

COMMERCE

Travel surges in Asia drive earnings at Marriott International

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In Q4 2023, Marriott International posted just under \$6.1 billion in revenue. Image credit: Marriott International

By LUXURY DAILY NEWS SERVICE

Hospitality group Marriott International is reporting a successful final quarter in 2023.

For the full year, the company brought in \$23.7 billion in revenue, a 14 percent increase year-over-year (y-o-y). The luxury segment was a contributor to this growth, as JW Marriott, The Ritz Carlton and W Hotels' revenue per available room (RevPAR) all rose compared to 2022.

"Our team delivered excellent results in 2023, as demand for our industry-leading portfolio of properties and offerings around the world continued to grow," said Anthony Capuano, president and CEO of [Marriott International](#), in a statement.

"Full-year global RevPAR rose 15 percent, net rooms grew 4.7 percent, and our fee-driven, asset-light business model generated record levels of cash," Mr. Capuano said. "In the fourth quarter, worldwide RevPAR rose 7 percent; international RevPAR grew 17 percent, with particular strength in Asia Pacific and Europe.

"The power of our unparalleled Marriott Bonvoy loyalty program continues to increase, with 196 million members at year-end."

Solid showing

In Q4 2023, Marriott International posted just under \$6.1 billion in revenue, a 3 percent increase y-o-y.

During the period, which ended Dec. 31, 2023, RevPAR within the group's combined U.S.-and-Canada luxury sector rose by 1.7 percent; for the entire year, the figure went up by 5.3 percent. JW Marriott performed the best of the sub-brands, with its RevPAR growing by 10.9 percent last year.

The luxury segment represents around 10 percent of the conglomerate's total number of rooms, while representing an even smaller share of its portfolio of properties. Lower-tiered "Premium" and "Select" hotels outperformed the high-end market, posting high RevPAR for both Q4 and the year overall.



Luxury is a relatively small portion of the company's total gross. Image credit: Marriott International

Marriott International's performance across the globe was solid, with the Chinese market uplifting other solid growth figures. Greater China's RevPAR rebounded by 87.4 percent in Q4 and 80.3 percent for the year overall.

Meanwhile, the rest of the Asia Pacific region showcased a RevPAR increase of 10.8 percent during the final quarter and 41.9 percent y-o-y. The remainder of regional operations posted low- to mid-single-digit growth for both the year and quarter.

Despite posting revenue increases across the board and surpassing internal targets, Marriott International failed to meet analyst's expectations. Its stock has dropped by as much as 6.2 percent following the announcement today.

Regardless, the group remains upbeat and looks forward to its next fiscal year, partially due to its fruitful partnership with MGM Resorts International, which began in July 2023 ([see story](#)).

"In 2024, we expect another year of solid growth and significant shareholder returns," said Mr. Capuano, in a statement.

"With normalizing RevPAR growth around the world, we anticipate a worldwide full-year RevPAR increase of 3 to 5 percent and net rooms growth of 5.5 to 6 percent."

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