

Choice Hotels International Continues Global Expansion Through Consolidation of Investment in Choice Hotels Canada

Full Portfolio of Choice Hotels' 22 Hotel Brands will Now Benefit from Canadian Owner Success System

NORTH BETHESDA, Md., Aug. 6, 2025 /PRNewswire/ -- Choice Hotels International, Inc. (NYSE: CHH), one of the world's largest franchisors, today announced the acquisition of the remaining 50% stake in Choice Hotels Canada from long-time joint venture partner InnVest Hotels, thereby transitioning from a master franchising model to a fully direct franchising model in Canada. This strategic move underscores Choice Hotels' deep commitment to the Canadian market and its franchisees and its confidence in the strength of the in-country leadership team.

With a legacy dating back to 1955, Choice Hotels Canada has played a pivotal role in the company's international growth. The acquisition marks a significant milestone in Choice's 70-year history in Canada and positions the company for accelerated growth.

"This milestone reflects our confidence in the Canadian market and the exceptional capabilities and legacy of success of our local team," expressed Patrick Pacious, President & CEO of Choice Hotels International. "By consolidating operations in Canada and expanding Choice Hotels Canada's owner success system from the current 8 hotel brands to our full portfolio of 22 brands, we are opening doors to remarkable opportunities for our franchisees and guests, while paving the way for accelerated growth across Canada."

The transaction, completed in July 2025, was valued at approximately \$112 million and was funded through available cash and the company's existing credit facility. Management expects the total Choice Hotels Canada business to generate approximately \$23 million of fee revenue and \$18 million in EBITDA for full-year 2025.¹

As of June 30, 2025, Choice Hotels' Canadian portfolio included 350 hotels and 30,000 rooms, with more than 2,500 rooms in the pipeline — including its first Cambria Hotel, four Radisson hotels, and more than 20 Comfort, Quality, and Ascend Collection hotels.²

Canada is a highly attractive hospitality market, with projected average annual growth expected to exceed 5% through 2030, reaching over \$50 billion. With a strong foundation of over 9 million existing Choice customers and a robust network of franchisees, Choice Hotels aims to expand its market share across all 22 brands.

Brian Leon, CEO of Choice Hotels Canada and an 18-year company veteran, will continue to lead the Canadian operations. InnVest Hotels, the largest franchisee of Choice Hotels in Canada will remain a key partner, owning and operating 50 Comfort hotels nationwide.

"This is an exciting moment for Choice Hotels Canada and our franchisees," added Brian Leon, Toronto-based CEO of Choice Hotels Canada. "With the full backing of Choice Hotels International, we are well-positioned to deliver even greater value to our franchisees and guests as we write the next chapter of our success story."

Global Expansion

This investment accelerates Choice Hotels' continued growth outside of the United States. In Q2 2025, the company grew its net international rooms portfolio by 5% to over 140,000 rooms since June 30, 2024, driven by a 15% increase in openings. Major developments year-to-date include strengthening the company's presence in Brazil by extending a master franchise agreement for over 10,000 rooms with Atlantica Hospitality International by 20 years, nearly tripling the room count in France through a direct franchise agreement with Zenitude Hotel-Residences, and signing strategic agreements with SSAW Hotels & Resorts in China, including a distribution agreement which is expected to add over 9,500 rooms in 2025 and a master franchising agreement, which is expected to add approximately 10,000 rooms over the next five years.

About Choice Hotels®

Choice Hotels International, Inc. (NYSE: CHH), is one of the largest lodging franchisors in the world, with nearly 7,500 hotels, representing nearly 650,000 rooms, in 46 countries and territories. A wide-ranging portfolio of 22 brands that includes full-service upper upscale, midscale, extended stay, and economy properties enables Choice Hotels® to meet travelers' needs in more places and for more occasions while driving more value for franchise owners and shareholders. The award-winning Choice Privileges® rewards program and co-brand credit card options provide members with a fast and easy way to earn reward nights and personalized perks. For more information, visit www.choicehotels.com.

¹ The fee revenues of \$23 million exclude reimbursable revenues from franchised properties. The July 2, 2025 exchange rate of 0.734 was used to convert the purchase fee revenues, and EBITDA from Canadian dollars to US dollars.

² Of the 30,000 rooms, 26,000 were part of the Choice Hotels Canada joint venture.

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