

Equity Research Report August 14, 2024

**CONSUMER: Lodging** 

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# Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

# Lodging: US RevPAR +1.9% y/y; clean comp. Positive y/y Economy RevPAR growth for the first time in months

Overall U.S. RevPAR was +1.9% y/y for the week ending 8/10/2024, per STR, above the prior week's result of +1.3% y/y and above the trailing 10-week average of +0.9%.

Economy chain scale RevPAR was +0.9% y/y, the first positive RevPAR growth week for Economy since mid-April 2024 (holiday shift impact). Economy RevPAR largely started to trend negatively in late Fall 2022.

#### A couple other takeaways:

- Last week represented a difficult y/y comp in LA due to Taylor Swift concerts last year. LA RevPAR was -12.2% y/y.
- Group continued to have an excellent headline result (RevPAR +10.1% y/y but we repeat that group demand is light in the summer (leisure-heavy period) and we view fall Group performance more relevant for both EBITDA and trends).
- Houston RevPAR continues to be strong at the headline (+47.2%) which we assume
  is the continuation of hurricane displacement impact.

# Major RevPAR statistics presented below:

- Luxury RevPAR: -0.6% v/y
- Upper Upscale RevPAR: +4.6% y/y
- Upscale RevPAR: +2.1% y/y
- Upper Midscale RevPAR: +1.1% y/y
- Midscale RevPAR: +1.3% y/y
- Economy RevPAR: +0.9% y/y
  - Independent hotels (~ 1/3rd of the data set) RevPAR: +0.1% y/y; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +10.1% y/y vs. +5.7% prior week;
  - o Transient: -0.4% y/y vs. -0.0% prior week;
- Las Vegas RevPAR: +3.4% y/y
  - As a caveat, we note that many large Strip casino hotel operators do not participate in STR's survey.

# <u>Last week's RevPAR details and sequential trends (all comparable information on new STR methodology):</u>

- Headline RevPAR was +1.9% y/y vs. the running 28-day average of +1.9% y/y.
- Occupancy: Absolute occupancy was 68.7% vs. 70.9% for the running 28-day average.
- Absolute Group occupancy: 18.8% last week vs. 20.6% 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.

