do not value the same contracts separately and then add their earnings again through an enterprise multiple.



COMPETITIVE POSITION

Read competitive position and direction together

Revenue per available room (RevPAR) combines occupancy and average daily rate. The RevPAR index compares a hotel's RevPAR with its competitive set; parallel indices compare occupancy and rate. Each divides the hotel's metric by the set's corresponding metric and expresses the result on a percentage scale.¹⁰ CoStar's hotel-benchmarking glossary defines an index of **100** as fair share.¹⁰ It denotes parity with the selected comparison group, not a universal optimum or a guaranteed achievable target.

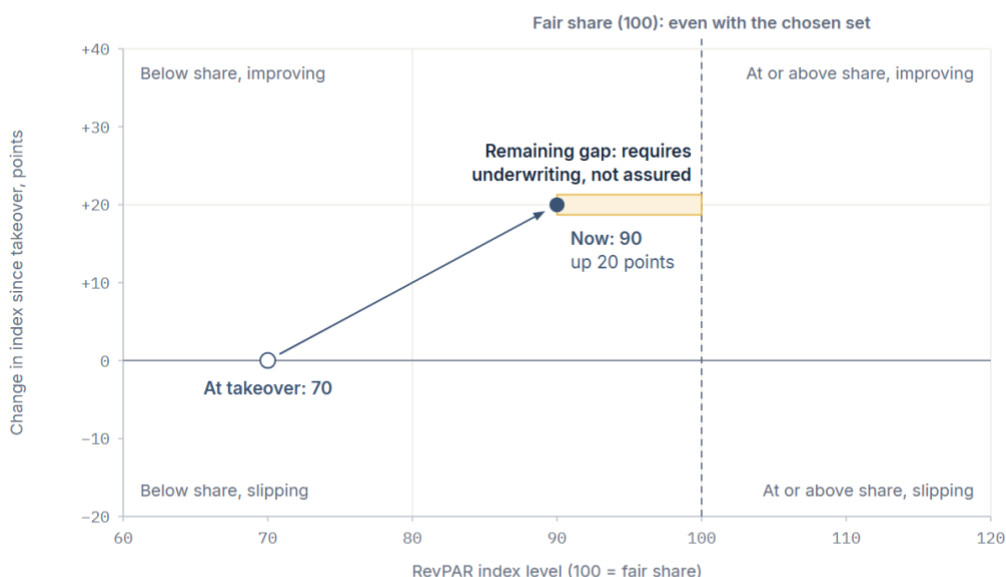
The central distinction is between level and direction. As the worked illustration below shows, substantial improvement can demonstrate successful management while leaving an economically meaningful performance gap. Conversely, strong absolute penetration accompanied by sustained deterioration may indicate weakening relationships with owners. The figure below places one hypothetical hotel on both measures.

LEVEL VERSUS DIRECTION: ONE HYPOTHETICAL HOTEL

Position and direction, read together

ILLUSTRATIVE ONLY

One hypothetical hotel, two readings; no path between them is implied



At 90, the hotel is 10% below its set; reaching 100 would take an 11.1% RevPAR increase if the set were unchanged. The gap is potential to be tested, not a forecast.

Illustrative only. A hypothetical hotel whose RevPAR index rose from 70 at takeover to 90, against an unchanged competitive set. Two readings are shown; no path between them is implied. Fair share (100) means matching that set's RevPAR, not an assured outcome. The shaded gap is potential to be tested, not a forecast.

Inspect the competitive set before crediting improvement. Changes in its membership, competing renovations, supply additions, displaced demand, room closures, and differences in amenities can move indices without a corresponding change in management quality. Separate rate-led gains from occupancy purchased through discounting or expensive distribution.

Evaluate comparable cohorts from takeover onward, including contracts subsequently lost. A portfolio average can improve simply because underperforming hotels leave. Attribute gains among market recovery, owner-funded renovation, brand conversion, and management execution. The appropriate question is what the operator contributed, what remains achievable, and whether it can retain the assignment long enough to benefit.

