

CONSUMER: Lodging

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**Reasons for this report**

✓ Our analysis of the most recent weekly US lodging results

**Lodging: US RevPAR +2.9% y/y last week, +16.9% vs. 2019. Clean comp, soft summer leisure, moderate Group boost.**

Overall U.S. RevPAR was +2.9% y/y for the week ending 7/29/2023, per STR, above the prior week's result of +2.0%, and above the trailing 10-week average of +1.3%. Versus 2019, RevPAR was +16.9%, above the prior week's result of +11.6%, and above the trailing 10-week average of +12.5%.

*Last week was a clean comp on both y/y and 2019 comparisons. We maintain our view of domestic hotel leisure trends as overall lethargic with MSD-HSD occupancy declines vs. 2019. On y/y, the leisure-heavy Economy segment again lagged other chain scales while the more Group-heavy Upscale and Upper Upscale segments were the growth leaders. Industry-wide Group business picked up last week vs. the rest of July as it was +3.2% y/y vs. the 28-day average of +0.7% y/y.*

**Major RevPAR statistics presented below:**

- Luxury RevPAR: +1.5 y/y and +14.6% versus 2019;
- Upper Upscale RevPAR: +4.8% y/y and +10.5% versus 2019;
- Upscale RevPAR: +5.7% y/y and +14.1% versus 2019;
- Upper Midscale RevPAR: +3.0% y/y and +17.2% versus 2019;
- Midscale RevPAR: +0.1% y/y and +14.6% versus 2019;
- Economy RevPAR: -2.6% y/y and +7.7% versus 2019;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +0.9% y/y and +21.0% versus 2019; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +3.2% y/y vs. +0.5% prior week; versus 2019: +6.8% vs +4.1% prior week.
  - Transient: +1.8% y/y vs. +1.3% prior week; versus 2019: +19.2% vs +14.0% prior week.
- Las Vegas RevPAR: +15.0% y/y and +23.6% versus 2019.
  - **As a caveat, we note that many large Strip casino hotel operators do not participate in STR's survey.**

**Last week's RevPAR details and sequential trends (all comparable information on new STR methodology):**

- **Headline RevPAR** was +2.9% y/y vs. the running 28-day average of +1.3% y/y.
- **Occupancy:** Absolute occupancy was 72.2% vs. 69.7% for the running 28-day average.
- **Absolute Group occupancy:** 20.3% last week vs. 18.6% for the running 28 days.

**The lodging stocks:** Overall, we continue to summarize our view on the lodging sector at the moment as one of “relative optimism,” *though more so for the global C-Corps and less so for the hotel REITS.*

- **Of the lodging stocks our favorite name continues to be Hyatt Hotels Corp. (H, Buy), which we see having several idiosyncratic catalysts.** Hyatt is a beneficiary of group strength primarily through its legacy portfolio but also to an extent due to the acquired Apple Leisure Group, the recovery of international higher-rated travel, and particular strength in leisure demand to the Caribbean and Europe, a continued push to asset-light, a leading global rooms pipeline, and improved FCF story. Hyatt generates approx. 30% of earnings from the group segment and 30% from its Caribbean-centric Apple Leisure Group business. **Our conviction on H was strengthened after Hyatt’s Investor Day and our tours** of three Apple Leisure Group properties in Mexico ([see our post-Investor Day/tours wrap-up note](#)).
  - **We view Playa Hotels & Resorts (PLYA, Buy) as a continued beneficiary of global leisure trends and excellent cash flow generation** in a time when operating leverage works to the favor of all-inclusive Caribbean/Mexico hotel owners.
- **For the hotel REITS, our favorite name is RHP.** With 75% of its business coming from groups/conventions, Ryman Hospitality Properties (RHP, Buy) has the greatest exposure to this customer segment and has no hotels located in the especially tech-heavy San Francisco area. We add that RHP’s hotels are likely benefiting from several “self-help” factors including having properties in better condition than some other big box comparables and convention centers as well as what has proven to be a smart strategy of maintaining their property-level salesforce during the peak of the pandemic. [RHP’s 1Q23 earnings results and forward commentary further bolster our enthusiasm for our Buy-rating.](#)
  - **We are cautious on U.S. resort hotel profitability especially at the full-service level given pressure on demand and increasing headwinds in higher-end leisure room rates.** While group strength may bridge some of the gaps, we remain cautious on the net impact to profitability. Names with high luxury leisure exposure especially following post-COVID acquisitions are Host Hotels & Resorts (HST, Hold), and Sunstone Hotel Investors (SHO, Hold). [For greater detail on operating revenue/expense trends and labor considerations, please see our latest Hotel P&L Analyzer note.](#)

