

CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR +1.0% y/y last week. Mediocre results for a leisure-heavy, low relative occupancy, holiday week.

Overall U.S. RevPAR was +1.0% y/y for the week ending 6/1/2024, per STR, below the prior week's result of +3.9% y/y and below the trailing 10-week average of +2.0%.

On a holiday Memorial Day week with relatively light business travel (a relatively heavier leisure week), we are not surprised that RevPAR growth was up slightly y/y. From management meetings today at NAREIT, we would say Memorial Day weekend performance was not a bust but also a reflection of what we suggested in our recent RevPAR Monitor note -- that Americans are seeking value vacations (home or abroad) which is contributing to modest RevPAR growth y/y for summer leisure.

We discourage any major positive read-throughs to midweek occupancy strength in full service (up mid- to high-single digits y/y) as absolute occupancy levels were light in the 50s/60s, ADR was flattish-to-down, and as aforementioned last week was not a big corporate travel week.

Major RevPAR statistics presented below:

- Luxury RevPAR: +1.9% y/y
- Upper Upscale RevPAR: +2.2% y/y
- Upscale RevPAR: +1.3% y/y
- Upper Midscale RevPAR: +0.5% y/y
- Midscale RevPAR: -1.2% y/y
- Economy RevPAR: -3.7% y/y
- Independent hotels (~ 1/3rd of the data set) RevPAR: -0.1% y/y; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +0.9% y/y vs. +10.7% prior week;
 - Transient: +2.2% y/y vs. +4.2% prior week;
- Las Vegas RevPAR: +8.8% 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 +1.0% y/y vs. the running 28-day average of +3.7% y/y.
- **Occupancy:** Absolute occupancy was 62.0% vs. 65.8% for the running 28-day average.
- **Absolute Group occupancy:** 15.8% last week vs. 21.3% for the running 28 days.

The Lodging stocks:

- **Of the lodging stocks our favorite name is Wyndham (WH, Buy).** WH has underperformed the hotel C-corps since the initial news about the proposed merger with Choice Hotels (CHH, Hold) last spring. While the proposed merger has ended and investors can once again value WH as a standalone entity going forward, we view WH stock as considerably undervalued. We can also point to an 8-K released by WH on 3/11 in advance of CHH's decision to stop the merger pursuit where WH provided "pillars for standalone growth" representative of \$26 stock price upside by the end of 2025 driven by: 1) continuing a 6% plus historical EBITDA growth, 2) expected \$650M of FCF generation over the next two years, and 3) ability to deploy \$400M of additional leverage capacity based on a net leverage target of 3.5x (substantial cash returns to shareholders as has been the case for years). Additionally and distinctly from the \$26 upside, WH also views an additional \$22

upside per share driven by EBITDA growth that is anticipated to be in the 7-10% range and a re-rating on the multiple (1.0x is worth \$10/share in WH's calculation).

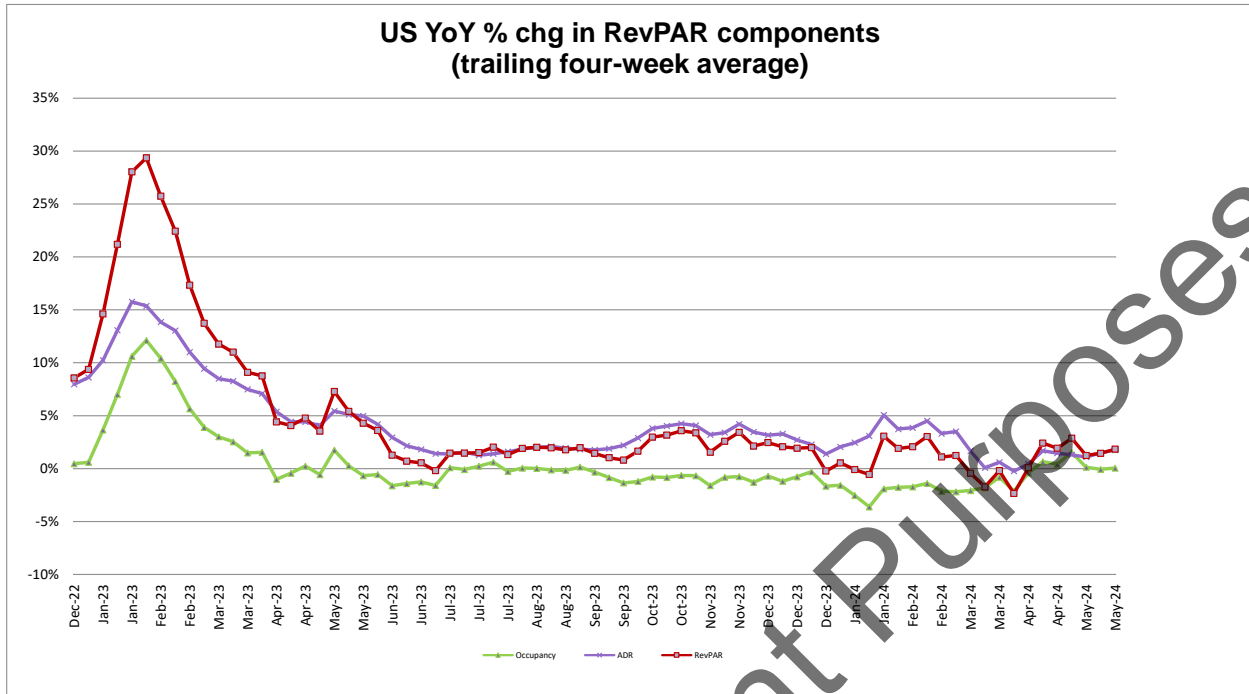
- **For the hotel REITS, our favorite name is RHP (Buy).** At 80% of its business coming from groups/conventions, RHP has the greatest exposure to this customer segment and has no hotels located in the especially tech-heavy San Francisco area. We add that RHP's hotels are likely benefiting from several "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 heart of the pandemic.
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Not for Investment Purposes

