

Hyatt Hotels Corp. (NYSE:H): Short

Name: Jessica Jie Gao	Phone :(434)270-4623	College/School: CLAS	Year:1 st
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<p>Important Company Financial Data</p> <table style="width: 100%;"> <tr> <td style="width: 50%;">Share price: 41.42</td> <td style="width: 50%;">Beta: 1.19</td> </tr> <tr> <td>Market Cap: 6.71B</td> <td>ROA: 1.37%</td> </tr> <tr> <td>52 Week: 33.48 – 44.14</td> <td>BOE: 1.80%</td> </tr> <tr> <td>EPS: 0.53</td> <td>Net profit margin: 2.23%</td> </tr> <tr> <td>P/E: 78.15</td> <td>Price/Book Value: 24.95</td> </tr> </table> <div style="text-align: center; margin-top: 10px;">  </div>	Share price: 41.42	Beta: 1.19	Market Cap: 6.71B	ROA: 1.37%	52 Week: 33.48 – 44.14	BOE: 1.80%	EPS: 0.53	Net profit margin: 2.23%	P/E: 78.15	Price/Book Value: 24.95	<p>Company Description</p> <p>Hyatt Hotels Corp. is founded by Jay Pritzker in 1957 in Chicago, IL. It manages, franchises, owns and develops Hyatt-branded hotels, resorts and residential and vacation ownership properties around the world. The company's subsidiaries operate hotels and resorts, including Hyatt, Park Hyatt, Grand Hyatt, Hyatt Regency, Andaz, Hyatt Place and Hyatt Summerfield Suites. Currently, it has 492 properties around the world, including 103 hotels in hand. 30 new hotels are going to be launched in 2013.</p>
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<p>Thesis / Key Points</p> <ul style="list-style-type: none"> ➤ In the past 5 years, the company constructed 47 hotels for expansion but the revenue and net profit keep decreasing. • Hyatt paid all construction cost by using long-term liabilities only. Compared to its main competitors, Hyatt operates on a relatively small scale. Hyatt paid all the costs by cash and long-term debt. Cash decreased by 51% in 2011, 29.2% in 2012. Low cash brings about low liquidity. • With more hotels under Hyatt, the occupancy rate decreased continuously. The following reasons cause Hyatt less attractive to traveler. <ul style="list-style-type: none"> ○ Hyatt portfolio focuses on luxury hotels only. <ul style="list-style-type: none"> ❖ Misperception #1: With 7 brands underneath, Hyatt has a full portfolio to cover all levels of hotels. ❖ Correction: The 7 brands under Hyatt only spectrum between upscale and luxury rooms. Hyatt House is the only one that focuses on midscale hotels, but it generates 3.4% of total revenue. According to my VAR #3 (see Exhibit #4, Atish Shah), Hyatt has no plan to diversify its portfolio in recent years. Comparatively, Hilton has 10 brands. 3 for luxury hotels contributes 47.2% of its total hotel sales, and 3 brands for mid-sale hotels contributes 21.1 % and 4 economic inn contributes the rest 31.7%. ○ One night in Hyatt costs more than other 5-star hotels at the same location. <ul style="list-style-type: none"> ▪ For the majority of customers, price is the first criteria to decide which hotel to stay given the location. According to VAR #1 (see Exhibit # 1 Questionnaire Q3). 60% of responses collected in USA indicate that price is the first criteria to choose a hotel. ▪ With relatively small operating scale, Hyatt is more expensive. Based on the data of VAR#2 (see Exhibit #2), Hyatt is more expensive no matter in USA, China, or other foreign countries by 25% on average. In USA, the average price to stay one night in Hyatt is \$224, much higher than \$184 for Hilton and \$195 for Marriot. From VAR#1 (see Exhibit #1), more than 75% of people expect the cost to be below \$200. ○ Hyatt lack branding power compared to its peers <ul style="list-style-type: none"> ❖ Misperception #2: according to Hyatt's current CEO, it's the branding power that helps Hyatt standing out in the market. ❖ Correction: Although Hyatt ranks NO. 6 in hotel market world wise, based on my VAR#1 (see Exhibit #1, Q1), Hilton and Marriot are the hotels that people stay most often. Only 12% subjects choose Hyatt as the first choice. ➤ Future development relies too heavily on China as well as other Asia market. <ul style="list-style-type: none"> • Hyatt focuses too much on Chinese hotel market. Before 2011, Hyatt had 11 hotels in China in first-tier cities as Beijing, Hong Kong, Macau, Shanghai, Shenzhen and Taipei. It has a plan to double the number of Hyatt Hotels in China before 2014. The market Hyatt's looking for opportunities in second-tier cities like Chongqing, Hangzhou, Wuxi. Future growth of revenue largely depends on the Chinese market. • Chinese luxury hotel market is saturated and it begins to shrink. <ul style="list-style-type: none"> ○ Growth of GDP slows down in China. (See Exhibit #9 case study), the macroeconomics in China is no longer as prosperous as 5 years ago. Investors cannot expect people to spend more money on travelling. <ul style="list-style-type: none"> ❖ Misperception #3: With more visitors to China, the demand for upscale hotel is booming. ❖ Correction: Major hotel chains continue to record disappointingly low occupancy rates in China. Last year, the occupancy rate of 5-start hotel in Beijing is 47.6% which is much lower than 61.1% in USA. This rate is even lower in other cities in China. • Hyatt has little comparative advantage in Chinese hotel market. <ul style="list-style-type: none"> ○ Hyatt does not have diverse customer segments. According to Hyatt's report, more than 47% of customers go to Hyatt for business reasons. Lack of diversity of customers exposes Hyatt to risks. ○ Hyatt entered Chinese market later than its competitors. InterContinental Hotels entered China in1984, Hiltonin1988, Marriot in 1991, Wyndham Hotel Group in 1992. Hyatt is not a

