



## Hilton Worldwide Holdings, Inc. | Strategic Assessment & 10-Year Forecast

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### Executive Summary & 10-Year Financial Forecast

Hilton's market capitalization is projected to grow steadily over the next decade, rising from approximately \$57.5 billion today to \$73.1 billion by 2035. This growth is fueled by strong revenue expansion driven by brand equity, global expansion, and rising demand for lifestyle hotels. While North America remains Hilton's largest market, the Asia-Pacific and Latin American regions are rapidly emerging as key growth drivers. Millennials and Gen Z travelers are increasingly drawn to Hilton's lifestyle brands and technological innovations. Despite rising competition from short-term rental platforms like Airbnb and Vrbo, Hilton is well-positioned to sustain long-term value through loyalty program expansion, international development, and digital innovation.

### Industry & Macro Environment: 2035 Outlook

#### *Future Trends & Competitive Shifts in Hospitality*

By 2035, the hospitality industry will be shaped by global economic expansion, evolving traveler preferences, and stricter sustainability mandates. Rising disposable incomes in emerging markets will drive demand for upscale and extended-stay hotels, while aging populations in developed countries will boost luxury and wellness travel (Deloitte, 2025 Travel Industry Outlook). Travelers will prioritize convenience, personalization, and sustainability, prompting brands to adopt AI-driven service models and green business practices. The competitive landscape will continue shifting, with Airbnb, VRBO, and boutique home rentals capturing over 20% of total lodging revenue by 2035 (Grand View Research, Hotels, Resorts, and Cruise Lines Market Report). Younger, budget-conscious travelers are drawn to short-term rentals and immersive stays, pressuring traditional hotels to differentiate through personalisation, loyalty perks, and AI-powered services.

#### *Travel Industry Growth & Regional Trends*

Business travel, though permanently impacted by remote work trends, will shift toward "bleisure" (business + leisure) travel, where corporate guests extend their stays for leisure activities. The global hospitality market is projected to surpass \$6.7 trillion by 2035, supported by urbanization, infrastructure improvements, and the rise of digital-first travel solutions (Grand View Research, Hotels, Resorts, and Cruise Lines Market Report). Asia-Pacific will account for 45% of total industry revenue, led by economic expansion and a growing middle class. Latin America and the Middle East will experience strong demand due to government tourism incentives and large-scale infrastructure investments, while North America and Europe will remain high-value markets.

#### *Sustainability & ESG Focus*

By 2035, sustainability will be a key performance metric as government regulations, corporate ESG commitments, and consumer expectations push the hospitality industry toward greener operations. Carbon neutrality, zero-waste programs, and renewable energy adoption will become standard practices for major hotel brands. With over 80% of travelers expected to



prioritize eco-friendly accommodations, hospitality companies must invest in green construction, smart energy management, and responsible sourcing to remain competitive (Deloitte, 2025 Travel Industry Outlook). Hilton's Travel with Purpose strategy and net-zero commitments will solidify its leadership in sustainable hospitality, providing a clear advantage over brands that are slower to adapt.

## Hilton's Strategic Position: 2035 Projection

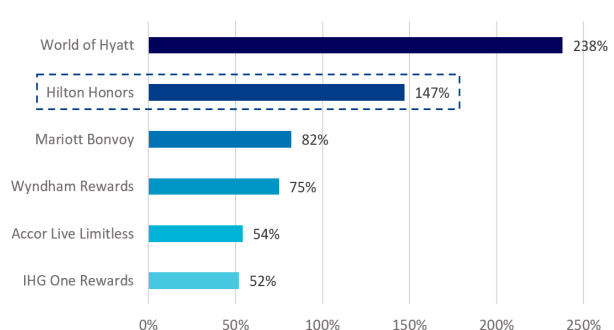
### *Brand Strength*

Hilton's strong brand will continue to drive franchise expansion, pricing power, and customer loyalty through 2035. With a brand value of \$11.6B in 2024, Hilton's reputation fuels customer trust, pricing power, and loyalty, giving Hilton advantages as competition from short-term rentals and boutique offerings increases (Brand Finance). In 2024, franchise and licensing fees generated \$2.6B, or 23% of total revenues, and we expect this stream to grow steadily as Hilton expands in high-growth regions like Asia-Pacific and Latin America. The company's global brand recognition positions it to attract travelers seeking reliable, high-quality experiences in both established and emerging markets. As personalization and sustainability become core guest expectations, Hilton's strong brand will help differentiate its offerings and retain loyal customers.

