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Hampton and Tru brands help drive Hilton earnings

During Hilton's Q1 2017 earnings call May 2, president and CEO [Christopher J. Nassetta](#) specifically pointed to the growth of two of its brands with a Memphis connection.

Tru by Hilton — the brand with the lowest building cost of the 14 Hilton brands — launched in 2016 and has 425 hotel deals in the pipeline or in various stages of approval, as of April 17. The brand has 10 hotels currently under construction and added 7,800 net rooms in the first quarter of 2017, a growth of 20 percent since the same period in 2016. The first Tru hotel opened in April in Oklahoma City.



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Another brand mentioned by Nassetta was Hampton by Hilton, which entered into an exclusive license agreement with Guangzhou, China-based Plateno Group to launch and rapidly develop the brand in China. Eleven Hampton hotels are currently open in China, but the company expects to have more than 400 in the country.

Stateside, the brand opened 11 Hamptons — including one in Germantown — during the quarter. Hampton has 2,241 hotels open with over 545 hotels in the pipeline.

Although the company is headquartered in McLean, Virginia, Hilton's Memphis operations center supports Hampton, Tru, Hilton Garden Inn and Tapestry Collection by Hilton.

"All brand segments are at record pipelines," Nassetta said. "We've had great success with our brands."

In January, Hilton launched its 14th brand, Tapestry Collection by Hilton, with the first property expected to open in the second quarter of 2017. The company completed spin-offs of Park Hotels & Resorts Inc. and Hilton Grand Vacations Inc. on January 3.

"I believe what we have is awfully unique," said Nassetta, citing the company's scope of broad price points and geographic distribution among its brands.

Overall, Hilton approved 27,000 new rooms for development during the first quarter, growing Hilton's development pipeline to a record 325,000 rooms, representing 16 percent growth from March 31, 2016. More than 50 percent of the company's development pipeline is under construction.

Net income for the first quarter was \$75 million; adjusted earnings before interest, tax, depreciation and amortization (EBITDA) for the first quarter was \$424 million, an increase of 16 percent from the first quarter of 2016.

During the first quarter of 2017, Hilton repurchased 1.2 million shares of common stock at a cost of approximately \$70 million, with an average price per share of \$57.67.

In March 2017, Hilton paid a quarterly cash dividend of \$0.15 per share of its common stock, for a total of \$50 million. In May 2017, Hilton's board of directors authorized a regular quarterly cash dividend of \$0.15 per share of common stock to be paid on or before June 2 to holders of record of common stock as of the close of business on May 12.