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forerunner; it entered China in 1998. The quantity of international hotels has increased by 227% in the recent decade. The competition is especially fierce for hotel companies that entered late.

- **Weak financials** are shown in low management efficiency, decreasing EPS and high P/E ratio.
 - Current high P/E is caused by over enthusiastic valuations, which should be avoided. Hyatt current P/E ratio is 78.15 which is about 3~4 times of its competitors MAR, IHG and HOT. Its EPS is as low as 0.53. However, buyers still have a high expectation of this stock.
 - P/E and P/S projections (see Exhibit #7) illustrate the **absurdity of current valuation** for Hyatt. Faster-than-economic growth is not predictive after 3 years or so.
 - ❖ **Misperception #4:** Buying stocks of real estate companies is the same as investing in real estate.
 - ❖ **Correction:** Although real estate market is relatively mature and moderate, risks of depreciation, tax and interest expense, and bankruptcy cannot be avoided. Shareholders of stock have **little control** of their stocks while owners of real estates can have full control of the assets.
 - Hyatt is **not efficient** in managing assets and equities. Hyatt has total asset of \$7.5 Billion (see exhibit #11), only slightly less than that of MAR and IHG. But in 2012, Hyatt's revenue was 3.9 B, compared to 11.81B of MAR. Hyatt's ROA is 1.37 which is only 1/20 of MAR and 1/10 of IHG. The Low ROA indicates that Hyatt does not use its assets efficiently. (see Exhibit #10)
 - Continuous **low profitability margins** predict the decrease in EPR.
 - ❖ **Misperception #5:** depreciation expense is so trivial that can have little impact on the company.
 - ❖ **Correction:** By acquiring, constructing and franchising, Hyatt increases its assets every year so that it has to pay more for associated depreciation expense. Its depreciation expense has increased by \$50 million in 2012. This increase in **depreciation expense** offset Hyatt's small increase in revenue in the same year, resulting in the decrease in net income by 25 million. (see Exhibit #6)
 - In 2012, due to depreciation expense, Hyatt had an **operating margin** of only 4.2%, which is 1/10 of Marriot and 1/8 of IHG. EPS declined in pace with the decrease in net income; over the past five years the company has suffered a **-10%** compound annualized earnings growth rate while only achieving a 1.3% CAGR for sales. (see Exhibit # 10)
 - Hyatt is an outlier in the correlation chart of profit margin and EPR in the hotel market. (see Exhibit # 8)
 - **Stock repurchase** keeps the stock high **unnaturally**. Last summer, Hyatt repurchases \$200M of its stocks and it may repurchase \$135M stocks in 3Q this year. Hyatt's original purpose is to boost up the EPS but this strategy tends to be effective only on its stock price (stock price increased from \$33.08 to \$38.7 two weeks after the repurchase). This buy-back again increases the P/E ratio and triggers buyers' enthusiastic valuation.
 - The bad financials of the company **have not been priced in**. Public is impressed by the company's expansion plan in China, India and Mexico, not aware of its bad financials. As a result, the stock is overvalued since the bad side of the company has not been priced into the stock. In addition, the stock price increased by 7% in this year, so that it is a safe time to short Hyatt now.
- Hyatt **does not offer guidance** to its investor, which let the investor **conservative** on their analysis. Hyatt does not offer profit guidance to its investor and stockholders. This reticence irks current and potential shareholders who want more information from the company before making an investment. This tight-lipped policy leads cautious analysts to issue conservative estimates. The company may be dialing back its lack of transparency.

