KPMG

M&A trends in travel, leisure, and hospitality

H1 2026

Focus on quality characterizes second-quarter deal activity

Issue date: Aug 10, 2026

kpmg.com

Scale matters more than deal count

Several large transactions shaped the market in the second half of 2025 (H2'25). The first half of 2026 (H1'26) did not show a broad rebound. Deal count declined, but larger transactions carried more strategic weight. Capital focused on assets with platform control, customer ownership, operating leverage, and credible integration pathways.

In the travel, leisure, and hospitality (TLH) sector, buyers placed greater weight on fundamentals. They tested repeatable revenue, defensible pricing power, distribution control, and whether technology can improve margins—not just support the investment thesis.[1]

The data shows lower activity but higher value. Deal volume declined 7.6 percent year-over-year (YoY), while deal value increased 106.8 percent. Value was concentrated in a small number of larger deals, while broader dealmaking stayed measured.

In this K-shaped economy, higher-income consumers are carrying the spending load of the TLH sector. They have also been less reactive to general price increases over the last several years. Active buyers were not just buying exposure to travel demand, gaming recovery, resort occupancy, or restaurant traffic. They were buying scalable systems: loyalty platforms, route networks, guest data, distribution economics, branded lodging infrastructure, experiential ecosystems, and operating models with integration potential.[2 3]

The thesis varied by subsector. In travel, value centered on network density, customer acquisition, and mobility economics. In leisure, buyers favored durable engagement over short-term attendance spikes. In hospitality, quality meant pricing power, revenue management, brand affiliation, renovation upside, and stronger guest relationships.

Execution remains the key risk. Large-platform deals can lose value postclose if technology, loyalty, franchise governance, capital expenditures (capex), or restaurant operations underperform. The market is paying for scale, but value will be created—or lost—in execution.

> "In this environment, buyers are looking past the initial acquisition and scrutinizing the actual mechanics of postclose execution. The true value of these large deals won't be measured on signing day, but by a company's ability to seamlessly transform the business."
>
> —Daniel Fischer
>
> *Principal, U.S. Travel, Leisure, & Hospitality Advisory Lead, KPMG LLP*

[1] Mark Hillsdon, "How travel is getting smart, and more sustainable, with AI," Reuters, June 4, 2025.
[2] Jeff Fromm, "Skift Analyst Sees Flexibility And Unique Perks As Travel Loyalty Keys," Forbes, May 18, 2025.
[3] "Hotel brands are winning the economics of direct booking—even as OTAs keep the volume," Hospitality.today, May 28, 2026.

H1 2026 highlights

402
deals

-17.3%
decrease in number of deals HoH

$39.6
deal value (in $US billions)

-74.1%
decrease in number of deals HoH

H1 2026 vs H1 2025

402
deals

-7.6%
decrease in number of deals YoY

$39.6
deal value (in $US billions)