Weekly RevPAR Summary

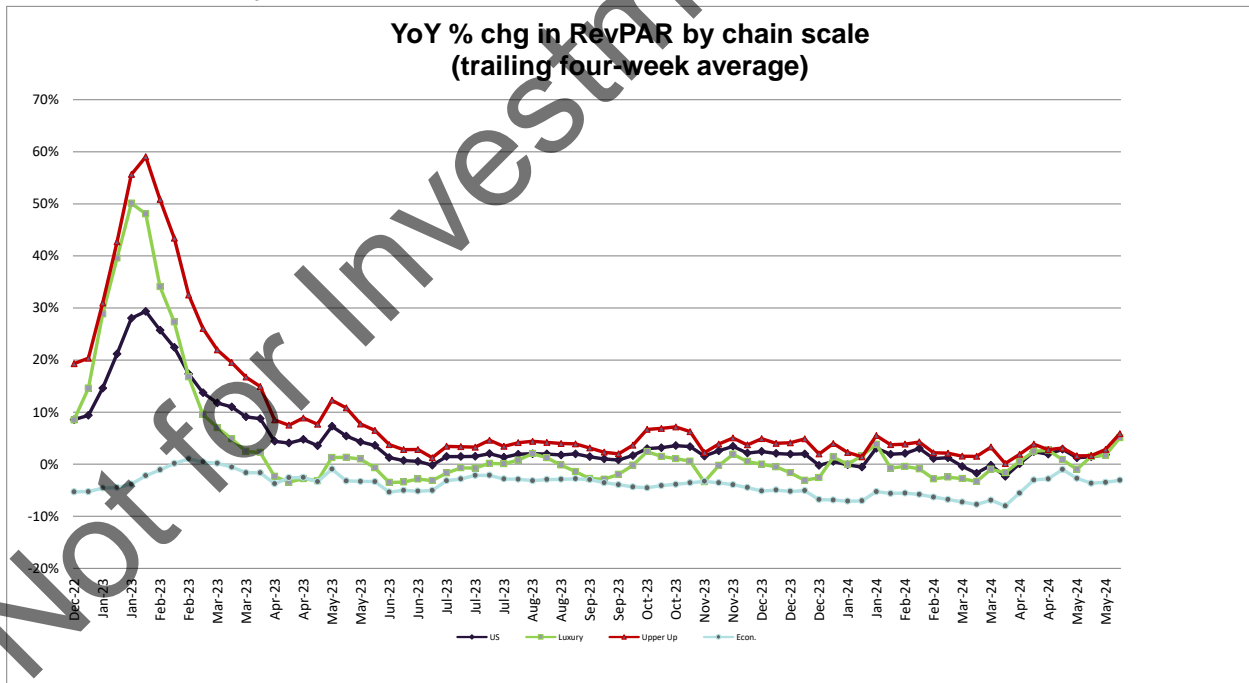
| YoY % change in RevPAR | | | | | | | | | | | | | |
|--|---------------|---------|---------|----------------|----------|--------|---------|---------------|----------|--------|---------|---------|--------|
| U.S. | Upper Upscale | | | Upper Midscale | | | Economy | Inde- pendent | New York | Boston | LA | Chicago | DC |
| | Luxury | Upscale | Upscale | Midscale | Midscale | | | | | | | | |
| 12/30/2023 | -8.7% | -7.8% | -8.7% | -8.4% | -10.9% | -12.0% | -12.7% | -10.1% | 4.7% | -9.3% | -1.9% | -14.8% | -11.5% |
| 1/6/2024 | 6.4% | 19.4% | 13.0% | 5.1% | 1.8% | -0.9% | -4.0% | 4.4% | 49.9% | 12.4% | 8.8% | 21.2% | 4.0% |
| 1/13/2024 | 3.3% | -3.7% | 2.1% | 0.8% | -2.8% | -5.2% | -6.3% | 14.8% | 6.2% | 16.0% | -16.6% | -3.7% | 4.8% |
| 1/20/2024 | -2.2% | -1.6% | 0.3% | -0.7% | -4.3% | -5.3% | -5.1% | -4.1% | 7.4% | 5.8% | 3.1% | 3.5% | 3.0% |
| 1/27/2024 | 4.8% | 1.1% | 6.6% | 3.9% | -0.7% | -3.4% | -5.6% | 11.2% | 9.0% | 8.2% | -2.2% | 52.1% | 4.8% |
| 2/3/2024 | 1.7% | 1.1% | 6.0% | 4.9% | 0.7% | -3.0% | -5.5% | -1.6% | 14.4% | 17.9% | -1.0% | 3.3% | 17.0% |
| 2/10/2024 | 3.9% | -2.3% | 2.5% | -0.6% | -2.5% | -6.6% | -6.0% | 17.3% | 11.5% | 12.5% | -2.4% | 1.6% | -1.2% |
| 2/17/2024 | 1.6% | -3.4% | 2.0% | -0.6% | -2.5% | -5.4% | -6.2% | 8.6% | 4.9% | 30.6% | -10.5% | -4.4% | 6.0% |
| 2/24/2024 | -2.9% | -6.6% | -1.7% | -2.6% | -3.5% | -6.0% | -7.6% | -2.8% | 0.4% | 4.4% | -13.9% | 0.4% | 6.0% |
| 3/2/2024 | 2.4% | 2.4% | 5.7% | 2.7% | -0.4% | -4.1% | -7.2% | 2.1% | 5.3% | 4.1% | 1.7% | -5.4% | -1.4% |
| 3/9/2024 | -2.9% | -3.4% | 0.2% | -0.7% | -2.7% | -5.9% | -8.0% | -7.4% | 4.6% | 9.3% | -4.3% | -8.6% | 14.5% |
| 3/16/2024 | -5.7% | -1.9% | 0.4% | -1.8% | -4.8% | -8.1% | -11.6% | 10.1% | 10.1% | 1.0% | 4.0% | 8.5% | 11.3% |
| 3/23/2024 | 3.2% | 2.8% | 5.4% | 3.6% | 1.1% | -1.3% | -4.4% | 2.2% | 11.6% | 11.5% | -0.7% | -12.0% | 14.5% |
| 3/30/2024 | -6.3% | -0.2% | -7.0% | -8.5% | -10.6% | -11.5% | -11.7% | -3.2% | 29.1% | -1.0% | -12.5% | -1.6% | -19.1% |
| 4/6/2024 | 6.9% | 5.1% | 7.2% | 7.5% | 9.2% | 8.3% | 1.9% | 3.5% | 7.2% | 17.2% | -6.5% | 6.7% | 11.2% |
| 4/13/2024 | 5.8% | 2.2% | 9.7% | 7.9% | 6.4% | 6.2% | 2.0% | -0.1% | 7.8% | 21.8% | -9.2% | 22.5% | 11.9% |
| 4/20/2024 | 1.2% | 3.7% | 1.2% | 1.4% | 0.3% | -0.1% | -3.5% | -0.3% | 13.2% | 9.1% | 0.4% | -16.2% | 15.4% |
| 4/27/2024 | -2.5% | -7.4% | -5.8% | -1.4% | -1.1% | -0.8% | -4.5% | -2.4% | -5.9% | -6.8% | -1.8% | -14.5% | -7.5% |
| 5/4/2024 | 5.0% | -2.3% | 1.2% | 0.9% | 0.0% | -1.5% | -4.8% | -0.3% | 7.8% | 4.5% | -8.0% | -10.9% | 7.1% |
| 5/11/2024 | 6.6% | 12.1% | 9.9% | 6.3% | 3.7% | 1.8% | -1.8% | 5.1% | 21.8% | 6.8% | 8.8% | 7.5% | 3.1% |
| 5/18/2024 | 2.8% | 4.5% | 6.0% | 3.6% | 1.6% | 0.8% | -2.8% | -0.7% | 9.6% | 13.0% | -4.9% | 11.2% | 6.8% |