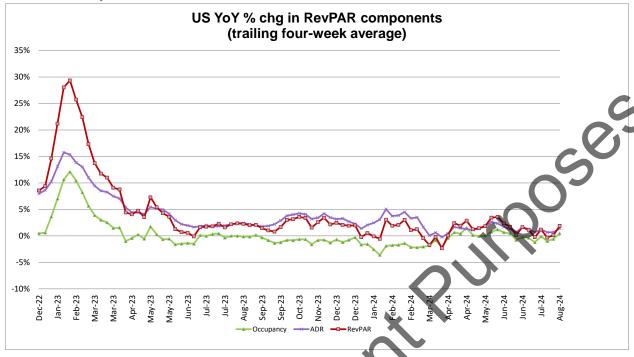


# **Weekly RevPAR Summary**

-	1		Upper		Upper	Y % chang		Inde-	New				
4/13/2024 4/20/2024	U.S. 5.8% 1.2%	2.2% 3.7%	9.7% 1.2%	7.9% 1.4%	6.4% 0.3%	6.2% -0.1%	2.0% -3.5%	-0.1% -0.3%	7.8% 13.2%	21.8% 9.1%	-9.2% 0.4%	22.5% -16.2%	DC 11.9% 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%	-11.8%	-14.5%	-7.5%
5/4/2024	0.5%	-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%
6/8/2024	1.7%	1.0%	2.2%	2.1%	0.7%	-0.4%	-2.4%	1.1%	13.7%	-0.2%	-1.7%	-4.5%	8.2%
6/15/2024	0.3%	-0.7%	2.6%	1.2%	-0.4%	-1.5%	-3.6%	-2.0%	7.5%	11.8%	-11.4%	0.4%	9.6%
6/22/2024	-2.3%	-3.6%	-2.1%	-2.8%	-3.0%	-2.5%	-4.3%	-2.7%	-6.4%	-3.5%	-6.0%	8.7%	-12.9%
6/29/2024	6.9%	9.8%	9.9%	8.2%	5.4%	3.0%	-2.9%	5.2%	23.7%	17.3%	8.2%	17.6%	23.2%
7/6/2024	-0.4%	4.1%	1.1%	-1.6%	-2.4%	-1.5%	-1.3%	-0.8%	6.6%	-2.6%	5.8%	-8.5%	4.0%
7/13/2024	-5.2%	-9.3%	-6.6%	-4.5%	-3.6%	-2.9%	-4.7%	-6.6%	1.1%	4.5%	0.5%	-10.2%	-0.5%
7/20/2024	3.4%	0.7%	3.6%	4.2%	3.3%	2.1%	-0.1%	2.7%	1.6%	6.4%	2.8%	10.1%	-2.3%
7/27/2024	0.9%	1.1%	2.2%	0.9%	0.4%	-0.6%	-2.2%	-0.3%	0.6%	13.7%	2.7%	5.8%	2.2%
8/3/2024	1.3%	-1.5%	3.2%	2.5%	1.3%	0.0%	-2.0%	-0.5%	1.1%	1.9%	-10.7%	15.5%	6.7%
8/10/2024	1.9%	-0.6%	4.6%	2.1%	1.1%	1.3%	0.9%	0.1%	10.0%	10.3%	-12.2%	27.8%	3.7%
		conomy RevPAI				Upper Upscale and Upscale led chainscales				Chicago and Boston led top 5 markets			
1Q19 2Q19 3Q19	1.5% 1.1% 0.7%	-0.7% 1.1%	1.2% 0.5%	-0.5% -0.4% -0.5%	0.4% 0.0%	-0.1% -0.7% -1.0%	1.9% 1.7% -0.9%	3.1% 2.4%	-7.1% -1.8% -2.2%	-2.1% 4.5% -0.4%	-1.7% 1.6% -0.2%	-4.5% -0.1% -2.2%	-2.4% -1.5% 4.5%
3Q19 4Q19 1Q22 2Q22	0.7% 0.7% 67.2% 38.8%	1.3% 3.6% 112.3% 70.2%	1.1% 1.0% 127.2% 82.9%	-0.5% -0.6% 69.7% 46.8%	-0.1% -1.0% 51.0% 26.2%	-1.0% -2.7% 38.2% 15.4%	-0.9% -1.5% 24.3% 8.8%	1.6% 2.3% 58.3% 27.7%	-2.2% -4.1% 97.1% 141.2%	-0.4% -11.6% 137.1% 172.1%	1.1% 115.2% 51.0%	-2.2% -0.7% 85.1% 109.5%	5.2% 58.1% 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 3Q23	2.5% 1.7%	-2.3% 0.1%	5.1% 3.9%	5.8% 3.7%	3.8% 1.7% -0.1%	-0.4% -1.0%	-3.8% -3.5%	-0.6% 0.2%	13.3% 16.4%	11.2% 8.0%	1.2%	12.1% -1.9%	17.4% 11.5%
4Q23 1Q24 2Q24	0.2% 2.5%	-0.5% -0.3% 2.0%	4.3% 2.9% 3.8%	2.7% 0.1% 3.1%	-0.1% -2.1% 2.1%	-3.0% -4.5% 1.4%	-5.4% -6.9% -2.0%	-0.2% -0.2% 0.4%	14.6% 11.6% 8.6%	13.8% 9.7% 7.9%	0.6% -4.3% -3.4%	0.7% 1.9% 3.0%	5.7% 5.3% 5.5%
