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COMMERCE

Boosted by luxury properties, Marriott International revenues rise in Q1

May 2, 2023

Figures were largely favorable across the company's luxury brands, including JW Marriott and The Ritz-Carlton, as previously locked-down regions opened up. Image credit: Marriott

By LUXURY DAILY NEWS SERVICE

Hospitality group Marriott International saw strong numbers in the first quarter of 2023.

By the end of the first quarter, Marriott's adjusted net income totaled $648 million, rising 57 percent from 2022's $413 million during the same period. Figures were largely favorable across the company's luxury brands, including JW Marriott and The Ritz-Carlton, as previously locked-down regions opened up.

"We are off to a great start in 2023," said Anthony Capuano, president and CEO of Marriott International, in a statement.

"First quarter worldwide RevPAR1 grew 34 percent year over year, with meaningful gains in both occupancy and average daily rate," Mr. Capuano said. "International markets were particularly robust, with RevPAR growth of 63 percent.

"The lifting of travel restrictions throughout Asia Pacific, particularly in Greater China, significantly boosted first-quarter demand in the region."

Good stay

Following a year of success due to the ending of long-time lockdowns (see story), Marriott's new year has been prosperous as well.

First-quarter revenues at the firm are up 34 percent year-over-year. In 2023, numbers in international markets were especially strong, with revenues per available room (RevPAR) across the company's properties increasing by 63.1 percent compared to the first quarter of 2022.

In the United States and Canada, that figure amounted to 25.6 percent. Worldwide, RevPAR increased by 34.3 percent compared to 2022.

> .@JWMarriott has announced the opening of JW Marriott Hotel Xi'an, a remarkable destination home to six UNESCO World Heritage cultural and historic sites. https://t.co/F4oYMWCEIh pic.twitter.com/bBz7kr9DgC
>
> Marriott International (@MarriottIntl) April 25, 2023

"In the U.S. & Canada, we saw solid demand across the leisure and group segments in the quarter, while business transient demand continued to improve," Mr. Capuano said.

"ADR in the region rose 10 percent year over year, aided by higher special corporate negotiated rates and 15 percent growth in group ADR."

Luxury properties under the company's umbrella experienced growth during the quarter, with JW Marriott performing the best out of the sector. The brand's RevPar rose to $249.84 during the period ending March 31, 2023, marking an increase of 31.9 percent year-over-year at $350.87, JW Marriott's average daily rate was heightened by 3.8 percent.

Occupancy at the luxury subsidiary also grew from 15.2 percent to 71.2 percent year-over-year.

Though the Ritz-Carlton's average daily rate decreased by 3.7 percent to $516.26, the hotel saw increased occupancy going from 7.6 percent to 65.1 percent and RevPAR was up 9.1 percent at $336.13.

So far this year, 2022's signings boom (see story) continues, as the first few months of the year saw 79 properties added to Marriott International's 8,400-wide portfolio, including over 2,700 rooms converted from competing brands. Fourteen lodging properties were conversely closed during the period.

> We are excited to welcome our 31st brand City Express by Marriott. This announcement marks Marriott International's entry into the affordable midscale segment and signals our commitment to growth in the Caribbean and Latin America region and globally. https://t.co/5pAq0cWbGl pic.twitter.com/aAxD6kFGFQ
>
> Marriott International (@MarriottIntl) May 2, 2023

"While the global economic picture is uncertain, demand remains strong, and we are not seeing signs of a slowdown," Mr. Capuano said.

"With the faster-than-expected recovery in international markets and continued solid booking trends globally to date in the second quarter, we are raising our RevPAR guidance for the full year," he said. "We believe our broad portfolio of brands, award-winning Marriott Bonvoy loyalty program, dedicated associates, and efficient asset-light business model position us very well for future growth."