

COMMERCE

## Starwood boasts positive Q1 results despite acquisition battles

May 5, 2016



*St. Regis New York exterior*

By STAFF REPORTS

Starwood Hotels & Resorts has posted strong financial results for the first quarter of 2016 after its very public bidding war with Marriott International.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

In March Starwood was in talks with Marriott in a merger that would create the largest hospitality conglomerate in the world, but was soon offered a counter offer from a China-based Consortium. After much back and forth, Starwood agreed to the terms of Marriott's proposal and since then has been working to fine-tune the merger agreement ([see story](#)).

### Strength in numbers

For the first quarter, Starwood reported an adjusted EBITDA of \$281 million with income from continuing operations being \$118 million, excluding special items. When special items are included income in continuing operations was \$90 million.

Earnings from Starwood's vacation ownership and residential business decreased by approximately \$7 million compared to the year-ago period.

During Q1, Starwood saw management and franchise fees and other income increase by 6.7 percent, and core fees have increased 4.2 percent since 2015.

Within the timeframe of the first quarter, which ended March 31, Starwood signed 44 hotel management and franchise contracts, pointing toward the hotelier's continued growth trajectory. Those 44 contracts equal roughly 7,000 total rooms and 18 hotels and resorts with approximately 3,700 guest rooms.

For instance, Starwood completed the sale of the Hotel Imperial, a Luxury Collection Hotel in Vienna for a reported \$80 million, and subject to a long-term management agreement.



*Hotel Imperial, a Luxury Collection Hotel, Vienna*

"We had a very strong quarter, despite facing a tough macroeconomic environment and the distraction of a very public bidding war for our company," said Thomas Mangas, CEO of Starwood in a statement. "Thanks to the hard work, dedication and perseverance of our highly talented associates around the world, we delivered adjusted EBITDA and EPS well ahead of our expectations.

"Our results speak to the strength of our people, our brands and innovative spirit, the value of SPG and the power of our global systems," he said.

---

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.