



CFRA

Industry Surveys

Hotels, Gaming & Leisure

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Ashman Ab Razak
Equity Analyst

Fateh Yahaya
Industry Analyst

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Contacts

Sales Inquires & Client Support

800.220.0502
cservices@cfraresearch.com

Media Inquiries

press@cfraresearch.com

CFRA

977 Seminole Trail, PMB 230
Charlottesville, VA 22901

Contributors

Siye Desta, CFA

Aaron Ho

Michael Elliott

Equity Analysts

Raymond Jarvis

Senior Editor

Atifi Kuddus, Geraldine Tan

Associate Editors

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977 Seminole Trail, PMB 230
Charlottesville, VA 22901

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NEW THEMES



What's Changed: In 2023, we expect global tourism to continue to rise, driven by pent-up demand from luxury travel, events, and business travel. For more on our general industry outlook, check out page 12.



What's Changed: We think gaming revenues for Macau casinos will see a very significant pickup in the next 12 months due to the rollback of China's zero-Covid-19 policy. More on this on page 16.

EXECUTIVE SUMMARY

CFRA has a positive outlook on the Hotels, Gaming & Leisure industries. Below are the key themes we highlight for 2023.

A Mixed Picture for Travel and Tourism Industry

International tourist arrivals doubled in volume in 2022 compared to 2021 but fell short by 38% below pre-pandemic levels due to high inflation, geopolitical instability (the Russia-Ukraine war), and China's strict zero-Covid-19 policy. We expect global tourism to continue to rise, driven by pent-up demand from luxury travel, events, and business travel. On top of that, the return of Chinese travelers will further boost the tourism industry recovery.

Hotel Operators to Continue Rebounding from the Abyss

2022 continued to be a recovery year for hotel operators, particularly in the U.S. and the Europe. This was primarily due to leisure-related travels, which drove RevPAR close to or above pre-pandemic levels. This was in stark contrast to the recovery in Asia Pacific, which lagged due to China's zero Covid-19 policy measures. In 2023, we expect to see the industry performing well as demand continues to be strong led by solid leisure travel demand, an improvement in business/group travels, and the return of China's travelers.

Return of China's Travelers Expected to Revitalize Tourism Industry

After nearly three years, the Chinese government finally decided to roll back its zero Covid-19 policy, including the removal of Covid-19 testing requirement and daily quotas, as well as the full restoration of outbound travel across its border with Hong Kong and Macau. The absence of Chinese tourists has seen the global tourism industry losing an estimated \$277 billion in revenue. We expect a surge in outbound travelers to start in the second half of 2023, mostly due to Chinese pent-up leisure demand. The China Outbound Tourism Research Institute forecasts 110 million international trips from Chinese travelers in 2023, and 170-180 million trips by 2024.

Cruise Lines to See a Strong Operating Environment Lifting Performance

The Covid-19 pandemic had nearly brought the industry to its knees in 2020 as cruise lines announced temporary closures of their entire global operations due to travel restrictions. 2022 saw cruise ships gradually transition back to pre-pandemic operations as travel restrictions began to be lifted, though occupancy rates still fell below 80%. We expect strong demand trickling into occupancy in 2023, with major cruise lines forecasting occupancy of more than 100%.

Margin Pressure Expected to Continue in 2023 as Recession Risk Looms

Despite our forecast of healthy demand in 2023, many companies are expected to face sequentially high operating costs stemming from elevated costs (e.g., food, fuel, and energy), in addition to staffing issues, which will generate pressure on margins. Though companies may respond through higher pricing, the possibility of a global recession and subsequently less discretionary spending means companies may not have enough pricing power to improve their bottom lines.

HOTELS, GAMING & LEISURE

Outlook: Positive

MARKET CAP BREAKDOWN*

(as of January 17, 2023)

RANK NO.	COMPANY NAME	MARKET CAP (\$ billion)
1	Marriott International	51.0
2	Las Vegas Sands	41.0
3	Hilton Worldwide	36.8
4	Galaxy Entertainment	29.0
5	Sands China Ltd	28.9
6	Evolution AB	23.4
7	MGM Resort	15.0
8	H World Group	14.4
9	Carnival Corporation	13.5
10	InterContinental	11.7

Source: CFRA, S&P Global Market Intelligence.

Note: Please refer to the "Comparative Company Analysis" section for a list of the top 20 largest companies within each sub-industry.

BY THE NUMBERS

63.76%

Of the world population has been fully vaccinated as of January 2023

\$67.4 RevPAR

U.S. hotels in January 2023, 54% increase from the same period in 2020

28.2 million

Estimate for 2022 global cruise line passengers, 5% below pre-pandemic levels

10%

Expected surge in demand for U.S. hotels in 2022

1,790 billion

Forecasted size of global hotel market by 2027

11%

5-year GGR CAGR for global online gambling market by 2026

ETF FOCUS

PEJ

Invesco Dynamic Leisure and Entertainment

AUM (\$M)
495.8Expense Ratio
0.55

CRUZ

Defiance Hotel Airline and Cruise

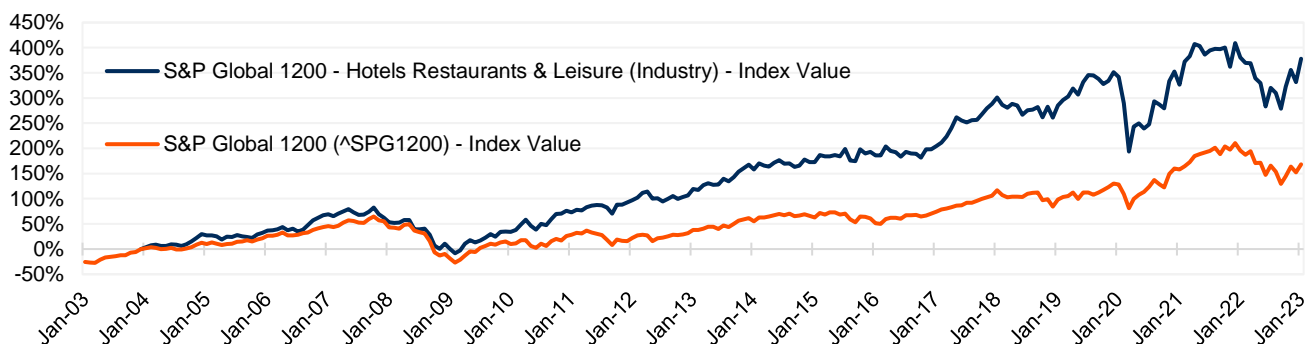
AUM (\$M)
57.6Expense Ratio
0.45

BEDZ

Advisor Shares Hotel

AUM (\$M)
5.3Expense Ratio
0.99

20-YEAR INDEX PERFORMANCE



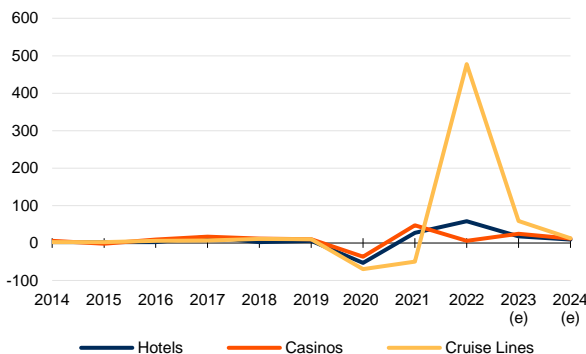
*Data through January 31, 2023.

Source: S&P Global Market Intelligence.

FINANCIAL METRICS

Revenue Growth

(percent change, Y/Y)



e-Estimate.

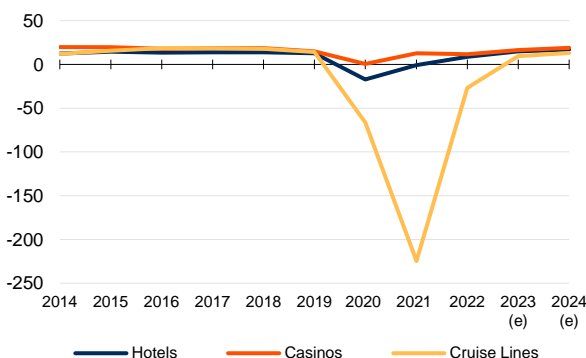
Source: CFRA, S&P Global Market Intelligence.

◆ In general, revenue growth for hotels and casinos in 2022 improved to near pre-pandemic levels, but at varying degrees across nations. While cruise lines' occupancy largely recovered to pre-pandemic levels in the third quarter of 2022 – Royal Caribbean now has its near full fleet (96%) back in operation and targets above 100% occupancy rates by summer 2023 – revenue is still 40% below pre-pandemic levels.

◆ We expect revenue growth for 2023 and 2024 to remain resilient due to pent-up demand and reopening of China's border, despite rising interest rates weakening consumer spending and fear of a looming recession. Hotels' revenue is expected to exceed pre-pandemic levels in 2023 and to continue improving in 2024, while casinos and cruise lines are expected to see their revenue reach or dip slightly below pre-pandemic levels in 2023 and continue to improve in 2024.

EBIT Margin

(percent)



e-Estimate.

Source: CFRA, S&P Global Market Intelligence.

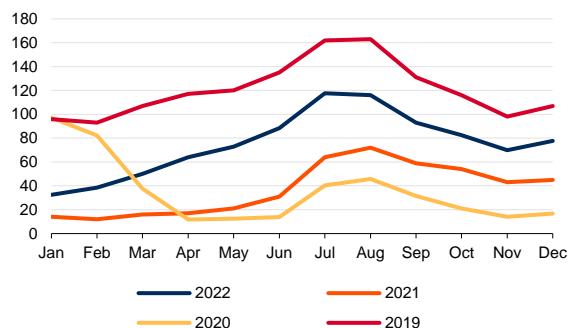
◆ While margins improved for most of the sub-industries within the survey in 2022, cruise lines' margin remained in negative territory during the year. The high cost of docking and maintenance, coupled with incremental startup costs from relaunching shelved vessels, spelled disaster for cruise line companies. Furthermore, higher fuel prices and onboard costs (e.g., food) also started to creep in.

◆ We expect margin recovery in 2023 to continue across all sub-industries as the operating environment remains strong and ensures solid pricing power for hotels and cruise line operators. However, we remain cautious of elevated operating costs, as well as staffing issues. By 2024, we believe hotels will produce stronger economies of scale from ongoing cost control programs and see margins exceed pre-pandemic levels by 1% to 2%, while cruise lines are expected to see margins closing in to pre-pandemic levels.

KEY INDUSTRY DRIVERS

Global Tourist Arrivals

(tourist arrivals, in million)

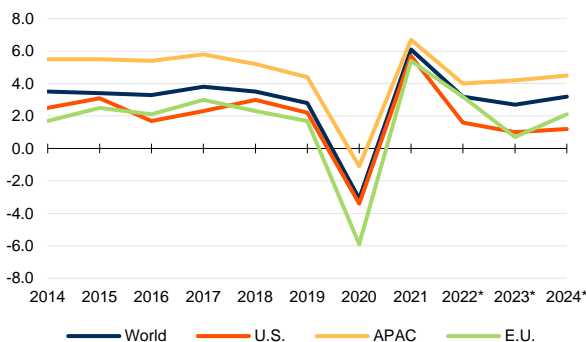


Data through December 2022.
Source: UNWTO.

- ◆ Although most major economies had reopened in 2021, the number of global tourists remained muted for most of the year. The number of traveling tourists remained 70% below pre-pandemic levels in 2021 due to varying degrees of travel restrictions, vaccination rates, and traveler confidence amid soaring variant cases, and did not see a reasonable rebound until the second half of 2022.
- ◆ In July 2022, the number of tourists surged 84% Y/Y compared to the prior year period but remained around 30% below pre-pandemic levels. We expect the number of tourist arrivals to recover to pre-pandemic levels in the second half of 2023 driven primarily by the return of Chinese travelers as the world's largest outbound market fully reopened its border in February 2023.

Real GDP Growth

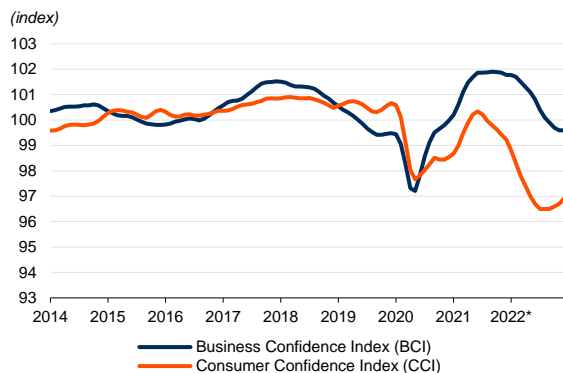
(percent change, Y/Y)



e-Estimated
Source: International Monetary Fund (IMF).

- ◆ The IMF projects the global economy will recover by 2.7% and 3.2% in 2023 and 2024, respectively. The economic damage from the Russia-Ukraine war is expected to contribute to a significant deceleration in global growth on top of inflation. However, with the reopening of China's border, we expect a slight improvement in global economic growth.
- ◆ Most major economies continued to recover in 2022, albeit slower than 2021 levels, and are expected to continue the downward trend in 2023 before picking up pace in 2024. The U.S. is expected to grow 2.7% in 2023 and 3.2% in 2024; the E.U. is expected to grow 0.7% in 2023 and 2.1% in 2024; and Asia-Pacific is expected to grow 4.2% in 2023 and 4.5% in 2024.

Business and Consumer Confidence

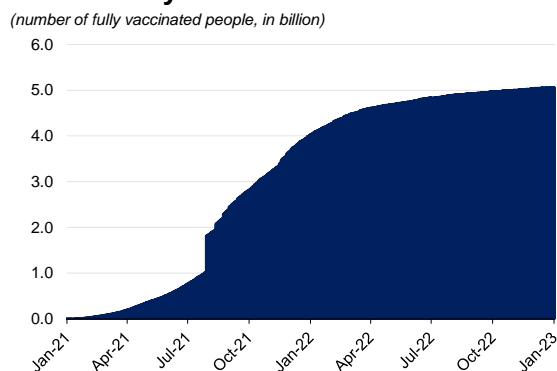


Data through December.

Source: Organisation for Economic Co-operation and Development (OECD).

- ◆ We think the OECD's measures of global business and consumer confidence are good indicators of activity and spending on travel and leisure.
- ◆ Global business and consumer confidence rebounded in 2021 due to widespread vaccine rollout and gradual reopening of economies. However, in 2022, concerns about inflation and the geopolitical environment, particularly the intensified tension between countries arising from the Russia-Ukraine war, have proved to be a challenge.
- ◆ In 2023, we expect global business and consumer confidence to remain subdued due to prolonged inflation, coupled with fear of a potential recession.

Global Daily Vaccination Rate



*Data through January 16, 2023.

Source: Our World in Data.

- ◆ In 2023, Covid-19 remains a global health emergency even as the world enters the fourth year of the pandemic. However, the World Health Organization (WHO) expects the world will transition out of the global emergency phase this year as the hospitalization and death rates are steadily going down. WHO also estimated that at least 90% of the world population has developed some level of immunity to Covid-19, whether through infection or vaccination.
- ◆ The vaccination rate increased steadily in 2022. In December 2022, more than 5 billion people have received two vaccine doses, an increase of about 1 billion from the number of fully vaccinated people at the end of 2021 (and now 64% of the world's population). The current vaccination rate is 1.24 million doses per day, on average.

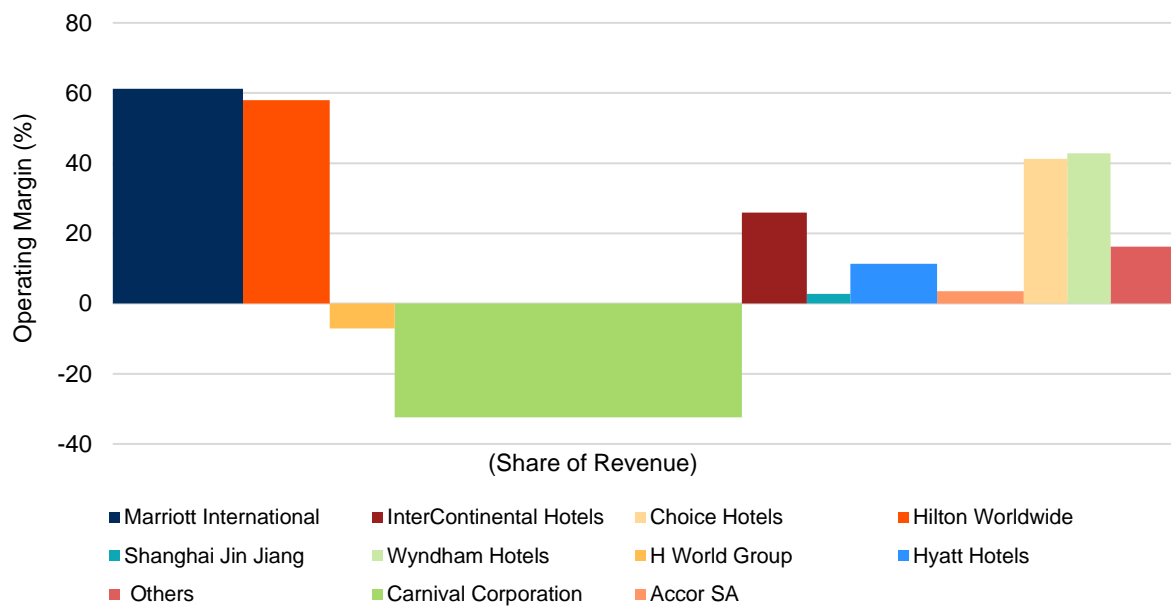
INDUSTRY TRENDS

Competitive Environment

INDUSTRY PROFIT SHARE MAP

Shown below are the profit share maps for some of the largest companies (with a market cap above \$500 million) in the global hotel industry, global casino industry, and global cruise ship industry, respectively:

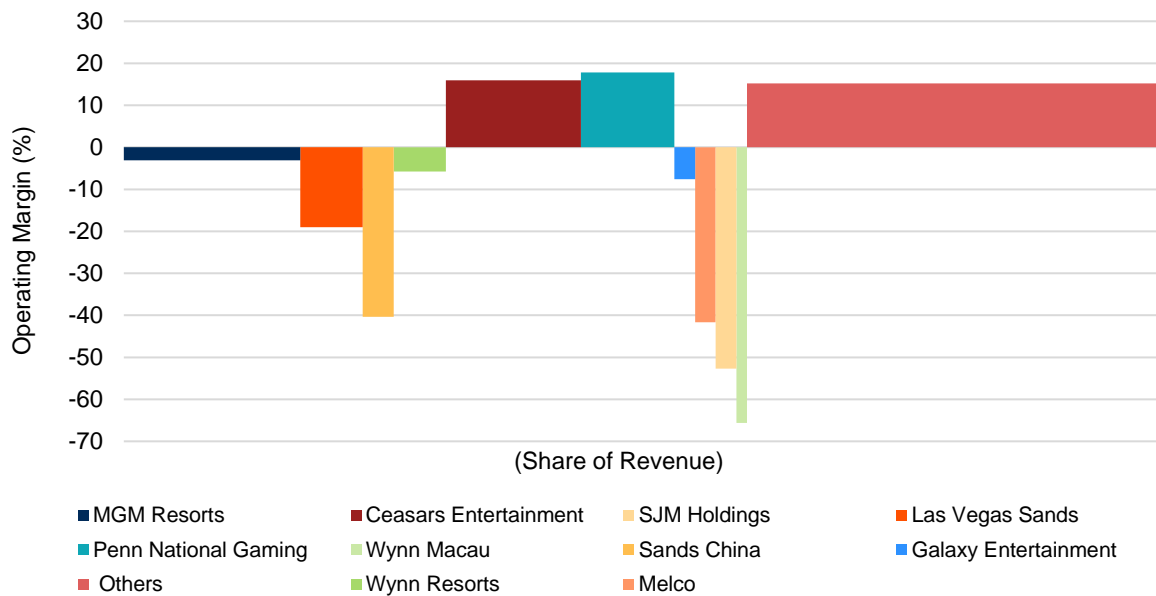
REVENUE SHARE MAP OF THE GLOBAL HOTEL INDUSTRY*



*Last twelve months ended third quarter of 2022.

