

Equity Research Report

CONSUMER: Lodging

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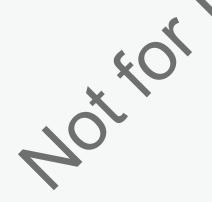
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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results



February 28, 2024

Lodging: US RevPAR -2.9% y/y last week. Holiday week mix drives negative y/y RevPAR growth

Overall U.S. RevPAR was -2.9% y/y for the week ending 2/24/2024, per STR, below the prior week's result of +1.6 y/y% and below the trailing 10-week average of +0.7%.

Last week's results reflected an unfavorable customer mix that was heavily weighted to the relatively underperforming leisure customer and far less to the outperforming group/ convention segment due to Presidents' Day weekend. Notably, Sunday and Monday RevPAR were down 6% and 4% y/y.

Major RevPAR statistics presented below:

- Luxury RevPAR: -6.6% y/y
- Upper Upscale RevPAR: -1.7% y/s
- Upscale RevPAR: -2.6% y/y
- Upper Midscale RevPAR: -3.5% y/y
- Midscale RevPAR: -6.0% y/y
- Economy RevPAR: -7.6% v/y
- Independent hotels ~ 1/3rd of the data set) RevPAR: -2.8% y/y; and
- Within Upper Upscale & Luxury class hotels:
- Group: +4 8% y/y vs. +11.3% prior week;
- Transient: -4.9% y/y vs. +3.0% prior week;
- Las Vegas RevPAR: +6.0% y/y

 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 +0.9% y/y.
- Occupancy: Absolute occupancy was 62.0% vs. 58.1% for the running 28-day average.
- Absolute Group occupancy: 20.7% last week vs. 20.8% 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.*

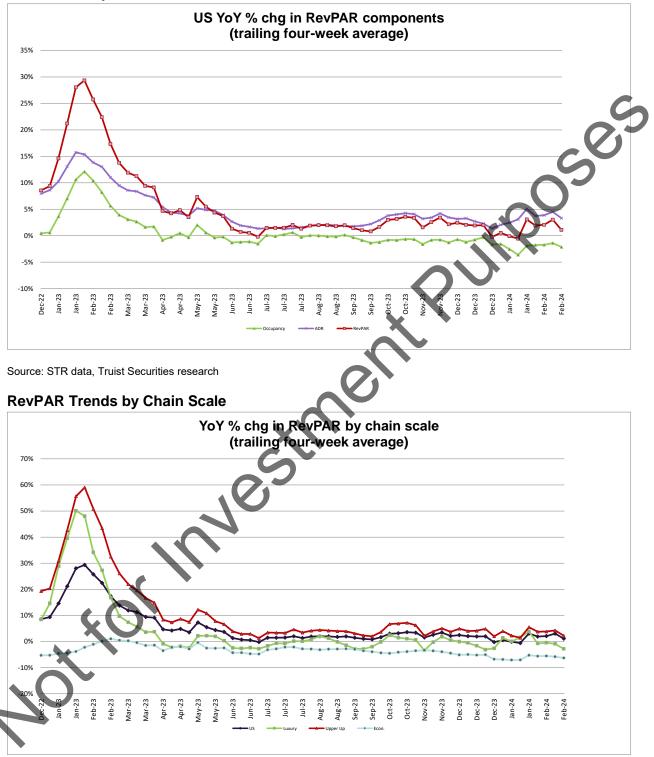
- Of the lodging stocks our favorite name continues to be Hyatt Hotels Corp. (H, Buy), which we see having several idiosyncratic catalysts. Hyatt is a beneficiary of group strength primarily through its legacy portfolio but also to an extent due to the acquired Apple Leisure Group, the recovery of international 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.
- For the hotel REITS, our favorite name is RHP (Buy). With 75% of its business coming from groups/conventions, Ryman Hospitality Properties 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.

