Apple Hospitality REIT Inc. (APLE)

Updated May 11th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$13.93	**5 Year Annual Expected Total Return:**	6.2%	**Market Cap:**	$3.29 B
Fair Value Price:	$13.24	**5 Year Growth Estimate:**	1.0%	**Ex-Dividend Date:**	04/30/26
% Fair Value:	105%	**5 Year Valuation Multiple Estimate:**	-1.0%	**Dividend Payment Date:**	05/15/26
Dividend Yield:	6.9%	**5 Year Price Target**	$13.92	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Real Estate	**Rating:**	Sell

Overview & Current Events

Apple Hospitality REIT is a $3.29 billion hotel REIT that owns a portfolio of hotels with tens of thousands of rooms located in scores of markets and across dozens of states. It franchises its properties out to leading brands, including Marriott-branded hotels, Hilton-branded hotels, and Hyatt-branded hotels. It was formed in 2007 and had sustained or grown its dividend every year beginning in 2015, prior to 2020 when it had to suspend its dividend due to the COVID-19 impacts on its business. As of its latest filings, Apple Hospitality owned 216 hotels with a total of about 29,500 guest rooms across 37 states and the District of Columbia.

On May 4th, 2026, Apple Hospitality REIT posted its Q1 results for the period ending March 31st, 2026. The company reported total revenue of $337.7 million for the quarter, up 3.1% from the prior year. Portfolio performance improved year over year, as Comparable Hotels ADR increased 0.1% to $157.35 and occupancy rose 2.1% to 72.8%, driving a 2.2% increase in RevPAR to $114.61. The quarter represented a stronger-than-anticipated start to the year, with management noting resilient demand across its broadly diversified, rooms-focused portfolio and preliminary April results indicating RevPAR growth of more than 4%. Profitability remained solid, though margins were modestly softer.

Comparable Hotels Adjusted Hotel EBITDA increased 3.6% to $108.4 million, with margin narrowing 20 basis points to 32.2%. Adjusted EBITDAre increased 2.2% to $100.6 million, reflecting stronger comparable hotel performance during the quarter. Modified Funds from Operations (MFFO), the REIT's key measure of operating cash flow, totaled $80.3 million, up 1.9% from Q1 2025. On a per-share basis, MFFO was $0.34, compared with $0.33 in the prior-year quarter.

For full-year 2026, the company now expects Comparable Hotels RevPAR to range from flat to up 2.0% and Adjusted EBITDAre to range between $436 million and $458 million, reflecting an improved but still measured outlook for the portfolio. For FY2026, we now expect Modified FFO/share of $1.52.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO/S	$1.56	$1.74	$1.72	$1.70	$0.09	$0.93	$1.53	$1.60	$1.61	$1.52	***$1.52***	***$1.60***
NAV/S	$15.78	$15.53	$15.22	$14.70	$13.57	$13.79	$13.90	$13.76	$13.62	$13.36	***$13.24***	***$13.92***
DPS	$1.20	$1.20	$1.20	$1.20	$0.30	$0.04	$0.60	$0.96	$0.96	$0.96	***$0.96***	***$1.01***
Shares[1]	190.9	223.5	229.7	223.9	223.5	226.4	228.9	229.3	241.3	237.8	***236.1***	***250.0***

Apple Hospitality REIT's FFO/share grew in 2017 as the company benefited from the 2016 Apple REIT Ten merger, which added 56 Marriott- and Hilton-branded hotels to the portfolio. From then till 2019, FFO/share was flat as comparable hotel RevPAR growth remained muted, with management citing uneven demand and new supply pressure in certain markets.

The sharp drop in 2020 was driven by COVID-19, when Apple's occupancy and RevPAR fell dramatically as travel demand collapsed. FFO/share recovered through 2021 and 2022 as hotel demand rebounded, with Apple reporting strong RevPAR and hotel EBITDA recovery across its portfolio. Results then stabilized in 2023 and 2024 near pre-pandemic

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[1] Shares in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

levels, before declining in 2025 as Comparable Hotels RevPAR fell 1.6%, Comparable Hotels Adjusted Hotel EBITDA declined 6.4%, and margins compressed. We expect 1% CAGR across FFO per share, NAV per share, and dividend per share moving forward.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/ NAV	1.1	1.1	1.1	1.1	1.5	0.9	0.8	0.9	1.1	0.9	***1.1***	***1.0***
Avg. Yld.	6.9%	7.0%	7.2%	7.4%	2.2%	0.3%	4.9%	6.2%	6.5%	8.3%	***6.9%***	***7.3%***

Apple Hospitality has a portfolio of quality assets and a solid balance sheet. As a result, we believe it deserves to trade in-line with its private market value and therefore assign a fair value multiple estimate of 1.0 times NAV. The dividend yield remains attractive at current levels. Over time, we expect the company will converge toward our fair P/NAV multiple. Therefore, we also expect the stock's dividend yield to come up moving forward.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	77%	69%	70%	71%	333%	4%	39%	60%	60%	63%	***63%***	***63%***