Weekly RevPAR Summary

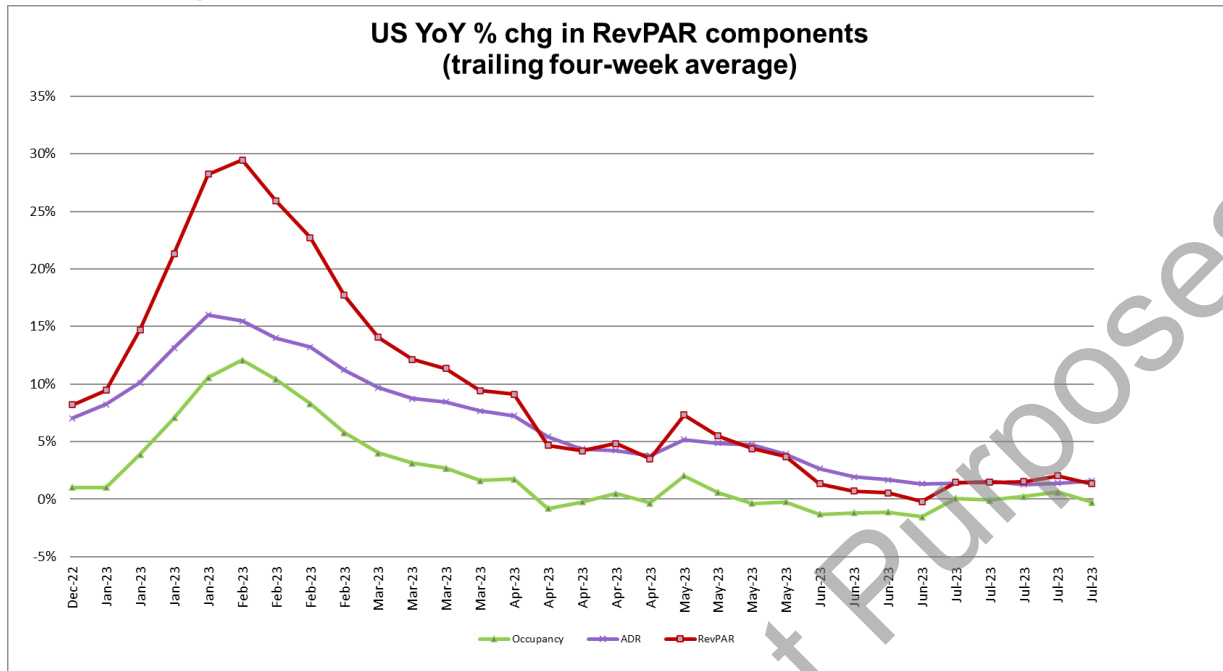
| YoY % change in RevPAR          |       |  |         |         |          |          |         |                                  |        |        |        |         |        |
|---------------------------------|-------|--|---------|---------|----------|----------|---------|----------------------------------|--------|--------|--------|---------|--------|
|                                 | U.S.  | Upper                                      |         |         | Upper    |          |         | Inde-<br>pendent                 | New    |        |        |         |        |
|                                 |       | Luxury                                     | Upscale | Upscale | Midscale | Midscale | Economy |                                  | York   | Boston | LA     | Chicago | DC     |
| 6/17/2023                       | 1.5%  | -1.6%                                      | 3.4%    | 3.4%    | 1.6%     | -2.3%    | -4.5%   | 0.4%                             | 3.3%   | -10.9% | 13.3%  | 3.5%    | 7.2%   |
| 6/24/2023                       | -0.1% | -3.3%                                      | -0.1%   | 2.2%    | 1.5%     | -2.3%    | -3.6%   | -1.9%                            | -2.2%  | 4.8%   | 3.5%   | -6.5%   | 4.6%   |
| 7/1/2023                        | 5.7%  | 1.8%                                       | 9.5%    | 9.4%    | 7.7%     | 3.0%     | 0.2%    | 1.2%                             | 21.1%  | 30.9%  | -1.6%  | 7.8%    | 18.6%  |
| 7/8/2023                        | -1.2% | 0.3%                                       | 0.6%    | -2.6%   | -3.2%    | -4.5%    | -3.5%   | 0.2%                             | 14.7%  | -0.4%  | -1.3%  | -4.3%   | -2.0%  |
| 7/15/2023                       | 1.6%  | -1.8%                                      | 3.1%    | 3.9%    | 2.1%     | -1.0%    | -1.8%   | 0.1%                             | 5.7%   | 4.2%   | -1.7%  | -8.9%   | 8.6%   |
| 7/22/2023                       | 2.0%  | 0.3%                                       | 5.3%    | 4.5%    | 3.0%     | -0.7%    | -3.5%   | -1.2%                            | 21.2%  | 16.2%  | -4.8%  | 8.8%    | 18.9%  |
| 7/29/2023                       | 2.9%  | 1.5%                                       | 4.8%    | 5.7%    | 3.0%     | 0.1%     | -2.6%   | 0.9%                             | 22.0%  | 4.4%   | 0.4%   | -8.8%   | 15.5%  |
| Clean comp, soft summer leisure |       | Upscale and Upper Upscale led the industry |         |         |          |          |         | NYC and DC led the Top 6 markets |        |        |        |         |        |
| 1Q19                            | 1.5%  | -0.7%                                      | 1.2%    | -0.5%   | 0.4%     | -0.1%    | 1.9%    | 3.1%                             | -7.1%  | -2.1%  | -1.7%  | -4.5%   | -2.4%  |
| 2Q19                            | 1.1%  | 1.1%                                       | 0.5%    | -0.4%   | 0.0%     | -0.7%    | 1.7%    | 2.4%                             | -1.8%  | 4.5%   | 1.6%   | -0.1%   | -1.5%  |
| 3Q19                            | 0.7%  | 1.3%                                       | 1.1%    | -0.5%   | -0.1%    | -1.0%    | -0.9%   | 1.6%                             | -2.2%  | -0.4%  | -0.2%  | -2.2%   | 4.5%   |
| 4Q19                            | 0.7%  | 3.6%                                       | 1.0%    | -0.6%   | -1.0%    | -2.7%    | -1.5%   | 2.3%                             | -4.1%  | -11.6% | 1.1%   | -0.7%   | 5.2%   |
| 1Q22                            | 67.2% | 112.3%                                     | 127.2%  | 69.7%   | 51.0%    | 38.2%    | 24.3%   | 58.3%                            | 97.1%  | 137.1% | 115.2% | 85.1%   | 58.1%  |
| 2Q22                            | 38.8% | 70.2%                                      | 82.9%   | 46.8%   | 26.2%    | 15.4%    | 8.8%    | 27.7%                            | 141.2% | 172.1% | 51.0%  | 109.5%  | 145.7% |
| 3Q22                            | 16.6% | 27.7%                                      | 36.6%   | 22.5%   | 10.8%    | 3.5%     | 0.0%    | 11.3%                            | 67.4%  | 59.9%  | 21.4%  | 48.1%   | 54.6%  |
| 4Q22                            | 16.3% | 19.7%                                      | 30.1%   | 20.5%   | 11.7%    | 5.1%     | 1.4%    | 12.3%                            | 50.8%  | 35.8%  | 11.4%  | 37.3%   | 53.2%  |
| 1Q23                            | 16.7% | 16.0%                                      | 29.8%   | 20.4%   | 13.4%    | 4.8%     | 0.8%    | 12.9%                            | 46.6%  | 35.0%  | 11.6%  | 26.6%   | 56.7%  |
| 2Q23                            | 2.5%  | -2.3%                                      | 5.1%    | 5.8%    | 3.8%     | -0.4%    | -3.8%   | -0.6%                            | 13.3%  | 11.2%  | 1.2%   | 12.1%   | 17.4%  |