Weekly RevPAR Summary

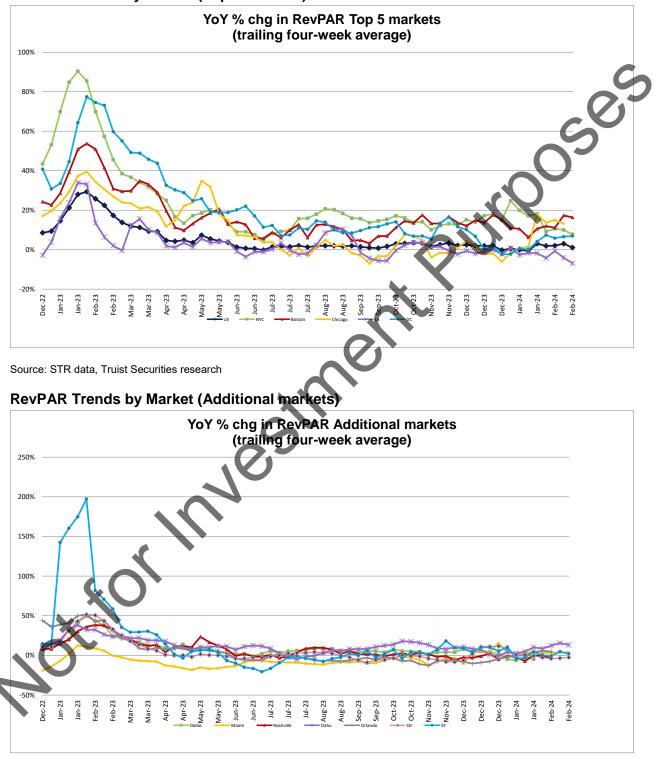
	-	U.S.	Luxura	Upper	Unecolo	Upper		ge in Revi	Inde-	New	Boeton	LA	Chicses	DC
	10/21/2023 10/28/2023	U.S. 2.9% 4.6%	-2.2% 3.3%	Upscale 3.9% 6.0%	Upscale 4.8% 6.7%	Midscale 1.8% 3.7%	-0.6% -0.2%	-3.0% -3.7%	3.3% 3.9%	York 8.5% 18.1%	8.6% 20.0%	LA 1.5% 1.9%	Chicago 5.7% -11.4%	6.5% 20.5%
	11/4/2023	-2.1% 4.9%	-7.7% 5.6%	-3.0% 8.6%	-1.1% 6.5%	-1.1% 2.6%	-0.2 % -2.7% -1.9%	-3.2% -4.3%	-2.4% 3.9%	6.4% 15.7%	6.0% 18.2%	0.1%	-12.1% 11.5%	9.4% 16.9%
	11/18/2023 11/25/2023	6.3% -0.6%	6.3% -2.1%	8.6% 0.7%	5.5% -0.4%	2.5% -1.7%	-1.6% -3.5%	-4.4% -5.9%	10.0% 0.3%	12.5% 15.3%	22.8% 7.3%	-6.8% -5.0%	4.8% -0.6%	19.0% 1.2%
	12/2/2023 12/9/2023	-0.8% 3.3%	-9.8% 3.6%	1.8% 5.0%	1.0% 4.4%	-1.1% 1.0%	-3.5% -1.4%	-5.9% -3.7%	-1.2% 3.1%	17.2% 10.7%	0.2% 29.3%	6.8% -3.1%	1.9% 2.9%	3.4% 3.3%
	12/16/2023 12/23/2023	5.8% -0.4%	1.8% -8.0%	9.0% 3.6%	6.7% 2.8%	2.5% 1.6%	-0.6% -1.8%	-5.4% -5.4%	8.5% -3.3%	25.7% 18.7%	17.8% 23.1%	-2.9% -0.7%	-13.5% 0.9%	-6.7% 5.2%
	12/30/2023 1/6/2024	-9.7% 6.4%	-7.8% 19.4%	-9.7% 13.0%	-9.4% 5.1%	-10.9% 1.8%	-12.0%	-12.7%	-10.1% 4.4%	4.7% 49.9%	-9.3% 12.4%	-1.9% 8.8%	-14.6% 21.2%	-11.5%
	1/13/2024 1/20/2024 1/27/2024	3.3% -2.2% 4.8%	-3.7% -1.6% 1.1%	2.1% 0.3% 6.6%	0.8% -0.7% 3.9%	-2.8% -4.3% -0.7%	-5.2% -5.3% -3.4%	-6.3% -5.1% -5.6%	14.8% -4.1% 11.2%	6.2% 7.4% 9.0%	16.0% 5.8% 8.2%	-16.6% 3.1% -2.2%	-4.3% 3.5% 52.1%	4.8% 3.0% 4.6%
	2/3/2024 2/10/2024	1.7%	1.1%	6.0% 2.5%	4.9%	0.7%	-3.0%	-5.5% -6.0%	-1.6%	14.4% 11.5%	17.9% 12.5%	-1.0% -2.4%	3.3%	17.0%
	2/17/2024 2/24/2024	1.6% -2.9%	-3.4% -6.6%	2.0% -1.7%	-0.6% -2.6%	-2.5% -3.5%	-5.4% -6.0%	-6.2% -7.6%	8.6% -2.8%	4.9% 0.4%	30.6% 4.4%	-10.5% -13.5%	-4.4% 0.4%	6.0% 6.0%
	[Unfavorable	holiday week y/y RevPAR	mix drives ne	egative	Upper Up	scale and Up	scale led the i	ndustry		DC and Bo	ston led the	top 5 markel	ts