### *Loyalty & Revenue Growth through Hilton Honors*

Hilton Honors will be a crucial engine for repeat business and direct revenue growth. The program has grown at an average rate of 17% per year, outpacing competitors like Marriott Bonvoy (10%). At this rate, Hilton Honors is projected to exceed 500M members by 2035. Hilton Honors' impact on customer retention with increased direct bookings, lower customer acquisition costs, and improved long-term revenue margins will help Hilton to grow revenues steadily. In 2023, the program contributed \$474M (5% of total revenue), with \$769M in deferred revenue signaling strong future earnings.

Hotel Loyalty Program Growth, 2018 - 2024



By 2035, Hilton's strategic partnerships will be a critical driver of long-term revenue growth and financial resilience. Collaborations with companies like American Express, Lyft, and Amazon will increase daily interaction with the loyalty program, expanding non-room revenue streams. In 2020, Hilton pre-sold \$1 billion worth of points in its Hilton Honors loyalty program to American Express (Bloomberg). This partnership structure will continue to enable the pre-sale of Honors points, providing consistent upfront cash flow and mitigating financial volatility. Hilton's ability to scale these partnerships and enhance its loyalty ecosystem will be essential for increasing customer lifetime value and reducing acquisition costs.

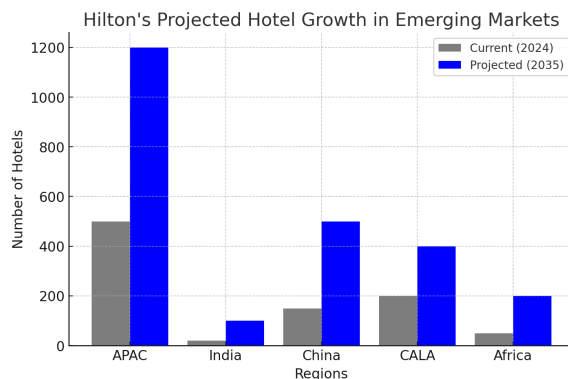
### Lifestyle Expansion

Hilton’s expansion into lifestyle brands could generate over \$1.5B in annual revenue by 2030 (American Hotel & Lodging Association, Grand View Research). The acquisitions of Graduate Hotels and NoMad will help Hilton attract younger, trend-focused travelers by offering localized, culturally immersive experiences that blend luxury with authenticity. The global boutique hotel market is expected to grow at a 7.1% to 7.4% CAGR through 2030, while Hilton plans to double its lifestyle portfolio to 700 hotels by 2028. By prioritizing customized themes, social hubs, and boutique-style atmospheres, these hotels tend to yield higher average daily rates and better profit margins. Hilton is well-positioned to differentiate itself from traditional hospitality brands and capture a growing segment of experience-driven travelers.



### Emerging Markets

International growth in emerging markets is expected to increase Hilton's global market share and could contribute over \$4B in revenue annually by 2035 (Business Wire, Stories from Hilton, Daily Lodging Report). Double-digit industry growth is expected in the Asia-Pacific region (APAC) and the Caribbean and Latin America (CALA) through 2035. Hilton plans to triple its footprint in APAC while doubling in CALA to capitalize on expanding markets. Its exclusive partnership with Small Luxury Hotels of the World (SLH) strengthens its presence in boutique, high-end travel markets, enhancing brand appeal in developing regions. By 2035, Hilton is projected to surpass 500 hotels in China and expand in Africa, where infrastructure investments and increased tourism will drive demand for its midscale and lifestyle brands.



### Technological Advancement

Hilton’s investment in technology over the next decade is expected to decrease labor and utility costs by 15–25% while enhancing efficiency and guest satisfaction. Automating tasks like check-ins, housekeeping, and customer service will cut staffing expenses without compromising quality. The Hilton Honors App will evolve into a digital concierge, enabling smart room controls and AI-driven recommendations to streamline operations. The Property Engagement Platform (PEP) will provide real-time data insights, which will optimize pricing, staffing, and inventory management to boost profitability. Tools like dynamic pricing and predictive analytics will also help maximize revenue per room across the portfolio. By 2035, blockchain-based loyalty programs, IoT-powered automation, and Hilton’s AWS-driven IT infrastructure will further reduce waste, enhance operational efficiency, and strengthen Hilton’s competitive edge (Stories from Hilton, NTTData, AWS).