Source: CFRA, S&P Global Market Intelligence.

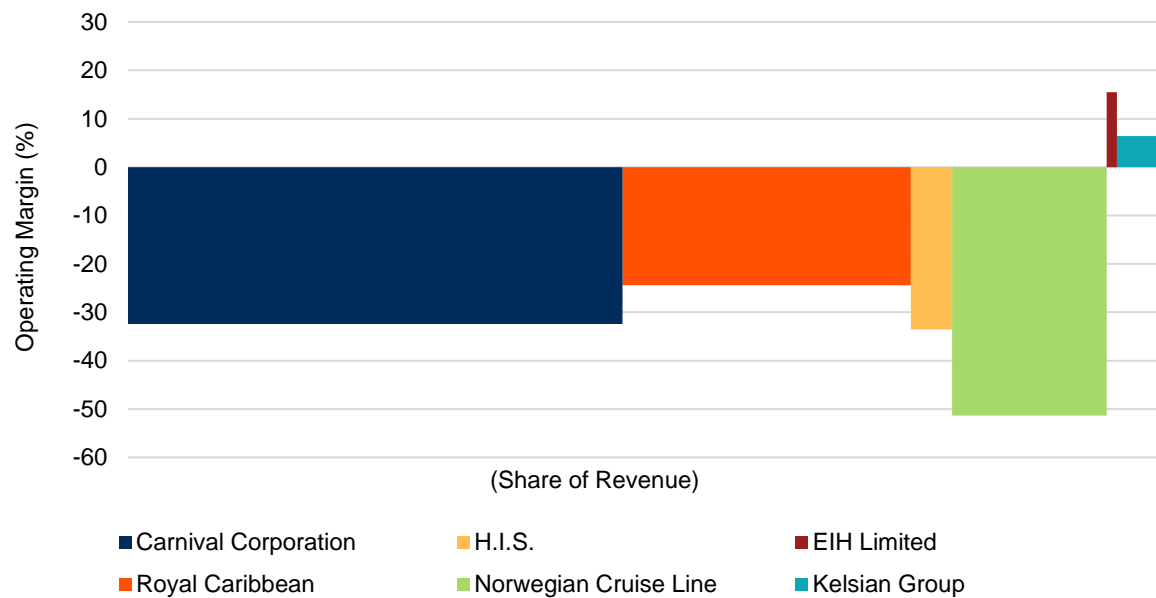
REVENUE SHARE MAP OF THE GLOBAL CASINO INDUSTRY*



*Last twelve months ended third quarter of 2022.

Source: CFRA, S&P Global Market Intelligence.

REVENUE SHARE MAP OF THE GLOBAL CRUISE SHIP INDUSTRY*



*Last twelve months ended third quarter of 2022.

Source: CFRA, S&P Global Market Intelligence.

PORTER'S FIVE FORCES

Below, we used the Porter's Five Forces framework as a tool to analyze the competitive environment of the hotels, gaming & leisure industries.

HOTELS, GAMING & LEISURE SUB-INDUSTRIES PORTER'S COMPETITIVE MATRIX					
	COMPETITIVE RIVALRY AMONG EXISTING FIRMS	CUSTOMER BARGAINING POWER	SUPPLIER BARGAINING POWER	THREAT OF SUBSTITUTION	THREAT OF NEW ENTRY
HOTELS	High - Low switching costs and product differentiation translate to higher competition within the industry. With greater price transparency, hotels are enticed to engage in price-cutting strategies to win businesses.	High - Certain groups, such as airlines, convention organizers, and tour operators, exert pressure on hotel operators when purchasing hotel rooms in bulk.	Moderate - Hotel operators source their products from traditional travel agencies as well as online travel agencies (OTAs), which are a huge driver for hotel room sales. They are also subject to the power of labor since demand for trained personnel is high.	Moderate - The proliferation of a sharing economy offers customers greater choice in the vacation rental market.	Low - The high capital cost and the entrenched position of the global chains and established name brands work to deter new entrants.
CASINOS	High - Low switching costs, low product differentiation, and increased alternatives translate to high competition within the industry.	Moderate - The increasing number of casinos in Macau and various states in the U.S. boost the bargaining power of customers.	Low - Casino operators source their products from a wide range of suppliers, thus eliminating concentration risk. They are, however, subject to the power of labor since demand for trained personnel is high.	High - The legalization of sports gambling and the proliferation of various online gambling sites offer customers an alternative to traditional casinos.	Moderate - The difficulty of obtaining new gaming licenses and high capital costs would deter new entrants.
CRUISE LINES	High - Major cruise operators with low product differentiation and similar economies of scale mean intense competition among firms.	Moderate - Certain groups, such as large tour operators, have powerful bargaining power. Individual buyers may have less bargaining power but still demand the best offering at the lowest possible price.	<p>High - There are only a few ship builders in the industry and cruise lines must take the prices given.</p> <p>Low - Most cruise lines obtain their food and equipment from numerous suppliers. Suppliers in more dominant positions could lower a firm's margins.</p>	Low - The experience of cruise traveling is not easily replicated. Operators are also adopting a more service-oriented approach to attract customers.	Low - High capital costs and the economies of scale leveraged by cruise line giants would inhibit new entrants.
Source: CFRA.					

Operating Environment

GEOGRAPHICAL RISKS AND OPPORTUNITIES

I. World

The global travel & leisure industry was badly affected by the Covid-19 pandemic, especially in 2020. However, with the growing vaccine coverage leading to the reopening of most major economies in 2022, the industry has recovered significantly. According to the United Nations World Tourism Organization (UNWTO), international tourist arrivals doubled in volume in 2022 compared to 2021, but still remained 38% below pre-pandemic levels. We note that global tourism did not see a full recovery in 2022 due to blistering inflation, coupled with global geopolitical instability (the Russia-Ukraine war) and China's strict zero-Covid-19 policy. We expect global tourism to continue to rise, driven by pent-up demand from luxury travel, events, and business travel. On top of that, the return of Chinese travelers will further boost the tourism industry recovery. However, the industry's recovery may face a setback as inflation continues to rise and concerns of a recession intensify.

◆ **Global cruise lines.** Prior to the Covid-19 outbreak, the global cruise industry was on a relatively strong fundamental trajectory, with a notable rebound in passenger demand and onboard spending, and relative strength in net yields, available passenger cruise days (APCD), and other key operating metrics. That came as the major operators pursued a multi-year cycle of capacity expansion as they launched new ships to capitalize on what was then growing global demand.

Then came the pandemic, which brought cruise line operators to their knees. With ongoing travel restrictions amid the global spread of the outbreak, the cruise industry announced temporary closures of entire global operations. This followed a wave of mass cancellations, itinerary modifications, and redeployment of sailings as both the U.S. Centers for Disease Control and Prevention (CDC) and the U.S. State Department issued their own warnings against cruise travel and provided stringent standard operating procedures (SOPs).

In 2022, the world has largely learned to live with Covid-19, as new cases, hospitalizations, and deaths all dropped from earlier in the year. As a result, cruise ships gradually transitioned back to pre-pandemic operations. In March 2022, the CDC removed the Covid-19 Cruise Ship Travel Health Notice. Although all major cruise lines had their full fleet back in operation in the second half of 2022, occupancy rates still fell below 80%. We expect strong demand trickling into occupancy in 2023, with major cruise lines forecasting occupancy of more than 100%. However, the risk of recession, higher interest rates, and rising inflation are expected to weaken consumer travel and leisure spending.

II. U.S.

The travel and tourism industry has become an indispensable pillar in the nation's economy. In 2022, the industry's various sub-segments largely continued their recovery following a tremendous rebound in 2021, after grinding to a halt in 2020 amid the Covid-19 lockdowns.

However, the travel and tourism industry is expected to show a mixed picture in 2023. While the current demand environment remains robust, many companies still face margin pressure from higher commodity prices and staffing issues. Companies in this industry may respond through higher pricing, but given the high risk of recession and less discretionary spending, many companies may not have enough pricing power to improve their bottom lines.

◆ **Gaming in the U.S.** The gaming industry in the U.S. is more dependent on recreational visitors than the hotel business. Whether it is for a day trip, a long weekend, or a more extended vacation, many patrons visit a gaming facility to engage in games of chance. Most of the highest-volume casinos in the

U.S. are part of or linked to big hotels. Larger casino complexes typically also offer hotel rooms; food and beverages; entertainment, such as nightclubs and theater shows; and shopping. Moreover, some of the largest hotels, with more than 2,000 rooms each, find homes in gaming markets such as Las Vegas and Atlantic City.

There are long-term bullish catalysts. The legalization or development of new U.S. gaming markets has gradually accelerated – 13 states legalize all types of gambling – with gaming machines now allowed at more U.S. racetracks and other venues. Also, after a May 2018 U.S. Supreme Court decision, more states are likely to embrace online betting, likely providing a long-term revenue opportunity for casino operators.

The lifting of federal U.S. bans on sports betting basically fired the starting gun for the launch of online sports book (OSB) and online casino gaming (iGaming) businesses. We expect an attractive market growth rate that would reach \$25 billion to \$42 billion by 2030. With the market still at its infancy, anyone can have a slice of the pie as the market share is available in this early stage for anyone's taking. In 2022, New York recorded \$16.2 billion in bets, overtaking New Jersey as the top betting market. New Jersey recorded \$11 billion in bets last year. Furthermore, global entertainment company MGM Resorts International has joined forces with the world's largest online betting technology company, Entain Holdings, to form Bet MGM, a U.S. online sports betting and online gaming company, to capitalize on these new opportunities. Others without online operations and significant wagering experience are either buying sports wagering businesses to push into the space, or plan to offer skins/regulatory license access for a fee.

Meanwhile, delayed replacement cycles in North America and international growth constraints have recently weighed on gaming machines and systems providers. Still, we look for casino operators to eventually resume a new upgrade cycle for their equipment. Also, future gaming machine sales will likely ultimately benefit from a gradual shift to server-based gaming machines as well as an expansion of gaming as states look to plug budget shortfalls.

◆ **Hotels in the U.S.** Hotels continued their recovery in 2022, following the Covid-19 outbreak and subsequent variants that wreaked havoc on the industry over the course of 2020 and 2021. However, while spending for leisure-related travel surpassed pre-pandemic levels in 2022 after a tremendous rebound in 2021, business-related travel spending continued to lag 2019's levels. As a result, most hotel operators' occupancy rates remained below pre-pandemic levels in 2022. Nevertheless, given the robust demand for leisure-related travel, most hotel operators were able to offset the negative impact of weaker business travel through higher average daily rates (ADR).

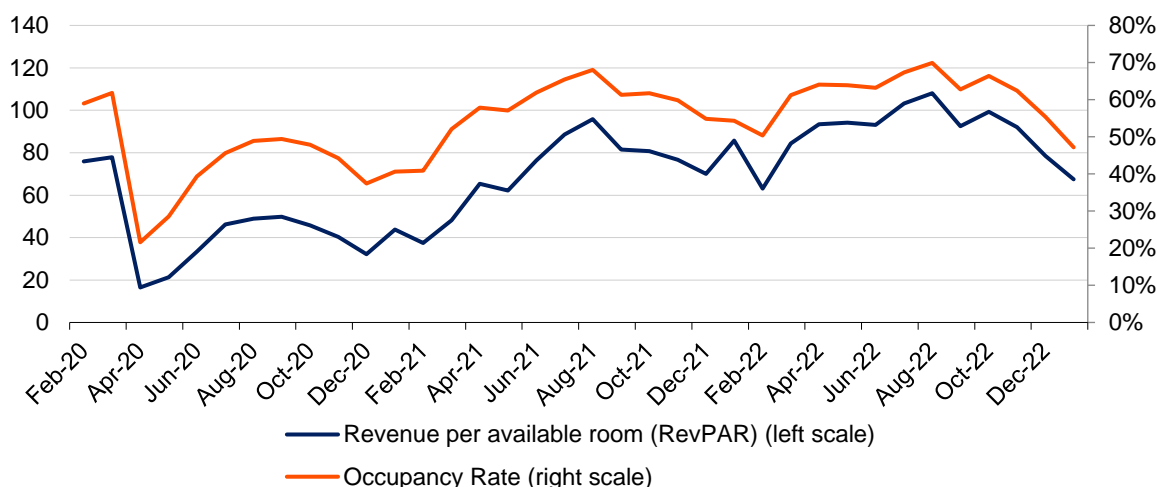
In 2023, we expect hotel operators' pricing power will diminish, especially among the lower-income consumers who have already shown signs of weaker travel demand in the second half of 2022. In addition, we think business-related travel in 2023 may continue to lag 2019 levels, as the work from home trend persists and companies cut costs given the weaker macro backdrop. On a brighter note, we see continued strength in leisure travel demand, with high-end hotels benefiting the most. Additionally, as China rolls back its zero-Covid-19 policy and lifts travel restrictions in the first half of 2023, companies with a footprint in the country will benefit from the rebound in economic activity. However, higher inflation due to stronger economic activity in China or a recession in 2023 can very well outweigh this positive development over the course of the year. Looking even further ahead, we think business-related travel may also undergo a transformation as consumers increasingly mix both leisure and business travel (aka bleisure) due to the post-pandemic shift towards more remote work.

In 2022, the average hotel revenue per available room (RevPAR) in the U.S. continued to grow, reaching \$78.63 in December 2022, a 14.8% nominal increase over December 2019 levels, according to STR data. While RevPAR has surpassed 2019 levels, occupancy rates still lag slightly with December 2022's average occupancy of 53.6% still 1.0% below 2019 levels. The occupancy recovery should continue to be

led by strong leisure travel demand, with business/group travel improving but remaining below pre-Covid-19 levels due to an uptick in videoconferencing, work-from-home capabilities, and a potential pullback in business investment due to recessionary risks in 2023, in our view. We expect RevPAR growth to continue in 2023, although moderating into the mid-single-digits, as rising recessionary risks will likely slow real consumer spending.

U.S. WEEKLY HOTEL REVENUE PER AVAILABLE ROOM (RevPAR)*

(in USD, \$)



*Data through January 7, 2023.

Source: Press release from STR.