| YoY % change in ADR |       |        |         |         |          |          |         |                  |       |        |       |         |       |
|---------------------|-------|--------|---------|---------|----------|----------|---------|------------------|-------|--------|-------|---------|-------|
|                     | U.S.  | Upper  |         |         | Upper    |          |         | Inde-<br>pendent | New   |        |       |         |       |
|                     |       | Luxury | Upscale | Upscale | Midscale | Midscale | Economy |                  | York  | Boston | LA    | Chicago | DC    |
| 6/17/2023           | 2.6%  | 0.0%   | 2.0%    | 2.8%    | 2.2%     | 0.6%     | 0.1%    | 2.5%             | 5.0%  | -7.9%  | 12.7% | 5.4%    | 7.4%  |
| 6/24/2023           | 0.9%  | -1.5%  | 0.8%    | 1.8%    | 1.5%     | -0.3%    | -0.6%   | 0.0%             | 0.8%  | 2.9%   | 1.5%  | -1.9%   | 5.8%  |
| 7/1/2023            | 1.5%  | -3.1%  | 2.1%    | 3.1%    | 2.4%     | 0.6%     | -0.2%   | -1.0%            | 8.5%  | 12.3%  | -1.6% | 4.3%    | 9.6%  |
| 7/8/2023            | 1.2%  | -0.8%  | 0.0%    | 0.4%    | 0.9%     | -0.4%    | -0.2%   | 1.3%             | 3.0%  | -0.5%  | -2.0% | -2.9%   | 0.4%  |
| 7/15/2023           | 1.5%  | -2.1%  | 0.9%    | 1.9%    | 1.9%     | 0.1%     | 0.4%    | 1.0%             | 1.1%  | 1.3%   | -1.7% | -5.6%   | 5.9%  |
| 7/22/2023           | 1.5%  | -2.9%  | 1.2%    | 1.9%    | 2.0%     | -0.4%    | -0.1%   | 0.2%             | 8.3%  | 9.9%   | -4.3% | 4.8%    | 9.1%  |
| 7/29/2023           | 2.3%  | -2.8%  | 1.1%    | 2.5%    | 2.2%     | 0.2%     | 0.6%    | 2.3%             | 10.3% | 1.9%   | -2.5% | -8.0%   | 7.0%  |
| 1Q19                | 1.1%  | 2.2%   | 2.5%    | 1.0%    | 0.8%     | -0.2%    | -0.3%   | 1.0%             | -3.8% | 0.7%   | -1.0% | -2.4%   | 1.5%  |
| 2Q19                | 1.2%  | 2.5%   | 1.4%    | 0.6%    | 0.7%     | -0.2%    | 0.6%    | 1.7%             | -1.0% | 3.2%   | 0.8%  | -1.7%   | 0.2%  |
| 3Q19                | 0.8%  | 1.5%   | 1.3%    | 0.2%    | -0.1%    | -0.5%    | -0.5%   | 1.6%             | -1.9% | 0.9%   | -0.2% | -2.8%   | 4.0%  |
| 4Q19                | 0.7%  | 2.4%   | 0.6%    | -0.4%   | -0.3%    | -1.0%    | -1.0%   | 1.9%             | -3.7% | -5.5%  | 0.3%  | -2.2%   | 3.9%  |
| 1Q22                | 37.5% | 21.0%  | 39.7%   | 34.1%   | 27.3%    | 20.8%    | 17.3%   | 34.0%            | 52.2% | 50.5%  | 61.8% | 41.1%   | 31.7% |
| 2Q22                | 26.2% | 14.3%  | 29.0%   | 27.1%   | 18.9%    | 14.8%    | 11.8%   | 20.5%            | 69.0% | 73.6%  | 32.9% | 53.6%   | 60.6% |
| 3Q22                | 11.6% | 6.7%   | 12.6%   | 13.3%   | 7.6%     | 5.9%     | 4.2%    | 8.9%             | 32.6% | 30.0%  | 14.6% | 25.4%   | 25.5% |
| 4Q22                | 12.0% | 6.5%   | 12.6%   | 13.7%   | 8.7%     | 6.2%     | 4.5%    | 10.2%            | 28.0% | 20.5%  | 8.4%  | 20.2%   | 27.9% |
| 1Q23                | 10.2% | -1.9%  | 8.4%    | 11.0%   | 8.1%     | 4.7%     | 3.8%    | 9.1%             | 13.4% | 15.6%  | 3.8%  | 11.5%   | 24.4% |
| 2Q23                | 3.2%  | -1.2%  | 2.5%    | 4.3%    | 3.5%     | 1.6%     | 0.9%    | 2.1%             | 9.6%  | 5.8%   | 2.5%  | 8.5%    | 11.6% |

