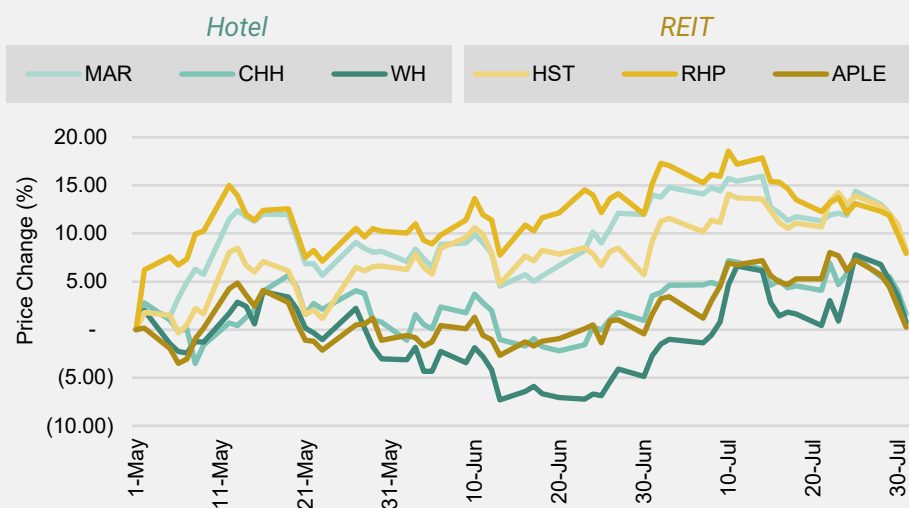


Travel & Leisure

SEPTEMBER 2025 UPDATE



Hotel Index Performance

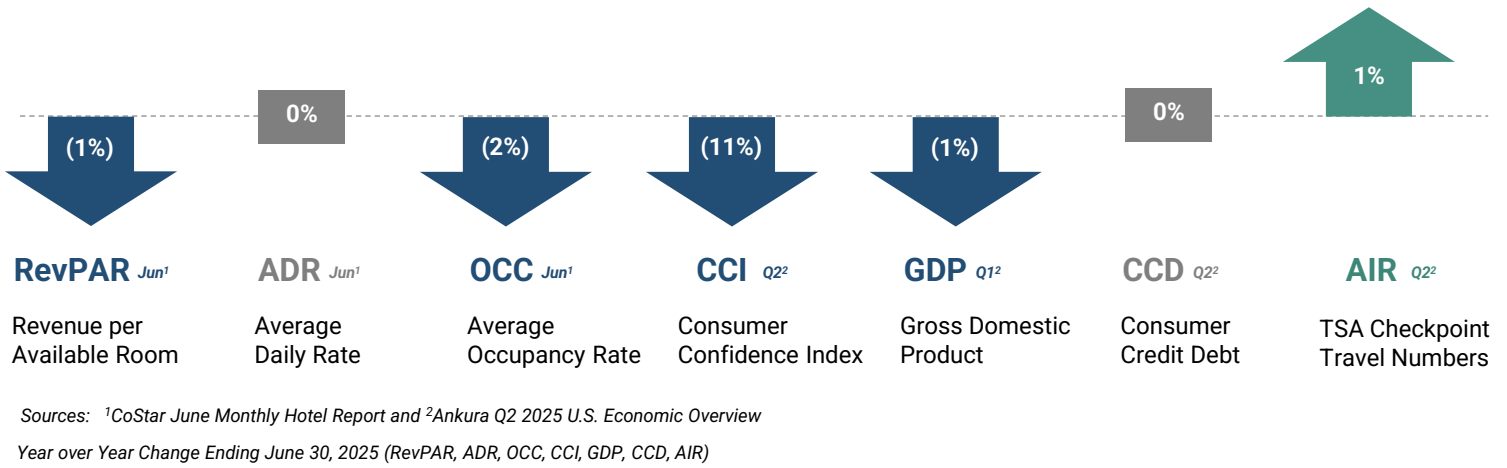


The hotel index **underperformed** the broader NASDAQ market and **overperformed** the S&P market over the three months ending July 31, 2025, posting a gain of 16.7%.

