Wyndham Hotels & Resorts, Inc. (WH)

Updated May 1st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$81	**5 Year Annual Expected Total Return:**	12.7%	**Market Cap:**	$6.11 B
Fair Value Price:	$85	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	06/12/2026[1]
% Fair Value:	96%	**5 Year Valuation Multiple Estimate:**	0.8%	**Dividend Payment Date:**	06/30/2026
Dividend Yield:	2.1%	**5 Year Price Target**	$137	**Years Of Dividend Growth:**	6
Dividend Risk Score:	B	**Sector:**	Consumer Discretionary	**Rating:**	Buy

Overview & Current Events

Wyndham Hotels & Resorts is one of the world's largest hotel franchising companies, with about 8,400 hotels and about 869,300 rooms across roughly 100 countries. The company operates a portfolio of 25 brands mainly in the economy and midscale segments, including Super 8, Days Inn, La Quinta, Ramada, and Wyndham. Wyndham's asset-light business model allows it to generate high-margin cash flows through franchise fees while limiting capital expenditure exposure. The company's revenue is driven by franchise royalties, marketing, and reservation fees, with about 77% of royalties coming from the U.S. Wyndham generated $1.43 billion in revenues last year.

On March 10th, 2026, Wyndham Hotels & Resorts raised its dividend by 4.9% to a quarterly rate of $0.43.

On April 29th, 2026, Wyndham Hotels & Resorts posted its Q1 results for the period ending March 31st, 2026. Net revenues increased 3% year-over-year to $327 million, reflecting a 21% increase in ancillary revenues and 4% global net room growth, partially offset by lower other franchise fees and the deferral of fees from Revo Hospitality Group. First quarter global RevPAR decreased 1% in constant currency, with U.S. RevPAR flat year-over-year and international RevPAR down 1%. The company added 14,200 rooms and removed 13,800 rooms during the quarter, resulting in net room growth of 400 rooms, bringing the system to 869,300 rooms as of quarter-end. The development pipeline increased 3% year-over-year to a record of over 259,000 rooms and over 2,200 hotels.

EPS grew 3% to $0.80 compared to $0.78 in the prior year period, while adjusted diluted EPS grew 12% year-over-year to $0.96. For full-year 2026, management maintained its adjusted diluted EPS outlook between $4.62 and $4.80. We have employed the midpoint of the updated range in our estimates. All past EPS figures are in GAAP as reported.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.76	$2.30	$1.62	$1.62	($1.42)	$2.60	$3.91	$3.41	$3.61	$2.50	***$4.71***	***$7.59***
DPS	---	---	$0.75	$1.16	$0.56	$0.88	$1.28	$1.40	$1.52	$1.64	***$1.72***	***$2.77***
Shares[2]	99.8	99.8	99.8	96.6	93.4	93.9	90.8	84.9	80.1	77.2	***75.9***	***67.0***

Wyndham Hotels & Resorts has demonstrated consistent earnings growth since its public listing, driven by its asset-light franchising model, international expansion, and rising franchise fee revenue. Following its 2018 spin-off from Wyndham Worldwide, the company benefited from increased efficiency and brand optimization, though EPS dipped in 2019 due to integration costs from the La Quinta acquisition and broader industry headwinds. The most significant setback came in 2020, when the COVID-19 pandemic caused an unprecedented collapse in travel demand, leading to a rare net loss as occupancy rates plummeted and hotel owners struggled with closures.

However, Wyndham's asset-light franchise model and disciplined cost management drove a swift post-pandemic recovery as travel demand rebounded and RevPAR strengthened, restoring EPS to pre-pandemic levels. In 2022, EPS reached a record $3.91, supported by higher occupancy, strong hotel conversions, and international expansion. Earnings moderated in 2023 amid inflationary pressures, rising operating costs, and currency headwinds, but recovered to $3.61

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[1] Estimated dates based on past dividend dates.

[2] Share count is in millions.

in 2024 on continued franchise growth, improving RevPAR, and cost discipline. In 2025, diluted EPS declined to $2.50 due to impairment and franchisee-related charges, though adjusted EPS rose to $4.58, underscoring resilient underlying fee growth and share repurchase benefits.

We believe the company can keep growing its EPS at 10% per annum moving forward driven by its asset-light model, meaning it collects fees from hotel owners instead of owning properties itself. This keeps costs low while profits stay high since franchise fees are pure margin. Because Wyndham doesn't need to spend much to grow, it can quickly add new hotels and convert existing ones, boosting revenue without notable investments. Share buybacks should also aid EPS growth over time. The dividend was slashed during the COVID-19 pandemic due to the aforementioned challenges, but has since grown every year.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	32.1	32.9	-35.5	25.6	19.5	21.0	21.7	34.0	***17.3***	***18.0***
Avg. Yld.	---	---	1.4%	2.2%	1.1%	1.3%	1.7%	2.0%	1.9%	1.9%	***2.1%***	***2.0%***

Wyndham's valuation has gradually normalized after its spin-off, with its P/E ratio starting high at 32.1 in 2018 and 32.9 in 2019 as investors priced in growth potential. Following the pandemic-driven earnings rebound, the P/E declined to 25.6 in 2021 and further to 19.5 in 2022 as strong cash flow made the stock appear cheaper. Today, at 17.3x EPS, we believe the stock is modestly undervalued. The 2.1% dividend yield is modest, but it has room to grow rapidly.