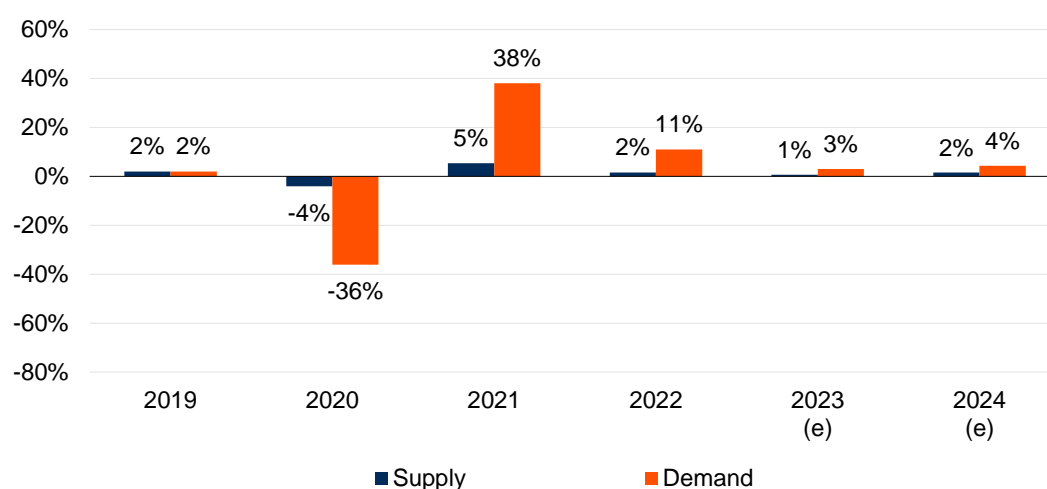
The jobs picture for the U.S. hospitality industry is improving but remains a challenge for most hotel operators, given the tight labor market. Hotel companies were one of the most negatively affected by the Covid-19 pandemic and the subsequent travel restrictions, which lead to mass layoffs at most hotel companies. The leisure and hospitality industry lost 8.3 million jobs in March and April of 2020 as the pandemic took hold – by far the largest number of job losses of any industry within reported U.S. non-farm employment statistics. By July 2021, the industry recovered substantially, adding more than 6 million jobs, which reflected the incremental benefits of the assistance by the U.S. government under the Paycheck Protection Program (PPP). Despite that, the industry still faces labor challenges due to both the tight labor market and demographic shifts. However, many hotel operators have recently begun to revamp their labor practices to better retain and hire workers, through more flexible hours, higher pay, and better benefits. In our view, the near-term outlook for labor in the hospitality/leisure industry is complex with a clear mismatch of supply and demand. Over the long term, we think hotel companies will fill the labor supply gap through either technological advancements, smaller profit margins, or a mix of both. The quit rate of 5.4% in November 2022 within the Leisure and Hospitality industry was a slight improvement from 5.7% in March 2022, as reported by the U.S. Bureau of Labor Statistics (BLS), but still highlights the unsatisfactory nature of the work for many employees. In 2023, we think hotels may be forced to increase salaries at a faster rate than their room prices at the expense of profits, in order to avoid disruptions to business operations. CBRE Hotels' March 2022 survey also found that frontline hotel employees earn 12.8% less than retail workers, which we think will continue to provide a significant headwind to solving current labor issues. However, progress on wages is made within the industry, as hotel wages have grown at an 8.5% CAGR since 2020, outpacing retail wage growth of 5.8% over the same period, according to CBRE's September "2022 U.S. Hotels State of the Union" report.

In 2023, hotel companies' net-room growth and occupancy rates will likely remain risks. In 2022, most hotel operators faced building-pipeline delays due to supply chain issues, commodity cost inflation, and

labor shortages – all of which improved over the year. However, in 2023, we expect net-room growth to remain pressured due to a likely recession or high interest rates and labor costs. A recent CBRE survey now projects that new supply growth is likely to be restricted to a level of 1.2% to 1.3% per year through 2025, well below the long-run average of more than 2.0%. As shown below, U.S. hotel demand (room nights sold) and supply in 2020 declined 36% and 4%, respectively, but rebounded 38% and 5% in 2021 and are projected to continue rebounding by about 11% and 2% in 2022 and are projected to continue rebounding by about 11% and 2% in 2022.

The U.S. hotel industry has by and large recovered from the 2020 lows – excluding business-related travel, which may never fully recover to pre-pandemic levels. Although concerns persist over the impact of high inflation or a recession in 2023, we think travel demand, especially among higher income groups, has the potential to see continued strength. In our view, the continued recovery in luxury, business, and event travel should support demand, along with the post-pandemic shift to more remote jobs.

U.S. HOTEL SUPPLY AND DEMAND



Source: STR, Tourism Economics.

The financial hit on the U.S. hotel industry was jarring as the Covid-19 pandemic weighed significantly on the financial results of the major U.S. hotel operators in 2020 – the worst year on record for the industry. The U.S. hotel industry suffered about \$125 billion in aggregate lost revenues due to the pandemic in 2020, based on estimates from Oxford Economics, a market research firm. Hotel operators were in total cash conservation mode – slashing capex budgets by 75%, furloughing staff, suspending dividends, and raising capital while projecting “cash burn rates” to give investors comfort they can survive another year or so on their current cash and if hotels remain closed or shut down a second time. However, good news for U.S. hotels came sooner than what was initially expected as the industry rebounded significantly through 2021 amid acceleration in vaccine distribution and easing of travel restrictions.

In 2022, the industry continued its recovery, although mounting risks of a recession are looming over the industry this year. A recent survey of economists conducted by the Wall Street Journal in October 2022 found that 63% of economists now expect a recession in 2023, up from 49% in the July survey. This represents the first survey results with over 50% expecting a recession since July 2020. This view stems from continued high inflation (measure by CPI) that is forcing the Federal Reserve (Fed) to hike interest rates aggressively and making the Fed’s goal of a soft-landing more difficult. A recession would likely provide significant headwinds for hotel REITs as lower consumer spending and business activity (typical during recessionary periods) would likely result in reduced pricing power and lower occupancy rates.

III. Asia

China continued to impose travel restrictions on both inbound and outbound travelers in 2022. According to the China Tourism Academy, outbound Chinese travelers totaled 155 million in 2019, rising at a CAGR of about 12.5% over the prior 10 years (versus 47.7 million in 2009). That number was decimated by the pandemic in 2020 as outbound trips fell 88% year-over-year from 155 million to 18 million, and that number was further halved in 2021 to just 8.5 million. We think a full recovery and growth will only come in 2023 as China, a major contributor to the outbound tourism market, has recently lifted their zero-Covid-19 policy and reopened its border in January 2023, ending its three-year strict Covid-19 lockdown.

Asia is also home to some of the most tourism-reliant regions globally. Southeast Asia, for example, is home to Cambodia, Indonesia, Malaysia, Singapore, Thailand, and Vietnam. As of February 2023, all international flights have resumed for Southeast Asian countries with varying restrictions.

◆ **Gaming in Macau.** Macau's gaming industry has been severely disrupted amid the Covid-19 outbreak. More than 90% of Macau's visitors are from China, Hong Kong, and Taiwan – where the Covid-19 pandemic spiked earlier than in the rest of the world. Footfall is likely to return to pre-pandemic levels in the second half of 2023 as the Chinese government recently reversed its zero-Covid-19 policy in January 2023, which would result in an influx of tourists in Macau due to pent-up demand mainly from mainland China. We expect to see visitor volume to return in the second quarter of 2023 but material recovery should take place in the third quarter of 2023 as visa processing for foreigners will largely start after the Lunar New Year holiday, with immigration currently busy approving passports for returning Chinese travelers and locals who look to travel abroad. However, we are cautious on global recession risks, which will slow everything down again.

In July 2022, for the first time in more than two years, Macau closed all of its casinos as the Covid-19 outbreak continued to grow in the world's biggest gambling hub. Even though the government insisted there would be no city-wide lockdown, the stringent regulations had effectively shut down Macau. Macau's gross game revenue (GGR) in 2020 shrank to \$7.57 billion, down by 79.3% compared to \$36.6 billion in 2019, before increasing 44% in 2021 to \$10.82 billion due to the easing of bans on foreign entries. However, in 2022, Macao casinos recorded GGR of merely \$5.3 billion, a 51.4% year-over-year decline and the lowest since 2004.

CFRA thinks that gaming revenues for Macau casinos will see a very significant pickup in the next 12 months due to the rollback of China's zero-Covid-19 policy in January, ending Macau's nearly three years of restrictive lockdown. China announced it will fully restore travel across its border with Hong Kong and Macau in February 2023, dropping the requirement for Covid-19 testing and daily quotas. The first day China relaxed its travel restriction into Macau, tourist arrival soared to nearly 40,000, mostly from mainland China, while the first day of ferry services from Hong Kong brought in over 2,000 tourists, according to Asia Gaming Brief. However, the risk of recession in 2023 could derail Macau's recovery, and visibility for any sustainable recovery is highly limited until international passenger traffic can resume sustainably, which we think will be in 2024.

◆ **Hotels in Asia.** Hotels across Asia-Pacific suffered an early decline compared to their American and European counterparts due to their proximity to the epicenter when the coronavirus was first detected in late December 2019 in Wuhan, China. Asian hotels recorded their worst ever occupancy rates in April 2020, plunging more than 60% from the year before. RevPAR also took a significant hit. After a series of surging Covid-19 waves, momentum started to build up as occupancy rates recovered from the pandemic low and remain elevated. While RevPAR varied from hotel to hotel, it also showed signs of recovery, with some hotels reaching pre-pandemic levels in December 2021.

Despite a series of Covid-19 waves and new variants, occupancy rates and RevPAR have been recovering since the April 2020 trough, thanks to strong domestic demand. Being the first major country

to emerge from the coronavirus lockdown, China started seeing a recovery in occupancy rates since the government began relaxing lockdown measures in March 2020. However, China's occupancy rates plunged yet again in 2022 as the country returned to lockdown due to a massive Covid-19 outbreak. For many hotels across key markets in Asia-Pacific, occupancy rates have started to recover with the return of international tourists being the biggest driver as most Asia-Pacific countries have started to gradually open borders since March 2022. We expect to see a significant increase in tourist arrivals in the near future, mainly due to pent up demand from leisure travel as Covid-19 cases gradually decline, leading to the reopening of many countries' borders, and the rollback of the Chinese government's zero-Covid-19 policy will further boost the number of tourist travelers.

IV. Europe

Tourism plays a crucial part in the European Union (EU) economy. According to Eurostat estimate, the EU tourism industry contributed around 8.4% revenue to the Europe's overall GDP and around 18% employment within the region in 2021. However, more than half the tourism-related businesses are located in France, Italy, Germany, and Spain – countries hardest hit by the Covid-19 pandemic.

While Europe is no longer the region hardest hit by coronavirus – the Americas has taken the top spot due to case spikes in the U.S. and Brazil since July 2020 – the effects of the pandemic reverberate throughout the region's tourism industry. However, Europe's effective strategy of containing the Covid-19 virus, coupled with increasing vaccination rates, has enabled the governments to reopen the economy. On top of the already high rate of inflation in the second quarter of 2022, the Russia-Ukraine war further exacerbated Europe's inflation – due to its geological proximity to the war, the impact was much more devastating compared to any other region.

◆ **Hotels in Europe.** Of all the industries impacted by the pandemic, it is hard to think of one more devastated than the hotel industry. Hotels across the region experienced a freefall in occupancy rates, as shown in the chart below. With the lifting of travel restrictions in most European countries in March 2022, Europe is heading for a steady recovery. The occupancy rate remains stable amid the Russia-Ukraine war, while countries bordering the war area have seen a refugee-driven lift in occupancy.

The speed of recovery greatly depends on the return in demand following any easing of travel restrictions. In 2022, we can say that demand has definitely returned stronger than ever, even with inflation still surging. In 2022, Europe's occupancy rates grew steadily throughout the year standing at 64.6%, only 10% below pre-pandemic levels, while the growth of Europe Average Daily Rates was among the highest globally, at around 20% above 2019 levels. RevPAR also recovered significantly reaching \$97, a 6% compared to 2019. We expect to see strong recovery to continue in 2023, but at an obviously lower pace given the momentum in 2022, driven by "luxury" travellers, whose consumer discretionary spending is more resilient toward inflation versus budget and mid-market leisure travelers, coupled with the return of business travelers.

◆ **Gaming in Europe.** The Covid-19 pandemic had a major impact on Europe's gambling industry, leading to the closure of casinos, lottery outlets, and gambling venues (gambling lounges, bars, breweries, hotels, bingo halls, and horse racing). As a result, many operators migrated from offline to online gambling activities. Several operators went digital in response to the closure of many gambling establishments after the widespread shutdown of land-based gambling venues and subsequent plunges in Europe's gambling market revenue in 2020 and 2021.

In 2022, however, Europe's GGR stabilized above pre-pandemic level, increasing by more than 20% to \$116.2 billion, driven by the significant rebound in land-based casinos followed by steady growth of online gaming during the year. The online gaming revenue grew steadily during the year to \$41.6 billion GGR, an 8% increase compared to 2021. Meanwhile, land-based casinos rose significantly to reach \$76.6

billion GGR, an increase of 34% compared to the prior year. We expect demand to remain strong for both offline and online gambling, and expect growth to be steady in 2023.

OTHER OPERATING TRENDS

Return of China's Travelers Will Revitalize Tourism Industry

After nearly three years of imposing strict travel restrictions on China, the Chinese government finally decided to roll back its zero-Covid-19 policy, dropping Covid-19 testing requirement and daily quotas in January 2023. China also announced it will fully restore travel across its border with Hong Kong and Macau in February 2023. The semi-autonomous cities were both stuck to Beijing's strict policies for almost three years.

In the pre-pandemic world, China was the main driver for global tourism growth, having made around 170 million trips in 2019 alone, with expenditure abroad by China's outbound travelers exceeding \$277 billion, surpassing even U.S. outbound expenditure of \$157 billion. The number of trips went down significantly in 2020 to merely 18 million and further crashed down to 8.5 million in 2021. Despite that, demand from Chinese outbound travelers remained stronger than ever, driven by three years' worth of pent-up demand. The China Outbound Tourism Research Institute (COTRI) forecasts 110 million international trips from Chinese travelers in 2023, and 170-180 million trips by 2024.

With the rollback of China's travel restrictions, we expect a surge in outbound travelers to start in the second half of 2023, mostly due to Chinese pent-up leisure demand. However, we note that the risk of recession is still looming and will probably decimate the numbers of outbound travelers altogether, if it comes to pass.

Travel Tech Adoption Accelerates

In the span of just a few months, the Covid-19 crisis had drastically altered the world, from government regulations and policies, to education, social lifestyle, and, most significantly, companies' operations. As with nearly all businesses, technology presents the travel industry with seemingly unlimited opportunity. Covid-19 has accelerated the digitization of customer and supply-chain interactions and of business operations by three to four years, while the share of digitally enabled products has accelerated by seven years, according to McKinsey Global Surveys.

The travel industry had hit rock bottom during the pandemic crisis. However, driven by pent-up demand and countries lifting their travel restrictions in the first quarter of 2022, the global travel industry recovered significantly and its contribution to the global economy could reach \$8.6 trillion in 2022. To cater to the increased travel demand, companies with travel tech adoption will have an upper hand as Covid-19 has led to the proliferation of mobile phone usage. Some examples include voice search, artificial intelligence chatbox that operates around the clock, facial recognition technologies, and online payment aid to reduce friction and cut waiting times.

More than that, the Covid-19 pandemic has also led to more meticulous hygiene practices, thus bringing some travel-related technologies to the forefront, including cleaning bots, hotel robots, mobile check-ins, and contactless payment to minimize direct human contact. Hotel robots have garnered much attention: two Chinese hotel giants, Huazhu and BTG Homeinns, have invested in Shenzhen ExcelLand, a Chinese service robot provider with robots already in operation in more than 600 cities.

Margin Pressure Expected to Continue in 2023 as Recession Risk Looms

Despite a healthy recovery in 2022, the travel and tourism industry is expected to show a mixed picture in the first half of 2023. While the current demand environment remains robust, many companies will face margin pressure from higher commodity prices and staffing issues. Companies in these industries may respond through higher pricing but given the risk of recession and less discretionary spending, many companies may not have enough pricing power to improve their bottom lines.

Mounting risks of a recession are looming over the industry. A recent survey of economists conducted by the Wall Street Journal in October 2022 found that 63% of economists now expect a recession in 2023, up from 49% in the July survey. This represents the first survey results with over 50% expecting a recession since July 2020. This view stems from continued high inflation (measure by CPI) that is forcing the Fed to hike interest rates aggressively and making the Fed's goal of a soft-landing more difficult. A recession would likely provide significant headwinds for hotel REITs as lower consumer spending and business activity (typical during recessionary periods) would likely result in reduced pricing power and lower occupancy rates.

HOW THE INDUSTRY OPERATES

HOTELS, RESORTS & CRUISE LINES

The hotels, resorts & cruise line sub-industry provides travelers a refuge for rest and privacy. However, many hotel properties possess features well beyond the basic bed, bathroom and telephone. For example, some facilities specialize in catering to large business meetings or conventions, while others maintain recreational facilities, such as pools and tennis courts, for the benefit of both vacation and business travelers. Numerous resorts are centered on golf, with several courses available. Room prices reflect the level of amenities and service that a hotel provides.

Lodging Business Models

Companies can choose to own, manage, or franchise their properties. Some do all three.

◆ **Franchising.** Under franchise agreements, the parent company (the franchisor) typically grants the use of its brand name to lodging properties that it neither owns nor manages. The franchisor receives some revenues – typically a percentage of room sales – without investing significant amounts of incremental capital. It also gains visibility by having more affiliated properties. In addition, most franchisees help promote the brand name by contributing some of their own marketing dollars to national or regional ad campaigns.

From a franchisee's point of view, potential advantages include leveraging brand-name recognition and having access to shared resources such as national reservation systems. Chain affiliation often gives prospective property developers an edge with lenders, who are reassured by the connection to an established business. Franchising has helped many people to become entrepreneurs without having to assume as much risk as going into business on their own.

◆ **Owning.** Owning a property is a capital-intensive business, requiring more of an investment than franchising or managing. In return, it offers both control of the business and the possibility of future gains from appreciating property values. There are various forms of ownership for hotels, including corporations, partnerships, and real estate investment trusts (REITs). A company that owns lodging properties also may have some hotels or motels that are part of another firm's franchise system.

Shown below are the performance indicators for major global hotel REITs as of the third quarter of 2022, which have been experiencing an accelerating recovery as covid variant concerns ease and restrictions abate. However, occupancy still remains below historical or “normal pre-Covid-19” levels.