| 5/25/2024 | 3.9% | 6.0% | 6.3% | 3.7% | 2.6% | 0.9% | -2.9% | 2.8% | 9.8% | 6.8% | -3.4% | 10.5% | 8.8% |
| 6/1/2024 | 1.0% | 1.9% | 2.2% | 1.3% | 0.5% | -1.2% | -3.7% | -0.1% | 4.8% | 3.9% | -6.0% | -1.9% | -10.3% |
| Medicare results for a leisure-heavy, low relative occupancy, holiday week | | | | | | | | | | | | | |
| 1019 | 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% |
| 2019 | 1.1% | 0.5% | -0.4% | 0.0% | -0.7% | 1.7% | 2.4% | | -1.8% | 4.5% | 1.6% | -0.1% | -1.5% |
| 3019 | 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% |
| 4019 | 1.7% | -2.6% | -1.5% | -2.9% | -1.5% | -2.3% | -1.5% | 2.3% | -4.1% | 11.6% | -1.1% | 1.7% | 7.3% |
| 1022 | 67.2% | 112.3% | 127.2% | 68.7% | 51.0% | 38.2% | 24.3% | 58.3% | 97.1% | 137.1% | 115.2% | 81.1% | 58.1% |
| 2022 | 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% |
| 3022 | 6.0% | 8.2% | 6.6% | 5.6% | 4.1% | 1.1% | -0.4% | 6.8% | 33.6% | 5.3% | 2.7% | 11.5% | 2.6% |
| 4022 | 16.3% | 19.7% | 30.1% | 20.5% | 11.7% | 5.1% | 1.4% | 12.3% | 50.8% | 35.6% | 11.4% | 37.3% | 53.2% |
| 1023 | 16.0% | 29.8% | 20.4% | 13.4% | 4.8% | 0.8% | 12.9% | | 46.6% | 35.0% | 11.6% | 26.6% | 56.7% |
| 2023 | 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% |
| 3023 | 1.7% | 0.1% | 3.9% | 3.7% | 1.7% | -1.0% | -3.5% | 0.2% | 16.4% | 8.0% | 1.2% | -1.9% | 11.8% |
| 4023 | 1.3% | -0.5% | 4.3% | 2.7% | -0.1% | -3.0% | -5.4% | 0.2% | 14.6% | 13.8% | 0.6% | 0.7% | 5.7% |
| 1024 | 0.2% | -0.3% | 2.9% | 0.1% | -2.1% | -4.5% | -6.9% | -0.2% | 11.6% | 9.7% | -4.3% | 1.9% | 5.3% |
| YoY % change in ADR | | | | | | | | | | | | | |
| U.S. | Upper Upscale | | | Upper Midscale | | | Economy | Inde- pendent | New York | Boston | LA | Chicago | DC |
| | Luxury | Upscale | Upscale | Midscale | Midscale | | | | | | | | |
| 12/30/2023 | -2.8% | -8.3% | -3.9% | -3.7% | -3.0% | -4.5% | -4.7% | -2.8% | 2.2% | -7.8% | -1.8% | 6.5% | -5.8% |
| 1/6/2024 | 1.2% | 8.2% | 6.6% | 5.6% | 4.1% | 1.1% | -0.4% | 6.8% | 33.6% | 5.3% | 2.7% | 11.5% | 2.6% |
| 1/13/2024 | 6.3% | -2.4% | 3.3% | 3.1% | 2.3% | -0.5% | -2.1% | 16.6% | 4.6% | 2.2% | -12.4% | 0.1% | 2.1% |
| 1/20/2024 | 1.6% | -2.3% | 1.4% | 1.9% | 1.0% | -0.9% | -2.7% | 1.8% | 5.6% | 1.7% | 0.9% | 3.7% | 2.6% |
| 1/27/2024 | 5.1% | -3.3% | 3.0% | 2.9% | 1.8% | -0.2% | -2.5% | 11.4% | 5.7% | 2.2% | -0.6% | 21.2% | 3.2% |
| 2/3/2024 | 1.9% | -3.6% | 1.4% | 2.5% | 1.1% | -0.6% | -2.8% | 1.4% | 6.3% | 4.7% | -0.1% | 2.7% | 5.6% |
| 2/10/2024 | 6.8% | -4.1% | 1.9% | 1.0% | 1.5% | -1.6% | -2.4% | 21.9% | 5.2% | 5.4% | -0.9% | 1.1% | 0.2% |
| 2/17/2024 | 4.2% | -4.0% | 1.4% | 1.1% | 0.6% | -1.1% | -2.7% | 12.8% | 3.0% | 14.0% | -6.3% | -0.5% | 3.3% |
| 2/24/2024 | 0.3% | -5.2% | -0.4% | -0.4% | -0.4% | -1.5% | -2.9% | 2.0% | 1.7% | 1.8% | -4.1% | 2.3% | 4.6% |
