



Apple Hospitality REIT Inc. (APLE)

Updated August 9th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	\$16.18	5 Year Annual Expected Total Return:	3.2%	Market Cap:	\$3.82 B
Fair Value Price:	\$13.30	5 Year Growth Estimate:	1.0%	Ex-Dividend Date:	07/31/26
% Fair Value:	122%	5 Year Valuation Multiple Estimate:	-3.8%	Dividend Payment Date:	08/17/26
Dividend Yield:	5.9%	5 Year Price Target	\$13.98	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Real Estate	Rating:	Sell

Overview & Current Events

Apple Hospitality REIT is a \$3.82 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. Apple Hospitality owns 216 hotels with 29,459 guest rooms across 83 markets in 37 states and the District of Columbia.

On August 5th, 2026, Apple Hospitality REIT posted its Q2 results for the period ending June 30th, 2026. Total revenue increased 4.7% to \$402.6 million. Portfolio performance strengthened considerably, as Comparable Hotels ADR increased 3.5% to \$169.90 and occupancy rose 1.6% to 80.1%, driving a 5.3% increase in RevPAR to \$136.17. Demand improved across both business and leisure travel, with weekday occupancy growth outpacing the already-strong weekend business. Preliminary July results were also encouraging, indicating RevPAR growth of more than 5.5%.

Profitability improved alongside the stronger top-line performance. Comparable Hotels Adjusted Hotel EBITDA increased 9.7% to \$153.4 million, while the corresponding margin expanded 120 basis points to 38.1%. Adjusted EBITDAre increased 7.5% to \$144.5 million. Modified Funds from Operations (MFFO), the REIT's key measure of operating cash flow, totaled \$123.4 million, up 9.0% from Q2 2025. On a per-share basis, MFFO increased 8.3% to \$0.52, compared with \$0.48 in the prior-year quarter.

For full-year 2026, the company now expects Comparable Hotels RevPAR to increase between 2.25% and 4.25% and Adjusted EBITDAre to range from \$453 million to \$476 million, significantly raising both forecasts following the strong quarter. Apple Hospitality also refinanced its principal credit facilities in July, extending its debt maturities and leaving it with no significant maturities until 2029. For FY2026, we now expect Modified FFO/share of \$1.59.

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	\$1.59	\$1.67
NAV/S	\$15.78	\$15.53	\$15.22	\$14.70	\$13.57	\$13.79	\$13.90	\$13.76	\$13.62	\$13.36	\$13.30	\$13.98
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
Shares¹	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

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.



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RevPAR and hotel EBITDA recovery across its portfolio. Results then stabilized in 2023 and 2024 near pre-pandemic 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	1.2	1.0
Avg. Yld.	6.9%	7.0%	7.2%	7.4%	2.2%	0.3%	4.9%	6.2%	6.5%	8.3%	5.9%	7.2%

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%	60%	60%

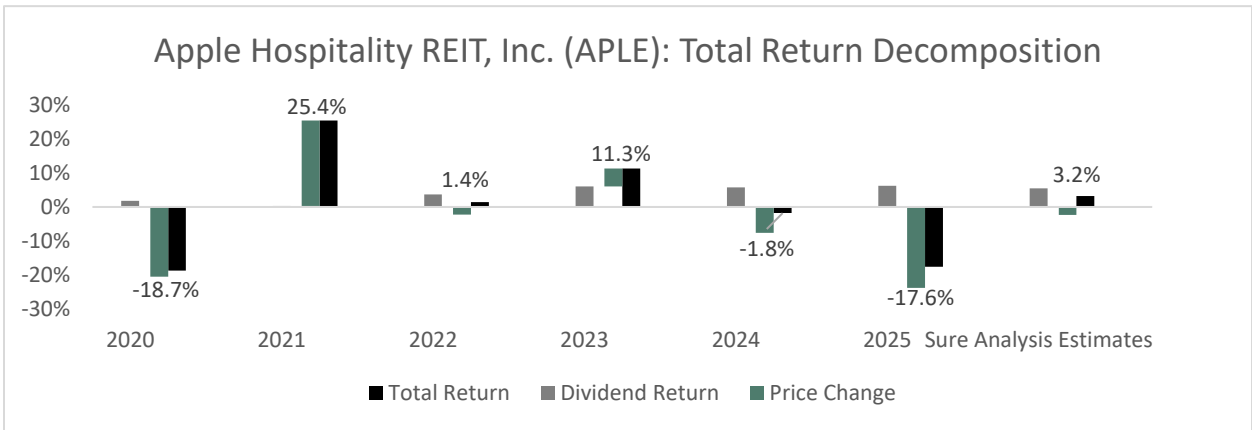
Apple Hospitality REIT’s competitive advantage lies in its focused portfolio of upscale, rooms-oriented hotels primarily under the Marriott, Hilton, and Hyatt brands. This strategy offers strong brand recognition, consistent guest experience, and high booking volume through established loyalty programs. 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 still attractive here. Still, we expect annualized returns of 3.2% over the next half decade due to valuation headwinds potentially offsetting some of the growth and dividend-driven returns. We assign 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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