MAJOR HOTEL REITS AND OPERATING DETAILS							
TICKER	REIT NAME	MARKET CAP (\$ BILLION)	TOTAL HOTEL PROPERTIES	NO. OF HOTEL ROOMS	AVERAGE DAILY RATE (ADR)	OCCUPANCY RATE	REVENUE PER AVAILABLE ROOM (RevPAR)
HST	Host Hotels & Resorts	11.4	77	42,084	\$275.25	69.6%	\$191.66
PK	Park Hotels & Resorts	2.5	43	30,000	\$238.87	71.7%	\$171.27
RHP	Ryman Hospitality Properties	4.5	12	10,412	\$229.00	63.3%	\$108.41
SVC	Service Properties Trust	0.9	242	40,563	\$140.05	65.8%	\$92.15
COVH	Covivio Hotels	2.4	305	39,970	N/A	N/A	N/A
APLE	Apple Hospitality REIT Inc.	3.4	233	29,855	\$99.19	55.5%	\$55.10
PEB	Pebblebrook Hotel Trust	5.5	53	13,238	\$240.27	18.8%	\$45.28
8985	Japan Hotel REIT	2.2	42	N/A	N/A	N/A	N/A
SHO	Sunstone Hotel Investors	2.5	15	7,740	N/A	N/A	N/A

Note: Hotel and room data for FQ3, 2022.
Source: S&P Global Market Intelligence.

◆ **Managing.** Managing is a service business. A management company may work with properties that it owns and/or with hotels belonging to another party. Customer satisfaction and the efficient use of resources, including labor, are important factors. Management contracts may include incentive fees based on a property's financial success.

Chain or independent?

One decision that hotel owners and operators need to make is whether they want their properties to be independent or part of a chain. The foremost feature of a lodging chain is a shared name (generally an owned trademark) that identifies facilities whose prices and amenities are standardized. Potential advantages of chain affiliation include the use of a name that consumers know (e.g., Holiday Inn or Four Seasons), and access to a chain-wide reservation system. Chain membership also can increase the likelihood of obtaining financing from lenders.

A company may become part of a hotel chain in several ways: by owning and operating its own branded hotel facilities; by owning a hotel that it hires another company to manage; by managing another firm's property; or by licensing to franchisees the right to operate its branded hotels. In the latter case, franchisees generally are expected to pay royalty fees to the chain's parent company and possibly to contribute to marketing costs to promote the brand.

The owner or operator of an independent (non-chain) hotel does not need to conform to a franchisor's established guidelines, giving it greater flexibility to develop a unique style and ambiance for a given property. However, it may be more difficult to attract new customers without the name recognition, reservation system, or marketing support of a well-known chain. Nonetheless, there always will be room for hotels that go it alone, particularly if they have a prime location or distinctive qualities that attract visitors.

Room Sales As A Revenue Source

Based on data from Smith Travel Research (STR), a provider of lodging data, a typical full-service hotel derives about 62% of revenues from room charges, compared with around 93% for limited-service properties. The key difference is food and beverages, which limited-service hotels do not offer; this category accounts for 30% of revenues, on average, at full-service hotels. In addition, full-service properties may offer spa and fitness facilities, tours, and other premiums, which account for most of the remainder of full-service revenues. Miscellaneous a la carte items obtained on a rental or separate fee basis account for most of the remainder of revenues at limited-service hotels.

Segmentation Offers Choices

Hotel companies have established different ranges of pricing, service, and accommodation size and style for different types of guests. While the addition of more hotel brands probably does not contribute much to overall demand for rooms at present, individual companies use new brands to broaden their customer bases, and to better leverage corporate resources, management experience, access to capital markets, as well as back-office operations. The extent to which additional brands or properties succeed depends largely on whether they take sales away from competitors or cannibalize a company's other hotels.

For the consumer, the proliferation of brands has brought new types of chains (such as all-suite hotels) that may enable a closer connection with the brand and engender greater brand loyalty. For properties that undergo a rebranding – from either independent operation or from one brand to another – the change may impart a sense of freshness, beyond meeting the customer's primary requirements of a roof and a bed.

Another form of segmentation is chain scale, used by the industry to understand how brand selection influences the revenue and value of a hotel. Chain scales are segments of hotels primarily according to actual average room rates. An independent hotel, regardless of average room rates, can be included in a separate group. STR's chain scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy, and Independent. In their reports, companies may report performance according to the chain scale segment.

CASINOS & GAMING

Casinos compete with many other forms of recreation for patrons' discretionary dollars. The potential for winning money from a casino creates excitement for visitors, and it may offset their knowledge that odds favor the house. In some cases, gaming businesses offer free amenities such as lodging, food, and beverages as a means of rewarding and attracting preferred customers.

The Gaming Scene

The gaming business remains much less widespread than hotel services due to regulatory prohibitions. By becoming more geographically accessible and creating "must-see" attractions, the gaming industry has broadened its customer base and increased the likelihood of repeat visits. When casinos open in a new area, they make gaming more convenient for local residents and are likely to attract visitors to the region. A splashy new facility in an older gaming market, such as Las Vegas or Macau, can be a draw for both new and returning visitors.

With the opening of new gaming markets, joint ventures (typically between a large gaming company and a group of local partners) have become increasingly common. These alliances allow different assets – such as real estate ownership, access to capital, management experience, and political connections – to be combined.

Gaming Markets: Standing Out In A Crowd

As both the new and traditional gaming markets have seen several new players, many operators are trying to differentiate their casinos. Casino floors, with their slot machines and table games, tend to look alike. Therefore, operators need to find ways to make each facility seem interesting and attractive to customers. Developing special themes and attractions are ways to differentiate one casino/hotel from the next.

Some gaming companies try to develop strong brand recognition among consumers. Other firms put more emphasis on the distinctiveness of individual properties. Another strategy is to emphasize strong locations. In general, proximity to interstate highways and major population centers provides a significant advantage for new gaming facilities. For a gaming project to be visible from a well-traveled road is a bonus.

Some casinos focus on particular groups of customers. For example, Boyd Gaming Corp. has sought to attract residents of Hawaii, including focusing on travel agents in the state and operating charter flights from Honolulu to Las Vegas. Other Las Vegas facilities emphasize attracting local residents to their casinos.

Some casino/hotels target high-stakes players; because such players can win or lose millions of dollars during a visit, short-term fluctuations in the revenue and profit levels of such casinos can be pronounced. Other casino facilities are weighted primarily toward slot-machine activity.

Paying To Play

To generate business for their casinos, operators of gaming facilities provide billions of dollars' worth of complimentary rooms, food, beverages, coins/tokens, and other items every year. The value of such giveaways can vary widely between properties. A casino/hotel that hopes to attract a greater number of high-rolling customers is more likely to give away free rooms. In Atlantic City, where casinos also seek to entice lower-stakes gamblers who do not generally stay overnight, rolls of coins/tokens are a big item.

HOW LODGING AND GAMING ARE SIMILAR

The lodging and gaming sub-industries are interrelated to a certain extent – a connection that lets the gaming companies encourage longer stays and offers their casino visitors a wide assortment of amenities, including complimentary rooms for their best customers. However, most of the more than 180,000 hotels in the world do not offer casino activity (largely because they are prohibited from doing so). The gaming sub-industry is highly regulated for the most part, and the introduction of casino activity requires licenses or agreements with state authorities.

Here, we detail some of the characteristics shared by the two sub-industries:

◆ **Three ways to grow.** For hotel and casino owners and operators, there are three main avenues to growth: raise sales or profits at existing properties, open new units, or make acquisitions. With existing hotels, the potential means of boosting revenues include refurbishing or expanding the property, or changing the hotel's brand affiliation (*i.e.*, leaving one chain and joining another). New unit development entails finding attractive sites and making sure that capital is available for new construction. As for acquisitions, one rationale supporting this approach is that they can offer faster and possibly more economical growth than would new construction.

◆ **Sizable capital investments.** Much of the capital that hotel and casino owners require – for such fixed assets as land, buildings, furnishings, and equipment – is likely to be borrowed. For a large new casino/hotel project, capital spending can total hundreds of millions of dollars. The financial viability of each new lodging or gaming facility depends partly on the level of interest rates and the amount of related debt that the owner has incurred.

◆ **Large-scale employment of service-oriented workers.** Both sub-industries sell hospitality to their customers. Employees perform such functions as housekeeping and food service. In some cases, unions represent industry employees.

◆ **Dependence on tourism and leisure travel.** Leisure travelers are an important source of revenue and profit for both the lodging and the gaming sub-industries. As a result, factors such as personal income, consumer confidence levels, and people's willingness to travel affect lodging demand and casino activity. We generally view the hotel sub-industry as being more sensitive than the gaming sub-industry to macroeconomic conditions, due to the importance of business travel to its results.

◆ **Influence of supply and demand.** Both sub-industries are subject to supply-and-demand cycles, with new construction likely to be influenced by interest rate levels and lenders' receptivity. Currently, we believe the historically low interest rate policies around the world are stimulating hotel development well beyond what the natural balance of supply and demand would indicate. Of course, many of these new rooms that are in the pipeline (due to extraordinarily low interest rates) will have delayed construction due to Covid-19.

In the gaming sub-industry, the debut of a splashy new casino project generally helps boost overall demand in the market where it is located. However, at least initially, the new gaming facility captures enough market share to cause revenue and profit levels to drop at older, competing gaming facilities.

◆ **Regulation is a key factor.** The lodging and gaming sub-industries are subject to state and local regulation. Zoning approvals, for example, often are needed before construction can begin on a lodging property.

In the gaming sub-industry, regulation is even more significant. Acquiring a license or reaching an agreement with the local or federal government is a key requirement for opening a new casino. Thus, a license can be a barrier to entering the sub-industry and is one of a gaming firm's most important assets.

Some countries issue a limited number of licenses. However, even if regulators do not cap the number of licenses, they still subject casino developers to review processes and background checks.

Lodging and gaming companies often face special taxes that are specific to their industries. For example, states and localities may apply room taxes for lodging customers and a casino tax on money won by a gaming establishment. A relatively high tax rate on casino winnings may discourage companies from investing in new gaming facilities. These costs would have to be offset by lower investment costs and stronger operating margins. However, profitability levels can fluctuate over time, affected by factors such as economic conditions, the entry of new competition and a change in tax rates.

In Europe, the social impact of gambling had garnered enough attention that national governments were prompted to make regulatory changes. Some of the changes were targeted towards gambling addiction and to reduce risk of gambling-related harm. (See table below.)

Notable Regulatory Changes in the European Gaming Industry	
U.K.	<p>Announced in May 2018 that maximum stake on fixed-odd betting terminals would be reduced from £100 to £2 (took effect in October 2019).</p> <p>Announced in October 2018 that remote gaming duty (RGD) will be increased to 21% from 15% to offset loss in gaming revenue tax.</p>
Germany	<p>Prohibited online casinos in 2011.</p> <p>Implemented restrictions on arcade providers between 2017 and 2018, causing huge reduction of amusement with prize (AWP) machines (implementation was subsequently delayed to 2021).</p>
Italy	<p>Imposed limitations and distance laws on arcade operators, forcing many of them to close with around 250,000 AWP removed.</p> <p>Increased gaming tax on AWP by 0.35% and video lottery terminals (VLTs) by 0.3% (took effect in September 2018 with further increases in May 2019, January 2020, and January 2021).</p> <p>Announced ban on gaming and betting advertisements through media channels in July 2018 (took effect in January 2019).</p>

◆ **High fixed costs.** Lodging and gaming companies alike must accommodate a high level of fixed and semifixed costs (such as payrolls). For example, hotels face such ongoing costs as property taxes, insurance, depreciation and amortization, interest, rent and equipment leases. In addition, for a hotel or gaming facility to be operational, a minimum level of labor is necessary. Thus, a portion of a facility's labor costs can be viewed as fixed (of course, incremental labor may be added as business activity grows or furloughed as activity shrinks). Once revenues pass the break-even point, however, a substantial percentage of incremental revenues typically becomes profit.

Transportation Systems are Important

A well-functioning transportation system in which consumers have confidence is important to the lodging and gaming industry. Consumer sensitivity to both gas prices and airfares when planning travel remains an important consideration for the lodging and gaming industry.

HOW TO ANALYZE A COMPANY IN THIS INDUSTRY

A range of factors, both quantitative and qualitative, can be helpful in comparing and contrasting a company with its competitors, sub-industry peer group and the industry in general.

Although absolute numbers are critical to the assessment of any company, comparative analysis is used to measure the relative success of a company under given industry conditions. For example, if a hotel's revenue is declining while the rest of the industry is showing gains, clearly there is cause for concern and further investigation. However, if a company's competitors are also experiencing weak financial performance, then the problem may lie beyond the company itself.

Further study would then likely suggest where the problems lie. Have consumer tastes or preferences shifted? Have costs, prices, or other factors changed in ways that make the potential investment return of the business more or less attractive? Analysis could suggest how to address the problems or indicate that they may be too large or too broad for the company to fix. Conversely, if a company's financial performance is stellar versus its peers, analysis could show if or for how long the outperformance can be sustained.

Qualitative Factors

Numerous qualitative judgments contribute to the overall assessment of a hotel, casino, or cruise line. The following section describes some of the most important factors.

◆ **Competitive position.** It is important to consider how a company is competitively positioned. This should be evident in the company's strategy – likely developed over many years, and thus difficult to change in the short term.

Factors to consider include the size and operating strategy of a company, be it owning, managing, or franchising properties. An example of this would be that a luxury hotel company would likely need to maintain a high degree of management control, if not ownership, of its properties, to ensure that quality is maintained. Furthermore, in this example, each property might have unique design features, as opposed to sharing similar construction details with other properties in the portfolio, and each hotel may have a singular name.

A large, diversified company may have brands that target multiple segments of the market. Each company should position itself to differentiate itself from its rivals in ways that give it a competitive advantage. Moreover, one should consider how a company's market position would be supported and maintained over the long term, via brand promotion, property upgrades, and more, in order to fend off competitors.

One may also consider whether a business is likely to be viewed as providing good value to customers. The perception of value may likely influence the number of repeat visits a property receives and what types of recommendations are passed on to other people. An emerging trend is for individual hotels, hotel brands, and independent third parties to set up blogging websites for guests to share their views and recommendations. Another, perhaps more reliable source of such information, is surveys of guests conducted by third parties such as STR, a provider of data and analysis for the hospitality industry, which uses data from hotel chains around the world to measure the health and analyze the strategy of the industry.

◆ **Management.** As in any other business, management quality is a key success factor. CFRA looks favorably on seasoned management teams that have performed well relative to their peers in both good times and bad.

In evaluating a company's management team, an investor should first ask whether its strategy makes sense considering current and long-term industry trends. Is the strategy a good one? Is the current management capable of executing it? What is management's record for working together as a team? The quality of management often spells the difference between success and failure.

Some executives excel at cost containment, while others are better at creating new products or managing expansion activity. In evaluating a company, it is a good idea to look at top managers' record – both with that company and with other firms – in addressing the same kinds of needs and goals that are currently pertinent to the company. One way to gain insight into management is through the comments that typically accompany quarterly earnings reports. Does management relate its strategy to results? If not, management itself may not know if its strategy is likely to achieve the desired results.

CFRA generally prefers situations in which top executives' own stock in the company because that should bring managers' interests more in line with those of other shareholders. It is also important to examine the reward potential in place for management. Are short-term results emphasized over long-term performance? An example of ill-suited management incentives would be to allow necessary property renovations to be deferred until management incentives are realized; by then, the property may have lost its competitive position.

◆ **Scale and diversification.** Is bigger better? A large company tends to enjoy economies of scale, with overhead expenses supported by a bigger revenue stream and spread over a larger asset base than those of a smaller firm. A large company is also more likely to have stronger purchasing power and greater influence with customers. Small companies, however, may be nimbler in responding to market conditions. A similar argument can be made for diversifying into multiple industries, because improving conditions in one area may offset a slowdown elsewhere. However, diversification also carries risks; it may dilute the focus of top management or distract the company from its core strengths.

A company's expansion strategy is key to its long-term profitability potential. Companies may choose to grow via internal unit expansion or via acquisitions. In addition, many hotel chains are hedging their bets on the success of one format and developing or acquiring other hotel formats. Conversely, some companies prefer to focus on one concept or several similar concepts. These strategies enable a company to develop expertise it might not gain from a split focus.

CFRA advises looking at the geographic mix of a company's business. A relatively narrow geographic focus may heighten sensitivity to changes in local conditions, including economic and regulatory factors. Some companies have expanded overseas in the pursuit of markets that are less mature or developed than those in their home country. However, international markets may exhibit different consumer behaviors and be subject to varying expectations, as well as different economic and regulatory environments.

On a property-by-property level, site selection is an important consideration. However, not all companies have the same approach when it comes to locating a new property. Some pay top dollar for prime locations, while others are satisfied with lower-cost locations that enable them to operate at lower price points. Offsetting factors can diminish the importance of location. These might include price, as well as the presence (or absence) of nearby competitors or amenities.

◆ **Brand names.** For hotel/casino chains, the value of company brands depends on several factors, including how the brands are perceived by consumers and how successfully shared services such as

national advertising is administered. However, even non-chain properties can create valuable brand equity, as in the case of a unique resort that gains recognition for its ambiance and amenities. Meanwhile, hotels that are part of a chain may still cultivate an image of uniqueness.

◆ **Customer mix.** CFRA advises looking at whether the customer mix of a hotel is weighted more toward business or leisure travelers. Are the property's location and facilities well suited toward attracting such customers?

In general, room prices will be more of a determining factor in the choice of a hotel by leisure travelers than they will be for business customers, in CFRA's view. However, special corporate rates or volume discounts provide opportunities for businesses to lower their travel costs. Industrywide, Monday through Thursday are generally the peak travel nights for business travelers, and Friday and Saturday bring the heaviest demand from leisure customers.

Furthermore, in the case of casinos, it is a good idea to look at what the mix is between local visitors and those from out of town. If, for example, the emphasis is on customers who live nearby, the facility would likely be more sensitive to how well the local economy is doing.

◆ **Regulation.** Regulation has its benefits: countries that limit gaming licenses also somewhat protect companies from competition. However, a state with a limited number of gaming licenses may choose to increase the number, leading to additional competition for existing casinos. In addition, increasing competitive threats may arise from neighboring countries. Furthermore, more and more companies have operations or possible opportunities for expansion in international markets.