OWNER VALUE

Convert revenue gains into owner value

Competitive share alone cannot establish profitability. Compare gross operating profit (GOP) margins with hotels of similar class, service intensity, geography, and condition, using consistent accounting definitions. Examine both current margins and the incremental conversion of revenue into profit.

Flow-through measures the change in GOP relative to the change in revenue. HotStats' July 17, 2024 technical discussion distinguishes this from flex, which evaluates profit preservation when revenue falls.¹¹ The source of revenue growth matters: rate increases, additional occupied rooms, and banquet business carry different incremental costs. A favorable ratio can also reflect unfilled staff positions or deferred spending. Small revenue changes can make the ratio unstable.

Labor cost per occupied room should include consistent treatment of benefits and outsourced labor. Interpret it alongside wage conditions, housekeeping practices, service standards, and staffing productivity. Reduced labor spending that damages service and future pricing is not durable value creation. Reconcile GOP to owner cash flow after management charges, property expenses, and necessary capital reserves.

Then estimate the market value of each hotel from expected future performance. Specify the interest being valued and whether management encumbrances remain. Apply consistent assumptions about capital needs and operating alternatives. The useful measure is the sustainable improvement attributable to operations, net of the investment needed to obtain it.

Realized sale proceeds test that record, but do not isolate it. Separate operating-income growth from capitalization-rate changes, additional owner capital, and changes in use or branding. A hotel can appreciate because financing conditions improve while its manager loses competitive share. It can also sell successfully and terminate management, benefiting the owner while reducing the manager's value.

Property values provide corroborating evidence of fee quality and owner economics. They are not assets to add to the manager's balance sheet.



OPERATOR SELECTION

Test whether this manager is the best solution

Highest and best use provides a useful owner-side decision discipline: compare feasible alternatives that maximize value after transition costs. International Valuation Standard 102 addresses physical possibility where applicable, financial feasibility, legal permissibility, and conversion costs.⁹ Applying that discipline to operator selection is an analytical extension, not a separately prescribed management-company valuation method.

For each hotel, compare self-management or an affiliated manager, independent third-party management, brand management, and a franchise with a different operator. Brand affiliation and operator selection are separate dimensions: an independent operator can manage a franchised hotel. Hold market and asset conditions constant where practicable. Forecast the differences in distribution, operating efficiency, staffing, fees, required capital, transition disruption, and sale flexibility.

The preferred arrangement produces the strongest supportable owner outcome after all costs, rather than simply the lowest fee. A manager that repeatedly passes this test has evidence supporting retention and pricing power. Where a credible alternative offers superior results, reflect the probable timing of replacement or fee renegotiation in the contract forecast.

Legal restrictions still govern. An unattractive operator cannot necessarily be replaced immediately or without compensation. Equally, an enforceable long-term contract does not eliminate the economic pressure created by persistently dissatisfied ownership.

Measure retention by both contract count and fee contribution, distinguishing renewal at expiry from interim survival. Record losses caused by performance, sale, foreclosure, brand requirements, and owner consolidation separately. Owner, brand, and market concentration can create correlated losses that an apparently diversified hotel count conceals.

RELATED PARTIES

Affiliated managers require an arm's-length test

Vertical integration changes incentives and risk allocation, but does not make management free.

An owner that acquires or builds a manager must still fund executives, systems, recruiting, accounting, and operational oversight. Internal fees transfer earnings between entities; they do not, by themselves, create consolidated economic value.

Related-party fees above market can inflate the manager's EBITDA while depressing hotel earnings. Below-market fees can create the opposite distortion. Preserve the enforceable contract economics, then show how a market-participant assessment differs, including likely renegotiation or renewal terms. Normalization is not permission to rewrite a durable contract without explanation.

Captive relationships may appear stable under common ownership yet be fragile when hotels or the manager are sold. Investigate assignability, termination rights, lender requirements, and whether independent owners would retain the platform. A promised pipeline from the parent is not equivalent to executed, transferable contracts with funded properties.

