**Peer Comparison**

**Marriott** and its Peers

**Hilton**

The Hilton is arguably Marriott’s closest competitor with the second highest market cap below that of Marriott’s. Gross Profit and net profit. Whilst there are less than 2 percentage points between their net margins, with Marriot’s at 13% and Hilton’s at 11.15%, the Marriot’s net income is nearly three times greater than that of the Hilton’s. Hilton is still highly profitable and is able to generate bottom line profit in the billions of dollars just like Marriott.

 Both have grown at similar rates in fiscal years 2022 and 2023 apart from EPS in which Marriott maintained in 2023 unlike Hilton, which experienced a slowdown in growth of its EPS. Marriott’s year over year revenue growth was 49% in 2022 and 14.5% in 2023. Hilton’s revenue growth was at 51% in 2022 and 16.6% in 2023. Marriott’s operating income grew by 97% whilst similarly, Hilton’s grew at 105%. Marriott’s and Hilton’s EPS growth in 2022 were 116% and 210% respectively. Whilst Hilton’s EPS growth declined in 2023, these growth rates showed that both corporations were able to recover rapidly once travel restrictions due to Covid had eased and return to high growth and remain leaders within their industry. Such fast growth can be attributed to the recovery of the tourism industry and many customers booking multiple holidays to make up for almost two years without travelling or staying in hotels, many of which were shut around the world. This can be demonstrated by the slowdown in growth for each of the growth rates as customers likely returned to their pre-pandemic travel habits and demand would have inevitably slowed down.

Whilst Hilton’s current p/e ratio is 50 double that of Marriott’s at 25, this seems proportionate because Marriott’s earnings in 2023 were just under three times that of the Hilton’s earnings. This suggests they are pound-for-pound, close competitors, making it a meaningful comparison.

**Intercontinental**

Both generated net profits in the billions of dollars in 2023 despite Marriott’s annual turnover in 2023 being nearly 4 times greater than the InterContinental’s. Whilst the Marriott’s net income was nearly three times greater than the InterContinental’s at $3 billion, the InterContinental group’s net margin was greater at 16% than the Marriott’s at 13%.

This shows they are close competitors because despite the Marriott’s far superior revenue, InterContinental was able to produce stronger margins than the Marriott and generate net profit in excess of $1 billion, making it arguably a closer competitor to the Marriott than the Hilton, which despite its notably higher revenue than the Intercontinental, showed a weaker net margin of 11% and its net income was only 23% higher than the InterContinental’s.

**MGM**

MGM’s revenue is almost two-thirds of the Marriott’s at $16 dollars, yet its net income margin is 7% being only 6 percentage points less than the Marriott’s. Both their net profit figures are in the ones of billions of dollars with the Marriott’s at $3.9 billion and MGM’s at $1.14 billion. This demonstrates they are closer competitors than one might perceive because as a fellow mega cap company, MGM is equally efficient in generating profit within a similar range.

**Hyatt**

Whilst Marriott’s EBITDA is 4.5 times (circa) of Hyatt’s, Marriott’s EBITDA margin is only 4.4 percentage points greater. This implies that Hyatt can efficiently generate cashflow when compared to larger competitors such as Marriott, albeit on a lower scale than Marriott but still on a large scale. This is supported by Hyatt’s free cashflow/net income ratio figure which is greater than the Marriott’s. This demonstrates that Hyatt in 2023 was more efficient than Marriott in generating free cashflow for every dollar of net income.

**Tesla** and its Peers

**Ford**

Whilst Ford’s revenue in 2023 was 1.8 times greater than Tesla’s, looking at total revenue is not a meaningful like-for-like comparison. Tesla sells only electric vehicles (EV) and was only established 21 years ago, whereas Ford is over 120 years old. Therefore, comparing EV sales of both companies is more appropriate as Tesla. This can be reflected in Tesla’s significantly higher p/e at 68.8 when compared to Ford’s which is at 12.05. Tesla is deemed as a growth stock, most of which typically have a high p/e in comparison with a long-established company such as ford with slower and steady growth. Tesla’s revenue per car is 18% higher than Ford’s. Tesla’s average profit per car over the last three years has been greater than Ford’s, being over three times greater.

<https://stockdividendscreener.com/auto-manufacturers/ford-vs-tesla-stock-in-margin-and-profitability/#:~:text=Tesla%20earns%20slightly%20higher%20revenue,or%2018%25%20higher%20for%20Tesla>.

**General Motors**

Similarly, whilst GM’s revenue is 1.8 times greater than Tesla’s, Tesla has proven far more effective at controlling its costs with a greater gross margin at 18% in comparison to GM’s margin of 13.39%. Despite its notably lower revenue figure, Tesla has managed to generate net income of $12 billion, over $2 billion more than GM. Tesla’s net margin is also superior being 4 percentage points greater than GM’s. This makes it a meaningful comparison because whilst Tesla’s revenue is not yet in the hundreds of billions of dollars, it is able to control its costs more effectively and is more profitable than a more established company with arguably more income streams as GM sells both EVs and non-EVs unlike Tesla, which only produces and sells EVs.

**BYD**

At $96 billion, Tesla’s revenue is just over 1% greater than BYD’s in 2023 making it a very close competitor and produces a like-for-like comparison, given they both produce only electric vehicles. Tesla has outperformed BYD in 2023 with a higher net margin and its net income of $15 billion is over three times higher than BYD’s.