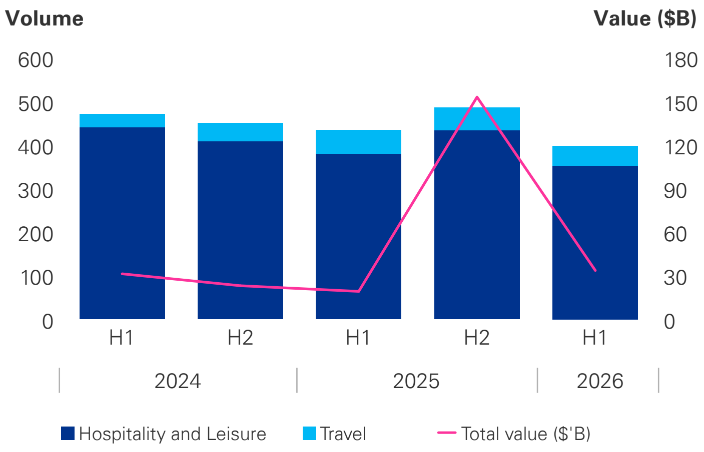
106.8%
increase in deal value YoY

Value rose where conviction was strongest

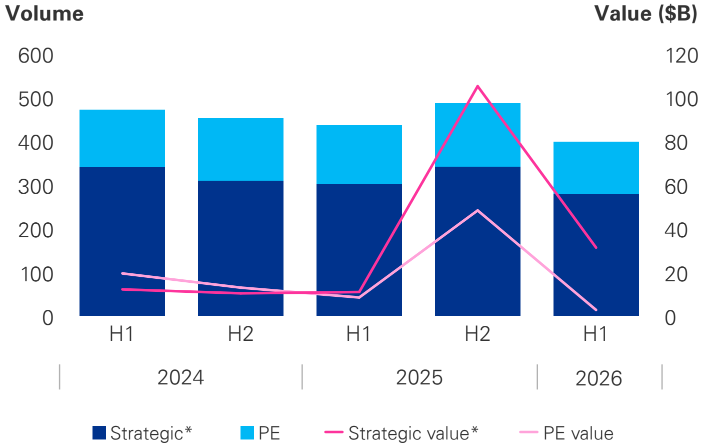
The data points to caution on volume and conviction on value. Aggregate value growth should not be read as broad market strength. It shows buyers moving decisively when assets offer scale, control, or strategic scarcity.

Strategic acquirers led the market. Strategic deal value increased 187.0 percent YoY to $31.1 billion, while private equity (PE) deal value increased 2.7 percent YoY to $8.6 billion. Corporate buyers were better positioned to underwrite larger transactions through synergy potential, balance-sheet capacity, operating integration, and longer strategic time horizons. Sponsors stayed active, but value creation depended more on operations than multiple expansion.

Travel, hospitality and leisure deal volume and value

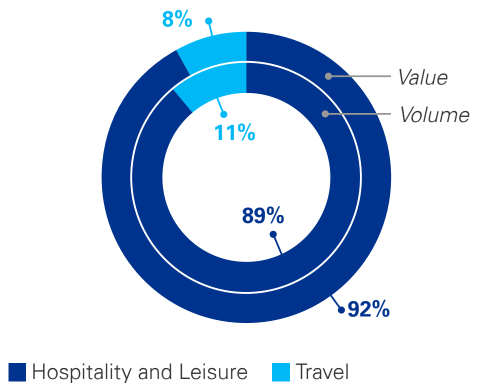


Travel, hospitality and leisure strategic/PE deal volume and value



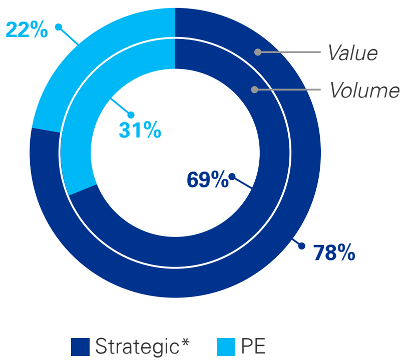
*Data also contains figures for SPAC deals

Travel, hospitality and leisure sector mix - H1'26



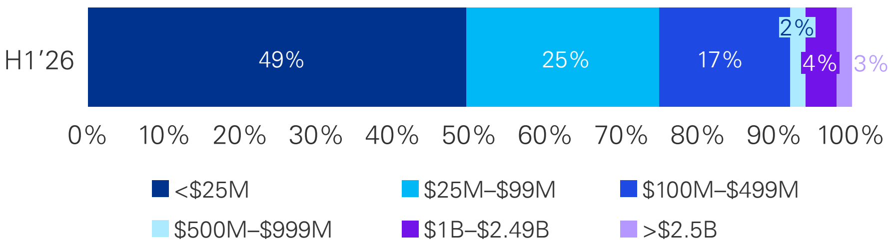
Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals

Travel, hospitality and leisure strategic/PE mix - H1'26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals

Travel, hospitality, and leisure deal size mix - H1'26



Note: Deals with disclosed values only. Values may not add to 100% due to rounding.

Sector Data

Travel: Value followed network control

Travel showed the clearest concentration dynamic. In H1’26, volume declined 13.2 percent versus H2’25 and 17.9 percent YoY. Value declined 97.1 percent versus H2’25, reflecting a large prior-period base, but increased 108.9 percent YoY as investors favored platform-relevant assets.