Risks / What Signs Would Indicate We Are Wrong?

- Although the net income of the company has been decreased for years, it can sell part of its properties at opportune times to maintain the presence and the fee stream on a going-forward basis.
 - With appreciation of Chinese Yuan, Hyatt can make more profits in dollars even if the sales in Yuan do not increase. However, this appreciation gain may be offset by the depreciation in euro.
 - Hyatt's innovative reconstruction may attract customers.
 - The company repurchased its stocks in the past year. It repurchased 200 million in 2012 and 135 million in 2013. It may keep this trend in order to keep the stock price high.
 - Since Hyatt is under US GAAP, estate under Hyatt have to be recorded zero value on the balance sheet. I am not able to track how many these kinds of estate Hyatt owned. But once they sale them, the fair value of these building can be realized.

Signposts / Follow-Up

- Track progress of construction in foreign countries. Construction in Mexico has been informed to be delayed for 2 years due to designing issues.
- A stock buyback may be conducted in June or July. Estimate the price after this action before company repurchased the stock.
- Follow Hyatt's depreciation expense which is a big burden for the company.
- Follow the real estate recovery rate in USA.
- Analyze the tax reformation of real estate in China.

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Exhibit #1																													
VAR #1: Questionnaire																													
World's hotel market and Hyatt positions in the market																													
<p>Background: I conducted a 10-multiple choice-questionnaire separately in USA and China. The English version of this survey was conducted in Clemons and Clark libraries, and also through E-mails and Facebook. 127 random responses have been collected. For the Chinese version of this questionnaire, I post the link on my Renren and Weibo pages. 43 random responses have been collected. 5 Questions are selected here. The orders and contents of in these 2 versions are identical to each other.</p>																													
<p>English version: http://www.surveymonkey.com/s/PNF79TJ Chinese version: http://www.surveymonkey.com/s/BR6NWSQ</p>																													
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Exhibit #2

VAR #2

Price of Hyatt and its competitors
(5-star hotels only, the price is for 04/27/2013)

5-star hotels in China (Chinese Yuan)

	Hyatt	Hilton	Marriot
Shanghai	1900	1390	1080
Guangzhou	1800	780	920
Shenzhen	2100	1476	1288
Chongqing	880	575	680
Beijing	1550	780	833
Hong Kong	3185	2772	1920
Macao	1850	2318	1504
Average Price	1895	1441	1175

5-star hotels in other foreign countries (US Dollars)

	Hyatt	Hilton	Marriot
Tokyo	705	360	520
Paris	939	270	327
Berlin	300	182	386
Toronto	350	189	170
Malaysia	220	136	107
Average Price	503	227	302