Taxation is a significant form of regulation. In some gaming markets, the state or local tax on casino winnings may be less than 10%, while in others, it exceeds 20%. Tax rates, and the likelihood of their being changed, should be part of evaluating projections of a company's current and future profitability and cash flow.

◆ **Technology.** Lodging and gaming companies use technology to differentiate themselves from the competition. Many travelers are aware that most properties have wireless Internet connectivity throughout the facility, as well as in-room wired connectivity, a standard feature. Frequently, these services are included in the room charge, as opposed to a room premium with an added charge.

More importantly, lodging companies use technology to make travel easier and more efficient. For example, automated checkout and other scheduling services have become widespread, as some guests value the timesaving features of such services, helping hotels trim their labor costs. Other uses of technology allow companies to keep track of guests' visits, what services were used and how much each visitor wagered in the casino. The company can then use this information to differentiate the level and types of services that it provides based on guest preferences, guest loyalty, or other factors.

In the gaming business, technology is spurring the development of new features for slot machines. Some jurisdictions now refer to these machines as "electronic gaming devices," presumably taking into account their non-mechanical designs – such as video screens, lack of handles to pull, use of tickets rather than coins for payment, and so on. In the long term, the Internet may become a more common means for people using their personal computers and mobile devices as a gateway to gambling.

◆ **Labor relations.** Since lodging and gaming businesses are relatively labor intensive, it is advisable to be aware of a company's relationships and contracts with major employee groups. For example, is a significant union contract scheduled to expire soon? What are the prospects for the contract being renewed without labor unrest, a strike, or a significant change in the company's labor costs? Even if there is not a major union presence in the company's work force, it is advisable to be aware of labor market

conditions, how difficult it is to hire and retain workers, and whether there is likely to be increased pressure on profits from wage costs.

Quantitative Factors

When analyzing a company in the hotels & leisure industry, quantitative factors need to be assessed as well. Some of the most important are described in the following section.

Analyzing Financial Statements

Scrutinize the firm's financial statements. Some important factors to consider are listed below.

◆ **Revenue outlook and profile.** What are the revenue sources, and how diverse is the customer base? Are industry revenues expanding, or will a company have to take market share from competitors in order to grow? Are there opportunities to expand through sales to international markets?

In analyzing a hotel company, one should look at the mix of properties it operates. For example, does it primarily control full-service hotels in big cities and well-known or upscale resorts, or is it principally running smaller, limited-service properties located alongside highways or in smaller communities? A big-city hotel may benefit if business travel is especially strong or if tourism has increased in that area. However, full-service hotels may be more sensitive to rising labor costs, since their staffing levels are likely to be higher than those of properties that offer fewer amenities.

Furthermore, hotel companies may have various revenue streams, based largely on the extent to which they own, manage, and/or franchise various properties. If a hotel company's revenues and profitability come primarily from franchising hotels rather than operating or owning them, one should look at such factors as fees generated from current franchisees and the prospect of adding more properties to the system. For example, if credit conditions are tight, franchise development may slow, since developers of new hotels are less likely to get attractive terms from lenders.

Some companies have diversified beyond the traditional hotel business into such related areas as timeshare operations and the selling of condominiums within their hotel properties. When analyzing such a company, it is advisable to look at how much capital the company is committing to various parts of its operations, how much exposure the company has to potential losses from lending money to timeshare owners and what the returns from such investments may be.

When analyzing a casino business, one should look at its mix of gaming revenue. If it has an unusually large contribution from table games, the casino is likely more dependent on big-spending individuals, whose business can yield volatile results. If the winnings are heavily weighted toward slot machines, the casino is probably emphasizing middle-market customers, and revenues are likely to be more stable.

CFRA advises looking at a casino's financial statements for its levels of accounts receivable and allowance for bad debt. This includes both examining trends over time and comparing them with recent revenue trends and with competitors' comparable numbers. If a casino is giving too much credit to marginal customers, significant bad debt write-offs could lie ahead.



Watch Out! Costs for bad debts and other provisions are estimated by management and recorded as either expenses or offsets to revenue (depending upon the provision). Management has discretion in calculating these estimates, and therefore has the ability to manipulate earnings, and sometimes revenues. By under-provisioning or reversing previous provisions, management can generate artificial, and therefore unsustainable, earnings.

◆ **Hotel operating statistics.** Look for data such as occupancy levels, average daily room rate (ADR), and revenues per available room (RevPAR). RevPAR is calculated as the average daily rate (ADR) times the occupancy level. Alternatively, it could be calculated as the total room revenue divided by number of available rooms over the same time period. Hotels typically seek to maximize revenues, profits, and cash flow by finding the optimal relationship between occupancy and room rates. When using this measure for gaming companies, keep in mind that some may offer attractive hotel prices – even free rooms – to boost casino activity.

◆ **Earnings quality.** Are there any one-time factors to consider? When looking at either revenues or profits, try to assess any one-time factors that may have inflated or depressed results. For example, earnings may be unsustainably high due to a gain from an asset sale, or they may be unusually low due to a restructuring charge or a one-time write-down of an asset's value.

Other items that can cause major swings in reported profits or in year-to-year earnings comparisons include unusual tax rates and accounting rule changes. If there are significant one-time or nonrecurring items, it is advisable to adjust the reported earnings to what would be considered “normalized” levels. This should help reveal the underlying growth and quality of the company's profits and may provide a better base from which to project future levels of earnings.



Watch Out! Companies in the Hotels & Leisure industry are fixed asset intensive, making depreciation a significant expense for most of these companies. Since depreciation is based on estimates of asset lives, management can manipulate these estimates to manage earnings. Specifically, extending the depreciable life of an asset will boost a company's earnings while shortening depreciable lives will decrease earnings. Therefore, it is important to refer to the notes to the financial statements to ensure that a change in depreciable life has not occurred.



Watch Out! Hotels & Leisure companies can have high insurance costs related to product liability, workers' compensation, and health care benefit costs, and some portion of these insurance costs may be self-insured. Companies that provide self-insurance are required to estimate and accrue costs related to the above noted items. To the extent that these accruals are subject to management discretion, they may be manipulated to achieve a financial performance target.

◆ **Profitability ratios.** Profitability ratios or margins are measures of how successful a company is in turning revenues into profits. Operating margin, expressed as a percentage, is calculated by dividing operating profit by revenues. Net margin is calculated by dividing net income by revenues. When analyzing profitability ratios, the investor should compare a company against its own past performance and against the performance of similar companies.

◆ **Cash flow.** How healthy is cash flow? Reported earnings may not be an accurate reflection of a company's cash flow generation or financial strength. Keep in mind that some expenses on a company's income statement – such as depreciation, amortization, and write-downs – are non-cash items (*i.e.*, they do not represent an actual cash outlay).

It is particularly important to evaluate capital-intensive and acquisitive businesses such as hotels and gaming companies in terms of how much cash they generate and how much cash they require to maintain and expand the business. These figures may differ substantially from reported earnings. To analyze sources and uses of cash, CFRA advises consulting a company's consolidated statement of cash flows.

Capital expenditures should be analyzed, to separate funds being used to expand a company's business from investments required simply to maintain existing business. While funds for expansion are intended to increase future funds available for shareholders, amounts required to renovate, remodel, and maintain existing structures can be recurring, and should be seen as a consistent drain on cash from operations.



Watch Out! *Some companies engage in supplier financing arrangements (aka reverse factoring). There are several variations of these programs, but basically, a company arranges for a financial institution to pay its suppliers and the company repays the financial institution later. Supplier financing arrangements can delay a company's payments to its suppliers. These arrangements can result in overstated cashflows and understated leverage ratios.*

◆ **Balance sheet ratios.** A company's balance sheet provides a snapshot of its financial condition. Some balance sheet ratios may offer a view of a company's financial health and indicate how well it is putting its assets or capital to work. For example, a company's dependence on debt as a source of capital can be measured by comparing the amount of debt on its balance sheet to the level of equity it has (known as the debt-to-equity ratio).

A company's success in investing its capital is indicated by ratios such as return on assets (ROA) and return on equity (ROE). In these calculations, annual net income is typically divided into an average asset or equity level during the year being examined. Because the lodging segment is subject to cyclical conditions, there may be unusual income items in various periods. Thus, it is a good idea to look at average returns over a multi-year period (such as five or 10 years).

◆ **Asset values.** When looking at a balance sheet, try to judge whether the values reported are an accurate measure of the assets' current worth. For example, undeveloped land may be valued at what it cost the company 20 years ago; in such cases, the current market value may be much higher. Conversely, changes in business conditions or strategy may mean that some assets are overvalued. For example, if a hotel decides to halt an expansion project, it may end up writing down the value of some land it acquired.

Also, look for noncore assets that could possibly be divested, generating proceeds that could be used to reduce debt, repurchase stock or invest in other businesses. When considering significant potential divestitures, it is advisable to consider whether an asset sale would lead to a sizable tax bill. When analyzing companies that own significant hotel and casino properties (including the land they sit on), CFRA advises considering what the replacement and/or real estate value of their properties might be.

◆ **Book value.** This number measures the balance sheet value of a company's assets minus its liabilities. Particular attention should be paid to "tangible" book value, which gives credit to assets such as land, buildings and equipment, but excludes items such as goodwill (which may include a portion of the purchase price of previous acquisitions).

Keep in mind that balance sheet valuations may not reflect assets' replacement cost or their worth to someone else. In addition, the extent to which intangible assets (like a brand name or customer loyalty) contribute to a company's worth may not be adequately reflected in a company's book value, although they may add greatly to the company's worth.

◆ **Off-balance-sheet items.** Does the company have any commitments or prospective liabilities that are not included on its balance sheet? This could include a conditional guarantee to repay debt of another firm (such as a franchisee) or a commitment to buy back, upon request, some of its own debt at a future point. Try to determine the existence or likelihood of any triggering events (e.g., weaker operating results) that could cause debt holders to demand early repayment.

◆ **Valuation metrics.** Valuation metrics are used to determine how much a company or its stock is worth. The most common valuation metric for the lodging and gaming industry is the price-to-earnings (P/E) ratio, or multiple. Another frequently used metric is enterprise value to earnings before interest, taxes, depreciation, and amortization (EV/EBITDA) multiple. EV is calculated as market capitalization plus debt, minus cash equivalents; EBITDA is a measure of operating cash flow.

In deciding which multiples to pay, an investor might consider projected growth rates for earnings or cash flow, the relative attractiveness of the markets to which a company has exposure and debt levels. Keep in mind that valuations depend on various factors, including overall investor sentiment, industry conditions, the level of interest rates, and the extent to which future earnings seem predictable. As is the case with other measures, valuations of a particular company should be compared with those of similar companies in the same industry.

GLOSSARY

Alternative accommodations—All types of accommodation that are available outside the formal or organized lodging industry.

Asset light strategy—A business model where a business owns relatively fewer capital assets compared to the value of its operations.

Average daily room rate (ADR)—A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.

Casino winnings—Funds or money won in a casino.

Franchise—Part of a group of independently owned operations, which have been issued a contract to use a specific name and logo, purchased for an annual fee plus “royalties” usually based on a percentage of sales.

Revenue per available room (RevPAR)—An industrywide measure of hotel room-sale revenue that measures dollars generated, on average, for each room available (both sold and unsold). It is calculated as the number of rooms available, times the occupancy rate (percentage of rooms occupied), times the average room price in dollars.

Sharing economy—An economic model defined as a peer-to-peer (P2P) based activity of acquiring, providing, or sharing access to goods and services, often facilitated by a community-based online platform.

Vacation rentals—The renting out of a furnished apartment, house, or professionally managed resort-condominium complex on a temporary basis to tourists as an alternative to a hotel.

INDUSTRY REFERENCE

NEWS SOURCES

Bloomberg

[bloomberg.com](https://www.bloomberg.com)

Provides business and markets news, data, analysis, and video.

The Wall Street Journal

[wsj.com](https://www.wsj.com)

An American business-focused, English-language international daily newspaper based in New York City, with international editions also available in Chinese and Japanese.

RESEARCH AND CONSULTING FIRMS

GamblingCompliance

[gamblingcompliance.com](https://www.gamblingcompliance.com)

An independent research firm that analyzes legal, regulatory, and business intelligence of the global gambling industry.

GlobalData

[globaldata.com](https://www.globaldata.com)

A data analytics and consulting company that provides intelligence on the world's largest industries by leveraging unique data, expert analysis, and solutions.

L.E.K. Consulting

[lek.com](https://www.lek.com)

A management consulting firm specializing in corporate strategy, mergers and acquisitions, and operations.

PricewaterhouseCoopers

[pwc.com](https://www.pwc.com)

Provides services and information related to the hospitality and leisure industries.

Smith Travel Research

[str.com](https://www.str.com)

A division of CoStar Group that provides market data on the hotel industry worldwide, including supply and demand and market share data.

The NPD Group

[npd.com](https://www.npd.com)

A market research company that provides expert industry analysis and advisory services that help retailers and manufacturers identify market trends to make smarter business decisions.

GOVERNMENT AND INTERNATIONAL AGENCIES

International Monetary Fund

[imf.org](https://www.imf.org)

An organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

Organization for Economic Co-operation and Development

[oecd.org](https://www.oecd.org)

An intergovernmental economic organization with 36 member countries, founded in 1961 to stimulate economic progress and world trade.

U.S. Bureau of Labor Statistics

[stats.bls.gov](https://www.bls.gov)

A division of the U.S. Department of Labor; the principal fact-finding agency of the federal government in the broad fields of labor, economics, and statistics. Its major programs include the consumer price, producer price, and employment cost indices and the national compensation survey.

U.S. Department of Commerce

[commerce.gov](https://www.commerce.gov)

Cabinet-level department responsible for various government agencies that monitor and regulate U.S. commerce. Among its many divisions is the Census Bureau, which publishes population statistics and projections.

World Bank

[worldbank.org](https://www.worldbank.org)

An international financial institution that provides loans and grants to the governments of poorer countries for the purpose of pursuing capital projects.

OTHER ONLINE SOURCES

SBNation

[sbnation.com](https://www.sbnation.com)

An independent sports media brand, consisting of SBNation.com, MMAFighting.com, and more than 300 fan-centric team communities.

Tokeet Rental Software

[tokeet.com](https://www.tokeet.com)

Provider of a rental management workflow platform.

Tourism Economics

[tourismeconomics.com](https://www.tourismeconomics.com)

An Oxford Economics company that focuses on the intersection of the economy and travel.