The signal was selective conviction, not broad recovery. Buyers focused on network density, business travel infrastructure, mobility platforms, customer data, route economics, and loyalty ecosystems. In travel, aggregate value should be tested for concentration before it is read as market health.[4]

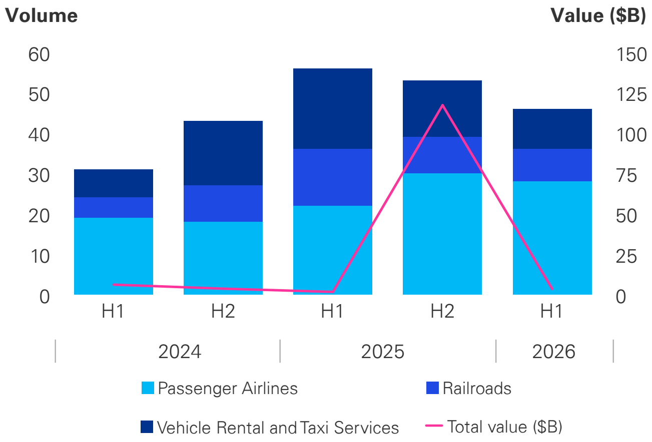
Allegiant Travel Company’s acquisition of Sun Country Airlines reflects the airline consolidation thesis: route density, leisure-travel exposure, operating efficiency, and scale benefits.[5] Long Lake Management’s acquisition of American Express Global Business Travel points to control of enterprise travel workflows, business travel customer relationships, and managed-travel infrastructure.[6]

Implication: Travel dealmakers should separate demand recovery from platform quality. Winning assets have stronger customer economics and distribution control as well as credible integration logic.

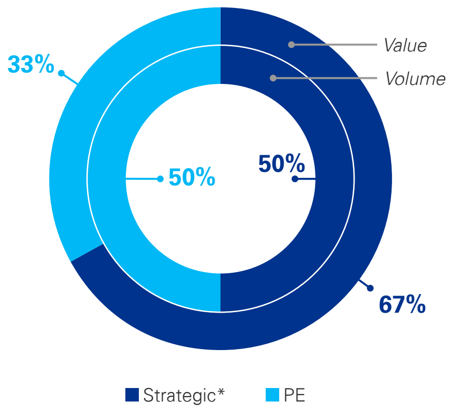
Decision lens for dealmakers:

- **Next 90–180 days:** Expect focus on travel technology, mobility assets, business travel platforms, loyalty ecosystems, and transportation infrastructure.
- **Execution risk:** Be cautious about overstating technology and loyalty synergies before validating system compatibility, data quality, and customer overlap.
- **Move now:** Run customer loyalty and route-level diligence before synergy assumptions are embedded in valuation.

Travel deals by subsector



Travel strategic/PE mix - H1’26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals

[4] Jeff Fromm, “Infrastructure Bets Are Powering Travel Loyalty,” Forbes, January 1, 2026
[5] “Allegiant and Sun Country Airlines to Combine, Creating a Leading, More Competitive Leisure-Focused U.S. Airline,” Sun Country, January 11, 2026.
[6] American Express Global Business Travel, “Long Lake agrees to acquire American Express Global Business Travel, the world’s largest corporate travel platform, for $6.3 billion, with support from General Catalyst and Alpha Wave,” American Express Global Business Travel, May 4, 2026.

Hospitality and leisure: Asset quality drove resilience

Hospitality and leisure diverged from travel. In H1’26, volume declined 17.8 percent versus H2’25 and 6.1 percent YoY. Value increased 1.2 percent versus H2’25 and 106.6 percent YoY, reflecting demand for higher-quality assets.

This is a combined market, not a uniform one. Lodging, resorts, restaurants, gaming, cruise, attractions, fitness, and experiential assets each have different underwriting logic. In H1’26, buyers favored pricing power, repeat engagement, brand strength, labor discipline, renovation upside, loyalty reach, and operating improvement potential.

Fertitta Entertainment’s acquisition of Caesars Entertainment shows the scale thesis in gaming and integrated destination hospitality: physical assets, loyalty reach, hospitality operations, gaming economics, and customer data in one platform.[7] KSL Capital Partners’ acquisition of Invited Clubs highlights demand for membership-led leisure platforms with recurring revenue, customer retention, and operational upside.[8] Apollo Global Management’s acquisitions of Emerald Holding and Questex show continued interest in experiential events and trade-show platforms where scale, audience reach, and recurring engagement support value creation.[9]

