

# Corporate Credit > U.S. High Yield



## Hilton Worldwide

Updated: November 4, 2015

### Trade Idea:

- ▶ Buy the HLT 5.625% unsecured bond maturing in 2021 yielding 3.4%

### Investment Rationale:

- ▶ Hilton is one of the largest lodging companies in the US and has been focused on growing their brands internationally.
- ▶ HLT's future growth is mostly capital light.
- ▶ The company has a strong management team.
- ▶ Hilton has a market cap of \$25.35 billion approximately.
- ▶ HLT reported solid 3Q results helped by a 5.8% increase in system-wide REVPAR on a constant currency basis.
- ▶ HLT expects FY 2015 REVPAR to grow by 5-7% and EBITDA of approximately \$2.84-2.87 billion.
- ▶ HLT FY 2016 guidance calls for REVPAR growth of 4-6%.
- ▶ Management is committed to an IG rating & we continue to expect an upgrade to IG over the next 12 months.

### Recommendation(s):

View	Trade Horizon	Ticker	Cpn	Maturity	Ratings		Ccy	Issue		Cash			ISIN	
					S&P	Moody's		Size	YTW	OAS	Price	Target		Loss
+2	6 months	HLT	5.63%	10/15/2021	B	B3	USD	1,500,000	3.5%	211	105	107.7	100	USLU43303AB95