COMPARATIVE COMPANY ANALYSIS

			Operating Revenues							CAGR(%)			Index Basis (2011=100)					
Ticker	Company	Yr. End	2021	2020	2019	2018	2017	2016	2015	10-Yr.	5-Yr.	1-Yr.	2021	2020	2019	2018	2017	2016
CASINOS AND GAMING																		
NYSE:LVS	LAS VEGAS SANDS CORP.	DEC	4,234.0	2,940.0	12,127.0	13,729.0	12,728.0	11,271.0	11,688.0	(7.7)	(17.8)	44.0	36	25	104	117	109	96
SEHK:1928	SANDS CHINA LTD.	DEC	2,874.0	1,687.0	8,808.0	8,665.0	7,586.0	6,543.0	6,683.0	(5.2)	(15.2)	70.4	43	25	132	130	114	98
SEHK:27	GALAXY ENTERTAINMENT GROUP LIMITED	DEC	2,532.8	1,660.7	6,663.4	7,050.0	6,225.1	6,812.6	6,579.4	(7.1)	(17.9)	53.4	38	25	101	107	95	104
NYSE:MGM	MGM RESORTS INTERNATIONAL	DEC	9,454.1	4,917.1	12,462.8	11,337.6	10,395.4	9,081.1	8,791.2	2.3	0.8	92.3	108	56	142	129	118	103
WYNN	WYNN RESORTS, LIMITED	DEC	3,763.7	2,095.9	6,611.1	6,717.7	6,070.2	4,345.8	4,075.9	(3.3)	(2.8)	79.6	92	51	162	165	149	107
SEHK:1128	WYNN MACAU, LIMITED	DEC	1,503.7	981.8	4,642.6	5,055.6	4,355.6	2,850.0	2,464.0	(8.8)	(11.9)	54.0	61	40	188	205	177	116
MLCO	MELCO RESORTS & ENTERTAINMENT LIMITED	DEC	2,012.4	1,727.9	5,736.8	5,188.9	5,284.8	4,519.4	3,974.8	(6.2)	(14.9)	16.5	51	43	144	131	133	114
CZR	CAESARS ENTERTAINMENT, INC.	DEC	9,571.0	3,628.0	2,528.0	2,056.0	1,480.8	900.5	719.8	43.6	60.4	163.8	1330	504	351	286	206	125
SEHK:3918	NAGACORP LTD.	DEC	213.6	878.7	1,755.5	1,474.3	956.3	531.6	503.7	(0.5)	(16.7)	(75.7)	42	174	349	293	190	106
LSE:GVC	ENTAIN PLC	DEC	5,186.0	4,862.7	4,738.9	3,741.0	1,067.6	763.2	267.7	56.2	39.6	7.5	1937	1816	1770	1397	399	285
SEHK:880	SJM HOLDINGS LIMITED	DEC	1,292.2	968.2	4,349.0	4,393.9	4,066.2	5,390.5	6,304.9	(18.3)	(24.8)	34.2	20	15	69	70	64	85
SEHK:2282	MGM CHINA HOLDINGS LIMITED	DEC	1,206.9	657.3	2,922.7	2,451.8	1,853.3	1,922.5	2,215.5	(7.4)	(8.8)	84.7	54	30	132	111	84	87
TSX:TSGI																		
ASX:CWN	CROWN RESORTS LIMITED	JUN	1,152.2	1,544.6	2,053.8	2,280.4	2,566.3	2,693.9	2,681.7	(4.4)	(15.7)	(31.3)	43	58	77	85	96	100
A035250	KANGWON LAND, INC.	DEC	661.9	439.8	1,316.7	1,291.8	1,448.9	1,409.2	1,388.3	(4.6)	(14.2)	64.7	48	32	95	93	104	102
CHDN	CHURCHILL DOWNS INCORPORATED	DEC	1,597.2	1,054.0	1,329.7	1,009.0	882.6	822.4	798.6	8.6	14.2	51.5	200	132	167	126	111	103
OM:EVO	EVOLUTION AB (PUBL)	DEC	1,215.5	686.4	410.5	281.0	214.2	121.9	82.9	NA	56.1	90.5	1466	828	495	339	258	147
ERI																		
BYD	BOYD GAMING CORPORATION	DEC	3,369.8	2,178.5	3,326.1	2,626.7	2,400.8	2,199.3	2,199.4	3.8	8.9	54.7	153	99	151	119	109	100
ASX:SGR	THE STAR ENTERTAINMENT GROUP LIMITED	JUN	1,158.6	1,026.7	1,513.2	1,541.4	1,798.8	1,689.6	1,647.2	(0.4)	(7.4)	3.9	70	62	92	94	109	103
HOTELS AND RESORTS																		
MAR	MARRIOTT INTERNATIONAL, INC.	DEC	3,415.0	2,119.0	5,373.0	5,215.0	4,997.0	3,473.0	2,856.0	(0.2)	(0.3)	61.2	120	74	188	183	175	122
NYSE:CCL	CARNIVAL CORPORATION & PLC	NOV	1,908.0	5,595.0	20,825.0	18,881.0	17,510.0	16,389.0	15,714.0	(19.1)	(35.0)	(65.9)	12	36	133	120	111	104
NYSE:HLT	HILTON WORLDWIDE HOLDINGS INC.	DEC	2,444.0	1,600.0	3,766.0	3,668.0	3,404.0	2,970.0	3,122.0	(8.4)	(3.8)	52.8	78	51	121	117	109	95
ENXTPA:AC	ACCOR SA	DEC	2,506.5	1,982.9	4,543.8	3,757.7	3,330.9	1,737.6	1,485.7	(8.9)	6.0	36.0	169	133	306	253	224	117
LSE:IHG	INTERCONTINENTAL HOTELS GROUP PLC	DEC	2,318.0	1,757.0	3,456.0	3,166.0	2,972.0	2,866.0	1,803.0	2.7	(4.2)	31.9	129	97	192	176	165	159
HTHT	H WORLD GROUP LIMITED	DEC	2,012.6	1,561.7	1,610.2	1,463.1	1,264.7	946.7	889.4	19.0	14.2	25.4	226	176	181	165	142	106
NYSE:H	HYATT HOTELS CORPORATION	DEC	1,445.0	780.0	2,559.0	2,498.0	2,700.0	2,534.0	2,542.0	(4.3)	(10.6)	85.3	57	31	101	98	106	100
XTRA:TUI1	TUI AG	SEP	5,484.0	9,328.0	20,639.1	21,457.8	21,906.4	19,281.6	19,547.5	(12.3)	(22.7)	(40.4)	28	48	106	110	112	99
LSE:WTB	WHITBREAD PLC	FEB	2,282.7	843.6	2,673.3	2,723.9	2,756.3	3,812.7	4,140.9	(9.4)	(27.2)	(71.2)	55	20	65	66	67	92
NYSE:WH	WYNDHAM HOTELS & RESORTS, INC.	DEC	1,245.0	950.0	1,430.0	1,282.0	1,016.0	998.0	1,029.0	NA	4.5	31.1	121	92	139	125	99	97
NYSE:CHH	CHOICE HOTELS INTERNATIONAL, INC.	DEC	1,069.3	774.1	1,114.8	1,041.3	941.3	807.9	859.9	5.3	5.8	38.1	124	90	130	121	109	94
SEHK:69	SHANGRI-LA ASIA LIMITED	DEC	1,241.0	1,033.4	2,431.2	2,517.9	2,189.8	2,055.4	2,122.6	(4.2)	(9.6)	20.1	58	49	115	119	103	97
OM:PNDX B	PANDOX AB (PUBL)	DEC	359.1	387.0	594.4	576.6	521.5	434.6	418.0	3.2	(3.8)	2.2	86	93	142	138	125	104
900934	SHANGHAI JIN JIANG INTERNATIONAL HOTELS CO., LTD.	DEC	1,785.0	1,516.0	2,168.5	2,137.0	2,087.5	1,531.7	856.8	18.3	1.3	14.6	208	177	253	249	244	179
STAY																		
600258	BTG HOTELS (GROUP) CO., LTD.	DEC	968.6	809.0	1,193.6	1,241.5	1,293.5	939.4	205.3	8.6	(1.2)	16.5	472	394	581	605	630	458
BSE:500850	THE INDIAN HOTELS COMPANY LIMITED	MAR	406.6	222.4	599.0	657.4	639.4	628.8	622.0	(5.7)	(17.0)	(63.9)	65	36	96	106	103	101
SGX:M04	MANDARIN ORIENTAL INTERNATIONAL LIMITED	DEC	316.9	183.7	566.5	613.7	610.8	597.4	607.3	(6.4)	(11.9)	72.5	52	30	93	101	101	98
NSE:IRCTC	INDIAN RAILWAY CATERING & TOURISM CORPORATION LIM	MAR	247.7	107.0	300.7	269.9	225.3	234.5	206.2	5.8	(10.5)	(65.4)	120	52	146	131	109	114
BME:NHH	NH HOTEL GROUP, S.A.	DEC	849.0	655.8	1,916.8	1,847.2	1,856.5	1,528.5	1,495.1	(5.7)	(12.4)	39.2	57	44	128	124	124	102
CRUISE LINES																		
CCL	CARNIVAL CORPORATION & PLC	NOV	1,908.0	5,595.0	20,825.0	18,881.0	17,510.0	16,389.0	15,714.0	(19.1)	(35.0)	(65.9)	12	36	133	120	111	104
RCL	ROYAL CARIBBEAN CRUISES LTD.	DEC	1,532.1	2,208.8	10,950.7	9,493.8	8,777.8	8,496.4	8,299.1	(14.7)	(29.0)	(30.6)	18	27	132	114	106	102
NCLH	NORWEGIAN CRUISE LINE HOLDINGS LTD.	DEC	648.0	1,279.9	6,462.4	6,055.1	5,396.2	4,874.3	4,345.0	(11.6)	(33.2)	(49.4)	15	29	149	139	124	112
TSE:9603	H.I.S. CO., LTD.	OCT	1,039.4	4,114.4	7,480.5	6,451.4	5,329.8	4,981.0	4,450.6	(11.0)	(25.7)	(72.4)	23	92	168	145	120	112
BSE:500840	EIH LIMITED	MAR	134.6	71.7	215.8	262.6	246.3	243.6	251.4	(8.5)	(20.6)	(67.7)	54	29	86	104	98	97
SEHK:678	GENTING HONG KONG LIMITED	JAN	0.0	366.8	1,560.9	1,600.1	1,190.4	1,016.7	690.0	NA	NA	NA	0	53	226	232	173	147
LIND	LINDBLAD EXPEDITIONS HOLDINGS, INC.	DEC	147.1	82.4	343.1	309.7	266.5	242.3	210.0	NA	(9.5)	78.6	70	39	163	148	127	115

Note: Data as originally reported. CAGR-Compound annual growth rate. #Of the following calendar year.
Source: S&P Capital IQ.

		Net Income																
Ticker	Company	Yr. End	Million \$US							CAGR(%)			Index Basis (2011=100)					
			2021	2020	2019	2018	2017	2016	2015	10-Yr.	5-Yr.	1-Yr.	2021	2020	2019	2018	2017	2016
CASINOS AND GAMING																		
NYSE:LVS	LAS VEGAS SANDS CORP.	DEC	(961.0)	(1,685.0)	2,698.0	2,413.0	2,808.0	1,679.0	1,966.0	NA	NM	(43.0)	(49)	(86)	137	123	143	85
SEHK:1928	SANDS CHINA LTD.	DEC	(1,048.0)	(1,523.0)	2,033.0	1,875.0	1,603.0	1,224.0	1,459.0	NA	NM	(31.2)	(72)	(104)	139	129	110	84
SEHK:27	GALAXY ENTERTAINMENT GROUP LIMITED	DEC	170.1	(512.4)	1,674.3	1,724.8	1,344.4	810.3	536.9	(7.9)	(26.7)	NM	32	(95)	312	321	250	151
NYSE:MGM	MGM RESORTS INTERNATIONAL	DEC	1,254.4	(1,032.7)	2,049.1	466.8	1,952.1	1,100.4	(447.7)	(8.7)	2.7	NM	(280)	231	(458)	(104)	(436)	(246)
WYNN	WYNN RESORTS, LIMITED	DEC	(755.8)	(2,067.2)	123.0	572.4	747.2	242.0	195.3	NA	NM	(63.4)	(387)	NM	63	293	383	124
SEHK:1128	WYNN MACAU, LIMITED	DEC	(664.2)	(930.8)	649.2	797.5	473.6	185.1	311.0	NA	NM	(28.2)	(214)	(299)	209	256	152	60
MLCO	MELCO RESORTS & ENTERTAINMENT LIMITED	DEC	(811.8)	(1,263.5)	373.2	340.3	344.8	175.9	105.7	NA	NM	(35.8)	(768)	NM	353	322	326	166
CZR	CAESARS ENTERTAINMENT, INC.	DEC	(1,019.0)	(1,757.0)	81.0	95.0	73.4	24.5	114.2	45.3	NM	(42.0)	(892)	NM	71	83	64	21
SEHK:3918	NAGACORP LTD.	DEC	(147.0)	102.3	521.3	390.6	255.2	184.2	172.6	NA	NM	NM	(85)	59	302	226	148	107
LSE:GVC	ENTAIN PLC	DEC	337.6	78.9	(203.6)	(79.7)	(46.9)	(146.0)	26.8	NA	NM	331.3	1,258	294	(759)	(297)	(175)	(544)
SEHK:880	SJM HOLDINGS LIMITED	DEC	(531.4)	(390.1)	411.8	363.9	251.3	300.0	318.1	NA	NM	37.0	(167)	(123)	129	114	79	94
SEHK:2282	MGM CHINA HOLDINGS LIMITED	DEC	(493.3)	(670.9)	247.9	136.4	296.9	391.6	401.6	NA	NM	(26.0)	(123)	(167)	62	34	74	98
TSX:TSGI																		
ASX:CWN	CROWN RESORTS LIMITED	JUN	(196.1)	54.9	281.7	413.4	1,432.0	706.8	296.3	NA	NM	NM	(66)	19	95	139	483	239
A035250	KANGWON LAND, INC.	DEC	(8.9)	(253.5)	289.9	267.1	409.7	377.6	375.3	NA	NM	(96.2)	(2)	(68)	77	71	109	101
CHDN	CHURCHILL DOWNS INCORPORATED	DEC	249.1	(81.9)	137.5	352.8	140.5	108.1	65.2	14.5	18.2	NM	382	(126)	211	541	215	166
OM:EVO	EVOLUTION AB (PUBL)	DEC	688.5	348.2	168.0	95.6	74.6	33.5	21.8	NA	80.3	112.7	3,165	1,601	772	439	343	154
ERI																		
BYD	BOYD GAMING CORPORATION	DEC	463.8	(134.7)	157.6	115.0	189.4	420.2	47.2	NA	2.0	NM	982	(285)	334	244	401	890
ASX:SGR	THE STAR ENTERTAINMENT GROUP LIMITED	JUN	43.4	(65.5)	138.8	109.5	202.9	144.8	130.3	(12.7)	(21.5)	NM	33	(50)	107	84	156	111
HOTELS AND RESORTS																		
MAR	MARRIOTT INTERNATIONAL, INC.	DEC	1,099.0	(267.0)	1,273.0	1,907.0	1,459.0	808.0	859.0	18.7	6.3	NM	128	(31)	148	222	170	94
NYSE:CCL	CARNIVAL CORPORATION & PLC	NOV	(9,501.0)	(10,236.0)	2,990.0	3,152.0	2,606.0	2,779.0	1,757.0	NA	NM	(7.2)	(541)	(583)	170	179	148	158
NYSE:HLT	HILTON WORLDWIDE HOLDINGS INC.	DEC	410.0	(715.0)	881.0	764.0	1,084.0	338.0	1,404.0	4.9	3.9	NM	29	(51)	63	54	77	24
ENXTPA:AC	ACCOR SA	DEC	96.7	(2,431.8)	520.7	2,556.7	535.5	279.7	265.0	12.2	(20.3)	NM	36	(918)	196	965	202	106
LSE:IHG	INTERCONTINENTAL HOTELS GROUP PLC	DEC	266.0	(260.0)	385.0	349.0	534.0	456.0	1,222.0	(5.4)	(10.2)	NM	22	(21)	32	29	44	37
HTHT	H WORLD GROUP LIMITED	DEC	(73.2)	(335.8)	254.1	104.1	188.7	112.6	67.2	NA	NM	(78.8)	(109)	(499)	378	155	281	167
NYSE:H	HYATT HOTELS CORPORATION	DEC	(222.0)	(703.0)	766.0	769.0	389.0	206.0	124.0	NA	NM	(68.4)	(179)	(567)	618	620	314	166
XTRA:TUI1	TUI AG	SEP	(2,859.5)	(3,697.0)	454.0	844.9	762.1	1,166.1	379.9	NA	NM	(21.6)	(753)	(973)	120	222	201	307
LSE:WTB	WHITBREAD PLC	FEB	56.7	(1,280.6)	280.5	4,960.3	601.4	517.5	554.4	NA	NM	NM	10	(231)	51	895	108	93
NYSE:WH	WYNDHAM HOTELS & RESORTS, INC.	DEC	244.0	(132.0)	157.0	162.0	230.0	176.0	149.0	NA	6.8	NM	164	(89)	105	109	154	118
NYSE:CHH	CHOICE HOTELS INTERNATIONAL, INC.	DEC	289.0	75.4	222.9	216.4	122.3	106.7	128.0	10.0	22.0	283.3	226	59	174	169	96	83
SEHK:69	SHANGRI-LA ASIA LIMITED	DEC	(290.6)	(460.2)	152.5	192.9	158.0	106.1	140.1	NA	NM	(36.9)	(207)	(328)	109	138	113	76
OM:PNDX B	PANDOX AB (PUBL)	DEC	67.5	(170.3)	289.7	317.3	383.6	242.5	252.4	4.0	(22.6)	NM	27	(67)	115	126	152	96
900934	SHANGHAI JIN JIANG INTERNATIONAL HOTELS CO., L	DEC	15.8	16.9	156.9	157.4	135.5	100.0	98.2	(10.9)	(32.0)	(8.7)	16	17	160	160	138	102
STAY																		
600258	BTG HOTELS (GROUP) CO., LTD.	DEC	8.8	(76.0)	127.1	124.6	97.0	30.4	15.4	(6.2)	(23.4)	NM	57	(493)	824	808	629	197
BSE:500850	THE INDIAN HOTELS COMPANY LIMITED	MAR	(32.6)	(98.4)	47.1	41.4	15.5	(9.8)	(34.9)	23.5	25.5	NM	94	282	(135)	(119)	(44)	28
SGX:M04	MANDARIN ORIENTAL INTERNATIONAL LIMITED	DEC	(141.4)	(680.1)	(55.5)	43.4	54.9	55.2	89.3	NA	NM	(79.2)	(158)	(762)	(62)	49	61	62
NSE:IRCTC	INDIAN RAILWAY CATERING & TOURISM CORPORATC	MAR	87.5	26.0	68.1	44.5	33.9	35.4	29.8	12.1	(0.8)	(63.0)	294	87	229	150	114	119
BME:NHH	NH HOTEL GROUP, S.A.	DEC	(152.0)	(534.8)	101.0	116.3	42.6	32.5	1.0	NA	NM	(69.4)	NM	NM	9,910	#####	4,183	3,186
CRUISE LINES																		
CCL	CARNIVAL CORPORATION & PLC	NOV	(9,501.0)	(10,236.0)	2,990.0	3,152.0	2,606.0	2,779.0	1,757.0	NA	NM	(7.2)	(541)	(583)	170	179	148	158
RCL	ROYAL CARIBBEAN CRUISES LTD.	DEC	(5,260.5)	(5,797.5)	1,878.9	1,811.0	1,625.1	1,283.4	665.8	NA	NM	(9.3)	(790)	(871)	282	272	244	193
NCLH	NORWEGIAN CRUISE LINE HOLDINGS LTD.	DEC	(4,506.6)	(4,012.5)	930.2	954.8	759.9	633.1	427.1	NA	NM	12.3	NM	(939)	218	224	178	148
TSE:9603	H.I.S. CO., LTD.	OCT	(438.8)	(239.4)	113.3	97.1	116.6	2.5	90.2	NA	NM	99.9	(487)	(265)	126	108	129	3
BSE:500840	EIH LIMITED	MAR	(12.8)	(50.5)	19.8	19.0	27.5	15.9	19.8	53.1	NM	NM	(65)	(256)	100	96	139	80
SEHK:678	GENTING HONG KONG LIMITED	JAN	0.0	(1,566.1)	(151.5)	(210.9)	(242.3)	(502.3)	2,112.7	NA	NA	NA	0	(74)	(7)	(10)	(11)	(24)
LIND	LINDBLAD EXPEDITIONS HOLDINGS, INC.	DEC	(119.2)	(98.7)	16.4	11.4	(8.7)	4.9	19.7	NA	NM	20.7	(604)	(500)	83	58	(44)	25

Note: Data as originally reported. CAGR-Compound annual growth rate. #Of the following calendar year.
Source: S&P Capital IQ.