SECURITY	PRICE CHANGE
MAR – Marriott Int.	8.2%
CHH – Choice Hotels	1.6%
WH – Wyndham Hotels	0.8%
HST – Host Hotels REIT	8.2%
RHP – Ryman Hosp. REIT	7.9%
APLE – Apple Hosp. REIT	0.3%
Hotel Sub Index	16.7%*

*Weighted change of S&P 500 Hotels, Resorts, and Cruises (Sub Ind) (*SP500-25301020)

Leading Industry Indicators



The Big Story

In 2025, labor issues will remain one of the most critical challenges facing the U.S. hotel industry. Although ADRs are inching upward and the occupancy is projected to improve slightly from 2024, the industry is operating below pre-pandemic performance levels.¹ At the same time, labor supply remains insufficient to meet operational demands. Hotels are projected to employ about 2.17 million people this year, well below the 2.37 million employed in 2019.³ More than 71% of hotels report unfilled positions, and turnover remains alarmingly high, exceeding 70% annually in many frontline roles. Several structural constraints are driving these labor shortages.

Younger workers continue to avoid the industry, citing low wages and limited career stability, even as hospitality wages have risen over the last four years by nearly 30%. Immigration bottlenecks are another key factor in the U.S. Demand for H-2B guest workers has grown 46% since 2018, but despite the Department of Homeland Security authorizing over 64,000 supplemental visas in 2025, demand continues to outpace supply.^{4,5} Major hotel chains' aggressive expansion is worsening hiring and retention challenges in an already tight labor market. In 2024, travel supported the jobs of 15 million U.S. workers and directly employed 8 million. According to the U.S. Travel Association and American Hotel and Lodging Association, approximately 2.7 million, or one-third, of those workers are immigrants.^{1,2}

Hospitality wages have risen **30%** in aggregate over the last four years.⁴

Demand for H-2B guest workers has grown **46%** since 2018.⁵

15% of all U.S. workers were indirectly supported by travel in 2024.¹

To address these challenges, hotel operators are investing in retention and efficiency strategies. These include signing bonuses, expanded mental health benefits, flexible scheduling, and tech-enabled training.⁶ At the same time, automation is playing a growing role – with mobile check-ins, AI concierges, and robotic room service helping to reduce labor reliance. Employers are placing emphasis on purpose-driven culture, career development opportunities, and operational flexibility within hospitality careers to recruit new talent. Although labor remains a top vulnerability, these shifts reflect a broader rethinking of how the industry attracts, supports, and retains its workforce.

Sources: ¹AHLA: U.S. hotel occupancy & ADR, guest spending, employment forecasts
²Business Travel News
³CBRE: 2025 Hotel Outlook
⁴Reuters: American Immigration Council, DOL
⁵USCIS: Supplemental H-2B
⁶Reuters: Marriott & Hilton

The Ankura Advantage

- HOTEL EXPERTISE**
From multi-billion-dollar franchises to startups seeking seed-capital, we understand and solve for the issues hotels are facing at all stages of the business lifecycle. We partner with our clients to unlock value by automating processes, optimizing technology solutions and bringing visibility into hospitality specific financial metrics fast.
- ACCOMPLISHED TEAM**
We deliver experienced talent to the table – leaders that have sat in the chairs and experienced issues first-hand in the industry. These operational leaders dig in and get their hands dirty to resolve pressing issues, uncover and fix inefficiencies, and bring strategic initiatives to the finish line.
- RESILIENT AND LASTING SOLUTIONS**
We don't just plug holes... but we don't try to boil the ocean either. Our mandate is to deliver rapid, sustainable, and repeatable improvements to support long-term growth.
- PEOPLE FIRST**
To succeed, the team needs to be deeply involved in the process. Change management, training, and coaching aren't workstreams; it's our philosophy and the key to sustained improvement.

How We Support Travel & Leisure Clients

- ✓ **Finance Resiliency & Performance Improvement**
Increase efficiency and effectiveness of Finance; improve business partnering; drive initiatives across people, process, and technology; automate key processes; decrease cost of finance
- ✓ **People**
Fill interim or surge resource needs; align finance organization to support operations; structure processes for transparent and controlled headcount management
- ✓ **Liquidity Management**
Improve working capital and liquidity with dynamic financial modeling and scenario analyses; dive deep into the cash conversion cycle to minimize impacts of seasonality; Optimize net working capital
- ✓ **FP&A**
Provide transparency and visibility; deliver insights into performance and leverage advanced analytics to drive decision-making, particularly as hotel/leisure navigates customer price sensitivity in a high inflationary environment. Creation of dashboards to monitor trends and KPIs related to strategy execution.
- ✓ **Transaction & Valuation Support**
Structured integration and subject-matter expertise to drive process amidst continued industry consolidation
- ✓ **Accounting**
Remediate accounting; streamline close; manage risk profile

Ankura Consulting Group, LLC is an independent global expert services and advisory firm that delivers end-to-end solutions to manage conflict, crisis, performance, risk, strategy, and transformation. Ankura has over 2,000 professionals serving 3,000+ clients across 55 countries. Collaboration and experience drive our multidisciplinary approach to Protect, Create, and Recover Value™.