| 3/2/2024 | 2.7% | -1.8% | 2.3% | 1.4% | 0.5% | -1.2% | -3.8% | 3.9% | 0.5% | 0.7% | 2.1% | -3.5% | -3.7% |
| 3/9/2024 | -0.6% | -3.9% | -0.8% | 0.0% | -0.4% | -2.0% | -4.5% | -3.0% | 1.9% | 3.9% | -0.9% | -5.1% | 8.5% |
| 3/16/2024 | -2.1% | -6.7% | -0.3% | 0.4% | -0.2% | -1.9% | -4.7% | -8.3% | 6.7% | 0.9% | 0.4% | 2.9% | 6.6% |
| 3/23/2024 | 2.5% | -1.3% | 2.6% | 2.0% | 0.8% | -0.8% | -3.2% | 2.6% | 7.1% | 4.7% | -1.7% | -11.6% | 7.9% |
| 3/30/2024 | 2.3% | 1.0% | 2.7% | 1.6% | 0.7% | 1.3% | 1.4% | 3.3% | 14.1% | 4.3% | -6.1% | -4.6% | -10.6% |
| 4/6/2024 | 2.4% | -2.5% | 1.6% | 2.6% | 3.0% | 1.6% | -0.4% | 0.6% | 3.2% | 8.0% | -2.9% | 2.4% | 5.6% |
| 4/13/2024 | 2.9% | -6.3% | 1.7% | 4.1% | 4.4% | 3.3% | 0.7% | 0.1% | 4.1% | 9.3% | -4.4% | 7.1% | 6.8% |
| 4/20/2024 | 1.5% | -0.9% | 1.5% | 1.4% | 0.8% | -0.5% | -2.4% | 0.8% | 6.0% | 4.2% | -0.1% | 12.4% | 10.0% |
| 4/27/2024 | -1.3% | -5.3% | -2.9% | -0.8% | -0.7% | -0.8% | -2.7% | -0.8% | -2.4% | -6.1% | -0.9% | -4.1% | -2.9% |
| 5/4/2024 | 1.3% | -3.1% | 1.3% | 1.4% | 1.1% | -1.0% | -2.3% | 1.1% | 4.3% | 1.0% | -3.2% | 1.7% | 3.8% |
| 5/11/2024 | 4.4% | 4.1% | 4.1% | 3.8% | 2.2% | 0.7% | -1.4% | 4.4% | 12.3% | 4.5% | 6.2% | 1.8% | 1.3% |
| 5/18/2024 | 2.6% | -0.7% | 3.1% | 2.5% | 1.4% | 0.5% | -1.5% | 1.6% | 7.3% | 3.0% | -3.7% | 6.8% | 5.6% |
| 5/25/2024 | 2.3% | 0.3% | 2.0% | 1.5% | 1.0% | 0.2% | -2.1% | 2.4% | 5.7% | 4.5% | -4.5% | 0.6% | 4.7% |
| 6/1/2024 | 0.1% | -4.0% | -0.2% | -0.5% | -0.7% | -1.0% | -3.0% | 0.2% | 1.0% | 2.7% | -3.8% | -3.4% | -5.6% |
| 1019 | 1.1% | 2.2% | 2.5% | 1.0% | 0.8% | -0.2% | -0.3% | 1.0% | -3.3% | 0.7% | -1.0% | -2.4% | 1.5% |
| 2019 | 1.2% | 2.5% | 1.4% | 0.6% | 0.7% | -0.2% | 0.6% | 1.7% | 0.6% | 3.2% | 0.8% | 1.7% | 0.2% |
| 3019 | 0.8% | 1.5% | 1.3% | 0.2% | -0.1% | -0.5% | -0.5% | 1.6% | -1.9% | 0.5% | -0.2% | -2.8% | 4.0% |
| 4019 | 0.7% | 2.4% | 0.6% | -0.4% | -0.3% | -1.0% | -1.0% | 1.9% | -2.7% | -3.5% | 0.3% | -2.2% | 3.9% |
| 1020 | -3.2% | -1.8% | -2.9% | -2.9% | -3.1% | -3.8% | -3.9% | -4.5% | -3.2% | -2.9% | -3.2% | -2.6% | -3.5% |
| 2020 | -37.1% | -22.0% | -34.0% | -30.0% | -23.1% | -17.1% | -14.6% | -8.8% | -52.3% | -27.4% | -40.5% | -53.7% | -48.8% |
| 3020 | -24.1% | -12.6% | -25.6% | -24.2% | -17.3% | -11.6% | -9.4% | -16.1% | -17.7% | -17.3% | -31.6% | -43.2% | -34.5% |
| 4020 | -27.2% | -11.1% | -29.0% | -26.9% | -17.8% | -10.4% | -5.0% | -2.0% | -54.1% | -45.5% | -29.2% | -44.8% | -40.7% |
| 1021 | -13.6% | 3.4% | -13.4% | -2.0% | -1.2% | -2.3% | -3.2% | -1.9% | -23.3% | -32.7% | -23.7% | -25.7% | -27.9% |
| 2021 | 43.2% | 37.8% | 30.6% | 21.3% | 23.1% | 20.4% | 18.6% | -19.4% | 33.5% | 38.0% | 42.5% | 46.1% | 23.1% |
| 3021 | 36.2% | 31.8% | 35.0% | 29.7% | 28.3% | 23.5% | 21.1% | 32.8% | 64.2% | 57.7% | 43.1% | 59.6% | 29.4% |