-	U.S.	Luxury	Upper Upscale	Upscale	Upper	YoY % cha		Inde-	New York	Boston	LA	Chicago	DC
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%	6.6%
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%	
4/27/2024	-1.3%	-5.3%	-2.9%	-0.8%	-0.7%	-0.8%	-2.7%	-0.6%	-2.4%	-6.1%	-6.9%	-9.1%	4.7%
5/4/2024	1.3%	-3.1%	1.3%	1.4%	1.1%	-1.0%	-2.3%	1.1%	4.3%	1.0%	-6.2%	-7.7%	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%	8.0%	-3.7%	5.8%	5.6%
5/25/2024	2.3%	-0.3%	2.0%	1.5%	1.0%	0.2%	-2.1%	2.4%	5.7%	4.3%	-4.5%		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%	-4.8%	-3.4%	5.6%
6/8/2024	1.8%	-0.4%	1.4%	1.6%	1.1%	0.4%	-2.1%	1.9%	9.1%	-1.3%	-1.8%	-2.5%	5.2%
6/15/2024	0.9%	-3.1%	1.1%	0.9%	0.5%	-0.3%	-2.4%	0.1%	4.1%	6.6%	11.1%	0.6%	6.4%
6/22/2024	0.1%	-3.9%	0.2%	-0.4%	-0.2%	-0.5%	-2.2%	0.3%	-4.1%	-1.5%	-4.1%	5.6%	-5.4%
6/29/2024	3.6%	-0.1%	3.3%	3.4%	2.3%	0.9%	-2.1%	3.3%	15.4%	8.7%	1.4%	12.0%	12.6%
7/6/2024 7/13/2024 7/20/2024	0.5% -1.5% 2.4%	-2.8% -3.2% -2.1%	1.3% -2.0% 2.1%	-0.1% -0.7% 2.4%	-0.8% -0.3% 2.5%	-0.5% -0.5% 1.8%	-0.9% -2.5% -0.4%	0.2% -2.1% 2.2%	3.5% 1.2% 2.7%	3.8% 5.0%	1.7% -0.4% 0.5%	-2.2% -4.1% 5.1%	1.7% 2.0% -1.2%
7/27/2024 8/3/2024 8/10/2024	1.3% 0.6% 1.4%	-1.9% -3.5% -0.8%	1.8% 0.9% 2.7%	0.8% 0.7% 1.3%	0.8% 0.6% 1.0%	1.1% 0.5% 1.3%	-0.7% -1.4% -0.1%	0.6% -0.5% 0.4%	1.4% 0.0%	10.9%	1.1% -8.5% -8.9%	4.8% 10.7% 13.8%	3.1% 3.9% 2.0%
1Q19 2Q19	1.1%	2.2% 2.5%	2.5%	1.0%	0.8%	-0.2% -0.2%	-0.1% -0.3% 0.6%	1.0%	3.8%	0.7% 3.2%	-1.0% 0.8%	-2.4% -1.7%	1.5%
3Q19 4Q19 1Q20	0.8% 0.7% -4.0%	2.5% 1.5% 2.4% 1.6%	1.4% 1.3% 0.6%	0.6% 0.2% -0.4% -2.9%	-0.1% -0.3% -3.1%	-0.2% -0.5% -1.0%	-0.5% -1.0%	1.6% 1.9%	-1.9% -3.7%	0.9% -5.5% -6.2%	-0.2% 0.3%	-1.7% -2.8% -2.2% -2.6%	4.0% 3.9% -6.8%
2Q20	-37.1%	-22.0%	-34.0%	-30.0%	-23.1%	-17.1%	-14.6%	-34.6%	-52.3%	-56.9%	-40.5%	-53.7%	-48.8%
3Q20	-24.1%	-12.6%	-25.6%	-24.2%	-17.3%	-11.6%	-9.4%	-16.1%	-47.7%	-47.3%	-31.6%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-20.9%	-54.1%	-45.5%	-29.2%	-44.8%	-40.7%
1Q21 2Q21 3Q21	-19.6% 43.2% 36.2%	3.4% 37.8% 31.8%	-23.4% 30.6% 35.0%	-23.0% 21.3% 29.7%	-14.2% 23.1% 28.3%	-6.3% 20.4% 23.5%	-1.5% 18.6% 21.1%	52.6% 32.8%	-28.3% 33.5% 64.2%	-32.7% 38.0% 57.7%	-29.7% 42.5% 43.1%	-25.7% 46.1% 59.6%	-27.9% 23.1% 29.4%
4Q21	41.5%	29.6%	41.9%	34.2%	28.5%	22.9%	18.8%	39.2%	99.6%	69.6%	46.1%	64.9%	41.6%
