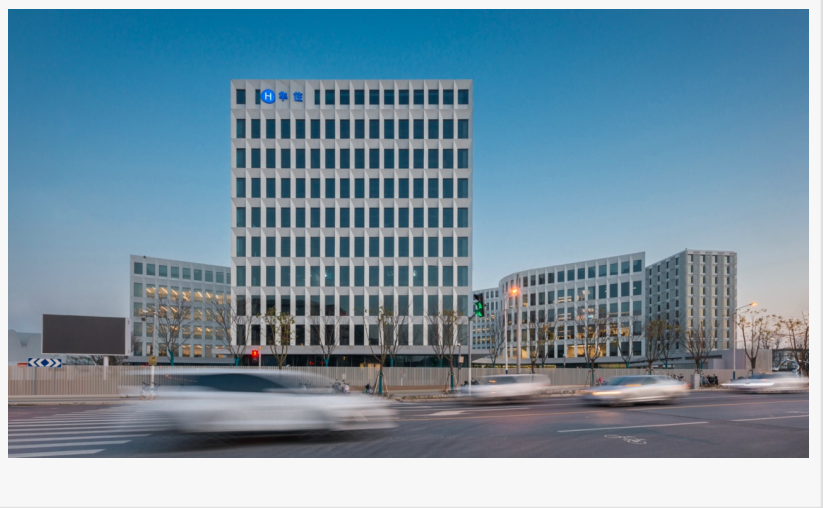


H World Group Limited Reports Q1 2024 Financial Results with 17.8% Revenue Growth, Surpassing Expectation

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[/EINPresswire.com/](https://www.einpresswire.com/) -- H World Group Limited ("H World" or the "Group", NASDAQ: HTHT, HKEX: 1179.HK) announced its unaudited financial results for the first quarter ended March 31, 2024 (Q1).

Revenue, Income from operations, and EBITDA All Increased



Leveraging an efficient regional structure to rapidly expand its hotel network and gradually penetrate resilient lower-tier cities, H World Group continues to secure its leading position in the limited-service market with high-quality products and services. The Group persistently improves the structure of its mid-to-high-end brands and increases market share. In Q1 2024, the Group's revenue reached RMB 5.3 billion (equivalent to USD 731 million), representing a year-on-year growth of 17.8%. Revenue from the Legacy-Huazhu segment in the first quarter of 2024 was RMB 4.2 billion, which increased 18.1% year-over-year, while Revenue from the Legacy-DH segment in the first quarter of 2024 was RMB 1.0 billion, which increased 16.6% year-over-year. Both the Legacy-Huazhu segment outperformed the previously announced revenue guidance. The Group's hotel turnover increased by 21.1% YoY to RMB 19.7 billion.

Income from operations in the first quarter of 2024 was RMB 1.0 billion (US\$ 139 million), compared to RMB664 million in the first quarter of 2023 and RMB 757 million in the previous quarter. Income from operations from the Legacy-Huazhu segment in the first quarter of 2024 was RMB 1.1 billion, compared to RMB 822 million in the first quarter of 2023 and RMB 821 million in the previous quarter.

To better reflect the profitability of the Group's core businesses, it announced that the adjusted EBITDA (non-GAAP) for the first quarter of 2024 was RMB 1.4 billion (approximately USD 197 million), compared to RMB 1 billion in the first quarter of 2023 and RMB 1.1 billion in the

previous quarter.

Key Performance Indicators (RevPAR, ADR, OCC) Increase Year-on-Year

In the first quarter of 2024, Legacy-Huazhu and Legacy-DH both saw significant improvements in their three core business metrics. Legacy-Huazhu's average revenue per available room (RevPAR) increased by 3.1% year-on-year, reaching RMB 216. Second, the average daily rate (ADR) rose from RMB 277 in the first quarter of 2023 to RMB 280. The occupancy rate (OCC) for all operating hotels also increased by 1.6% Year-on-Year. In addition, Legacy-DH also performed well. On an international stage, RevPAR increased by 4.5% year-on-year, ADR improved by 0.2% year-on-year, and OCC increased by 2.3 percentage points year-on-year, demonstrating the Group's growth potential and market competitiveness on a global scale.