| 4021 | 42.1% | 41.8% | 34.7% | 34.7% | 29.5% | 22.2% | 20.2% | 39.2% | 69.6% | 69.6% | 61.1% | 64.9% | 41.5% |
| 1022 | 37.5% | 21.0% | 39.7% | 34.1% | 24.0% | 17.3% | 14.0% | 34.0% | 52.2% | 50.5% | 61.8% | 41.1% | 31.7% |
| 2022 | 26.2% | 14.3% | 29.0% | 27.1% | 16.9% | 14.8% | 11.8% | 20.5% | 69.0% | 73.6% | 32.9% | 53.6% | 60.6% |
| 3022 | 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% |
| 4022 | 6.3% | 12.6% | 12.6% | 13.7% | 8.7% | 10.2% | 26.0% | 8.7% | 29.5% | 20.5% | 8.4% | 29.2% | 27.8% |
| 1023 | 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% |
| 2023 | 2.2% | -1.2% | 2.5% | 4.3% | 3.5% | 1.6% | 0.9% | 2.1% | 9.6% | 5.8% | 2.5% | 8.5% | 11.6% |
| 3023 | 2.2% | -1.4% | 1.3% | 2.2% | 2.2% | 0.8% | 0.0% | 2.1% | 9.8% | 3.8% | 0.2% | -2.1% | 6.3% |
| 4023 | 2.9% | -2.3% | 2.7% | 2.5% | 1.8% | -0.3% | -1.3% | 3.7% | 9.6% | 7.0% | 0.0% | 0.7% | 3.5% |
| 1024 | 2.2% | -2.4% | 1.9% | 1.4% | 0.6% | -1.0% | -3.0% | 3.1% | 6.7% | 3.3% | -2.2% | 0.4% | 2.8% |
| YoY % change in Occupancy | | | | | | | | | | | | | |
| U.S. | Upper Upscale | | | Upper Midscale | | | Economy | Inde- pendent | New York | Boston | LA | Chicago | DC |
| | Luxury | Upscale | Upscale | Midscale | Midscale | | | | | | | | |
| 12/30/2023 | -7.1% | 0.6% | -5.1% | -6.6% | -8.2% | -7.8% | -8.4% | -7.5% | 1.4% | -1.7% | 0.0% | -6.6% | -6.1% |
| 1/6/2024 | -0.7% | 1.3% | -1.2% | -0.4% | -2.2% | -2.0% | -3.7% | -2.2% | 12.3% | 6.8% | 5.9% | 6.7% | 1.4% |
| 1/13/2024 | -2.8% | -1.3% | -1.2% | -2.2% | -4.9% | -4.7% | -4.3% | -1.6% | 1.5% | 13.5% | -4.8% | -4.4% | 2.7% |
| 1/20/2024 | -3.8% | 0.7% | -1.1% | -2.6% | -5.3% | -4.5% | -2.4% | -5.8% | 1.7% | 4.0% | 2.2% | -0.1% | 0.4% |
| 1/27/2024 | -0.3% | 4.6% | 3.5% | 3.9% | -2.5% | -3.2% | -3.2% | -0.2% | 3.2% | 5.8% | -1.6% | 25.9% | 1.4% |
| 2/3/2024 | -0.1% | 4.8% | 4.5% | 2.5% | 0.5% | -2.8% | -2.9% | 7.6% | 12.5% | -0.9% | 0.6% | 10.9% | |
| 2/10/2024 | -2.7% | 1.8% | 0.8% | -1.6% | -3.9% | -5.0% | -3.7% | -3.7% | 6.0% | 6.7% | -1.6% | 0.5% | -1.4% |
| 2/17/2024 | -5.3% | 0.6% | 0.6% | -1.7% | -3.0% | -4.4% | -3.6% | -3.7% | 1.8% | 14.6% | -4.5% | -3.9% | 2.6% |
| 2/24/2024 | -3.3% | -1.5% | -1.3% | -2.2% | -3.1% | -4.6% | -4.9% | -4.7% | -1.2% | 2.6% | -0.8% | -1.9% | 1.3% |
| 3/2/2024 | -0.9% | 4.3% | 3.3% | 1.3% | -0.9% | -2.9% | -3.6% | -1.7% | 4.8% | 3.4% | -0.3% | -2.0% | 2.3% |
| 3/9/2024 | -2.2% | 0.4% | 1.0% | -0.8% | -2.2% | -3.9% | -3.6% | -4.5% | 2.7% | 5.2% | -3.5% | -3.7% | 5.6% |
| 3/16/2024 | -2.4% | -1.1% | 2.2% | -0.1% | -1.5% | -3.0% | -3.5% | -3.6% | 3.2% | 0.1% | 3.6% | 5.4% | 4.5% |
| 3/23/2024 | 0.7% | 4.2% | 2.7% | 1.6% | 0.3% | -0.5% | -1.2% | -0.9% | 4.2% | 6.5% | 1.1% | -0.5% | 6.4% |
| 3/30/2024 | -5.6% | -1.2% | -4.8% | -6.3% | -7.3% | -6.8% | -6.3% | -4.5% | 13.2% | -0.6% | -6.9%</ | | |