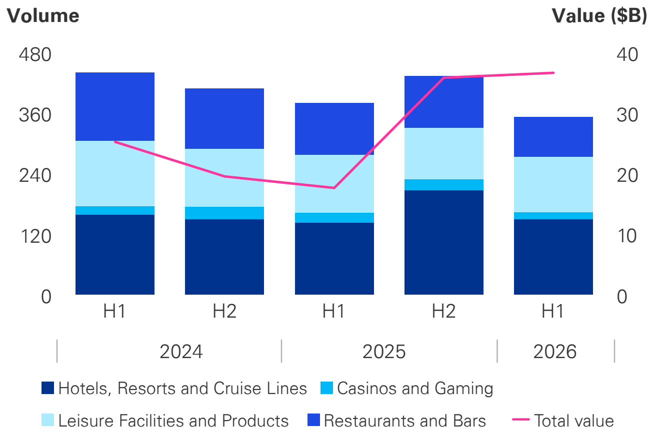
Strategic and sponsor intent should be read separately. Strategic buyers are more likely to underwrite distribution control, brand expansion, customer ownership, and operating synergies. Sponsors are more likely to target fragmented assets, renovation upside, cash-flow improvement, and exit optionality. Both approaches can fail if capex, labor intensity, or systems investment are underwritten too lightly.

Implication: Hospitality and leisure dealmakers should not underwrite exposure in place of quality. Quality means durable customer behavior, rate integrity, guest or member data, operating consistency, and capex governance.

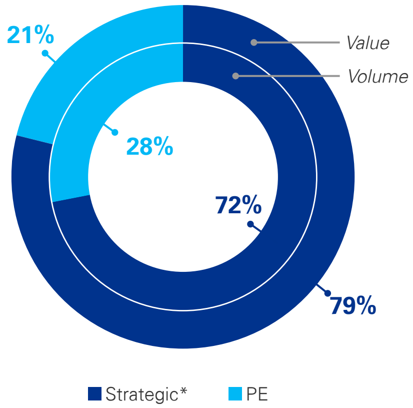
Decision lens for dealmakers:

- **Next 90–180 days:** Expect focus on premium lodging, scaled gaming, restaurant platforms, branded services, destination assets, and membership-led experiential platforms with specific operating theses.
- **Execution risk:** The danger lies in confusing temporary demand strength with structural demand, or underfunding renovation, technology, and workforce initiatives postclose.
- **Move now:** Link diligence to occupancy, rate, frequency, guest retention, labor productivity, capex timing, and technology readiness.

Hospitality & leisure deals by subsector



Hospitality and leisure strategic/ PE mix - H1’26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals

[7] “Caesars Entertainment Enters Into Agreement to Be Acquired by Fertitta Entertainment,” Caesars Entertainment, Inc., May 28, 2026.
[8] Abigail Summerville, “KSL Capital Partners to buy membership club operator Invited Clubs for second time, sources say,” Reuters, April 22, 2026.
[9] “Apollo Funds to Acquire Emerald and Questex to Create Leading North American B2B Events Platform,” Apollo Funds, May 11, 2026.

Top deals

Acquirer: **Fertitta Entertainment, Inc.** Target: **Caesars Entertainment, Inc.**	Value (billions) **$17.6**
Acquirer: **Long Lake Management** Target: **American Express Global Business Travel**	Value (billions) **$6.3**
Acquirer: **KSL Capital Partners** Target: **Invited Clubs**	Value (billions) **$3.0**
Acquirer: **Apollo Global Management** Target: **Emerald Holding, Inc. and Questex**	Value (billions) **$1.5***
Acquirer: **Allegiant Travel Company** Target: **Sun Country Airlines Holdings, Inc.**	Value (billions) **$1.5**

**While media reports often reference the Emerald Holding, Inc. and Questex acquisitions together due to Apollo's platform consolidation strategy, the deals were executed separately. The Emerald acquisition was valued at approximately $1.5 billion, while the transaction value for Questex was not publicly disclosed.*

H1'26 data has been updated as of June 30, 2026. Deal data has been sourced from Capital IQ and Pitchbook, and then further refined and analyzed by KPMG LLP. The cited values and volumes cover inbound, domestic, and outbound US deals announced during the timeframe, including both majority and minority stakes. Deal values are based on publicly available data and are not exhaustive

Quality assets will continue to command premiums

The second half of 2026 (H2'26) will likely remain constructive but selective. Larger transactions can occur, but buyers will need clear proof of customer ownership, credible synergies, financing certainty, operating improvement, and integration readiness.