	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 3Q19 4Q19	1.1% 0.7% 0.7%	1.1% 1.3% 3.6%	0.5% 1.1% 1.0%	-0.4% -0.5% -0.6%	0.0% -0.1% -1.0%	-0.7% -1.0% -2.7%	1.7% -0.9% -1.5%	2.4% 1.6% 2.3%	-1.8% -2.2% -4 1%	4.5% -0.4% -11.6%	1.6% -0.2% 1.1%	-0.1% -2.2% -0.7%	-1.5% 4.5% 5.2%
	1Q22 2Q22	67.2% 38.8%	112.3% 70.2%	127.2% 82.9%	-0.6% 69.7% 46.8%	-1.0% 51.0% 26.2%	-2.7% 38.2% 15.4%	-1.5% 24.3% 8.8%	2.3% 58.3% 27.7%	97.1% 141.2%	-11.0% 137.1% 172.1%	115.2% 51.0%	-0.7% 85.1% 109.5%	58.1% 145.7%
	3Q22 4Q22	16.6% 16.3%	27.7% 19.7%	36.6% 30.1%	22.5% 20.5%	10.8% 11.7%	3.5% 5.1%	0.0% 1.4%	11.3% 12.3%	67.4% 50.8%	59.9% 35.8%	21.4% 11.4%	48.1% 37.3%	54.6% 53.2%
	1Q23 2Q23	16.7% 2.5%	16.0% -2.3%	29.8% 5.1% 3.9%	20.4% 5.8%	13.4% 3.8%	4.8%	0.8% -3.8%	12.9% -0.6%	46.6% 13.3%	35.0% 11.2%	11.6% 1.2%	26.6% 12.1%	56.7% 17.4%
_	3Q23 4Q23	1.7% 1.3%	0.1% -0.5%	3.9% 4.3%	3.7% 2.7%	1.7% -0.1%	-1.0% -3.0%	-3.5% -5.4%	0.2% 0.2%	16.4% 14.6%	8.0% 13.8%	1.2% 0.6%	-1.9% 0.7%	11.5% 5.7%
	-	U.S.	Luxury	Upper Upscale	Upscale	Upper	YoY % cha Midscale	ange in AD Economy	Inde- pendent	New York	Boston	LA	Chicago	DC.
	10/21/2023 10/28/2023	3.8% 3.9%	-1.8% -0.2%	2.9% 2.6%	3.7% 3.6%	2.9% 2.9%	0.8% 0.5%	-0.4% -0.7%	5.7% 5.0%	8.0% 12.7%	5.9% 11.5%	-0.1% 0.4%	0.9% -9.7%	4.9% 11.6%
	11/4/2023 11/11/2023	2.0% 4.0%	-2.5% -0.8%	1.4% 3.2%	2.4% 3.4%	2.7% 2.4%	0.5% 0.4%	0.2% -0.8%	2.8% 4.6%	5.0% 8.8%	0.4% 9.9%	0.1% 0.6%	-6.1% 6.0%	5.6% 8.9%
	11/18/2023 11/25/2023	7.0% 0.9%	4.0% -5.1%	5.5% -0.2%	3.9% 0.0%	2.8% 0.0%	-0.2% -1.7%	-0.7% -1.9%	14.1% 2.4%	7.7% 7.2%	10.6% 1.5%	-4.0% -3.4%	2:2% -1.2%	10.4% 0.9%
	12/2/2023 12/9/2023	0.8% 4.5%	-9.2% 4.6%	0.3%	1.4% 4.1%	1.0% 2.5%	-1.3% 0.1%	-2.1% -1.2%	2.0% 5.8%	9.8% 11.4%	-0.6% 13.4%	2.1% -1.8%	1.6%	0.8% 1.7% -6.1%
	12/16/2023 12/23/2023 12/30/2023	4.7% -0.9% -2.8%	-1.2% -13.3% -8.3%	4.2% -0.9% -3.9%	4.0% -0.4% -3.7%	2.4% 0.3% -3.0%	0.2% -1.9% -4.5%	-0.6% -2.6% -4.7%	6.9% -1.0% -2.8%	16.2% 9.9% 3.2%	5.0% 1.3% -7.8%	-0.9% -1.4%	-0.1% -0.1%	-6.1% 1.8% -5.8%
	1/6/2024	-2.8% 7.2% 6.3%	-8.3 % 6.2% -2.4%	-3.9 % 6.6% 3.3%	-3.7 % 5.5% 3.1%	-3.0% 4.1% 2.3%	-4.5% 1.1% -0.5%	-0.4%	6.8% 16.6%	33.6% 4.6%	5.3%	2.7%	-8.5% 11.5% 0.1%	-5.8% 2.5% 2.1%