5-star hotels in USA (US dollars)

Location	Hyatt	Hilton	Marriot
Atlanta	169	129	129
Boston	219	179	219
Denver	209	149	169
Los Angeles	199	189	179
Miami	219	179	189
New Jersey	139	159	139
New York	329	289	279
Orange County	199	129	149
Scottsdale	209	119	149
Washington DC	339	289	289
San Diego	237	219	259
Average	224	184	195

Exhibit #3: 1-Year stock chart



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Exhibit #4

VAR #3 Research Reference Chart

Category	Name/Position/Company/Contact	Takeaways
Hyatt	<p>Atish Shah SVP- Investor Relationships Hyatt Hotel Corp. Tell: 312-750-1234</p>	<ul style="list-style-type: none"> • He focuses on Hyatt’s innovation and reconstruction, although there is no positive reaction from customers. • Denies that China is the only market that Hyatt focuses on; India is also a potential market. • Indian market is experiencing some softness so that the RevPAR is decreasing in some regions in India • Hyatt will not expand its portfolio; instead, he believes there are a lot of rooms to grow to further penetrate the luxury hotel market. • Hyatt makes profits by operating on their hotels but also buys and sells hotels. • Repurchase of stock is a method to invest in the company itself.
Investor Coverage	<p>Mark Lutenski Research Associate BMO Capital Market Corp. Tell:212-885-4197 E-mail:mark.lutenski@bmo.com</p>	<ul style="list-style-type: none"> • Hyatt has some properties now worth zero on the balance sheet due to the depreciation expense. • A real estate has to be depreciated to zero after 40 years of use by straight-line depreciation method required by US GAAP • Buildings with zero values on the balance sheet can be active and can still make profits. This may explain the high P/E ratio of Hyatt partly. • The company does have some good reason not to offer profits guidance to its investors, but it definitely affects our analysis. So that we have at least some degree of conservatism.
	<p>Jon Oh Broker-dealer Agent Credit Agricole Securities Tell:212-261-3865 E-mail:Jon.oh@clsa.com</p>	<ul style="list-style-type: none"> • Hyatt repurchased its stock mainly to make their EPS looks better. • Hyatt’ EPS has decreased since 2009. Even though low EPS does not necessarily stand for the bad performance of the company, shareholders can lose confidence and interests if the EPS keeps low. • There is nothing wrong to invest more in China and other Asian countries if the company has made proper adjustments according to native culture. Chinese real estate market is not as profitable as 5 or 10 years ago, and the demand will keep its decreasing trend. • Timing is critical.
	<p>Chris P. Agnew Analyst of Travelling and Leisure sector MKM Partners Tell:203-987-4796</p>	<ul style="list-style-type: none"> • People think real estate stocks companies fluctuate gently, but in fact the stock price is extremely sensitive to macroeconomics • Real estate stocks are different from real estate themselves. You have more control of real property than stocks of real property.
Analysts in Consulting firms	<p>Jing Li Senior Manager Jones Lang LaSalle Tell:86-105922-1359 E-mail:Nadine.li@jil.ap.com</p>	<ul style="list-style-type: none"> • Hotel market is positively correlated with macroeconomics, which can be indicated by GDP and CPI. • In the past 10 year, international hotel companies make great fortune in China because of cheap renting costs, and low capital costs. • However, with a double-digit growth of cost of real estate and the increasing salary, these advantages begin to disappear.
	<p>Zoe Zhou Director Horwath HTL Tel:86-13661998966 E-mail:zwu@horwathhtl.com</p>	<ul style="list-style-type: none"> • “Too soon too much” for the international hotel companies to enter Asian hotel market. • Only small portion of Chinese can afford for the luxury hotels. • The true customers of Luxury Hotels in China are companies under government as well as people travelling for business.