| YoY % change in Occupancy |       |        |         |         |          |          |         |                  |       |        |       |         |       |
|---------------------------|-------|--------|---------|---------|----------|----------|---------|------------------|-------|--------|-------|---------|-------|
|                           | U.S.  | Upper  |         |         | Upper    |          |         | Inde-<br>pendent | New   |        |       |         |       |
|                           |       | Luxury | Upscale | Upscale | Midscale | Midscale | Economy |                  | York  | Boston | LA    | Chicago | DC    |
| 6/17/2023                 | -1.1% | -1.6%  | 1.3%    | 0.5%    | -0.6%    | -2.9%    | -4.6%   | -2.1%            | -1.6% | -3.3%  | 0.5%  | -1.8%   | -0.2% |
| 6/24/2023                 | -1.0% | -1.8%  | -0.8%   | 0.4%    | 0.0%     | -2.0%    | -2.9%   | -1.9%            | -2.9% | 1.9%   | 2.0%  | -4.7%   | -1.1% |
| 7/1/2023                  | 4.1%  | 5.1%   | 7.2%    | 6.2%    | 5.2%     | 2.3%     | 0.4%    | 2.3%             | 11.6% | 16.6%  | -0.1% | 3.3%    | 8.2%  |
| 7/8/2023                  | -2.3% | 1.2%   | 0.6%    | -2.9%   | -4.1%    | -4.1%    | -3.3%   | -1.1%            | 11.4% | 0.1%   | 0.7%  | -1.5%   | -2.4% |
| 7/15/2023                 | 0.1%  | 0.2%   | 2.2%    | 1.9%    | 0.2%     | -1.1%    | -2.1%   | -0.9%            | 4.6%  | 2.8%   | 0.0%  | -3.5%   | 2.6%  |
| 7/22/2023                 | 0.5%  | 3.4%   | 4.1%    | 2.5%    | 1.0%     | -0.3%    | -3.4%   | -1.5%            | 11.8% | 5.8%   | -0.6% | 3.9%    | 9.0%  |
| 7/29/2023                 | 0.6%  | 4.4%   | 3.6%    | 3.1%    | 0.8%     | -0.1%    | -3.1%   | -1.4%            | 10.6% | 2.4%   | 3.0%  | -0.8%   | 7.9%  |
| 1Q19                      | 0.4%  | -2.8%  | -1.3%   | -1.4%   | -0.5%    | 0.0%     | 2.3%    | 2.1%             | -3.5% | -2.8%  | -0.7% | -2.2%   | -3.8% |
| 2Q19                      | -0.1% | -1.4%  | -0.9%   | -1.0%   | -0.7%    | -0.6%    | 1.1%    | 0.7%             | -0.7% | 1.3%   | 0.8%  | 1.7%    | -1.7% |
| 3Q19                      | -0.1% | -0.2%  | -0.2%   | -0.7%   | 0.0%     | -0.5%    | -0.4%   | 0.0%             | -0.3% | -1.4%  | 0.1%  | 0.6%    | 0.4%  |
| 4Q19                      | -0.1% | 1.2%   | 0.4%    | -0.2%   | -0.8%    | -1.7%    | -0.4%   | 0.4%             | -0.4% | -6.5%  | 0.8%  | 1.5%    | 1.3%  |
| 1Q22                      | 56.2% | 54.0%  | 53.2%   | 60.3%   | 59.4%    | 52.3%    | 55.5%   | 54.2%            | 29.5% | 57.6%  | 33.0% | 31.2%   | 20.1% |
| 2Q22                      | 10.0% | 48.8%  | 41.8%   | 15.5%   | 6.2%     | 0.5%     | -2.6%   | 5.9%             | 42.7% | 56.7%  | 13.7% | 36.3%   | 53.0% |
| 3Q22                      | 4.5%  | 19.7%  | 21.3%   | 8.1%    | 2.9%     | -2.3%    | -4.0%   | 2.2%             | 26.3% | 23.0%  | 5.9%  | 18.1%   | 23.2% |
| 4Q22                      | 3.8%  | 12.4%  | 15.5%   | 6.0%    | 2.7%     | -1.1%    | -2.9%   | 1.9%             | 17.8% | 12.7%  | 7.6%  | 14.2%   | 19.8% |
| 1Q23                      | 5.9%  | 18.3%  | 19.8%   | 8.5%    | 4.9%     | 0.1%     | -2.9%   | 3.5%             | 29.3% | 16.8%  | 7.5%  | 13.6%   | 25.9% |
| 2Q23                      | -0.7% | -1.0%  | 2.6%    | 1.4%    | 0.3%     | -2.0%    | -4.6%   | -2.7%            | 3.3%  | 5.1%   | -1.3% | 3.3%    | 5.1%  |