	1/20/2024 1/27/2024	1.6%	-2.3%	1.4%	1.9%	1.0%	-0.9% -0.2%	-2.7%	1.8%	5.6% 5.7 <u>%</u>	1.7%	0.9%	3.7%	2.6%
	2/3/2024 2/10/2024	1.9% 6.8%	-3.6% -4.1%	1.4% 1.9%	2.5% 1.0%	1.1% 1.5%	-0.6% -1.6%	-2.8% -2.4%	1.4% 21.9%	6.3% 5.2%	4.7% 5.4%	0.1%	2.7% 1.1%	5.5% 0.2%
	2/17/2024 2/24/2024	4.2% 0.3%	-4.0% -5.2%	1.4% -0.4%	1.1% -0.4%	0.6% -0.4%	-1.1% -1.5%	-2.7% -2.9%	12.8% 2.0%	3.0% 1.7%	14.0% 1.8%	-6.3% -4.1%	-0.5% 2.3%	3.3% 4.6%
	1Q19 2Q19	1.1% 1.2%	2.2% 2.5%	2.5% 1.4%	1.0% 0.6%	0.8% 0.7%	-0.2% -0.2%	-0.3% 0.6%	1.0%	-3.8%	0.7%	-1.0% 0.8%	-2.4% -1.7%	1.5% 0.2%
	3Q19 4Q19	0.8%	2.5% 1.5% 2.4%	1.4% 1.3% 0.6%	0.8%	-0.1% -0.3%	-0.2% -0.5% -1.0%	-0.5% -1.0%	1.6%	-1.9%	0.9% -5.5%	-0.2% 0.3%	-1.7% -2.8% -2.2%	4.0%
	1Q20 2Q20	-4.0% -37.1%	1.6% -22.0%	-1.4% -34.0%	-2.9% -30.0%	-3.1% -23.1%	-3.8% -17.1%	-3.8% -14.6%	-2.3% -34.8%	-8.6% -52.3%	-6.2% -56.9%	-2.7% -40.5%	-2.6% -53.7%	-6.8% -48.8%
_	3Q20 4Q20 1Q21	-24.1% -27.2% -19.6%	-12.6% -11.1% 3.4%	-25.6% -29.0% -23.4%	-24.2% -26.9% -23.0%	-17.3% -17.8% -14.2%	-11.6% -10.4% -6.3%	-9.4% -5.9%	-16.1% -20,9%	-47.7% -54.1% -28.3%	-47.3% -45.5% -32.7%	-31.6% -29.2% -29.7%	-43.2% -44.8% -25.7%	-34.5% -40.7% -27.9%
	2Q21 3Q21	43.2% 36.2%	37.8% 31.8%	30.6% 35.0%	21.3% 29.7%	23.1% 28.3%	20.4%	18.6% 21.1%	52.6% 32.8%	33.5% 64.2%	38.0% 57.7%	42.5%	46.1% 59.6%	23.1%
	4Q21 1Q22	41.5% 37.5%	29.6% 21.0%	41.9% 39.7%	34.2% 34.1%	28.5% 27.3%	22.9%	18.8%	39.2% 34.0%	99.6% 52.2%	69.6% 50.5%	46.1% 61.8%	64.9% 41.1%	41.6%
	2Q22 3Q22 4Q22	26.2% 11.6% 12.0%	14.3% 6.7% 6.5%	29.0% 12.6% 12.6%	27.1% 13.3% 13.7%	18.9%	14.8% 5.9%	11.8% 4.2% 4.5%	20.5% 8.9% 10.2%	69.0% 32.6% 28.0%	73.6% 30.0% 20.5%	32.9% 14.6% 8.4%	53.6% 25.4% 20.2%	60.6% 25.5% 27.9%
	1Q23 2Q23	10.2% 3.2%	-1.9% -1.2%	8.4%	11.0% 4.3%	8.1% 3.5%	4.7%	3.8% 0.9%	9.1%	13.4% 9.6%	15.6% 5.8%	3.8% 2.5%	11.5% 8.5%	24.4%
	3Q23 4Q23	2.2% 2.9%	-1.4% -2.3%	1.3% 2.7%	2.2%	2.2% 1.8%	0.3% -0.3%	0.0% -1.3% e in Occup	2.1% 3.7%	9.8% 9.6%	3.8% 7.0%	0.2% 0.0%	-2.1% 0.7%	6.2% 3.5%
