TOURISM STOCKS: HOTELS AND OTAS UP BUT AIRLINES AND TOUR OPERATORS SINK

The market value of the tourism giants after almost two years of pandemics shows different results depending on subsectors. The large hotel companies and the large online agencies are already well above their pre-covid stock market valuation. In contrast, both airlines and especially tour operators are far behind in their market capitalization compared to March 2020.

Marriott, Hilton and IHG are already outperforming their pre-covid share prices, while Accor and Meliá are catching up. Booking.com also shows a higher capitalization than two years ago, as does Expedia. **In contrast, shipping companies such as Royal Caribbean and especially Carnival only recover half of their plunge this biennium, similarly to Amadeus.**

But the worst-hit regarding tourism stocks goes for the airlines, such as IAG - maintaining its market value in similar levels to those of the sharp collapse in the spring of 2020, as well as Lufthansa and Air France-KLM, due to capital increases and the huge increase in their debts, which have strongly affected their stock prices.

Regarding the low-cost airlines, Ryanair is an exception, as it is already valued above its pre-covid price, thanks to the fact that short-haul traffic is recovering faster, and is less dependent on business travel and executive class for profitability. Easyjet, which is more focused on the corporate segment, is still far from its February 2020 market capitalization.

At the bottom are the big tour operators, especially Tui, which continues to hit lows that are a quarter of what it was worth almost two years ago, after shooting up its debt and after raising capital in parallel. Jet2 has fallen less sharply than its Hanover-based rival, despite its large fleet of 100 aircraft, and despite lacking hotel properties and ships.

Investors are putting their confidence in companies with more prosperous future such as hotel companies supported by real estate and with fewer debts thanks to their wide margins that have allowed them to have some liquidity of their own. **This applies also for OTAs, with less structure to haul, as they are essentially technology companies, in a few months in which society has made several leaps in its digitization.**

In contrast, the market is wary of giants which will have to face recovery in the coming years with a heavy debt burden and using classical models that fall behind the innovative ones.

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