Safety, Quality, Competitive Advantage, & Recession Resiliency

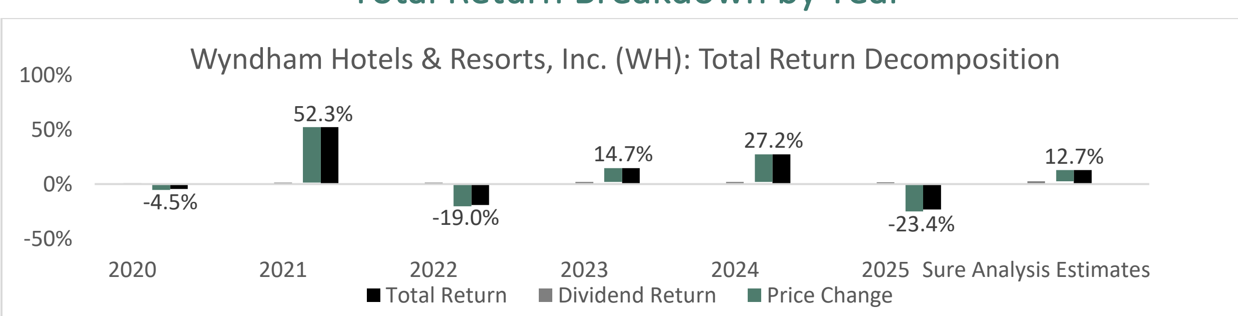
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	46%	72%	---	34%	33%	41%	42%	66%	***37%***	***37%***

Wyndham's most notable advantage is its asset-light franchising model, which allows it to scale quickly without the costs of property ownership. This keeps margins high and cash flow strong, even during downturns, as seen during COVID-19 when franchise fees remained a steady cash flow despite the plunge in earnings. Additionally, its strong brand portfolio and global footprint give it pricing power and a deep pipeline of new hotels, driving long-term growth. While economic slowdowns can impact travel demand, we believe Wyndham's focus on economy and midscale hotels provides a degree of resilience, as budget-friendly options tend to perform well even when travelers cut back on spending. Unless a COVID-like event takes place, we believe Wyndham's is safe.

Final Thoughts & Recommendation

Being the world's largest hotel franchisor while operating an asset-light model makes Wyndham Hotels & Resorts quite an attractive pick in the hospitality space. We believe the company is positioned to benefit from a number of structural advantages, which we forecast will drive EPS growth of 10% per year through 2031. Along with the 2.1% yield and a potential valuation tailwind, we see annualized returns of 12.7% per annum through 2031. We rate Wyndham as a buy.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,269	1,280	1,868	2,053	1,300	1,565	1,498	1,397	1,408	1,429
SG&A Exp.	459	461	605	693	535	563	647	699	694	---
D&A Exp.	73	75	99	109	98	95	77	76	71	62
Op. Income	298	297	396	464	208	455	524	515	558	519
Op. Margin	23.5%	23.2%	21.2%	22.6%	16.0%	29.1%	35.0%	36.9%	39.6%	36.3%
Net Profit	176	230	162	157	(132)	244	355	289	289	193
Net Margin	13.9%	18.0%	8.7%	7.6%	-10.2%	15.6%	23.7%	20.7%	20.5%	13.5%
Free Cash Flow	222	232	158	50	34	389	360	339	241	321
Income Tax	118	13	61	50	(26)	91	121	109	79	70

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,983	2,137	4,976	4,533	4,644	4,269	4,123	4,033	4,223	4,182
Cash & Equivalents	28	57	366	94	493	171	161	66	103	64
Accounts Receivable	184	194	293	304	295	246	234	241	271	---
Inventories	1,259	1,366	3,534	3,485	3,240	3,200	3,132	3,104	3,073	---
Total Liabilities	872	875	3,558	3,321	3,681	3,180	3,161	3,287	3,573	3,741
Accounts Payable	27	38	61	30	28	31	39	32	37	---
Long-Term Debt	174	184	2,141	2,122	2,597	2,084	2,077	2,201	2,463	2,563
Shareholder's Equity	1,111	1,262	1,418	1,212	963	1,089	962	746	650	468
LTD/E Ratio	0.16	0.15	1.51	1.75	2.70	1.91	2.16	2.95	3.79	5.48

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets		11.2%	4.6%	3.3%	-2.9%	5.5%	8.5%	7.1%	7.0%	4.6%
Return on Equity		19.4%	12.1%	11.9%	-12.1%	23.8%	34.6%	33.8%	41.4%	34.5%
ROIC		16.8%	6.5%	4.6%	-3.8%	7.2%	11.4%	9.7%	9.5%	6.3%
Shares Out.	99.8	99.8	99.8	96.6	93.4	93.9	90.8	84.9	80.1	77.2
Revenue/Share	12.70	12.83	18.72	21.25	13.92	16.67	16.50	16.45	17.58	18.51
FCF/Share	2.22	2.33	1.58	0.52	0.36	4.14	3.96	3.99	3.01	4.16

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