Ticker	Company	Yr. End	Return on Revenues (%)						Return on Assets (%)						Return on Equity(%)					
			2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
CASINOS AND GAMING																				
NYSE:LVS	LAS VEGAS SANDS CORP.	DEC	NM	NM	22.2	17.6	22.1	14.9	NM	NM	11.6	10.7	13.6	8.2	NM	NM	47.8	41.1	43.2	25.4
SEHK:1928	SANDS CHINA LTD.	DEC	NM	NM	23.1	21.6	21.1	18.7	NM	NM	16.8	15.5	15.1	10.9	NM	NM	45.9	41.9	33.6	22.6
SEHK:27	GALAXY ENTERTAINMENT GROUP LIMITED	DEC	6.7	NM	25.1	24.5	21.6	11.9	1.6	NM	13.6	15.5	12.5	9.5	2.1	NM	19.2	22.8	20.4	14.2
NYSE:MGM	MGM RESORTS INTERNATIONAL	DEC	13.3	NM	16.4	4.1	18.8	12.1	3.1	NM	6.0	1.5	6.7	3.9	10.8	NM	19.0	5.2	19.2	13.9
WYNN	WYNN RESORTS, LIMITED	DEC	NM	NM	1.9	8.5	12.3	5.6	NM	NM	0.9	4.3	5.9	2.0	NM	NM	18.6	55.5	133.1	216.3
SEHK:1128	WYNN MACAU, LIMITED	DEC	NM	NM	14.0	15.8	10.9	6.5	NM	NM	10.1	13.6	8.6	3.3	NM	NM	288.5	276.4	135.7	43.8
MLCO	MELCO RESORTS & ENTERTAINMENT LIMITED	DEC	NM	NM	6.5	6.6	6.5	3.9	NM	NM	3.9	3.7	3.9	1.9	NM	NM	12.9	10.7	8.7	1.5
CZR	CAESARS ENTERTAINMENT, INC.	DEC	NM	NM	3.2	4.6	5.0	2.7	NM	NM	1.4	1.6	2.1	1.9	NM	NM	7.5	9.6	11.8	8.6
SEHK:3918	NAGACORP LTD.	DEC	NM	11.6	29.7	26.5	26.7	34.6	NM	4.0	22.2	19.9	17.5	14.3	NM	5.9	31.3	26.7	19.4	19.0
LSE:GVC	ENTAIN PLC	DEC	6.5	1.6	NM	NM	NM	NM	3.4	0.8	NM	NM	NM	NM	8.8	3.8	NM	NM	NM	NM
SEHK:880	SJM HOLDINGS LIMITED	DEC	NM	NM	9.5	8.3	6.2	5.6	NM	NM	5.6	5.1	4.2	6.0	NM	NM	11.7	11.0	7.7	9.6
SEHK:2282	MGM CHINA HOLDINGS LIMITED	DEC	NM	NM	8.5	5.6	16.0	20.4	NM	NM	5.9	3.0	6.3	11.2	NM	NM	19.9	12.2	29.5	50.1
TSX:TSGI																				
ASX:CWN	CROWN RESORTS LIMITED	JUN	NM	3.6	13.7	18.1	55.8	26.2	NM	1.1	5.3	6.8	21.8	10.6	NM	1.7	7.9	11.2	35.7	19.5
A035250	KANGWON LAND, INC.	DEC	NM	NM	22.0	20.7	28.3	26.8	NM	NM	7.5	7.0	10.5	11.4	NM	NM	9.2	8.4	13.0	14.5
CHDN	CHURCHILL DOWNS INCORPORATED	DEC	15.6	NM	10.3	35.0	15.9	13.1	8.4	NM	5.4	20.4	6.0	4.8	73.9	3.0	28.4	32.8	18.5	14.9
OM:EVO	EVOLUTION AB (PUBL)	DEC	56.6	50.7	40.9	34.0	34.8	27.5	15.5	9.0	34.5	34.7	37.1	30.7	20.5	18.9	67.6	61.3	71.5	58.9
ERI																				
BYD	BOYD GAMING CORPORATION	DEC	13.8	NM	4.7	4.4	7.9	19.1	7.5	NM	2.4	2.0	4.0	9.0	34.8	NM	13.1	10.2	16.5	28.8
ASX:SGR	THE STAR ENTERTAINMENT GROUP LIMITED	JUN	3.7	NM	9.2	7.1	11.3	8.6	1.1	NM	3.5	2.8	5.3	4.2	1.6	NM	5.3	4.2	8.2	6.3
HOTELS AND RESORTS																				
MAR	MARRIOTT INTERNATIONAL, INC.	DEC	32.2	NM	23.7	36.6	29.2	23.3	4.3	NM	5.1	8.0	6.1	3.3	119.2	NM	87.0	65.7	32.6	91.5
NYSE:CCL	CARNIVAL CORPORATION & PLC	NOV	NM	NM	14.4	16.7	14.9	17.0	NM	NM	6.6	7.4	6.4	7.1	NM	NM	12.0	13.0	11.1	12.0
NYSE:HIL	HILTON WORLDWIDE HOLDINGS INC.	DEC	16.8	NM	23.4	20.8	31.8	11.4	2.7	NM	5.9	5.5	7.6	1.3	NM	NM	2060.5	68.4	28.9	NM
ENXTPA:ACC	ACCOR SA	DEC	3.9	NM	11.5	68.0	16.1	16.1	0.8	NM	3.3	17.2	3.7	2.2	0.3	NM	6.9	NM	7.1	3.9
LSE:IHG	INTERCONTINENTAL HOTELS GROUP PLC	DEC	11.5	NM	11.1	11.0	18.0	15.9	5.6	NM	9.2	8.1	16.1	16.5	NM	NM	NM	NM	NM	NM
HTHT	H WORLD GROUP LIMITED	DEC	NM	NM	15.8	7.1	14.9	11.9	NM	NM	3.3	3.0	7.0	7.8	NM	NM	25.5	11.6	21.1	17.5
NYSE:H	HYATT HOTELS CORPORATION	DEC	NM	NM	29.9	30.8	14.4	8.1	NM	NM	9.1	10.1	5.1	2.7	NM	NM	20.0	20.4	10.1	5.2
XTRA:TUIH	TUI AG	SEP	NM	NM	2.2	3.9	3.5	6.0	NM	NM	2.6	4.7	4.5	7.2	NM	NM	12.6	19.8	26.9	16.4
LSE:WTB	WHITBREAD PLC	FEB	2.5	NM	10.5	182.1	21.8	13.6	0.4	NM	2.8	37.2	9.0	9.0	1.1	NM	4.6	4.2	12.9	16.9
NYSE:WH	WYNDHAM HOTELS & RESORTS, INC.	DEC	19.6	NM	11.0	12.6	22.6	17.6	5.7	NM	3.5	3.3	10.8	8.9	23.8	NM	11.9	12.1	19.4	15.4
NYSE:CHH	CHOICE HOTELS INTERNATIONAL, INC.	DEC	27.0	9.7	20.0	20.8	13.0	13.2	15.0	4.7	16.1	19.0	12.3	12.5	222.2	NM	NM	NM	NM	NM
SEHK:69	SHANGRI-LA ASIA LIMITED	DEC	NM	NM	6.3	7.7	7.2	5.2	NM	NM	1.1	1.5	1.2	0.8	NM	NM	2.6	2.7	2.1	0.9
OM:PNDX B	PANDOX AB (PUBL)	DEC	18.8	NM	48.7	55.0	73.6	55.8	0.9	NM	4.1	5.1	6.1	5.7	2.5	NM	11.2	13.9	18.4	16.1
900934	SHANGHAI JIN JIANG INTERNATIONAL HOTELS CO., LTD.	DEC	0.9	1.1	7.2	7.4	6.5	6.5	0.2	0.3	2.8	2.7	2.0	1.6	1.9	1.7	9.1	8.6	6.8	6.3
STAY																				
600258	BTG HOTELS (GROUP) CO., LTD.	DEC	0.9	NM	10.6	10.0	7.5	3.2	0.2	NM	5.2	5.1	3.7	1.2	0.1	NM	10.4	11.1	9.0	7.9
BSE:500850	THE INDIAN HOTELS COMPANY LIMITED	MAR	NM	NM	7.9	6.3	2.4	NM	NM	NM	3.1	3.0	1.1	NM	NM	NM	7.1	5.9	2.5	NM
SGX:M04	MANDARIN ORIENTAL INTERNATIONAL LIMITED	DEC	NM	NM	NM	7.1	9.0	9.2	NM	NM	NM	2.0	2.7	3.0	NM	NM	NM	3.4	4.4	4.5
NSE:IRCTC	INDIAN RAILWAY CATERING & TOURISM CORPORATION LIM	MAR	35.3	24.3	22.7	16.5	15.0	15.1	17.3	6.0	15.8	11.9	9.5	12.5	39.6	13.7	43.0	30.5	25.3	30.8
BME:NHH	NH HOTEL GROUP, S.A.	DEC	NM	NM	5.3	6.3	2.3	2.1	NM	NM	2.0	4.0	1.4	1.2	NM	NM	6.7	8.0	3.4	3.2
CRUISE LINES																				
CCL	CARNIVAL CORPORATION & PLC	NOV	NM	NM	14.4	16.7	14.9	17.0	NM	NM	6.6	7.4	6.4	7.1	NM	NM	12.0	13.0	11.1	12.0
RCL	ROYAL CARIBBEAN CRUISES LTD.	DEC	NM	NM	17.2	19.1	18.5	15.1	NM	NM	6.2	6.5	7.3	5.8	NM	NM	15.6	16.2	16.4	14.9
NCLH	NORWEGIAN CRUISE LINE HOLDINGS LTD.	DEC	NM	NM	14.4	15.8	14.1	13.0	NM	NM	5.6	6.3	5.4	4.9	NM	NM	14.9	16.3	14.8	15.2
TSE:9603	H.I.S. CO., LTD.	OCT	NM	NM	1.5	1.5	2.2	0.1	NM	NM	2.1	2.1	3.1	0.1	NM	NM	11.6	12.0	15.3	1.2
BSE:500840	EIH LIMITED	MAR	NM	NM	9.2	7.2	11.2	6.5	NM	NM	3.3	3.1	4.4	2.8	NM	NM	5.2	4.9	6.8	4.2
SEHK:678	GENTING HONG KONG LIMITED	JAN	0.0	0.0	NM	NM	NM	NM	NA	NA	NM	NM	NM	NM	0.0	0.0	NM	NM	NM	NM
LIND	LINDBLAD EXPEDITIONS HOLDINGS, INC.	DEC	NM	NM	4.8	3.7	NM	2.0	NM	NM	3.0	2.4	NM	1.2	NM	NM	14.3	9.8	NM	4.3

Note: Data as originally reported. CAGR-Compound annual growth rate. #Of the following calendar year.
Source: S&P Capital IQ.

Ticker	Company	Yr. End	Current Ratio						Debt/Capital Ratio(%)						Debt as a % of Net Working Capital					
			2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
CASINOS AND GAMING																				
NYSE:LVS	LAS VEGAS SANDS CORP.	DEC	2.1	2.0	1.6	1.8	1.1	1.1	86.7	79.7	65.6	63.8	55.0	55.7	499.4	481.5	596.5	492.4	3872.2	3228.8
SEHK:1928	SANDS CHINA LTD.	DEC	0.8	0.8	1.6	1.6	1.0	1.0	89.8	78.2	55.1	55.2	48.2	46.1	NM	NM	475.3	438.7	NM	#####
SEHK:27	GALAXY ENTERTAINMENT GROUP LIMITED	DEC	1.6	0.9	0.9	0.8	0.7	1.2	9.4	13.7	0.9	14.2	16.8	12.4	74.6	NM	(57.0)	NM	NM	157.2
NYSE:MGM	MGM RESORTS INTERNATIONAL	DEC	1.9	3.2	1.3	0.9	0.8	1.0	51.5	52.6	46.7	58.8	52.2	56.4	397.1	304.4	1372.1	NM	NM	NM
WYNN	WYNN RESORTS, LIMITED	DEC	2.2	2.0	1.4	1.4	1.8	2.1	107.6	106.3	86.7	83.8	89.9	97.5	748.5	645.3	1154.0	1239.4	640.5	643.3
SEHK:1128	WYNN MACAU, LIMITED	DEC	2.5	1.8	1.5	1.0	0.6	0.5	127.4	112.7	94.8	95.6	90.2	92.9	608.3	494.6	690.5	9853.0	NM	NM
MLCO	MELCO RESORTS & ENTERTAINMENT LIMITED	DEC	1.8	1.8	1.2	1.0	1.1	1.5	88.9	75.4	58.3	55.2	51.2	49.0	774.6	632.5	1190.1	NM	2181.0	458.5
CZR	CAESARS ENTERTAINMENT, INC.	DEC	1.1	2.4	0.9	1.4	1.1	1.0	75.2	73.8	67.5	80.4	69.9	72.7	2061.5	399.0	NM	2468.2	8022.7	NM
SEHK:3918	NAGACORP LTD.	DEC	1.3	1.2	2.6	5.6	2.0	7.2	24.8	16.9	14.2	15.9	0.0	0.0	1284.5	315.0	104.9	69.3	0.0	0.0
LSE:GVC	ENTAIN PLC	DEC	0.9	0.9	0.7	0.8	1.3	0.8	40.6	40.4	42.2	38.9	18.8	28.9	NM	NM	NM	NM	293.1	NM
SEHK:880	SJM HOLDINGS LIMITED	DEC	0.2	0.5	1.3	1.7	1.5	1.2	32.2	35.9	34.3	35.9	24.4	1.1	(65.3)	NM	348.6	185.8	142.5	11.8
SEHK:2282	MGM CHINA HOLDINGS LIMITED	DEC	1.2	1.0	0.8	0.6	0.4	0.7	95.2	80.8	61.4	66.9	58.1	66.2	4310.1	NM	NM	NM	NM	NM
TSX:TSGI																				
ASX:CWN	CROWN RESORTS LIMITED	JUN	1.0	0.7	1.2	2.5	1.8	0.9	16.9	18.4	13.5	22.2	22.3	29.0	15936.8	NM	354.5	119.2	158.3	NM
A035250	KANGWON LAND, INC.	DEC	3.3	4.5	2.9	2.8	3.2	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
CHDN	CHURCHILL DOWNS INCORPORATED	DEC	1.3	0.6	0.7	0.9	0.6	0.5	86.5	81.5	74.2	65.0	63.7	57.0	1841.3	NM	NM	NM	NM	NM
OM:EVO	EVOLUTION AB (PUBL)	DEC	2.2	1.4	2.4	2.5	2.4	2.0	0.0	0.0	0.0	3.3	5.7	10.4	0.0	0.0	0.0	5.3	9.8	23.1
ERI																				
BYD	BOYD GAMING CORPORATION	DEC	0.9	1.2	0.7	0.9	0.9	0.8	66.0	77.5	74.7	77.5	73.6	77.4	NM	3062.6	NM	NM	NM	NM
ASX:SGR	THE STAR ENTERTAINMENT GROUP LIMITED	JUN	0.6	0.6	0.6	0.7	0.7	0.9	25.6	29.1	20.7	15.5	22.5	21.7	NM	NM	NM	NM	NM	NM
HOTELS AND RESORTS																				
MAR	MARRIOTT INTERNATIONAL, INC.	DEC	0.6	0.5	0.5	0.4	0.5	0.7	86.7	95.5	93.3	79.0	68.2	60.5	NM	NM	NM	NM	NM	NM
NYSE:CCL	CARNIVAL CORPORATION & PLC	NOV	1.0	1.2	0.2	0.2	0.2	0.2	77.0	59.1	28.3	27.1	24.0	28.4	NM	1343.6	NM	NM	NM	NM
NYSE:HLT	HILTON WORLDWIDE HOLDINGS INC.	DEC	1.0	1.7	0.7	0.8	0.8	1.3	110.5	116.8	106.5	92.7	78.9	53.0	NM	582.6	NM	NM	NM	754.1
ENXTPA:AC	ACCOR SA	DEC	1.2	1.3	1.7	1.2	2.2	2.1	40.5	42.2	31.0	36.3	33.3	26.9	649.1	373.1	144.4	403.4	76.8	66.2
LSE:IHG	INTERCONTINENTAL HOTELS GROUP PLC	DEC	1.3	1.2	0.7	1.0	0.7	0.7	254.8	354.7	345.2	258.5	551.9	372.2	657.7	1006.6	NM	NM	NM	NM
HTHT	H WORLD GROUP LIMITED	DEC	0.6	1.2	1.1	1.2	1.5	1.4	29.1	52.5	59.9	64.5	45.3	5.5	(74.3)	497.5	963.9	971.8	253.9	24.7
NYSE:H	HYATT HOTELS CORPORATION	DEC	0.9	2.6	1.6	1.3	1.3	1.2	52.6	48.1	28.8	30.5	27.0	27.0	NM	188.5	258.5	567.3	426.0	672.1
XTRA:TUI1	TUI AG	SEP	0.4	0.4	0.6	0.7	0.7	0.7	116.0	94.4	20.8	19.2	15.1	10.1	(77.2)	NM	(35.9)	(51.1)	(28.5)	(19.2)
LSE:WTB	WHITBREAD PLC	FEB	1.9	1.8	1.3	3.7	0.4	0.4	19.4	20.5	16.6	12.7	22.6	27.4	161.7	166.7	370.0	31.6	NM	NM
NYSE:WH	WYNDHAM HOTELS & RESORTS, INC.	DEC	1.8	2.6	1.1	1.2	0.8	0.7	65.2	72.9	63.2	59.2	6.0	6.0	631.9	468.8	5621.6	1303.8	NM	(60.7)
NYSE:CHH	CHOICE HOTELS INTERNATIONAL, INC.	DEC	1.3	1.7	0.7	0.8	1.4	1.3	76.0	100.5	102.9	132.3	155.4	159.0	441.1	597.9	NM	NM	626.5	1033.7
SEHK:69	SHANGRI-LA ASIA LIMITED	DEC	0.7	1.0	1.2	1.1	1.1	0.8	43.2	45.2	43.1	41.4	41.3	41.3	NM	NM	2219.8	2940.6	5413.9	NM
OM:PNDX B	PANDOX AB (PUBL)	DEC	0.4	0.5	0.2	0.2	0.6	0.7	51.9	52.7	47.8	49.7	55.9	55.5	NM	NM	NM	NM	NM	NM
900934	SHANGHAI JIN JIANG INTERNATIONAL HOTELS CO., LTD.	DEC	0.8	1.2	1.1	1.2	1.8	0.8	35.0	55.1	49.6	53.0	59.5	65.2	NM	971.5	1602.0	865.3	365.8	NM
STAY																				
600258	BTG HOTELS (GROUP) CO., LTD.	DEC	0.8	0.5	0.7	0.7	0.5	0.2	12.0	16.8	18.3	24.4	36.7	71.4	NM	(64.2)	NM	NM	NM	(88.3)
BSE:500850	THE INDIAN HOTELS COMPANY LIMITED	MAR	1.4	0.4	0.8	0.6	0.9	0.5	16.2	37.9	31.6	25.2	32.0	46.4	205.6	NM	NM	NM	NM	NM
SGX:M04	MANDARIN ORIENTAL INTERNATIONAL LIMITED	DEC	1.6	1.1	1.9	0.5	1.7	1.9	18.1	14.9	12.2	0.6	28.4	28.9	645.8	3166.7	313.9	(2.0)	414.3	349.6
NSE:IRCTC	INDIAN RAILWAY CATERING & TOURISM CORPORATION L#	MAR	1.9	1.8	1.6	1.6	1.6	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BME:NHH	NH HOTEL GROUP, S.A.	DEC	0.7	0.8	0.8	1.3	0.7	1.1	50.1	54.9	26.2	21.6	28.5	42.0	NM	NM	NM	337.3	NM	2269.2
CRUISE LINES																				
CCL	CARNIVAL CORPORATION & PLC	NOV	1.0	1.2	0.2	0.2	0.2	0.2	77.0	59.1	28.3	27.1	24.0	28.4	NM	1343.6	NM	NM	NM	NM
RCL	ROYAL CARIBBEAN CRUISES LTD.	DEC	0.5	1.0	0.1	0.2	0.2	0.2	78.4	68.7	46.2	45.4	37.4	47.2	NM	NM	NM	NM	NM	NM
NCLH	NORWEGIAN CRUISE LINE HOLDINGS LTD.	DEC	0.9	1.9	0.2	0.2	0.2	0.2	82.6	72.8	48.1	49.2	49.5	56.3	NM	710.4	NM	NM	NM	NM
TSE:9603	H.I.S. CO., LTD.	OCT	1.6	1.5	1.5	1.5	2.1	2.3	87.8	75.5	64.0	65.6	62.0	59.4	458.6	457.4	178.6	170.7	111.6	96.4
BSE:500840	EIH LIMITED	MAR	1.1	1.1	1.0	1.0	1.0	1.3	8.3	8.5	12.1	14.7	13.1	10.6	578.4	624.8	1589.7	2984.5	7539.1	268.9
SEHK:678	GENTING HONG KONG LIMITED	JAN	0.0	0.0	0.2	1.3	1.3	2.4	NA	NA	3.7	36.7	29.3	25.8	NA	NA	(3.1)	932.2	565.0	122.2
LIND	LINDBLAD EXPEDITIONS HOLDINGS, INC.	DEC	0.7	1.5	0.8	0.9	0.9	1.4	97.0	78.9	60.5	60.5	59.3	58.0	NM	642.5	NM	NM	NM	348.4