RevPAR Component Trends



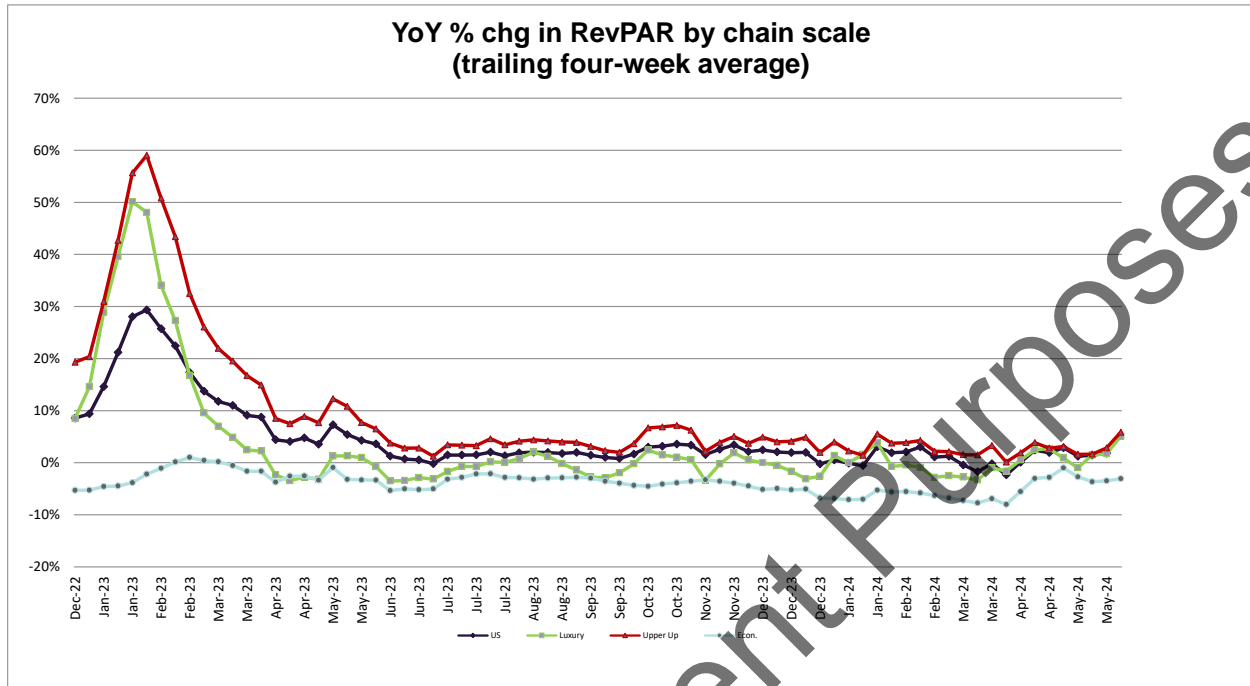
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