	-	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston		Chicago	DC
	10/21/2023 10/28/2023	-0.8%	-0.4% 3.5%	1.0%	1.0%	-1.1% 0.8%	-1.4% -0.7%	-2.6% -3.1%	-2.3%	0.4%	2.6%	1.6%	4.8%	1.5%
	11/4/2023 11/11/2023 11/18/2023	-4.0% 0.8% -0.6%	-5.3% 6.4% 2.2%	-4.3% 5.2% 3.0%	-3.5% 3.0% 1.5%	-3.7% 0.2% -0.3%	-3.2% -2.4% -1.4%	-3.4% -3.5% -3.7%	-5.0% -0.7% -3.6%	1.4% 6.3% 4.4%	5.5% 7.5% 11.0%	0.0% 2.1% -3.0%	-6.5% 5.2% 2.6%	3.6% 7.3% 7.8%
	11/25/2023 12/2/2023	-0.6% -1.4% -1.6%	2.2% 3.2% -0.7%	0.9% 1.5%	-0.4% -0.3%	-0.3% -1.8% -2.0%	-1.4% -1.8% -2.2%	-3.7% -4.1% -3.8%	-3.0% -2.0% -3.2%	4.4% 7.6% 6.8%	5.7% 0.7%	-3.0% -1.6% 4.6%	2.6% 0.6% 0.2%	0.3% 2.6%
	12/9/2023	-1.1%	-1.0%	0.4%	0.3%	-1.5% 0.1%	-1.5%	-2.5% -4.8%	-2.6%	-0.6% 8.1%	14.1% 12.2%	-1.3%	1.2%	1.6%
	12/23/2023 12/30/2023	-7.1%	6.2% 0.6%	4.6% -6.1%	3.2% -6.0%	1.3% -8.2%	0.2% -7.8%	-2.9% -8.4%	-2.3% -7.5%	8.0% 1.4%	21.5% -1.7%	0.6% 0.0%	1.1% -6.6%	3.3% -6.1%
	1/6/2024 1/13/2024 1/20/2024	-0.7% -2.8% -3.8%	12.5% -1.3% 0.7%	5.9% -1.2% -1.1%	-0.4% -2.2% -2.6%	-2.2% -4.9% -5.3%	-2.0% -4.7% -4.5%	-3.7% -4.3% -2.4%	-2.2% -1.6% -5.8%	12.3% 1.5% 1.7%	6.8% 13.5% 4.0%	5.9% -4.8% 2.2%	8.7% -4.4% -0.1%	1.4% 2.7% 0.4%
	1/27/2024	-0.3%	4.6%	3.5%	0.9%	-2.5% -0.5%	-4.5% -3.2% -2.5%	-2.4% -3.2% -2.8%	-0.2% -2.9%	3.2%	5.8% 12.5%	-1.6% -0.9%	25.5% 0.6%	1.4%
1	2/3/2024	-0.1%	4.8%	4.5%		-3.9%	-5.0%	-3.7%	-3.7% -3.7%	6.0% 1.8%	6.7% 14.6%	-1.6% -4.5%	0.5% -3.9%	-1.4% 2.6%
	2/3/2024 2/10/2024 2/17/2024	-0.1% -2.7% -2.5%	4.8% 1.8% 0.6%	4.5% 0.6% 0.6%	-1.6% -1.7%	-3.0%	-4.4%	-3.6%				-9.8%	-1.9%	
	2/10/2024 2/17/2024 2/24/2024	-2.7% -2.5% -3.3%	1.8% 0.6% -1.5%	0.6% 0.6% -1.3%	-1.6% -1.7% -2.2%	-3.0% -3.1%	-4.4% -4.6%	-4.9%	-4.7%	-1.2%	2.6%			1.3%
	2(10)2024 2/17(2024 2/24/2024 1Q19 2Q19 3Q19	-2.7% -2.5% -3.3% 0.4% -0.1% -0.1%	1.8% 0.6% -1.5% -2.8% -1.4% -0.2%	0.6% 0.6% -1.3% -0.9% -0.2%	-1.6% -1.7% -2.2% -1.4% -1.0% -0.7%	-3.0% -3.1% -0.5% -0.7% 0.0%	-4.4% -4.6% -0.6% -0.5%	-4.9% 2.3% 1.1% -0.4%	-4.7% 2.1% 0.7% 0.0%	-1.2% -3.5% -0.7% -0.3%	-2.8% 1.3% -1.4%	-0.7% 0.8% 0.1%	-2.2% 1.7% 0.6%	-3.8% -1.7% 0.4%