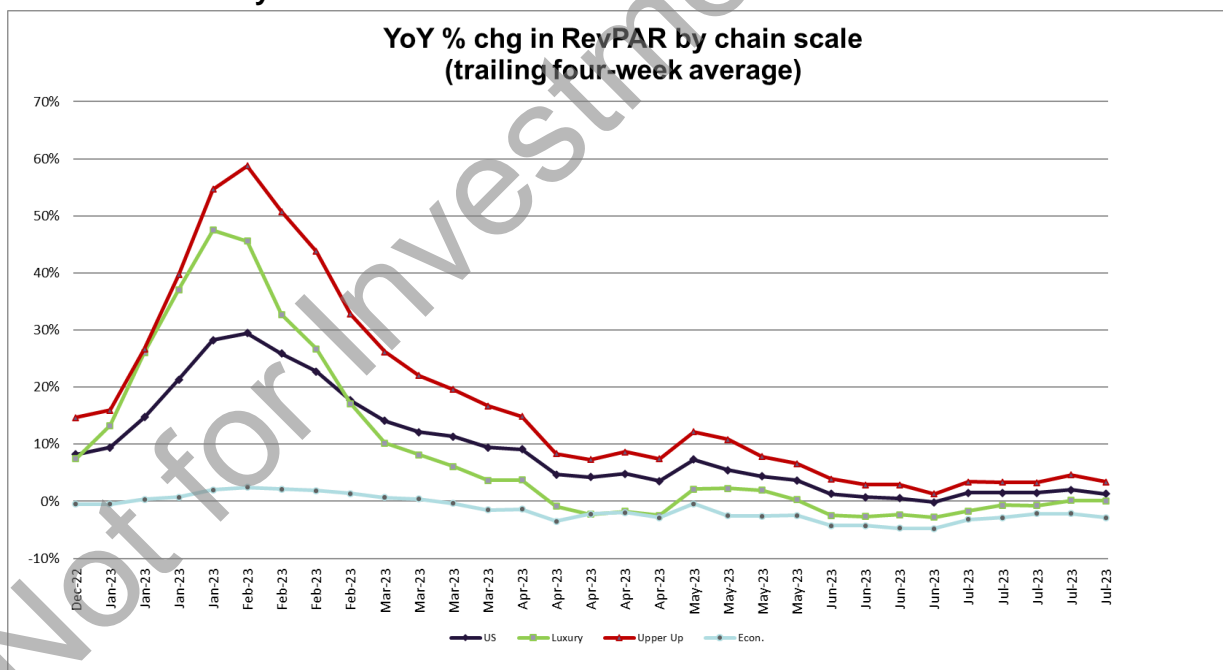
Source: STR data, Truist Securities research