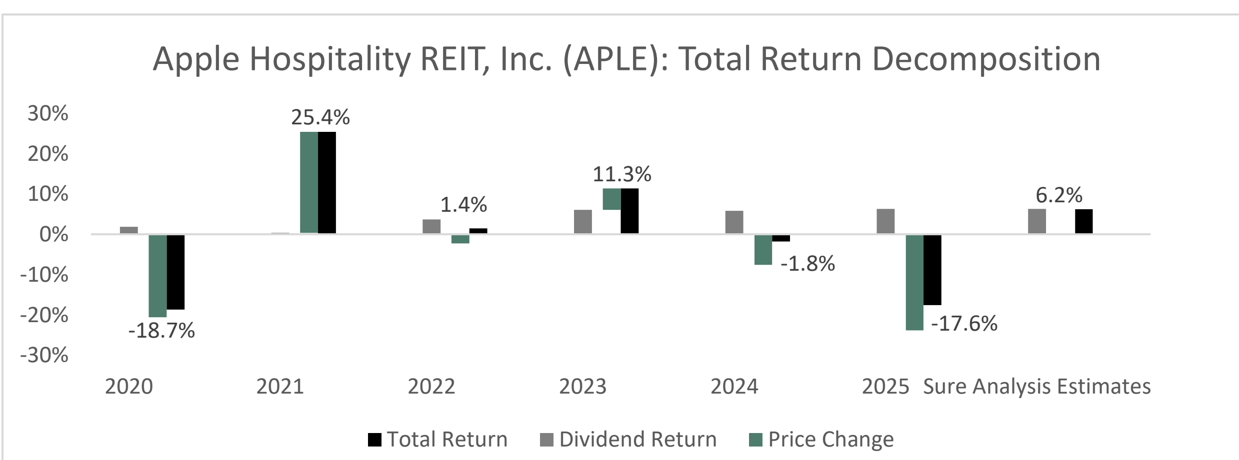
Apple Hospitality REIT's competitive advantage lies in its focused portfolio of upscale, rooms-oriented hotels primarily under the Marriott, Hilton, and Hyatt brands. This strategy offers strong brand recognition, consistent guest experience, and high booking volume through established loyalty programs. The company's portfolio, which is spread across diverse U.S. markets, also benefits from geographic diversification, which helps cushion regional demand fluctuations.

Now, while the REIT wasn't public during the Great Financial Crisis, Apple was significantly impacted during the COVID-19 pandemic, as travel demand collapsed and hotel occupancy plummeted. In response, the company suspended its dividend in 2020 and reduced operating expenses to preserve liquidity. Although the dividend has since been reinstated, the pandemic highlighted the vulnerability of hotel REITs during sharp economic downturns. Regardless, we believe the dividend is safe at its current levels.

Final Thoughts & Recommendation

Apple Hospitality is one of the strongest players in the hotel sector due to its strong brand power, conservative balance sheet, and high-quality assets. Furthermore, its dividend yield is quite attractive at the moment. We expect annualized returns of 6.2% over the next half decade. However, we give the stock a sell rating due to not having an established dividend growth streak.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,041	1,239	1,271	1,267	602	934	1,238	1,344	1,431	1,412
Gross Profit	391	461	469	465	121	320	455	484	509	283
Gross Margin	37.6%	37.2%	36.9%	36.7%	20.2%	34.2%	36.7%	36.0%	35.6%	20.0%
SG&A Exp.	17	26	24	36	29	41	42	47	43	-
D&A Exp.	148	176	183	193	200	184	182	183	191	193
Operating Profit	226	258	261	235	(108)	94	231	253	276	250
Operating Margin	21.7%	20.8%	20.5%	18.6%	-17.9%	10.1%	18.6%	18.8%	19.3%	17.7%
Net Profit	145	182	206	172	(173)	19	145	177	214	175
Net Margin	13.9%	14.7%	16.2%	13.6%	-28.8%	2.0%	11.7%	13.2%	15.0%	12.4%
Free Cash Flow	266	321	331	307	(22)	199	309	327	325	283
Income Tax	0	1	1	1	0	0	2	1	1	1

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	4,980	4,902	4,929	4,942	4,830	4,791	4,773	4,937	4,970	4,902
Cash & Equivalents	-	-	-	-	6	3	4	10	10	39
Total Liabilities	1,463	1,331	1,520	1,651	1,800	1,643	1,594	1,613	1,704	1,754
Accounts Payable	125	109	107	114	98	93	116	130	121	-
Long-Term Debt	1,338	1,222	1,412	1,320	1,483	1,439	1,366	1,371	1,471	1,659
Shareholder's Equity	3,517	3,571	3,409	3,291	3,029	3,147	3,178	3,324	3,266	3,149
LTD/E Ratio	0.38	0.34	0.41	0.40	0.49	0.46	0.43	0.41	0.45	0.53

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.3%	3.7%	4.2%	3.5%	-3.5%	0.4%	3.0%	3.7%	4.3%	3.6%
Return on Equity	4.7%	5.1%	5.9%	5.1%	-5.5%	0.6%	4.6%	5.5%	6.5%	5.5%
ROIC	3.4%	3.8%	4.3%	3.6%	-3.8%	0.4%	3.2%	3.8%	4.5%	3.6%
Shares Out.	190.9	223.5	229.7	223.9	223.5	226.4	228.9	229.3	241.3	237.8
Revenue/Share	5.45	5.54	5.53	5.66	2.69	4.13	5.41	5.86	5.93	5.94
FCF/Share	1.39	1.44	1.44	1.37	(0.10)	0.88	1.35	1.43	1.35	1.19

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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