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 3Q23 4Q23	3.2% 2.2% 2.9%	-1.2% -1.4% -2.3%	2.5% 1.3% 2.7%	4.3% 2.2% 2.5%	3.5% 2.2%	1.6% 0.3% -0.3%	0.9% 0.0% -1.3%	2.1% 2.1% 3.7%	9.6% 9.8% 9.6%	5.8% 3.8% 7.0%	2.5% 0.2% 0.0%	8.5% -2.1% 0.7%	11.6% 6.2% 3.5%
1Q24 2Q24	2.2% 1.6%	-2.4% -2.2%	1.9%	1.1% 1.6%	0.6% 1.3%	-1.0% 0.7%	-3.0% -1.4%	3.1% 0.7%	6.7% 4.6%	3.3% 3.6%	-2.2% -3.1%	0.4%	2.8% 3.6%
-	YoY % change in Occupancy Upper Upper Inde New U.S. Luxury Upscale Upscale Midscale Midscale Economy pendent York Boston LA Chicago DC												
4/13/2024	2.8%	9.1%	7.9%	3.7%	2.0%	2.8%	1.3%	-0.2%	3.5%	11.5%	-5.0%	14.4%	4.8%
4/20/2024	-0.3%	4.6%	-0.2%	0.0%	-0.5%	0.3%	-1.1%	-1.2%	6.8%	4.8%	0.5%	-4.3%	5.0%
4/27/2024	-1.2%	-2.3%	-3.0%	-0.6%	-0.4%	0.0%	-1.9%	-1.8%	-3.6%	-0.7%	-5.2%	-5.9%	-2.9%
5/4/2024	-0.8%	0.6%	0.0%	-0.5%	-1.0%	-0.6%	-2.6%	-1.4%	3.3%	3.4%	-1.9%	-3.5%	3.2%
5/11/2024	2.1%	7.6%	5.6%	2.4%	1.4%	1.2%	-0.4%	0.8%	8.5%	2.2%	2.4%	5.6%	1.8%
5/18/2024	0.2%	5.2%	2.9%	1.1%	0.2%	0.3%	-1.4%	-2.2%	2.2%	4.7%	-1.3%	5.2%	1.1%
5/25/2024 6/1/2024	1.6% 0.9% -0.1%	6.4% 6.2%	4.2% 2.4%	2.1% 1.8%	1.6% 1.2%	0.7% -0.1%	-0.8% -0.7%	0.4% -0.3%	3.9% 3.8%	2.4% 1.2%	1.1% -1.2%	7.8% 1.5%	3.9% -5.0%
6/8/2024 6/15/2024 6/22/2024	-0.6% -3.4%	1.4% 2.4% -0.6%	0.8% 1.5% -3.2%	0.5% 0.3% -3.4%	-0.4% -0.9% -3.8%	-0.8% -1.3% -2.9%	-0.3% -1.2% -3.2%	-0.8% -2.0% -4.0%	4.3% 3.2% -3.4%	1.1% 4.9% -3.0%	0.2% -0.3% -3.0%	-2.0% -0.2% 1.8%	2.9% 3.0% -8.8%
6/29/2024	3.2%	9.9%	6.4%	4.7%	3.1%	2.2%	-0.8%	1.8%	7.2%	7.9%	6.7%	5.0%	9.5%
7/6/2024	-0.9%	7.0%	-0.2%	-1.6%	-1.6%	-0.9%	-0.4%	-0.9%	3.1%	1.3%	4.0%	-6.4%	2.2%
7/13/2024	-3.7%	-6.3%	-4.7%	-3.8%	-3.3%	-2.4%	-2.2%	-4.5%	-0.1%	0.7%	0.9%	-6.4%	-2.4%
7/20/2024	1.0%	2.9%	1.5%	1.7%	0.7%	0.2%	0.3%	0.5%	-1.0%	1.3%	2.3%	4.8%	-1.1%
7/27/2024	-0.4%	3.0%	0.4%	0.1%	-0.4%	-1.6%	-1.6%	-0.8%	-0.8%	2.4%	1.6%	1.0%	-0.9%
8/3/2024	0.8%	2.1%	2.3%	1.8%	0.7%	-0.5%	-0.6%	0.0%	1.1%	0.0%	-2.5%	4.3%	2.6%
8/10/2024 1Q19	0.5%	-2.8%	1.9%	-1.4%	0.2% -0.5%	0.0%	1.0%	-0.3% 2.1%	6.8% -3.5%	3.0%	-3.6% -0.7%	12.2% -2.2%	1.7% -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%
3Q23 4Q23 1Q24	-0.5% -1.6% -2.0%	1.5% 1.8% 2.1%	2.6% 1.5% 0.9%	1.4% 0.2% -0.9%	-0.5% -1.8% -2.7%	-1.3% -2.7% -3.6%	-3.5% -4.2% -4.0%	-1.8% -3.3%	6.0% 4.5% 4.6%	4.1% 6.4% 6.2%	1.1% 0.5% -2.1%	0.3% 0.1% 1.5%	5.0% 2.1% 2.4%
2Q24	0.9%	4.3%	2.3%	1.5%	0.7%	0.7%	-0.6%	-3.2% -0.3%	3.8%	4.1%	-0.4%	2.7%	1.8%