Maintain a separate owner-side asset-management function where its benefits justify its cost. It should challenge budgets, capital priorities, operating alternatives, and related-party charges. The Hospitality Asset Managers Association identifies capital investment, repositioning, operational policy, and franchise selection among the owner's asset-management responsibilities.¹² Independent scrutiny can improve decisions, but any valuation benefit must appear in supportable forecasts or observable outcomes.

**Internal fees transfer earnings between entities;
they do not, by themselves, create consolidated economic value.**

A PRACTICAL TOOL

A practical scorecard

The following adjustments are **illustrative analytical sensitivities, not observed market premiums or empirical rules**. They describe possible changes in enterprise value divided by normalized EBITDA relative to an otherwise comparable reference company.

Use them to interrogate a conclusion, not to add mechanically. Translate evidence into cash flow and risk assumptions first. Expected losses and the return required for remaining uncertainty are distinct; avoid duplicating the same economic effect. The table is a discussion aid, not a calibrated pricing model.

VALUATION SCORECARD: ILLUSTRATIVE MULTIPLE SENSITIVITIES

Diagnostic	Evidence & Valuation Implication	Illustrative Multiple Sensitivity
Competitive level and trend	Credible share gains with profitable remaining opportunity support growth; sustained erosion weakens it.	+0.5x to +1.0x; reverse case -0.5x to -1.0x
Profit conversion and labor	Peer-adjusted margins, sound flow-through, and sustainable productivity improve fee capacity.	+0.5x to +1.0x; weak conversion -0.5x to -1.0x
Hotel value and realized outcomes	Operating-led value gains corroborate execution after adjusting for capital and market movements.	0.0x to +0.5x; market-only appreciation: no automatic premium
Retention and effective contract life	Successful renewals and transferable terms support duration; sale exits and weak renewal evidence shorten it.	+0.5x to +1.0x; vulnerable duration -1.0x to -2.0x
Owner, brand, and market concentration	Correlated fee exposure or captive dependence increases downside and replacement risk.	Material concentration -0.5x to -1.5x
Owner-side operating alternative	Incumbent produces stronger net owner value; a superior feasible alternative threatens retention.	+0.5x; demonstrably inferior fit -0.5x to -1.0x

Illustrative analytical sensitivities only; not observed market premiums or empirical rules. Author's framework.

WORKED ILLUSTRATION

Performance becomes a multiple

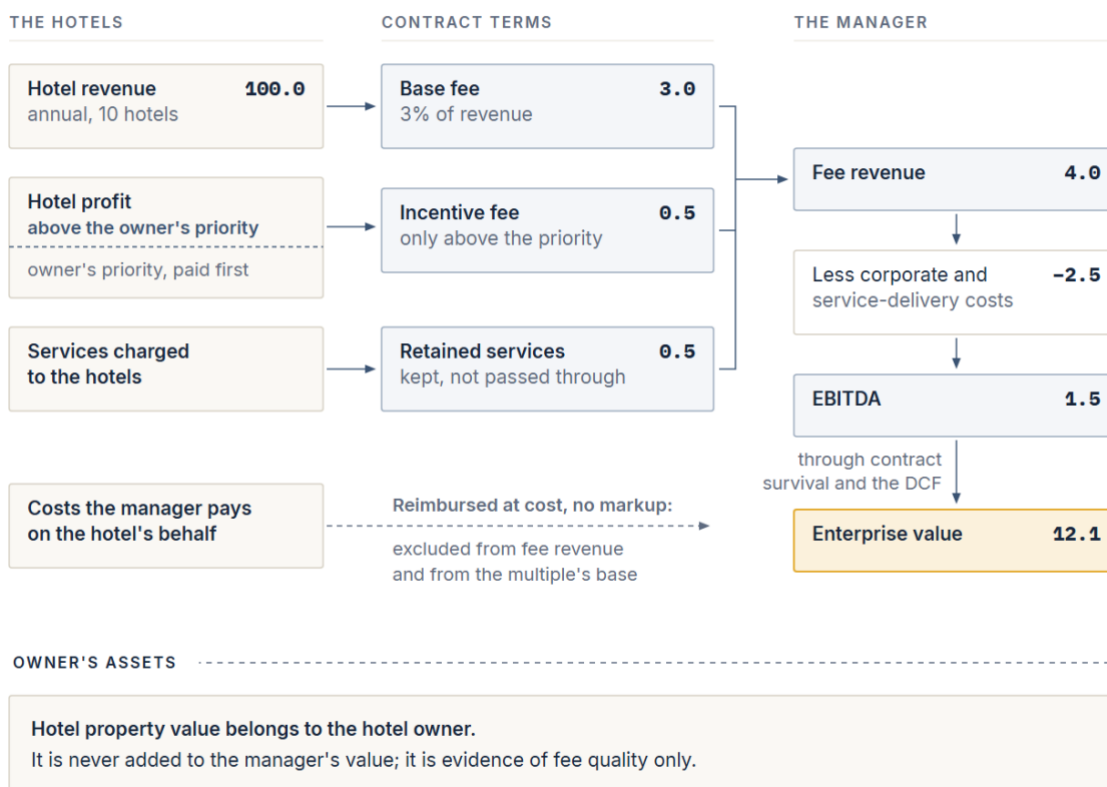
Every figure in this section is hypothetical and illustrative, including percentages, forecasts, discount rates, multiples, and calculated results. No figure represents a market benchmark.