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Exhibit #5: Quarterly Income statement

income from Discontinued Operations					
Net Income	16.00M	23.00M	39.00M	10.00M	52.00M
<hr/>					
Earnings Per Share Data					
	2012-12	2012-09	2012-06	2012-03	2011-12
Average Shares to compute diluted EPS	165.38	165.75	165.97	166.02	169.24
Average Shares to compute basic EPS	165.02	165.49	165.85	165.53	168.78
EPS - Basic net	0.09	0.14	0.24	0.06	0.31
EPS - Diluted net	0.09	0.14	0.24	0.06	0.31

Exhibit #6: Annual Income Statement

Income	2012	2011	2010	2009	2008
Revenue	3.949B	3.698B	3.527B	3.33B	3.835B
Cost of Revenue	3.121B	2.957B	2.864B	2.751B	2.932B
Gross Profit	828.00M	741.00M	663.00M	579.00M	903.00M
Research & Development Expense					
Selling, General, & Admin. Expense	316.00M	283.00M	276.00M	261.00M	290.00M
Depreciation & Amortization	353.00M	305.00M	279.00M	269.00M	248.00M
Operating Interest Expense					
Other Operating Income (Expense)					
Total Operating Expenses	3.79B	3.545B	3.419B	3.281B	3.47B
Operating Income	159.00M	153.00M	108.00M	49.00M	365.00M
Non-Operating Income	-64.00M	-70.00M	-20.00M	-100.00M	-160.00M
Pretax Income	95.00M	83.00M	88.00M	-51.00M	205.00M
Provision for Income Taxes	8.00M	-28.00M	37.00M	-8.00M	90.00M
Income after Tax	87.00M	111.00M	51.00M	-43.00M	115.00M
Minority Interest					
Equity In Affiliates					
Income Before Extraordinaries & Disc. Operations	87.00M	111.00M	51.00M	-43.00M	115.00M
Investment Gains/Losses					
Other Income/Charges					
Income from Discontinued Operations	0.00	0.00	4.00M	-3.00M	55.00M
Net Income	88.00M	113.00M	66.00M	-43.00M	168.00M

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Exhibit #7: P/E & P/S projections

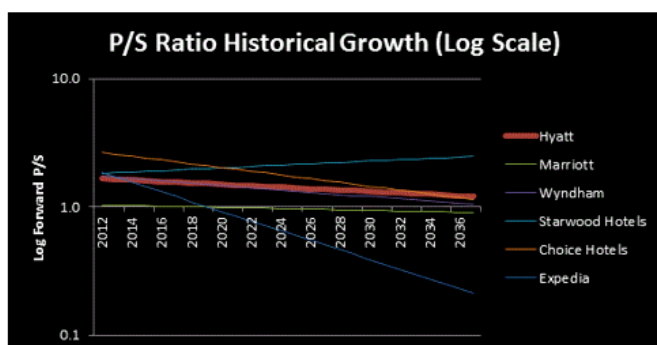
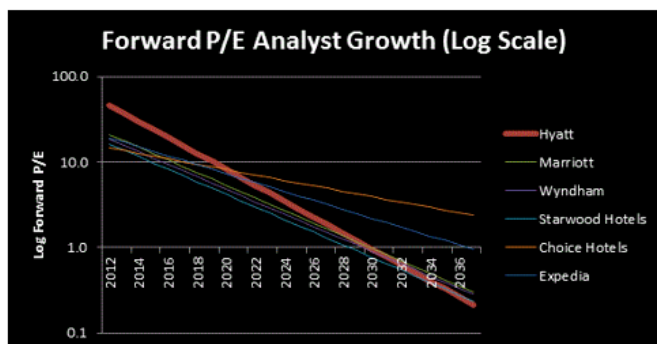