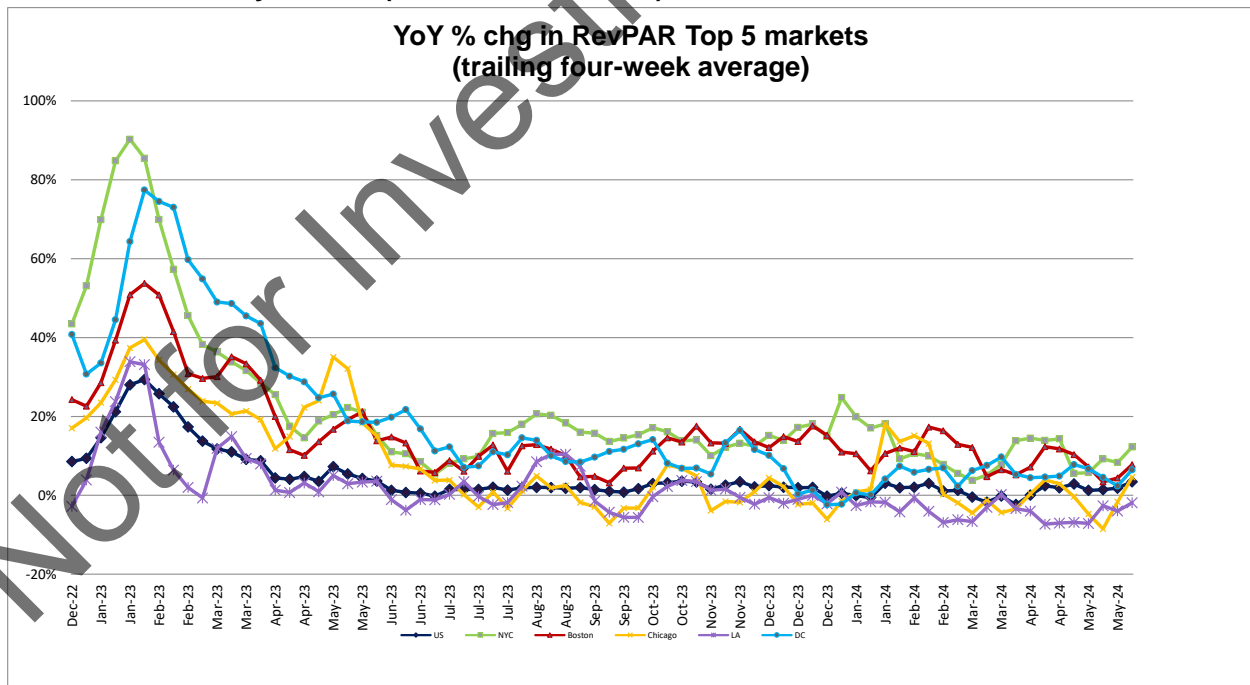
Source: STR data, Truist Securities research

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

H: Valuation and Risks

Our price target of \$168 is derived by applying a 15.0x target EV/EBITDA multiple (a blended average of the industry multiples for each business segment) to our estimate for 2025 EBITDA. Our sum-of-the-parts analysis on our 2025 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.

WH: Valuation and Risks

Our price target of \$105 for WH is based on a 15.0x target EV/EBITDA multiple (in line with portfolio quality/RevPAR relative to peers) of our 2025 EBITDA estimate.

Risks to our rating and price target: Slowdown in development opportunities. Macro demand/pipeline headwinds.

RHP: Valuation and Risks

Our price target of \$130 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.

CHH: Valuation and Risks

Our price target of \$144 for CHH is derived by applying a 14.0x target EV/EBITDA multiple (slightly above industry average and in the midpoint of CHH's historical trading multiple range) to our estimate for 2025 EBITDA.

Risks to our rating and price target include: Upside risks: conservative guidance, if the economy performs better than expected, outperformance by Radisson. Downside risks: slowdown in development opportunities, high construction costs, newly created brands grow slower than expectations, and underperformance by Radisson.

Companies Mentioned in This Note

- Choice Hotels International, Inc.** (CHH, \$112.11, Hold, C. Patrick Scholes)
- Hyatt Hotels Corporation** (H, \$144.99, Buy, C. Patrick Scholes)
- Ryman Hospitality Properties, Inc.** (RHP, \$103.92, Buy, C. Patrick Scholes)
- Wyndham Hotels & Resorts, Inc.** (WH, \$69.29, Buy, C. Patrick Scholes)

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I, C. Patrick Scholes , hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