RevPAR Component Trends



Source: STR data, Truist Securities research

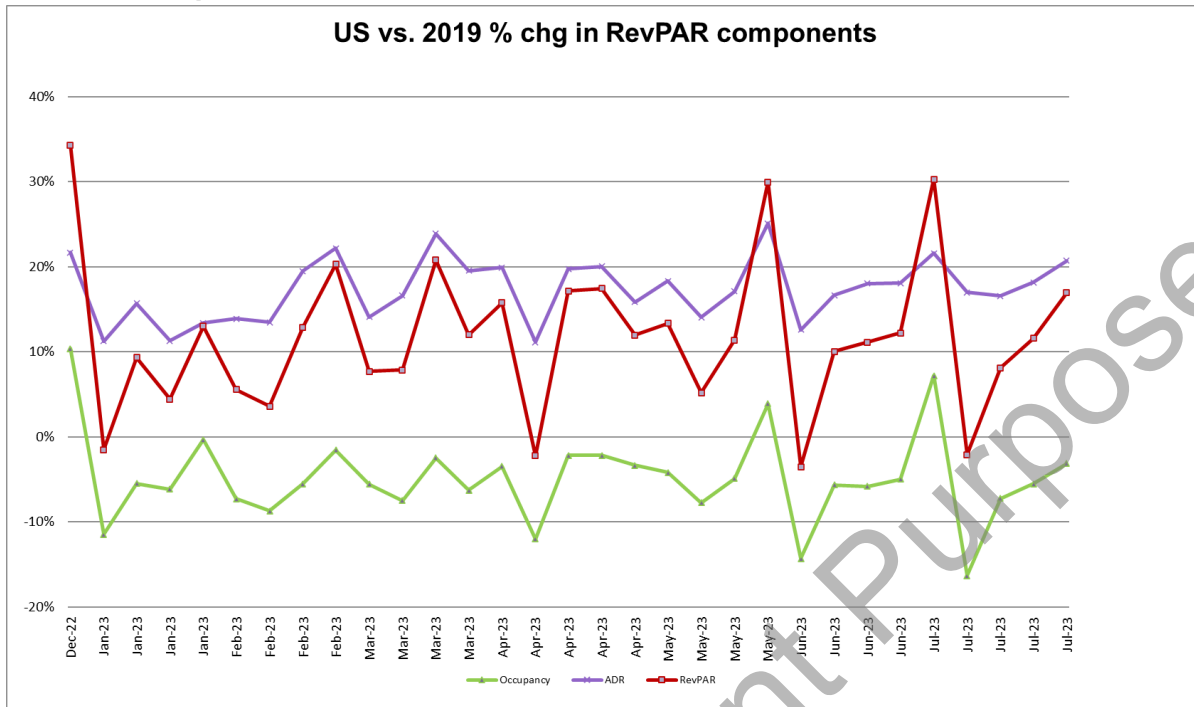
RevPAR Trends by Chain Scale



Source: STR data, Truist Securities research

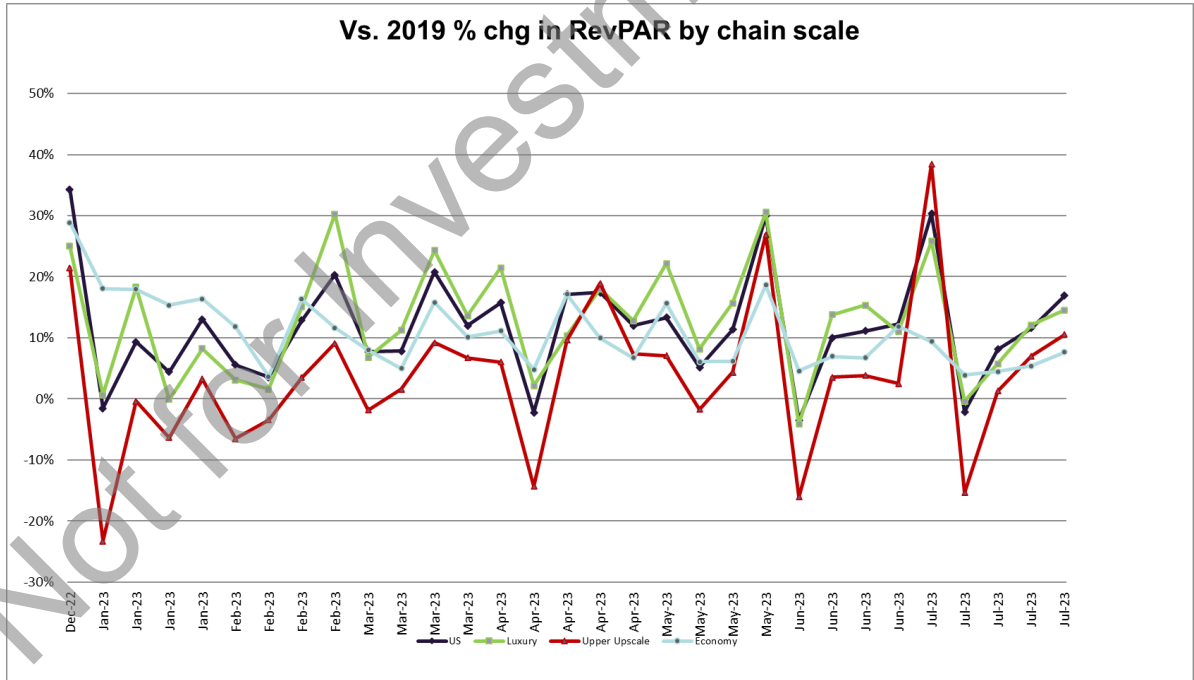


RevPAR Component Trends



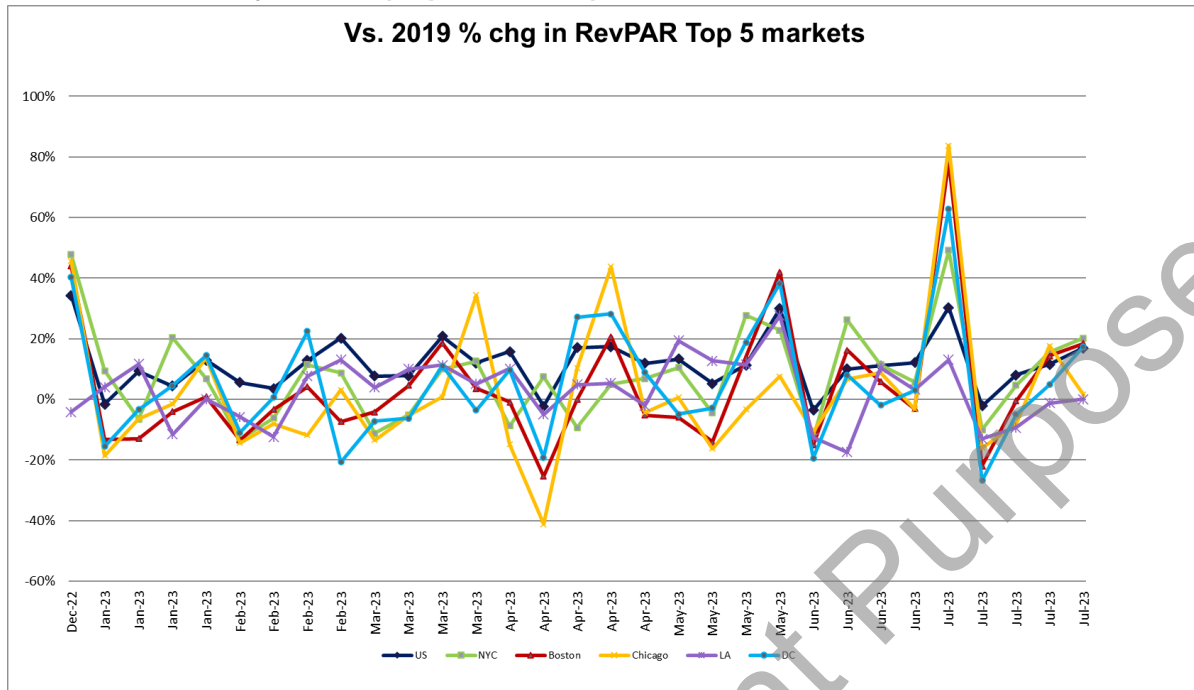
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