- Assume a manager operates **10 hotels** generating **\$100 million** of annual hotel revenue.
- A **3% base fee** produces **\$3 million**. Incentive fees of **\$0.5 million** and retained service revenue of **\$0.5 million** bring fee revenue to **\$4 million**.
- Corporate and service-delivery expenses of **\$2.5 million** leave normalized EBITDA of **\$1.5 million**, a **37.5% margin** on retained fee revenue.
- The figure below traces these amounts from hotel results to the manager's value.

From hotel results to manager value

ILLUSTRATIVE ONLY

Hypothetical manager, \$ millions. Not to scale.



Box sizes and arrow widths do not represent amounts.

Illustrative only. Not to scale. How a hypothetical manager's fees arise from hotel results under contract terms. The incentive fee arises only above the owner's priority, and reimbursed costs pass through at no markup, outside fee revenue. Hotel property value belongs to the owner; it informs, but never adds to, the manager's value.

One hotel entered management at a RevPAR index of **70** and now achieves **90**, against an unchanged, appropriate set. This is a **20-point** improvement and a **28.6% relative increase in the index**, not necessarily the same percentage increase in revenue.

At **90**, the hotel remains **10% below** the set's RevPAR. Reaching **100** would require an **11.1% increase** in its current RevPAR if the set were unchanged. The manager has delivered progress; the remaining opportunity still requires underwriting.

Suppose hotel-level forecasts, contract survival assumptions, and corporate costs support annual after-tax, unlevered free cash flows of **\$1.2 million, \$1.3 million, \$1.4 million, \$1.5 million, and \$1.6 million over five years**, with all cash flows received at year-end. These illustrative inputs include working capital, technology spending, key money, and the costs of winning replacement business. They are assumptions for this example, not outputs inferred mechanically from the index improvement.

At an illustrative **14% nominal, after-tax enterprise discount rate**, those cash flows have a present value of approximately **\$4.72 million**. Assuming a sustainable replacement platform and **2.5% perpetual growth**, next-year cash flow is **\$1.64 million**. Dividing it by **14% minus 2.5%** produces a terminal value of **\$14.26 million**, worth **\$7.41 million** today. Summing the unrounded components gives enterprise value of approximately **\$12.12 million**, equivalent to **8.1x normalized EBITDA** or **3.0x retained fee revenue**. These are calculated indications, not market-derived selections.