	2/10/2024 2/17/2024 2/24/2024 1Q19 2Q19 3Q19 4Q19 1Q22	2.7% -2.5% -3.3% 0.4% -0.1% -0.1% -0.1% 56.2%	1.8% 0.6% -1.5% -2.8% -1.4% -0.2% 1.2% 54.0%	0.6% 0.6% -1.3% -0.9% -0.2% 0.4% 53.2%	-1.6% -1.7% -2.2% -1.4% -1.0% -0.7% -0.2% 60.3%	-3.0% -3.1% -0.5% -0.7% 0.0% -0.8% 59.4%	-4.4% -4.6% -0.6% -0.5% -1.7% 52.3%	-4.9% 2.3% 1.1% -0.4% 55.5%	-4.7% 2.1% 0.7% 0.0% 0.4% 54.2%	-1.2% -3.5% -0.7% -0.3% -0.4% 29.5%	-2.8% 1.3% -1.4% -6.5% 57.6%	-0.7% 0.8% 0.1% 0.8% 33.0%	-2.2% 1.7% 0.6% <u>1.5%</u> 31.2%	-3.8% -1.7% 0.4% <u>1.3%</u> 20.1%
	2/10/2024 2/17/2024 2/24/2024 1Q19 2Q19 3Q19 4Q19	2.7% -2.5% -3.3% 0.4% -0.1% -0.1% -0.1% 56.2% 10.0% 4.5%	1.8% 0.6% -1.5% -2.8% -1.4% -0.2% 54.0% 54.0% 48.8% 19.7%	0.6% 0.6% -1.3% -0.9% -0.2% 0.4% 53.2% 41.8% 21.3%	-1.6% -1.7% -2.2% -1.4% -1.0% -0.7% -0.2%	-3.0% -3.1% -0.5% -0.7% 0.0% -0.8% 59.4% 6.2% 2.9%	-4.4% -4.6% -0.6% -0.5% -1.7%	-4.9% 2.3% 1.1% -0.4% -0.4%	-4.7% 2.1% 0.7% 0.0% 0.4% 54.2% 5.9% 2.2%	-1.2% -3.5% -0.7% -0.3% -0.4% 29.5% 42.7% 26.3%	-2.8% 1.3% -1.4% -6.5%	-0.7% 0.8% 0.1% 0.8%	-2.2% 1.7% 0.6% 1.5%	-3.8% -1.7% 0.4% 1.3% 20.1% 53.0% 23.2%
	2(10)2024 2/17(2024 2)24/2024 2)24/2024 2(19) 2(0)9 3(0)9 4(0)9 4(0)9 4(0)9 4(0)9 4(0)9 2(0)2 2(0)2 2(0)202 3(0)202 3(0)2024 2(10)2024 2	2.7% -2.5% -3.3% -0.1% -0.1% -0.1% 56.2% 10.0%	1.8% 0.6% -1.5% -2.8% -1.4% -0.2% 1.2% 54.0% 48.8%	0.6% 0.6% -1.3% -0.9% -0.2% 0.4% 53.2% 41.8%	-1.6% -1.7% -2.2% -1.4% -1.0% -0.7% -0.2% 60.3% 15.5% 8.1%	-3.0% -3.1% -0.5% -0.7% 0.0% -0.8% 59.4% 6.2%	-4.4% -4.6% 0.0% -0.6% -0.5% -1.7% 52.3% 0.5% -2.3%	-4.9% 2.3% 1.1% -0.4% -0.4% 55.5% -2.6% -4.0%	-4.7% 2.1% 0.7% 0.0% 0.4% 54.2% 5.9%	-1.2% -3.5% -0.7% -0.3% -0.4% 29.5% 42.7%	-2.8% 1.3% -1.4% -6.5% 57.6% 56.7% 23.0%	-0.7% 0.8% 0.1% 0.8% 33.0% 13.7% 5.9%	-2.2% 1.7% 0.6% <u>1.5%</u> 31.2% 36.3% 18.1%	-3.8% -1.7% 0.4% 1.3% 20.1% 53.0%

