

Hyatt reports 12.1 per cent room growth in Q3 2025

Hyatt Hotels Corporation reported a mixed performance for the third quarter of 2025, reflecting resilience in its fee-driven strategy but continued pressure on bottom-line profitability in a highly competitive global hospitality environment. While fee-based earnings and development momentum remained strong, overall RevPAR growth and net income were subdued.

RevPAR: Minimal Growth Amid Segment Weakness

Comparable system-wide RevPAR grew just 0.3% year-on-year, driven primarily by leisure transient travel. Group business remained soft, with performance reduced by around 100 basis points due to the timing of Rosh Hashanah. The muted RevPAR trajectory underscores the challenge faced by global hotel operators in boosting rates and occupancy, especially in slower corporate and group segments.

Fee Income and EBITDA: Strength in the Asset-Light Model

Hyatt's fee-based earnings continued to be a bright spot.

- Gross fees: US\$283 million, up 5.9% year-on-year
- Adjusted EBITDA: US\$291 million, up 5.6% (or 10.1% excluding asset sales)

Growth in base management fees (+10%) was supported by RevPAR gains in international markets and contributions from new openings. Incentive management fees rose 2%, while franchise and other fees increased 4%, demonstrating the diversified strength of Hyatt's fee platform even in low-growth operating conditions.

Rooms Growth and Pipeline: Strong Development Momentum

Hyatt recorded 12.1% net rooms growth year-on-year (7.0% excluding acquisitions). The pipeline expanded to 141,000 rooms, an increase of 4.4% over Q3 2024, signalling solid traction in high-growth markets. This aligns with

Hyatt's long-term shift to a more brand-led, asset-light business model, particularly in upscale leisure, luxury, and all-inclusive segments.

Profitability: Net Income Still Under Pressure

Despite stronger fees and expanding rooms inventory, Hyatt posted a net loss:

- Net income (loss): US\$-49 million
- Adjusted net income (loss): US\$-29 million
- Diluted EPS: US\$-0.51 (adjusted US\$-0.30)

Higher interest costs, taxes and ongoing pressures within owned and leased assets continue to weigh on overall profitability, even as EBITDA grows.

Balance Sheet, Liquidity and Capital Returns

As of September 30, 2025:

- Total debt: US\$6.0 billion
- Total liquidity: US\$2.2 billion (including US\$749 million in cash)
- Shareholder returns: Q4 dividend declared at US\$0.15/share; US\$30 million in share repurchases during the quarter, with US\$792 million still authorised.

Outlook: Cautious but Optimistic

Hyatt forecasts:

- FY2025 RevPAR growth: 2.0–2.5%
- Net rooms growth (ex-acquisition): 6.3–7.0%
- Adjusted EBITDA: US\$1.09–1.11 billion (+7–9% YoY)

President & CEO Mark Hoplamazian emphasised the strength of Hyatt's core fee business, loyalty-driven model, and expansion into high-growth global markets as key pillars for long-term value creation.

Industry Implications

Hyatt's Q3 performance reinforces larger industry themes:

- Fee-based, asset-light strategies offer stability even when RevPAR is flat.
- Development pipelines and brand expansion remain essential to growth.
- High debt costs and weaker owned-asset performance continue to pressure profitability.

For Asia-Pacific and India, Hyatt's growing focus on luxury, lifestyle and all-inclusive brands—supported by more than 5,000 new rooms opened globally this quarter—signals continued expansion in markets with strong leisure demand and widening hospitality infrastructure.