These figures not only showcase the Group's effective pricing strategy but also reflect the market's strong trust and recognition of the H World brand. H World Group has effectively increased overall revenue, further solidifying its leading position in the market.

A Focus on Economy and Midscale Brands Drives Continuous Market Expansion

As of March 31, 2024, H World's worldwide hotel network operated 9,817 hotels with 955,657 rooms, including 133 DH hotels. Legacy-Huazhu continued its rapid pace of opening new hotels, with 569 new openings in Q1. H World had a total of 3,172 unopened hotels in the pipeline, including 3,138 hotels from the Legacy-Huazhu business and 34 hotels from the Legacy-DH business.

H World is actively focusing on a lean growth strategy centered on excellent service, intensifying efforts to build a high-quality hotel network. On one hand, Legacy-Huazhu continues to upgrade its "iron triangle" brands— HanTing Hotel, JI Hotel, and Orange Hotel— to better serve the general market's essential needs. At the same time, the Group is also prioritizing mid-to-high-end brands to meet the diverse consumption demands of different customer groups.

The CEO Jin Hui stated, "The first quarter's performance was strong, with revenue exceeding our expectations. The total number of hotel openings and hotels in the pipeline for the first quarter reached an all-time high, and our efforts continue to be well-received by the market. Looking ahead, our confidence in the long-term growth of China's lodging market remains unchanged. We believe that our 'lean growth strategy on excellent service will help us achieve high-quality store expansion and improve customer satisfaction, thereby gaining a stronger competitive edge. For our international business, we will continue to focus on reducing costs and improving efficiency to achieve better profitability. We will also strive to transform our business into a more asset-light model, strengthen direct sales through the Huazhu Global Loyalty Program, and seek growth opportunities in new regions outside Europe."

For the second quarter of 2024, Huazhu expects revenue to increase by 7% to 11% compared to

the second quarter of 2023, or by 7% to 11% (excluding Legacy-DH).

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About H World Group Limited:

Originated in China, H World Group Limited is a key player in the global hotel industry. H World's brands include Hi Inn, Elan Hotel, HanTing Hotel, JI Hotel, Starway Hotel, Orange Hotel, Crystal Orange Hotel, Manxin Hotel, Madison Hotel, Joya Hotel, Blossom House, Ni Hao Hotel, CitiGO Hotel, Steigenberger Hotels & Resorts, MAXX, Jaz in the City, IntercityHotel, Zleep Hotels, Steigenberger Icon and Song Hotels. In addition, H World also has the rights as master franchisee for Mercure, Ibis and Ibis Styles, and co-development rights for Grand Mercure and Novotel, in the pan-China region.

H World's business includes leased and owned, managed and franchised models. Under the lease and ownership model, H World directly operates hotels typically located on leased or owned properties. Under the managed model, H World manages managed hotels through the on-site hotel managers that H World appoints, and H World collects fees from franchisees. Under the franchise model, H World provides training, reservations and support services to the franchised hotels, and collects fees from franchisees but does not appoint on-site hotel managers. H World applies a consistent standard and platform across all of its hotels.

For more information, please visit H World's website: <https://ir.hworld.com>.

For inquiry, please contact Intelligent Joy Limited:

Cathy Pan & Chow Tsz Lung & Sylvia Peng

Tel: (852) 3618-8460

Email: cathy.pan@intelligentjoy.com / tszung_chow@intelligentjoy.com /

sylvia.peng@intelligentjoy.com

Cathy Pan & Chow Tsz Lung & Sylvia Peng

Intelligent Joy Limited

[email us here](#)

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