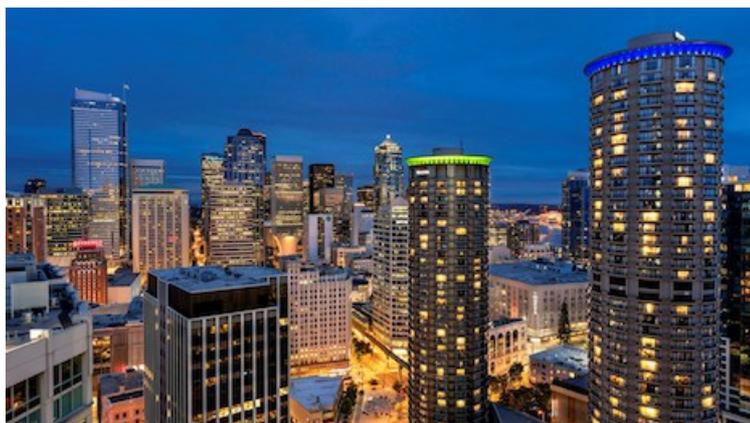


TRAVEL AND HOSPITALITY

Marriott sees soft quarter due to hurricane season in North America

November 7, 2018



Westin in Seattle is one of many Marriott-run hotels. Image credit: Westin

By STAFF REPORTS

Hospitality group Marriott International has a cautious but optimistic estimate for the future, following a soft third quarter.

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For the third quarter of 2018, which ended on Sept. 30, the hospitality group saw soft sales, which it attributes to hurricanes in North America. Marriott expects the following months to see growth, but the United States' wary economy could dip.

"We expect Marriott's fourth quarter 2018 comparable system-wide RevPAR on a constant dollar basis will increase roughly 2 percent worldwide, roughly 1 percent in North America and 5 to 6 percent outside North America," said Arne M. Sorenson, president and CEO of Marriott International, in a statement. "Our forecast for RevPAR in North America reflects an estimated 110-basis-point headwind due to the 2017 hurricane relief efforts in Texas and Florida and it also reflects the slightly weaker than expected transient demand the industry experienced during September.

"Trends in most international markets are expected to remain strong," he said.

Marriott results

Marriott reported diluted earnings per share of \$1.38, a 7 percent increase from the prior year.

The quarter's comparable system-wide constant dollar RevPAR saw growth of 1.9 percent across the world, but with only 0.6 percent in North America. Outside of North America saw 5.4 percent increases.

During this quarter, Marriott added more than 18,000 rooms, which included 1,500 rooms converted from competing brands, as well as 10,000 rooms in international markets.

"In the third quarter, we were pleased to post gross fee revenues growth of 13 percent and adjusted EBITDA growth of 12 percent, as worldwide comparable systemwide hotel RevPAR increased roughly 2 percent," Mr. Sorenson said in a statement. "Our results in the third quarter highlight the resiliency of our asset light model and our ability to generate cash.

"Year-to-date through Nov. 5, we have already returned more than \$3.1 billion to shareholders through dividends and share repurchases and now believe we could return roughly \$3.7 billion in 2018," he said.

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@DoradoBeachReserve has officially reopened after the 2017 hurricanes in #PuertoRico. Throughout its opening season, in partnership with Lin-Manuel Miranda, the resort will donate \$10 per room to his Flamboyant Arts Fund. . . . #MarriottIntl #Marriott #RitzCarlton #RCReserve #Reserve #hotel #hotels #hospitality #resort #arts #charity #LinManuelMiranda

A post shared by Marriott International (@marriottintl) on Nov 7, 2018 at 8:11am PST

A Marriott property

As the group continues to seek out more growth, Marriott International is eyeing expansion in the Middle East, with the planned opening of 11 hotels in the United Arab Emirates this year.

Among the properties already opened in the country is the Ritz Carlton Ras Al Khaimah, Al Hamra Beach in Ras Al Khaimah, the brand's fifth hotel in the UAE. As Marriott adds to its existing presence in the Middle East, the group expects to have an 80-hotel-strong footprint in the UAE by the end of 2023 ([see story](#)).