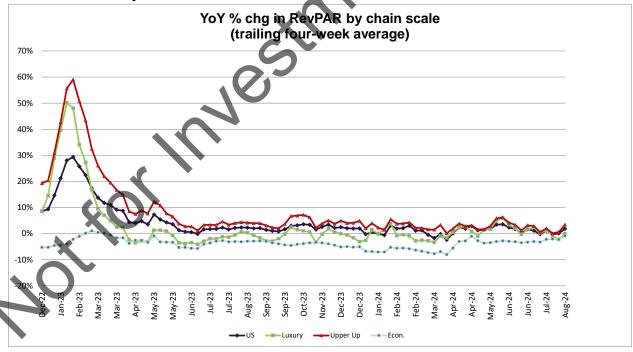
Source: STR data, Truist Securities research

# **RevPAR Component Trends**



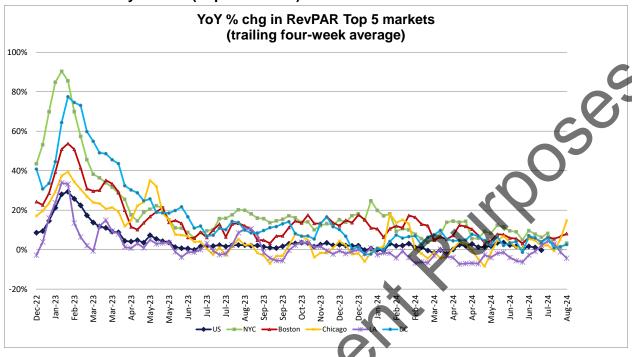
Source: STR data, Truist Securities research

# **RevPAR Trends by Chain Scale**



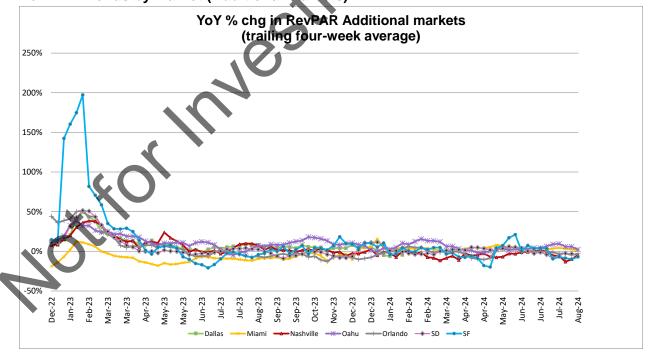
Source: STR data, Truist Securities research

**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

#### WH: Valuation and Risks

Our price target of \$104 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, \$118.17, Hold, C. Patrick Scholes) Ryman Hospitality Properties, Inc. (RHP, \$99.58, Buy, C. Patrick Scholes) Wyndham Hotels & Resorts, Inc. (WH, \$73.03, 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.

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#### **Legend for Rating and Price Target History Charts:**

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H = Hold

S = Sell

D = Drop Coverage

CS = Coverage Suspended

NR = Not Rated

I = Initiate Coverage

T = Transfer Coverage

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Coverage Unive	erse		Investment Banking Clients Past 12 Months					
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Sell	2	0.29%	Sell	0	0.00%			

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