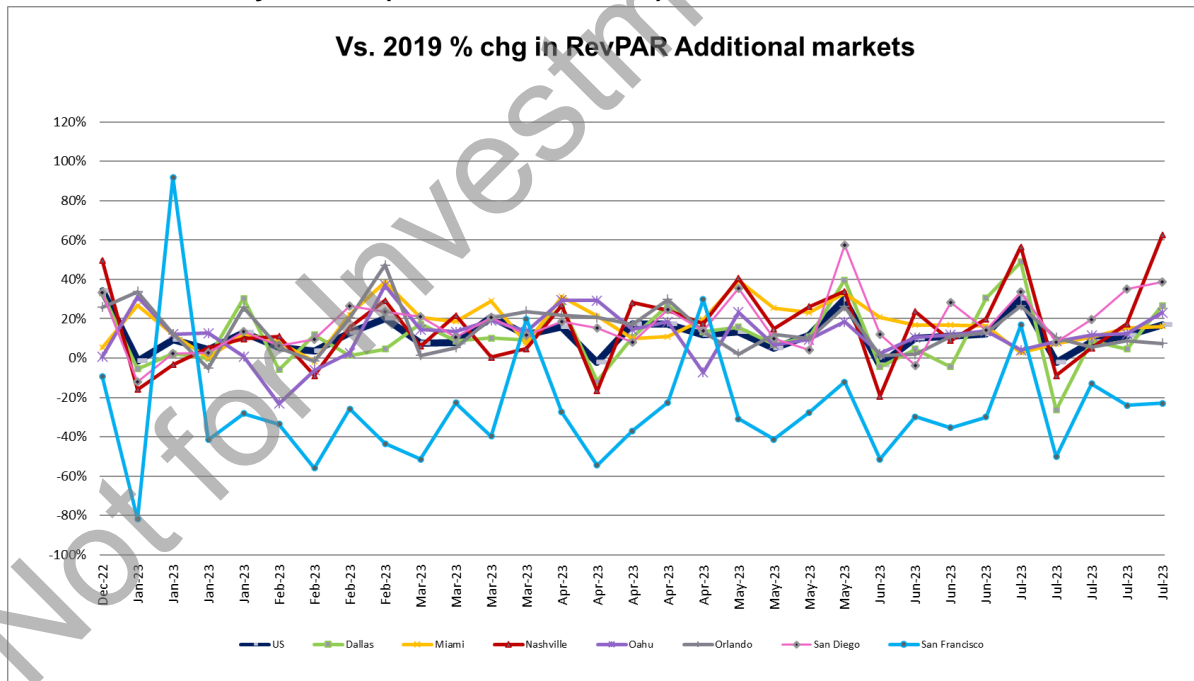
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