Exhibit #8: EPS & Profit margin correlation chart

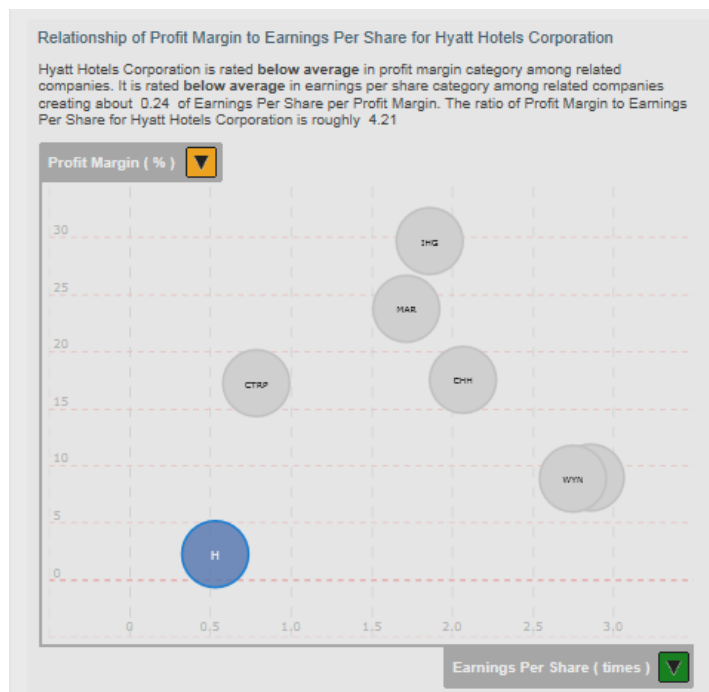
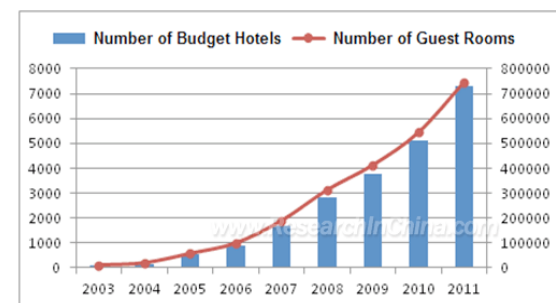
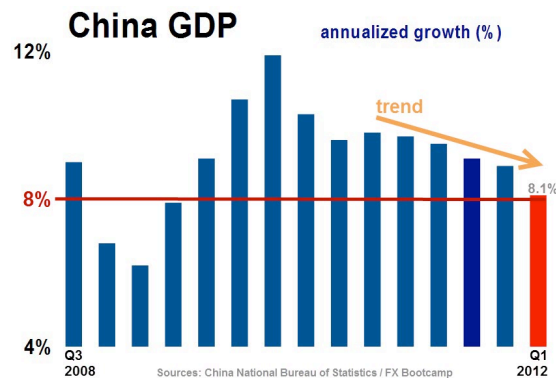


Exhibit #9

Case Study: Chinese Luxury Hotel Market

For Hyatt, Chinese Luxury Hotel Market is full of potential to grow. However, due to the difference in culture, economics and politics, Chinese people have totally different habit when selecting hotels. There are many factors make this market difficult for Hyatt to distinguish.

- **Growth of GDP** has a clear trend to **slow down**: from the chart #1 on the right, growth of GDP began to slow down after it reached its top in 2009. Some economists point out that the economy of China 10 years later will be like that of Korea today. There is not much space to further penetrate for international companies.
- **Travelers prefer to stay in cheap budget inn**: from my VAR#1, less than 5% Chinese don't consider price as the first criteria to choose hotel than the ratio collected in USA. Although the average salary has increased by 64% in recent 5 years in China, luxury hotel is not something accessible for the majority of citizens. From the below chart we can see that economic and comfortable budget Inn is most demanded in China.
- **Different sales segments** of Chinese and American hotels: in China, hotels are not only a place to stay; families go to restaurants in hotels on weekends. In Chinese hotel industry, **restaurants** generate 23.7% of total revenue of a hotel. The proportion is as low as 11.7% in USA. And the quantity of restaurants is considered extremely critical for a company to choose a hotel to hold conferences. Given Chinese special eating style, Hyatt has absolute disadvantages in food compared to native luxury hotel brand like Jinjiang.