Now assume a concentrated owner's hotel sales eliminate **\$0.3 million** of annual net free cash flow in forecast years **two through five**. Thereafter, the reduced cash-flow base grows at the same **2.5%** terminal rate, so the dollar shortfall also grows. Cash flows become **\$1.2 million, \$1.0 million, \$1.1 million, \$1.2 million, and \$1.3 million**, with no termination proceeds. The same assumptions give approximately **\$9.97 million**, or **6.6x the original normalized EBITDA**. The denominator is intentionally held constant to isolate the change in expectations. The bridge below shows where the reduction falls.

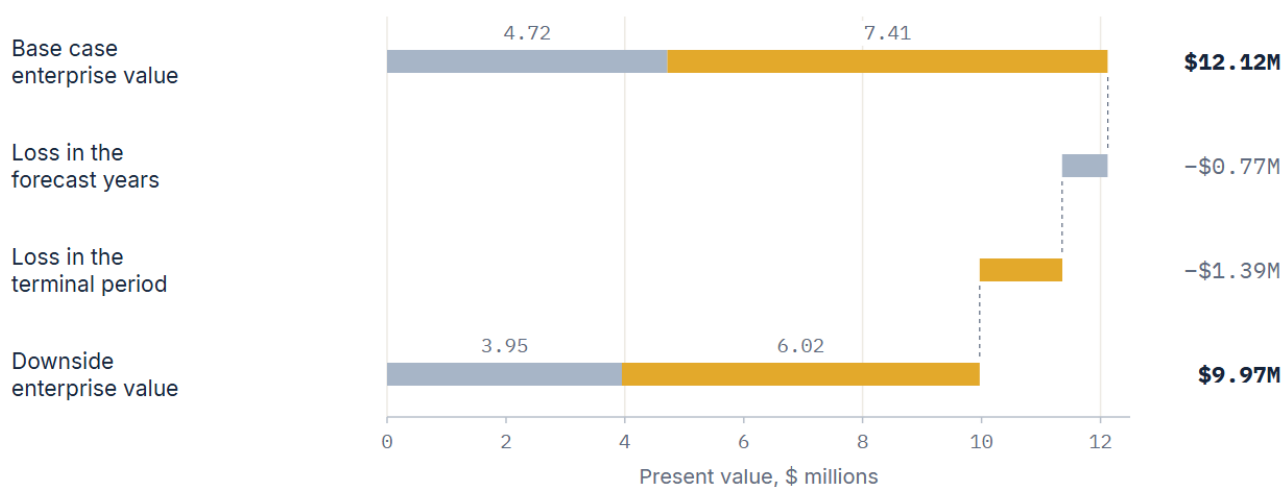
Where the value sits, and where the downside falls

ILLUSTRATIVE ONLY

Hypothetical manager; present values, \$ millions

■ Forecast years 1 to 5

■ Terminal period, after year 5



■ Terminal period: 61% of base value, and 64% of the loss (author's calculation).

Totals are computed from unrounded components, so rounded parts may differ by 0.01.

Illustrative only. Hypothetical manager from the worked illustration: a 14% discount rate and 2.5% growth applied to assumed cash flows. Concentrated hotel sales reduce enterprise value from \$12.12 million to \$9.97 million; about two thirds of that reduction falls in the terminal period (author's calculation: \$1.39 million of \$2.16 million). Figures are not market benchmarks.

The illustration explains the multiple through growth, cash conversion, and contract survival. Approximately **61%** of the base-case value comes from the terminal period, making replacement capability a material diligence issue.

An actual assignment should test the indication against usable market evidence and explain any comparability gaps. The historical acquisitions above do not independently validate it.

CONCLUSION

Diligence should follow the source of the fees

Buyers can overpay by capitalizing recent fees without testing their hotel-level origin. Sellers can understate an improving portfolio by presenting historical EBITDA without evidence of profitable share recovery. Lenders can overestimate security by treating contract term as assured duration or hotel value as collateral owned by the manager.

Request monthly competitive-set reports with membership history, detailed operating statements and labor schedules, capital-expenditure records, executed contracts, amendments and reconciled abstracts, fee-collection reconciliations, renewal and loss histories, and references from current and former owners. Tie each material forecast assumption to those records. Investigate weak performers and departures as carefully as successful hotels.