H2'26 is unlikely to bring a clean volume rebound. Strategic acquirers may remain advantaged where synergy, technology integration, customer reach, and operating scale support pricing. Sponsors will need sharper value-creation plans, especially if pressured by financing costs, exit timing, or capex.

For TLH executives, the key question is not whether the merger and acquisition (M&A) window is open. It is whether the business is ready for diligence. Buyers want clear evidence of sound operating performance, growth durability, and integration readiness.[10 11 12 13]

Travel: Connectivity creates advantage

Travel will stay attractive where assets improve network density, mobility infrastructure, business travel capabilities, loyalty economics, or customer acquisition efficiency. Demand recovery should not substitute for operating advantage. Travel buyers should prioritize route density, enterprise workflows, loyalty economics, distribution control, and technology-enabled operating efficiency. Attractive assets reduce customer acquisition friction and improve network productivity.

Hospitality and leisure: Proof beats promise

Hospitality and leisure will remain quality led. Gaming platforms, premium lodging, destination resorts, restaurants with disciplined unit economics, branded services, and membership-led experiential models should attract attention. Stronger assets will show controllable demand, pricing power, and a credible integration plan. Hospitality and leisure investors should separate durable engagement from temporary demand peaks. Quality will be measured by rate integrity, repeat behavior, capex discipline, brand strength, margin control, and the ability to turn customer data into operating outcomes.

[10] Lauro Ferroni, Christine Bang, Joe Stather, and Marina Bracciani, "Global Hotel Investment Outlook 2026," JLL, February 3, 2026.
[11] Morgan Hines, "Hotels Feel Pressure to Perform as Technology Evolves," PhocusWire, April 15, 2026.
[12] Kelly McCarthy, "Tennis majors, Winter Olympics, World Cup and more sparking 2026 travel boom: What to know," ABC News, January 5, 2026.
[13] "Hospitality in 2026: What keeps hotel leaders up at night," Amadeus Hospitality, 2026.

Key considerations as we look ahead

01

Prioritize integration readiness

Large TLH transactions often involve technology platforms, loyalty systems, customer data, revenue-management tools, and operating governance. Treat integration as part of diligence, not a postclose workstream.

02

Underwrite revenue quality

Headline growth matters less than repeat demand, pricing power, and customer ownership. In travel, test loyalty and distribution economics. In hospitality and leisure, test engagement, rate integrity, spend frequency, and operating consistency.

03

Build structures that clear faster

Approval timing, financing conditions, and stakeholder processes can slow sound transactions. Use earnouts, minority stakes, carve-outs, partnerships, or staged transactions where they improve execution certainty without weakening the thesis.

04

Treat AI as diligence, not decoration

AI-enabled personalization, pricing, forecasting, and workforce productivity are becoming relevant across TLH. Validate data quality, implementation readiness, use-case maturity, and measurable margin impact before assigning value.

05

Put capex governance at the center

Hospitality, gaming, cruise, attractions, and restaurant assets can lose value when capex is underestimated. Tie investment plans to key performance indicators, funding timelines, and accountability before signing.

How KPMG can help

KPMG helps its clients overcome deal obstacles by taking a truly integrated approach to delivering value and leveraging its depth in the TL&H industry, data-supported and tools-led insights, and full M&A capabilities across the deal lifecycle.

With a TL&H specialization, our teams bring both transactional and operational experience, delivering rapid results and value creation.

Our team

Experience wins the deal.

Each member of our deal team brings extensive industry experience and functional depth, working together to help you win the right deals, divest successfully and create long-term value.

Braden Mark
Partner,
US Deal Advisory & Strategy, Travel, Leisure, & Hospitality Leader,
KPMG US

Daniel Fischer
Principal,
U.S. Travel, Leisure, & Hospitality Advisory Lead,
KPMG US

Rick Arpin
Partner,
U.S. Gaming Industry Lead,
KPMG US

Will Powell
Advisory Managing Director,
Transaction Strategy,
KPMG US

With special thanks to:
Anjelica Armendariz, Mridani Krishna, Kathy Nichols, Basu Raj, Rama Ramaswami, Tanjot Saluja and Dinesh Reddypogu.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Please visit us: in | **kpmg.com** | **Subscribe**