Whilst BYD has the largest market share in China, BYD is heavily reliant on the Chinese market, whilst Tesla is not reliant on any particular market. Equally, Tesla was yet to post an annual profit until 2020. Their struggles have made them both close competitors as well as both being established for less than 30 years each.

**VW**

VW’s revenue is only 6.2% higher than Tesla’s, yet Tesla has both a greater net margin and higher net income than VW. With VW also now producing EVs, and struggling to break into the Chinese markets, it is in direct competition with Tesla, which makes it a suitable like-for-like comparison.

**Netflix and its Peers**

**Amazon**

Both do not pay dividends. Amazon feels its earnings would be better utilised if reinvested in new and existing projects and Netflix does not pay a dividend because it needs to cover its high content costs. Both were hit by strikes in the film industry. From subscriptions alone Netflix’s revenue $38 billion, which is more than double Amazon’s streaming revenue. Netflix and Amazon are the top competitors. They have the highest number of subscribers at 247 and 200 million respectively. Between them, they have almost as many subscribers combined as the other streaming services put together.

**Paramount**

Like Netflix, its revenue was in the 10s of billions of dollars at the end of 2023. Netflix’s revenue was 13% greater than Paramount’s. Unlike Netflix, Paramount posted a loss at the end of 2023, which can be attributed to strikes within the film business, which affected the top five movie producers the most. This would have delayed productions from taking place, meaning a delay in revenue and profiting from its original pictures. Paramount struggled to control its costs with gross profit falling by 10 percentage points in 2023.

**Disney**

Whilst Netflix has generated 4.7 times as much revenue as Disney’s streaming service Disney Plus, Netflix has been established for over 20 years longer than Disney Plus. With a p/e of 37 which is not significantly trailing that of Netflix, Disney is demonstrating aspects of a growth stock which can be attributed to its fast-growing streaming service over its first 5 years. This indicates Disney Plus will continue to be able competing with Netflix.

**Nvidia** and its Peers

**ARM**

Has a high P/E in comparison to other competitors of Nvidia. This is often expected with growth stocks and ARM’s share price has grown nearly three times since its IPO in 2023. Its gross Margin is 40 percentage points higher than that of Nvidia and nearly 30 percentage points higher than Microsoft’s. This indicates ARM is able to compete with larger and more established corporations because it is able to control costs which come with expansion. Its higher free cash flow/income ratio than Nvidia’s, shows that despite being a smaller company than Nvidia, ARM efficiently generates its profits into cash, giving greater flexibility. This has enabled ARM to cover its administrative, selling and general expenses, achieving nearly a 20% net margin. Its flexibility and strong financial health are partly reflected in its steady increase in R&D expenditure since 2022. This suggests ARM is gradually becoming a closer competitor to Nvidia.

**Microsoft**

In 2023 and in the current year, whilst Microsoft’s revenue is superior to Nvidia’s and its net income nearly three times greater than Nvidia’s, Nvidia has grown at a faster rate. Its revenue has increased by 230% with its net income growing by nearly 700%. Microsoft’s revenue and net income increased by 16% and just over 10% respectively from 2023 to 2024. This can be attributed to the expansion of the use of AI and its growing use in multiple sectors, increasing demand for Nvidia’s leading products. Nvidia is also now the most valuable company by market cap, which suggests Microsoft and Nvidia are close competitors.

**Taiwan Semiconductor**

Similar net margins to Nvidia in 2023 at 40% trailing Nvidia’s by 10 percentage points. Nvidia and Taiwann Semiconductor have gross margins of 54% and 57% respectively, demonstrating their ability to control their costs which often result from growing revenue. Both are highly profitable compared to other peers with Taiwan Semiconductor’s net margin at 44% and Nvidia’s at 49%. This has been fuelled by soaring demand for the AI related devices and components which they produce. Nvidia purchases its chips from TSMC and is its second largest customer, accounting for 11% of TSMC’s revenue.

**Pfizer and its Peers**

**GSK**

Whilst Pfizer’s revenue is 38% higher than GSK’s in 2023, GSK boasts a stronger net margin at 16%, 13 percentage points higher than Pfizer’s net margin. This arguably cancels out Pfizer’s superior revenue, making them closer competitors. Pfizer’s dramatic fall in revenues coincided with a fall in demand for the covid vaccine with the pandemic coming to an end in 2022. This is also supported by its share price more than halving since December 2021. Pfizer has also increased its R&D costs since 2022 by $1 billion or 18.5%, in attempts to diversify away from the covid vaccine, which initially led to its unprecedented growth during the pandemic. This arguably had a material contribution towards a fall in its net income in 2023, accounting for a 3% fall in net income since 2022. Whilst some would have argued GSK could not compete with Pfizer during covid, some will argue now it may overtake Pfizer.

**Johnson & Johnson**

With its revenues over the past years sitting around the same range as Pfizer, JNJ is a competitor and makes for an appropriate like-for-like comparison. Prior to the aftermath of the pandemic, Pfizer enjoyed similar net margins to what Johnson & Johnson has recently achieved, post-pandemic. Both are arguably in direct competition as mega caps both of whom produced their own vaccine, whereas JNJ has so far outperformed Pfizer in the aftermath of pandemic, suggesting it has produced more in-demand and innovative treatments since the pandemic.

**AstraZeneca**

With the same sized revenue as Pfizer in 2023 at $58 billion, AstraZeneca is a direct competitor of Pfizer. Both corporations’ R&D costs have risen by $1 billion (circa), which suggests they are trying to further innovate, and both have produced weight loss medicines which are in their respective pipelines.