Source: STR data, Truist Securities research

Price Target/Risks Summary

| Lodging                      | TKR  | Price 8/1/23 | Rating | PT*   | % upside/downside | Truist Securities Valuation EBITDA excluding Stock Based Comp/Other |                      |                      | As Reported/Consensus/Data Aggregator "Headline" EBITDA |                     |                      | Target EV/EBITDA Multiple | Risks  |
|------------------------------|------|--------------|--------|-------|-------------------|---|----------------------|----------------------|---|---------------------|----------------------|---------------------------|--|
|                              |      |              |        |       |                   | 2022A EBITDA (\$M)**  | 2023E EBITDA (\$M)** | 2024E EBITDA (\$M)** | 2022A EBITDA (\$M)*                                     | 2023E EBITDA (\$M)* | 2024E EBITDA (\$M)** |                           |  |
| Bluegreen Vacations          | BVH  | \$38.50      | Buy    | \$52  | 36%               | \$140   | \$147                | \$154                | \$140   | \$147               | \$154                | 7.2X                      | Downside risk: controlled company issues, limited cap/float, loan defaults, and macroeconomic risk.  |
| Choice Hotels                | CHH  | \$130.12     | Hold   | \$133 | 2%                | \$459   | \$517                | \$534                | \$478   | \$535               | \$553                | 15.0X                     | Upside risk: conservative growth of new brands; market share gains.<br>Downside risk: slowdown in development opportunities; market share losses.  |
| DiamondRock Hospitality      | DRH  | \$8.38       | Hold   | \$11  | 31%               | \$281   | \$291                | \$292                | \$281   | \$291               | \$292                | 12.0X                     | Upside risk: faster demand improvement in corporate travel than expected. Brand changes (e.g. Vail) lead to material EBITDA improvement. Leisure hotels hold/improve on RevPAR and margins despite the challenging macro. Downside risk: lodging recovery takes longer than expected, weaker results from ROI projects than forecasted, poor performance of recently acquired assets.  |
| Hilton                       | HLT  | \$154.57     | Hold   | \$172 | 11%               | \$2,479   | \$2,916              | \$3,106              | \$2,599   | \$3,016             | \$3,301              | 16.6X                     | Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.  |
| Hilton Grand Vacations       | HGV  | \$46.55      | Buy    | \$76  | 63%               | \$1,049   | \$1,105              | \$1,156              | \$1,049   | \$1,105             | \$1,156              | 9.2X                      | Downside risk: Disruption in a major market (HGV more concentrated than peers), issues with Japanese customer (HGV more exposed than peers), difficulty sourcing additional fee-for-service inventory deals.   |
| Host Hotels & Resorts        | HST  | \$18.39      | Hold   | \$21  | 14%               | \$1,498   | \$1,592              | \$1,561              | \$1,498   | \$1,592             | \$1,561              | 12.0X                     | Upside risk: faster demand improvement in corporate/convention travel than expected. Dispositions at higher multiple than expected, stronger than expected performance by luxury leisure resorts on both top-line and margins through the valuation year. Downside risk: extended industry downturn with particular impact to large big box hotels, weak recovery of international travel during the valuation period, intense demand shock to acquired resort assets, labor issues. |
| Hyatt Hotels                 | H    | \$125.03     | Buy    | \$149 | 19%               | \$1,004   | \$1,170              | \$1,258              | \$908   | \$1,054             | \$1,141              | 14.1X                     | Downside risk: lodging recovery takes longer than expected. Planned dispositions take longer than expected. Material labor issues to owned hotels. Pipeline growth slower than expected. Apple Leisure Group underperforms.  |
| Marriott International       | MAR  | \$204.74     | Hold   | \$221 | 9%                | \$3,546   | \$4,242              | \$4,489              | \$3,853   | \$4,620             | \$4,842              | 16.7X                     | Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.  |
| Marriott Vacations           | VAC  | \$126.53     | Buy    | \$219 | 73%               | \$927   | \$939                | \$1,010              | \$927   | \$939               | \$1,010              | 10.5X                     | Downside risk: M&A story fades and multiples revert to historical levels.  |
| Park Hotels & Resorts        | PK   | \$13.50      | Buy    | \$19  | 41%               | \$589   | \$624                | \$669                | \$606   | \$641               | \$693                | 12.0X                     | Downside risk: extended downturn in San Francisco, weak recovery of international travel during the valuation period especially Oahu, macro demand shock impact to major resort assets, labor issues.  |
| Pebblebrook Hotel Trust***   | PEB  | \$15.18      | Hold   | \$16  | 5%                | \$345   | \$348                | \$374                | \$357   | \$359               | \$386                | 13.5X                     | Upside Risk: Material near-term incremental EBITDA from Legacy LHO assets. Faster than expected San Francisco recovery. Downside Risks: Incremental EBITDA from major CapEx investments take longer than anticipated, contributing to multiple contraction. Very slow recovery in San Francisco.   |
| Playa Hotels & Resorts       | PLYA | \$8.13       | Buy    | \$13  | 60%               | \$231   | \$266                | \$278                | \$243   | \$279               | \$291                | 10.5X                     | Downside risk: demand shocks, hurricanes, reduced airlift, new supply, country-specific risks (emerging market portfolio)  |
| RLJ Lodging Trust***         | RLJ  | \$10.24      | Buy    | \$14  | 37%               | \$315   | \$352                | \$364                | \$337   | \$375               | \$388                | 11.5X                     | Downside risk: Slower than expected recovery of corporate business travel post-COVID, scope/limiting and/or upside from repositionings underwhelms investor expectations   |
| Ryman Hospitality Properties | RHP  | \$94.70      | Buy    | \$119 | 26%               | \$536   | \$638                | \$665                | \$556   | \$663               | \$700                | 13.0X                     | Downside risk: Group demand slower than expected. Property-specific risks given a small portfolio.   |
| Sunstone Hotel Investors     | SHO  | \$10.10      | Hold   | \$11  | 9%                | \$223   | \$249                | \$246                | \$234   | \$260               | \$258                | 13.5X                     | Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements. SHO buys hotels at accretive terms and quickly adds incremental EBITDA during the valuation period. Downside risk: Lodging recovery takes longer than expected, labor issues, weak recovery of international travel to gateway markets, natural disaster risk. Mortgage EBITDA stabilizes well lower than expected.                          |
| Vail Resorts, Inc.           | MTN  | \$236.43     | Hold   | \$263 | 11%               | \$833   | \$848                | \$974                | \$833   | \$848               | \$974                | 13.0X                     | Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.   |
| Travel + Leisure Co.         | TNL  | \$40.70      | Buy    | \$67  | 64%               | \$859   | \$936                | \$996                | \$859   | \$936               | \$996                | 8.4X                      | Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.   |
| Wyndham Hotels & Resorts     | WH   | \$77.76      | Buy    | \$95  | 22%               | \$618   | \$620                | \$660                | \$651   | \$659               | \$700                | 15.0X                     | Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.  |

\* All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2024 EBITDA  
 \*\* Valuation EBITDA excludes select items for specific companies including stock-based compensation.  
 \*\*\* Covered by Gregory J. Miller - gregory.j.miller@truist.com

Source: FactSet, Truist Securities research



## Companies Mentioned in This Note

**Hyatt Hotels Corporation** (H, \$122.34, Buy, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$18.15, Hold, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$15.08, Hold, Gregory Miller)  
**Playa Hotels & Resorts N.V.** (PLYA, \$7.99, Buy, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$93.01, Buy, C. Patrick Scholes)  
**Sunstone Hotel Investors, Inc.** (SHO, \$9.93, Hold, C. Patrick Scholes)

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