Source: www.hostelcn.com, ResearchInChina< China Budget Hotel Industry Report, 2011-2012>

Hyatt Hotels Corp. (NYSE:H): Short

Exhibit #10: Comparison Chart

data	H	MAR	HOT	WYN	EXPE	IHG	CTRP	CHH
Operating Margin %	4.2	38.9	14.38	19.12	13.57	33.19	15.74	28.8
Profit Margin %	2.33	23.7	8.89	8.82	6.95	29.65	17.18	17.45
P/E	78.53	24.03	21.43	23.03	30.27	17.07	27.30	21.19
ROA %	1.37	9.56	6.17	5.86	5.03	12.22	3.82	25.97
ROE %	1.8	35.7	15.42	19.17	12.91	125	10.06	14.52
Price to Book	1.37	28.10	3.77	4.50	3.59	24.52	2.67	7.61
Price to Earning to Growth	4.58	1.80	2.80	0.87	1.39	1.38	1.32	3.71

Exhibit #11: Complete Comparison Chart

	H 41.00 Hyatt View Profile Portfolio	MAR 41.33 Marriott View Profile Portfolio	HOT 61.20 Starwood View Profile Portfolio	WYN 63.60 Wyndham View Profile Portfolio	EXPE 63.34 Expedia View Profile Portfolio	IHG 28.34 Intercontinental View Profile Portfolio	CTRP 21.15 Crigo View Profile Portfolio	CHH 44.30 Choice View Profile Portfolio
Market Performance (Over the last 30 days)	0 of 100	7 of 100	3 of 100	3 of 100	0 of 100	0 of 100	0 of 100	25 of 100
Probability Of Bankruptcy (Chance of Financial Distress)	29.0 %	35.6 %	16.16 %	47.0 %	16.16 %	29.0 %	9.5 %	36.81 %
Beta	1.19	1.31	1.87	1.61	0.74	1.52	0.8	1.01
Operating Margin	4.20 %	38.90 %	14.38 %	19.12 %	13.57 %	33.19 %	15.74 %	28.80 %
Profit Margin	2.23 %	23.70 %	8.89 %	8.82 %	6.95 %	29.65 %	17.18 %	17.45 %
Current Ratio	2.85 times	0.53 times	0.55 times	0.57 times	0.88 times	1.42 times	1.96 times	1.33 times
Price to Book	1.37 times	28.10 times	3.77 times	4.50 times	3.59 times	24.52 times	2.67 times	N/A
Price to Earning	77.53 times	24.03 times	21.43 times	23.03 times	30.27 times	17.07 times	27.30 times	21.19 times
Return On Asset	1.37 %	9.56 %	6.17 %	5.86 %	5.03 %	12.22 %	3.82 %	25.97 %
Shares Owned by Insiders	0.89 %	24.12 %	0.25 %	0.95 %	22.12 %	N/A	1.45 %	52.58 %
Gross Profit	2.37 B	1.58 B	3.97 B	7.44 B	3.13 B	1.06 B	477.86 M	658 M
Price to Earnings To Growth	4.58 times	1.80 times	2.80 times	0.87 times	1.39 times	1.38 times	1.32 times	3.71 times
Return On Equity	1.80 %	N/A	15.42 %	19.17 %	12.91 %	125.00 %	10.06 %	N/A
One Year Low	33.48	33.93	47.41	46.46	30.99	N/A	12.36	30.4
Cash Flow from Operations	499 M	989 M	1.18 B	1000 M	1.23 B	472 M	286.41 M	161.02 M
Shares Owned by Institutions	101.70 %	57.70 %	95.30 %	92.00 %	92.80 %	N/A	93.70 %	6.60 %
Shares Outstanding	162.07 M	312.34 M	193.72 M	136.63 M	135.39 M	266.52 M	129.13 M	57.56 M
Number of Shares Shorted	1.63 M	8.12 M	4.77 M	2.07 M	9.41 M	121.42 K	20.5 M	3.21 M
Working Capital	1.14 B	(1.3 B)	(110 M)	(65 M)	(367.81 M)	(120 M)	608.59 M	57.33 M
Debt to Equity	0.26 times	7.22 times	0.58 times	2.36 times	0.52 times	3.97 times	0.24 times	N/A
Cash per Share	5.87 times	0.28 times	1.57 times	1.43 times	14.32 times	0.73 times	5.97 times	2.39 times
Total Asset	7.64 B	6.34 B	8.86 B	9.46 B	7.09 B	3.26 B	1.55 B	510.77 M
Market Capitalization	6.66 B	12.91 B	11.86 B	8.65 B	8.19 B	7.55 B	2.8 B	2.53 B
Current Liabilities	618 M	2.77 B	2.03 B	1.93 B	2.98 B	780 M	408.02 M	176.14 M
Book Value Per Share	29.75 times	(4.13) times	16.24 times	14.09 times	16.85 times	1.16 times	8.02 times	(9.54) times
Short Ratio	6.90 times	3.10 times	2.40 times	1.40 times	4.50 times	0.80 times	7.40 times	34.30 times
Retained Earnings	1.6 B	3.51 B	2.66 B	558 M	(442.07 M)	2.78 B	604.8 M	272.26 M
EBITDA	512 M	1.08 B	1.13 B	1.05 B	642.7 M	686 M	118.32 M	207.37 M
Net Income	88 M	571 M	470 M	400 M	302.71 M	544 M	113.94 M	119.42 M
Total Debt	1.23 B	2.94 B	1.81 B	4.56 B	1.25 B	1.26 B	251.17 M	855.34 M
Price to Sales	1.68 times	5.36 times	1.88 times	1.91 times	2.03 times	4.12 times	4.17 times	3.65 times
Cash and Equivalents	952 M	88 M	305 M	195 M	1.94 B	195 M	770.34 M	137.66 M
Revenue	3.95 B	2.41 B	6.32 B	4.53 B	4.03 B	1.84 B	663.26 M	691.51 M
Z Score	3.0	2.4	3.6	0.6	3.6	3.0	6.6	2.199
Current Asset	1.76 B	1.48 B	1.92 B	1.87 B	2.61 B	660 M	1.02 B	233.47 M
Earnings Per Share	0.53 times	1.72 times	2.86 times	2.75 times	2.00 times	1.86 times	0.79 times	2.07 times
One Year High	44.14	42.59	64.06	65.3	68.09	N/A	24.86	44.49
Current Valuation	6.94 B	15.76 B	13.36 B	13.02 B	8.03 B	N/A	2.12 B	3.24 B