The defensible multiple summarizes the hotels' prospects, the manager's contribution, and its ability to retain an economic claim on the results.

ABOUT THE AUTHOR



Bryan Younge, MAI, ASA, FRICS

Bryan is Managing Partner for the US market and a member of Horwath HTL's global valuation leadership team. Since joining the firm in January 2025, he has led the expansion of Horwath HTL's valuation platform across the Americas while supporting select valuation, consulting and advisory assignments worldwide.

He advises global hotel brands, ownership groups, operating companies, developers, lenders and institutional investors, drawing on 25 years in hotel valuation, hospitality real estate analysis and complex advisory work, including extensive expert witness and litigation support. Before Horwath HTL he held national practice leadership roles at Newmark, Colliers International and Cushman & Wakefield, and began his career in the valuation practices of PwC, Andersen and Deloitte. He holds an MBA from Northwestern University's Kellogg School of Management and a BS from Cornell University.

REFERENCES

All web sources were accessed October 7, 2026. Publication, filing, or effective dates are stated below. Undated live reference pages are identified as such. Source numbers correspond to the citations in the paper. Calculations and illustrative adjustments are the author's analysis, not findings reported by these sources.

1. **"Hotel Management Contracts: Past and Present."** Jan A. deRoos; *Cornell Hospitality Quarterly*, Cornell University/SAGE, **February 2010**, volume 51, issue 1, pages 68–80; Cornell repository issue date **February 1, 2010**. Repository and publication (<https://ecommons.cornell.edu/entities/publication/8d01cc6e-9b76-46be-bf72-5af5819c0745>); full text (<https://ecommons.cornell.edu/bitstreams/1009cf15-2780-4dba-a98d-890ac9eb1110/download>). Used for the academic treatment of contracts as interdependent operational, brand, financial, and control arrangements. The full text was reviewed. No advisory-firm survey statistics cited in that article are reproduced or used as valuation benchmarks here.
2. **"2025 Annual Report on Form 10-K."** Hilton Worldwide Holdings Inc., **February 11, 2026**, reporting year ended December 31, 2025. Filing (<https://ir.hilton.com/sec-filings/all-sec-filings/content/0001585689-26-000007/hlt-20251231.htm>). Used for revenue-based base fees, profit-based incentive fees, owner thresholds, geographic variation, and amortization of contract-acquisition consideration. Relevant sections: Business, management contracts; Management's Discussion and Analysis, revenue definitions; revenue-recognition accounting policies.
3. **"2025 Annual Report on Form 10-K."** DiamondRock Hospitality Company, **February 27, 2026**, reporting year ended December 31, 2025. Filing (<https://www.sec.gov/Archives/edgar/data/1298946/000129894626000013/drh-20251231.htm>). Used for the portfolio-specific base-fee range, owner's priority, performance-related termination and cure provisions, and examples of contract variation. Relevant sections: management agreement schedule and Note 13, "Relationships with Managers and Franchisors."
4. **"2025 Annual Report on Form 10-K."** Marriott International, Inc., **February 10, 2026**, reporting year ended December 31, 2025. Filing (<https://www.sec.gov/Archives/edgar/data/1048286/000104828626000007/mar-20251231.htm>). Used for the proportion of managed hotels earning incentive fees and the distinction between management fees and unmarked-up reimbursements. Relevant sections: "Fee Revenues" in Management's Discussion and Analysis; Note 2, revenue recognition.
5. **"Fourth Quarter 2025 Supplemental Investor Presentation."** Hyatt Hotels Corporation, **February 12, 2026**. Presentation (https://s203.q4cdn.com/249399152/files/doc_financials/2025/q4/Final-Q4-2025-Investor-Presentation.pdf); dated investor event (<https://investors.hyatt.com/events-and-presentations/event-details/2026/Hyatt-Fourth-Quarter-2025-Earnings-Call/default.aspx>). Used for the heterogeneous composition of public-company fee earnings, especially slide 16 and its footnotes. No current public trading multiple is asserted from this presentation.