Source: STR data, Truist Securities research

RevPAR Component Trends



Source: STR data, Truist Securities research



RevPAR Trends by Market (Top 5 markets)

Source: STR data, Truist Securities research

H: Valuation and Risks

Our price target of \$143 is derived by applying a 14.2x target EV/EBITDA multiple (a blended average of the industry multiples for each business segment) to our estimate for 2024 EBITDA. Our sum-of-the-parts analysis on our 2024 segment multiple assumptions include (12.5x owned EBITDA u/c, 16x fees EBITDA u/c) and other segments/ALG (10-12x, u/c).

Risks to our rating and price target: Lodging recovery takes longer than expected. Planned dispositions take longer than expected. Material labor issues to owned hotels. Regional risks to the Caribbean including material new competitive supply growth. H pipeline growth slower than expected. Apple Leisure Group underperforms Hyatt's guidance.

RHP: Valuation and Risks

Our price target of \$134 for RHP is derived by applying a 13.0x target EV/EBITDA multiple to our estimate for 2025 lodging EBITDA and a 16.0x multiple to our Opry/attractions estimate. We view the multiple assignments as appropriate for the quality and unique nature of the portfolios (slight premium to REIT peer average of ~12.0-12.5x on Hospitality).

Risks to our rating and price target include: Group demand returns slower than expected. Property-specific risks given a small portfolio.

Companies Mentioned in This Note

Hyatt Hotels Corporation (H, \$151.47, Buy, C. Patrick Scholes) Ryman Hospitality Properties, Inc. (RHP, \$117.44, Buy, C. Patrick Scholes)

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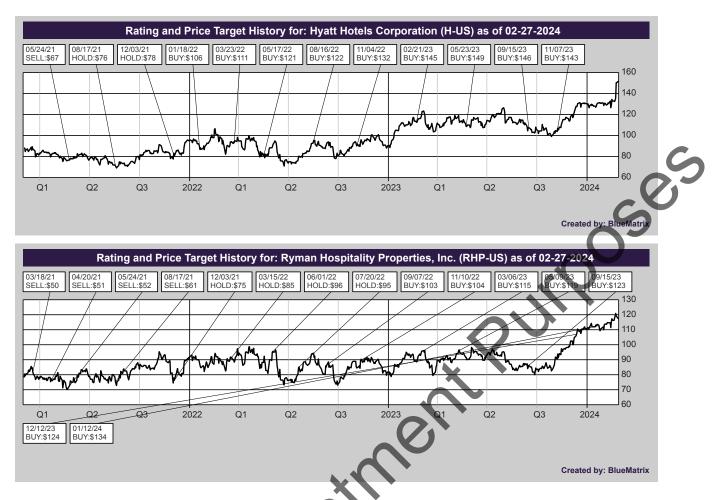
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Legend for Rating and Price Target History Charts:

H = Hold S = Sell D = Drop Co CS = Covera NR = Not Ra I = Initiate Co T = Transfer	ige Suspende ted overage	d				rposes
Truist Secu	rities ratings	distribution (as of 02/28/2024	•):		
Coverage Uni	iverse		Investment Banking	g Clients Past 1	2 Months	
Rating	Count	Percent	Rating	Count	Percent	
Buy Hold Sell	449 247 5	64.05% 35.24% 0.71%	Buy Hold Sell	71 36 1	15.81% 14.57% 20.00%	
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