I, Gregory J. Miller , hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

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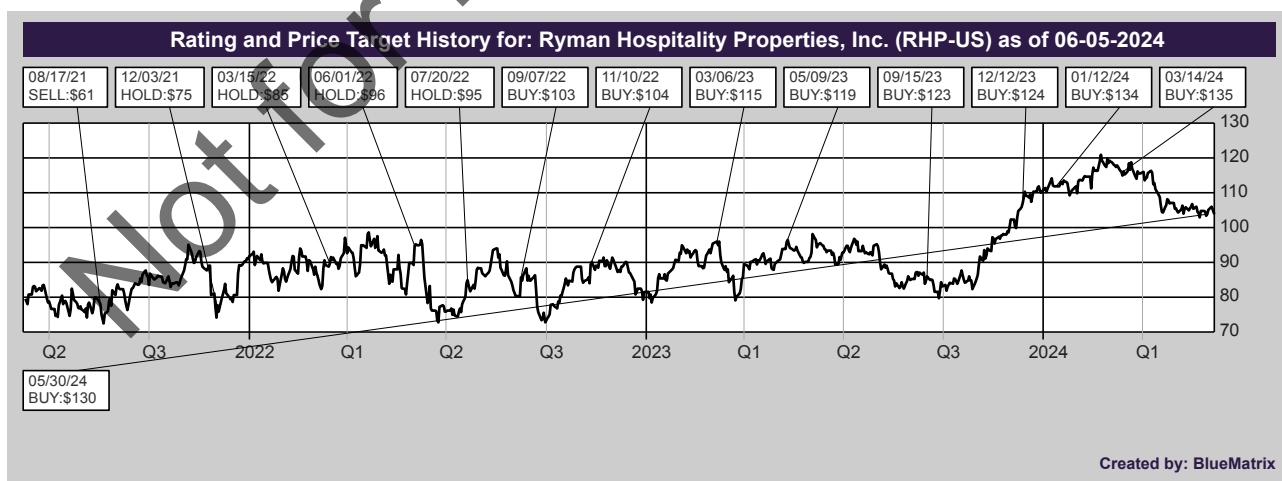
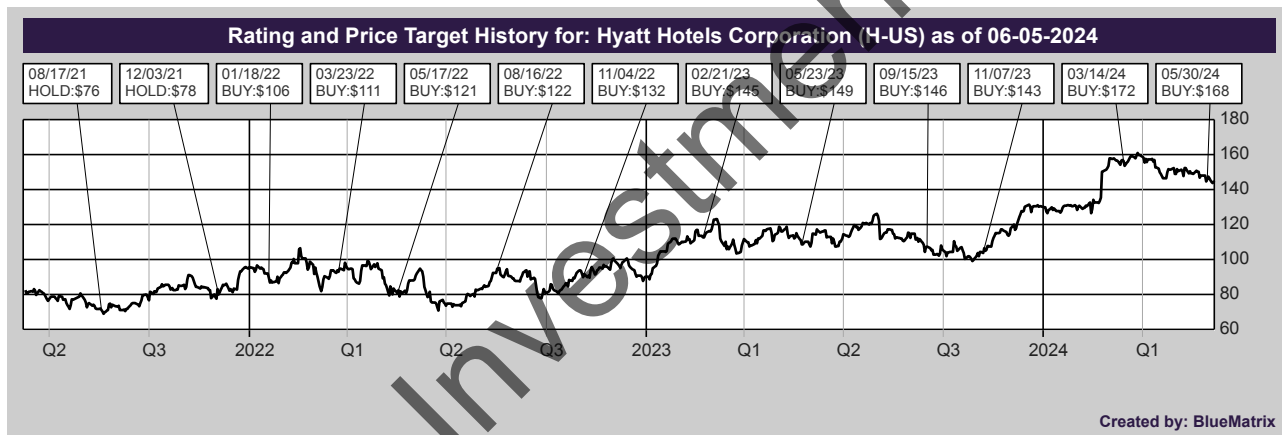
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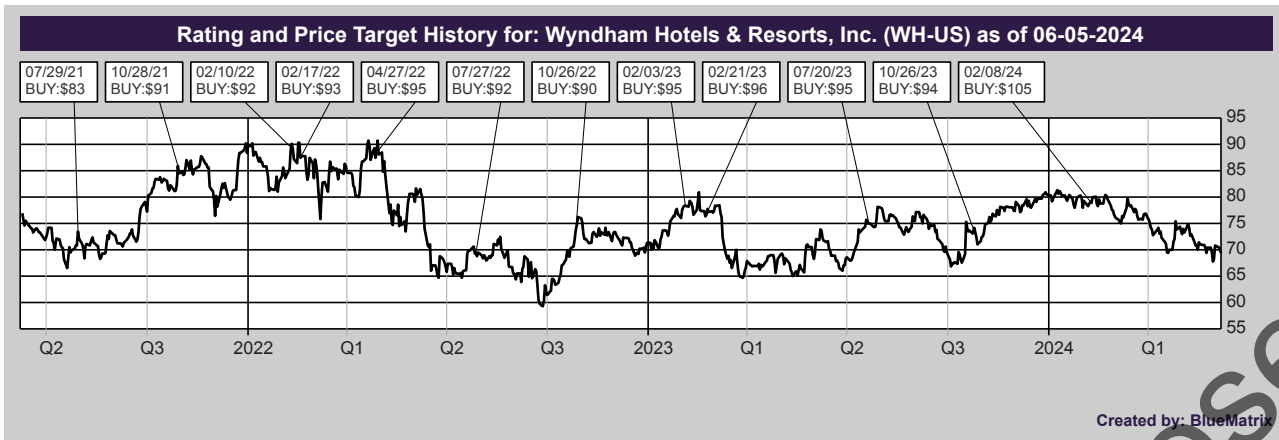
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Legend for Rating and Price Target History Charts:

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S = Sell

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CS = Coverage Suspended

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|-------------------|-------|---------|---|-------|---------|
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| Hold | 249 | 36.35% | Hold | 33 | 13.25% |
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