Note: Data as originally reported. CAGR-Compound annual growth rate. #Of the following calendar year.
Source: S&P Capital IQ.

Ticker	Company	Yr. End	Price/Earnings Ratio (High-Low)						Dividend Payout Ratio(%)						Dividend Yield(High-Low, %)						
			2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	
CASINOS AND GAMING																					
NYSE:LVS	LAS VEGAS SANDS CORP.	DEC	NM	NM	NM	20 - 15	26 - 16	20 - 15	30 - 18	0	NM	88	97	82	174	0.0 - 0.0	0.0 - 0.0	8.4 - 0.0	6.2 - 4.5	6.0 - 3.7	5.6 - 4.3
SEHK:1928	SANDS CHINA LTD.	DEC	NM	NM	NM	175 - 130	209 - 131	208 - 159	256 - 138	0	NM	101	109	129	169	0.0 - 0.0	0.0 - 0.0	5.4 - 0.0	6.1 - 4.5	6.6 - 4.1	6.3 - 4.9
SEHK:27	GALAXY ENTERTAINMENT GROUP LIMITED	DEC	257 - 126	NM	NM	20 - 15	23 - 13	26 - 13	26 - 14	0	0	0	0	0	0	1.2 - 0.6	1.6 - 0.6	2.4 - 1.4	2.1 - 1.5	2.2 - 0.8	1.2 - 0.9
NYSE:MGM	MGM RESORTS INTERNATIONAL	DEC	21 - 12	NM	NM	9 - 6	46 - 27	10 - 8	15 - 9	0	NM	13	56	13	0	0.0 - 0.0	0.0 - 0.0	8.4 - 0.0	2.2 - 1.6	2.0 - 1.2	1.7 - 1.3
WYNN	WYNN RESORTS, LIMITED	DEC	NM	NM	NM	130 - 84	38 - 17	23 - 12	46 - 22	NM	NM	461	100	43	134	0.0 - 0.0	0.0 - 0.0	9.3 - 0.0	3.9 - 2.0	3.2 - 1.0	2.3 - 1.3
SEHK:1128	WYNN MACAU, LIMITED	DEC	NM	NM	NM	24 - 15	26 - 13	35 - 17	52 - 25	NM	NM	92	27	88	0	0.0 - 0.0	0.0 - 0.0	8.7 - 0.0	7.9 - 3.7	4.8 - 0.7	5.0 - 0.9
MLCO	MELCO RESORTS & ENTERTAINMENT LIMITED	DEC	NM	NM	NM	34 - 22	48 - 23	42 - 22	57 - 34	0	NM	81	80	51	22	0.0 - 0.0	0.0 - 0.0	6.0 - 0.0	3.5 - 2.3	3.7 - 0.6	1.0 - 0.4
CZR	CAESARS ENTERTAINMENT, INC.	DEC	NM	NM	NM	57 - 34	40 - 24	31 - 14	32 - 18	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
SEHK:3918	NAGACORP LTD.	DEC	NM	NM	585 - 303	121 - 67	100 - 66	79 - 42	76 - 49	NM	228	52	44	49	64	0.0 - 0.0	8.9 - 0.0	11.0 - 3.8	5.0 - 2.6	4.9 - 3.1	8.5 - 4.4
LSE:GVC	ENTAIN PLC	DEC	NA	NA	NA	NA	NA	NA	NA	0	0	NM	NM	NM	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
SEHK:880	SJM HOLDINGS LIMITED	DEC	NM	NM	NM	19 - 12	22 - 12	24 - 17	16 - 11	0	NM	51	46	66	51	0.0 - 0.0	0.0 - 0.0	5.1 - 0.0	4.0 - 2.4	3.8 - 1.8	4.3 - 2.8
SEHK:2282	MGM CHINA HOLDINGS LIMITED	DEC	NM	NM	NM	35 - 22	89 - 39	40 - 22	22 - 10	0	NM	25	57	45	27	0.0 - 0.0	0.0 - 0.0	2.0 - 0.0	1.0 - 0.4	1.4 - 0.8	1.8 - 1.2
TSX:TSGI																					
ASX:CWN	CROWN RESORTS LIMITED	JUN	NM	NM	112 - 51	24 - 19	17 - 13	5 - 4	11 - 8	0	511	102	74	27	40	0.0 - 0.0	6.9 - 0.0	10.0 - 4.6	5.3 - 4.2	5.7 - 4.4	7.6 - 3.9
A035250	KANGWON LAND, INC.	DEC	NM	NM	NM	21 - 17	24 - 17	18 - 15	20 - 16	0	NM	55	68	46	44	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	3.6 - 2.9	3.9 - 3.1	0.0 - 0.0
CHDN	CHURCHILL DOWNS INCORPORATED	DEC	40 - 27	NM	NM	40 - 23	12 - 9	26 - 16	24 - 18	10	NM	16	7	15	18	0.4 - 0.3	0.4 - 0.2	1.0 - 0.3	0.7 - 0.4	0.7 - 0.5	0.9 - 0.6
OM:EVO	EVOLUTION AB (PUBL)	DEC	590 - 286	526 - 180	345 - 122	312 - 191	359 - 146	347 - 255		24	27	29	39	26	36	1.7 - 0.5	0.7 - 0.4	1.5 - 0.6	1.8 - 1.0	1.8 - 0.7	1.4 - 0.7
ERI																					
BYD	BOYD GAMING CORPORATION	DEC	17 - 10	NM	NM	22 - 15	40 - 19	22 - 12	6 - 4	0	NM	18	21	6	0	1.2 - 0.0	0.0 - 0.0	3.6 - 0.0	1.3 - 0.8	1.1 - 0.5	0.9 - 0.6
ASX:SGR	THE STAR ENTERTAINMENT GROUP LIMITED	JUN	69 - 41	NM	NM	26 - 18	36 - 27	19 - 15	25 - 18	130	NM	109	89	47	49	0.0 - 0.0	8.2 - 0.0	12.7 - 4.3	5.7 - 3.2	3.3 - 2.6	3.1 - 2.0
HOTELS AND RESORTS																					
MAR	MARRIOTT INTERNATIONAL, INC.	DEC	50 - 35	NM	NM	40 - 27	27 - 19	35 - 21	31 - 21	0	NM	48	28	33	46	0.9 - 0.0	0.0 - 0.0	1.4 - 0.0	1.6 - 1.2	1.5 - 0.9	1.5 - 1.0
NYSE:CCL	CARNIVAL CORPORATION & PLC	NOV	NM	NM	NM	14 - 9	16 - 12	19 - 14	15 - 11	0	NM	46	43	42	35	0.0 - 0.0	0.0 - 0.0	21.5 - 0.0	5.0 - 3.2	3.7 - 2.5	2.9 - 2.3
NYSE:HLT	HLTON WORLDWIDE HOLDINGS INC.	DEC	106 - 67	NM	NM	37 - 22	35 - 25	25 - 17	81 - 50	0	NM	20	24	18	82	0.5 - 0.0	0.0 - 0.0	1.1 - 0.0	0.9 - 0.6	0.9 - 0.7	1.5 - 0.8
ENX:TPA:AC	ACCOR SA	DEC	185 - 134	NM	NM	27 - 21	6 - 5	31 - 25	47 - 34	41	NM	70	15	45	81	0.0 - 0.0	0.0 - 0.0	4.8 - 0.0	3.2 - 2.5	2.7 - 2.2	3.0 - 2.4
LSE:IHG	INTERCONTINENTAL HOTELS GROUP PLC	DEC	37 - 30	NM	NM	27 - 20	27 - 21	17 - 13	17 - 12	0	0	55	57	35	42	1.6 - 1.2	0.0 - 0.0	2.1 - 0.0	2.2 - 1.7	5.3 - 1.6	21.1 - 5.2
HTHT	H WORLD GROUP LIMITED	DEC	NM	NM	NM	7 - 4	19 - 10	8 - 3	5 - 2	0	NM	37	0	1	0	0.0 - 0.0	0.8 - 0.0	1.3 - 0.6	1.2 - 0.8	0.0 - 0.0	0.0 - 0.0
NYSE:H	HYATT HOTELS CORPORATION	DEC	NM	NM	NM	12 - 9	12 - 9	23 - 16	37 - 23	0	NM	10	9	0	0	0.0 - 0.0	0.0 - 0.0	2.2 - 0.0	1.1 - 0.8	0.9 - 0.7	0.0 - 0.0
XTRA:TUI1	TUI AG	SEP	NM	NM	NM	23 - 11	17 - 12	14 - 10	10 - 6	0	NM	102	53	57	32	0.0 - 0.0	18.5 - 0.0	18.7 - 4.6	9.1 - 3.9	4.4 - 3.1	5.0 - 4.3
LSE:WTB	WHITBREAD PLC	FEB	NM	NM	35 - 27	2 - 2	18 - 15	19 - 15	25 - 17	0	0	73	5	41	40	0.0 - 0.0	4.7 - 0.0	2.5 - 1.9	2.6 - 2.0	2.7 - 2.1	2.7 - 2.0
NYSE:WH	WYNDHAM HOTELS & RESORTS, INC.	DEC	34 - 22	NM	NM	39 - 27	41 - 27	NA - NA	NA - NA	34	NM	71	48	0	0	2.0 - 1.4	1.7 - 0.5	5.9 - 0.5	2.4 - 1.9	2.3 - 1.5	0.0 - 0.0
NYSE:CHH	CHOICE HOTELS INTERNATIONAL, INC.	DEC	30 - 19	80 - 39	26 - 18	22 - 17	36 - 25	30 - 22		9	34	22	23	40	43	0.9 - 0.6	0.8 - 0.0	1.0 - 0.0	1.3 - 0.9	1.2 - 1.0	1.6 - 1.1
SEHK:69	SHANGRI-LA ASIA LIMITED	DEC	NM	NM	NM	278 - 174	369 - 185	414 - 183	322 - 232	0	0	66	45	41	43	0.0 - 0.0	0.0 - 0.0	3.9 - 0.0	3.0 - 1.6	1.8 - 0.8	1.6 - 0.9
OM:PNDX B	PANDOX AB (PUBL)	DEC	50 - 38	NM	NM	14 - 9	10 - 8	8 - 7	11 - 8	0	0	29	26	21	26	0.0 - 0.0	0.0 - 0.0	6.0 - 0.0	3.1 - 2.2	3.1 - 2.6	3.0 - 2.6
900934	SHANGHAI JIN JIANG INTERNATIONAL HOTELS CO.,	DEC	23 - 18	17 - 11	2 - 2	3 - 2	3 - 2	4 - 3		346	830	92	93	116	147	0.5 - 0.4	4.6 - 0.4	6.6 - 4.3	5.0 - 3.8	4.6 - 2.4	3.5 - 2.7
STAY																					
600258	BTG HOTELS (GROUP) CO., LTD.	DEC	511 - 332	NM	NM	26 - 16	33 - 17	41 - 24	46 - 25	925	NM	27	27	40	158	0.1 - 0.0	0.4 - 0.0	0.8 - 0.3	0.7 - 0.3	0.4 - 0.0	0.7 - 0.0
BSE:500850	THE INDIAN HOTELS COMPANY LIMITED	MAR	NM	NM	54 - 25	64 - 49	171 - 114	NM	NM	NM	NM	17	16	35	NM	0.5 - 0.2	0.8 - 0.4	0.4 - 0.3	0.3 - 0.2	0.3 - 0.2	0.3 - 0.0
SGX:M04	MANDARIN ORIENTAL INTERNATIONAL LIMITED	DEC	NM	NM	NM	NM	78 - 51	64 - 28	35 - 27	0	0	NM	87	92	102	0.0 - 0.0	0.0 - 0.0	1.8 - 0.0	2.2 - 1.4	2.1 - 1.1	3.7 - 1.4
NSE:IRCTC	INDIAN RAILWAY CATERING & TOURISM CORPORAT	MAR	171 - 76	61 - 22	NA - NA	NA - NA	NA - NA	NA - NA	NA - NA	36	21	43	48	21	49	0.8 - 0.1	1.2 - 0.6	0.7 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
BME:NHH	NH HOTEL GROUP, S.A.	DEC	NM	NM	NM	23 - 17	25 - 14	59 - 37	58 - 36	NM	NM	67	39	48	0	0.0 - 0.0	0.0 - 0.0	3.4 - 0.0	3.7 - 2.1	2.2 - 0.8	1.2 - 0.8
CRUISE LINES																					
CCL	CARNIVAL CORPORATION & PLC	NOV	NM	NM	NM	14 - 9	16 - 12	19 - 14	15 - 11	0	NM	46	43	42	35	0.0 - 0.0	0.0 - 0.0	21.5 - 0.0	5.0 - 3.2	3.7 - 2.5	2.9 - 2.3
RCL	ROYAL CARIBBEAN CRUISES LTD.	DEC	NM	NM	NM	15 - 10	16 - 10	17 - 11	17 - 11	0	NM	32	29	27	27	0.0 - 0.0	0.0 - 0.0	14.0 - 0.0	3.1 - 2.1	2.8 - 1.8	2.4 - 1.5
NCLH	NORWEGIAN CRUISE LINE HOLDINGS LTD.	DEC	NM	NM	NM	14 - 9	14 - 9	18 - 13	21 - 12	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
TSE:9603	H.I.S. CO., LTD.	OCT	NM	NM	NM	21 - 11	22 - 16	17 - 11	1013 - 596	0	NM	14	16	10	534	0.0 - 0.0	2.4 - 0.0	2.8 - 1.0	1.3 - 0.7	1.0 - 0.6	1.0 - 0.7
BSE:500840	EIH LIMITED	MAR	NM	NM	79 - 24	89 - 62	69 - 35	66 - 52	59 - 43	NM	NM	39	44	29	15	0.0 - 0.0	1.6 - 0.0	0.7 - 0.4	0.6 - 0.4	1.1 - 0.4	1.2 - 0.9
SEHK:678	GENTING HONG KONG LIMITED	JAN		NM	NM	NM	NM	NM	NM	0	0	0	0	NM	NM	0.0 - 0.0	0.0 - 0.0	16.0 - 0.0	15.0 - 8.7	9.0 - 0.0	3.1 - 0.0
LIND	LINDBLAD EXPEDITIONS HOLDINGS, INC.	DEC	NM	NM	NM	66 - 42	62 - 36	NM	NM	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0

Note: Data as originally reported. CAGR-Compound annual growth rate. #Of the following calendar year.
Source: S&P Capital IQ.

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Source: S&P Capital IQ.

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