6. **"Hyatt Completes Acquisition of Two Roads Hospitality."** Hyatt Hotels Corporation, **November 30, 2018**. Closing announcement (<https://newsroom.hyatt.com/113018-Hyatt-Completes-Acquisition-of-Two-Roads-Hospitality>). Used for revised closing consideration, potential additional consideration, and the announced multiple of stabilized earnings incorporating anticipated synergies and growth. Closing terms supersede the earlier October announcement for this discussion.
7. **"Hyatt Continues Asset-Light Growth Strategy with Plans to Acquire Dream Hotel Group."** Hyatt Hotels Corporation, **November 29, 2022**. Announcement (<https://investors.hyatt.com/news/investor-news/news-details/2022/Hyatt-Continues-Asset-Light-Growth-Strategy-with-Plans-to-Acquire-Dream-Hotel-Group-11-29-2022/default.aspx>). Used for announced base consideration, associated projected stabilized management fees, and contingent pipeline economics. The raw price-to-fee ratio is calculated from the announcement. It is not a pure management-company comparable, an observed trailing multiple, or a final realized acquisition yield.
8. **"Aimbridge Hospitality and Interstate Hotels & Resorts Complete Merger Today."** Aimbridge Hospitality, **October 25, 2019**. Company announcement (<https://aimbridgeemea.com/2019/10/25/aimbridge-hospitality-and-interstate-hotels-resorts-complete-merger-today/>). Used to illustrate a relevant third-party-manager transaction whose undisclosed terms prevent calculation of a defensible transaction multiple.
9. **"International Valuation Standards,"** edition effective **January 31, 2025**. International Valuation Standards Council, published **January 31, 2024**; effective **January 31, 2025**. Full standards, hosted by the South African Institute of Chartered Accountants (<https://saicawebprstorage.blob.core.windows.net/uploads/resources/IVS-effective-31-January-2025.pdf>); standards publisher (<https://ivsc.org/standards/>). Used for valuation scope, comparable evidence, cash-flow/rate consistency, avoiding duplicate adjustments, contributory assets, economic life, and the highest-and-best-use premise. Relevant provisions: Standard 102, Appendix A90; Standard 103, Appendix A20; Standard 200, sections 50, 60 and 100; Standard 210, sections 60, 90 and 100. The operator-selection application and scorecard are the author's framework, not prescriptions of the standards.
10. **"Glossary,"** hotel benchmarking definitions. CoStar Group, undated live reference; accessed **October 7, 2026**. Glossary (<https://www.costar.com/products/str-benchmark/resources/glossary>). Used for occupancy, average-daily-rate and RevPAR indices and the fair-share convention. The definitions were accessible in indexed publisher content; direct page retrieval returned an access error. Fair share is conditional on a suitable comparison set.
11. **"The Road to Hotel Profitability: Adopting Flow Through + Flex Metrics."** HotStats, published through *Hospitality Net*, **July 17, 2024**. Technical article (<https://www.hospitalitynet.org/news/4122934/the-road-to-hotel-profitability-adopting-flow-through-flex-metrics>). Used for profit flow-through and downside-flex definitions. No numerical operating benchmark or advisory-firm research is adopted.
12. **"About HAMA."** Hospitality Asset Managers Association, undated live reference; accessed **October 7, 2026**. Association description (<https://hamagroup.org/about-hama/>). Used for the owner-side remit covering capital investment, repositioning, operational policy, and franchise selection. The recommendation concerning independent oversight of captive managers is the author's analysis.

Calculations and illustrative adjustments are the author's analysis, not findings reported by these sources.



Horwath HTL USA

Bryan Younge

Managing Partner

byounge@horwathhtl.com

At Horwath HTL, our focus is one hundred percent on hospitality, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with more than 50 offices in over 40 countries, who have successfully carried out over 50,000 assignments for private and public clients. We are part of the Crowe Global network, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hospitality, tourism and leisure consulting.