Hyatt Hotels Corp. (NYSE:H): Short

Ideas for the Club

1. To increase **involvement**:

As an analyst, I would do nothing in this semester if I did not pitch the stock or apply for other positions. My associate did update at the beginning of semester, so that he did not contact our analysts ever since. However, it is the minority of analysts pitched stocks; there should be more things that analysts can do. I'm thinking about **weekly or bi-weekly newsletter** that covers major financial news and specific market trends. It is a way to encourage analysts to do research as well as a way to increase the involvement.

2. To **tie the bonds** between members:

MII does require team work such as associate team, but for the most of time, members work individually and do not know each other. Apart from stock pitch skill, **network skill** is equally critical for commerce students. I suggest MII to hold more **team-based activities** like **case analysis**. Moreover, many former MII members are now working in investment banks, consulting firm, as well as other financial companies. It is a great chance if we can **invite them back** and give a speech. Tying the bonds between current members and former members is a way to help member do network as well as publicize the club.

3. To **reach out** more:

So many people hear about MII in UVA, in other schools; however, they hear about MII through rumors instead of facts. We can reach out more so that MII can be known as real, active and cohesive club. In UVA, there are many other investment clubs such as GMG, SWS. We can **co-hold some social events** like **stock-pitch competition, guest speaker's presentation, education seminar** or other events. And there are some **national wise stock pitch competitions** in other schools. We can send lower-grade members to less competitive competitions.