



Lodging: US RevPAR -56.5% Y/Y Last Week; National occupancy rising despite hotels reopening

Top 25 Markets RevPAR spread vs. the rest of US continues to widen

What's Incremental To Our View

Overall U.S. RevPAR was -56.5% Y/Y for the week ending 6/27/2020, per STR, stronger than the prior week's result of -60.3%. (2-year stacked RevPAR was -55.4% vs. -60.0% in the prior week). Independent hotels (~1/3rd of the data set) were -48.7% y/y. Economy (-26.5%) was the relatively strongest chain scale for branded hotels; Upper Upscale was the weakest at -76.5%. Upscale (-63.3%) underperformed the industry average; Upper Midscale (-50.0%) outperformed. Within Upper Upscale & Luxury class hotels, Group (-93.1% vs. -94.2% prior week) was softer than Transient (-61.1% vs. -65.4% prior week).

Headline stats from last week's STR results presented a better picture than frankly we would have expected given a material decline in hotel closures (~ 300 bps vs. the prior week to just 6% of the US supply). However, *one week does not make a trend* as we like to say → and the sequential strength appears to be more weekend driven, especially for full-service given still limited corporate fly-to travel and virtually nil large groups.

Three major trends stick out to us (see below for detailed statistics):

- 1) National absolute occupancy continues to improve despite reopening hotels.
- 2) The Top 25 markets continue to underperform the national average and that trend is widening as noted below.

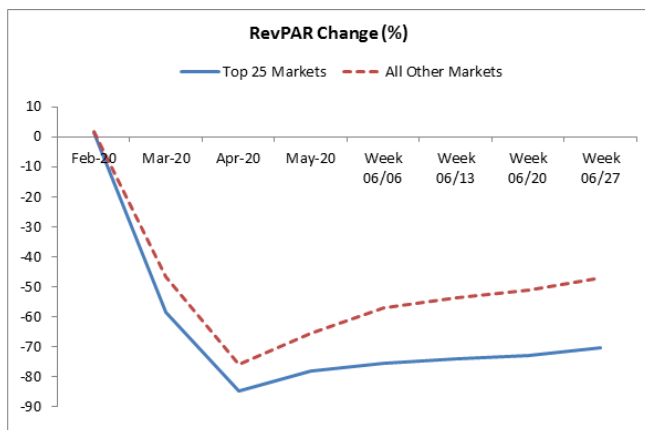
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What's Inside

Weekly STR results and analysis



Source: STRH Research, STR

3) We are seeing mixed results from states with spiking virus cases. Once again, **Phoenix** y/y ADR was (barely) positive last weekend at +0.3%. However, **Houston** results were weaker on both absolute occupancy and RevPAR (see below).

- *For both these markets and other states with rising COVID-19 cases, we will be very curious how trends progress in the next several weeks.*

We remind investors: there are many hotels that suspended operations/closed and they are not included in the comparisons. Implications are that the headline statistics overstate the actual performance of the overall industry.

For the month of June, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, Hold], Hyatt [H, Hold], or Marriott [MAR, Hold] hotel) will finish -70% to -80% (our prior estimate was -65% to -75%). We estimate that the overall industry will finish approximately -59% to -63% (our prior estimate was -56% to -66%). Please note that reported monthly results include hotels that are not in the weekly data set.

- **For 2Q, we estimate that full-service branded domestic hotels will finish -80% to -88% (our prior estimate was -79% to -84%) and the overall industry will finish approximately -69% to -73% (our prior estimate was -68% to -72%).**
- Our range for full-service branded has grown as we try to weigh reopening hotels, pent-up leisure demand over the July 4th holiday period, the closures of beaches and hotel bars in some states, and weak business demand. There are many competing variables today with limited visibility given last-minute booking patterns and news surrounding rising virus cases in many leisure markets. Last minute cancellations on spiking virus markets can dent demand especially with hotels generally offering less restrictive cancellation policies today.

Compared to the prior week (ended 6/20), sequential RevPAR trends were stronger than last week's results.

- Headline RevPAR was -56.5% vs. the running 28 day average of -61.0%.
- RevPAR for the weeks ended March 14th through June 20th, 2020 were -32.5/-69.5/-80.3/-81.6/-83.6/-79.4/-78.4/-76.8/-74.4/-73.6/-69.9/-62.1/-65.0/-62.6/-60.3% respectively.
- **Occupancy:** absolute occupancy of 46.2% was sequentially **stronger** than the prior week of 43.9%. Occupancy y/y change of -38.7% is sequentially **stronger** the prior week of -41.8%.

- **ADR:** ADR y/y change of -29.0% was sequentially **stronger** than the prior week of -31.7%. (We do not consider sequential changes in absolute ADR material.)
- **"Location" RevPAR Y/Y change sequentially stronger. We still do not see a material corporate demand rebound:** Urban (-76.7% vs. -78.7% in the prior week), Suburban (-54.4% vs. -57.9%), Interstate (-36.4% vs. -41.0%), and Resort (-45.9% vs. -50.1%).
 - **Absolute occupancies:** Urban: 33.8% vs. 32.4% in the prior week, Suburban: 47.7% vs. 45.7%, Interstate: 50.6% vs. 48.1%, and Resort: 47.9% vs. 44.8%.
- **Open/closed hotels:** Per STR 6% of the hotel supply is closed (vs. 9% in the prior week.)

Last week's RevPAR details:

- **Economy was the relatively strongest chain scale:** Upscale and Upper Midscale underperformed by 3,680 bps and 2,350 bps, respectively: Luxury RevPAR (-76.1%), Upper Upscale (-76.5%), Upscale (-63.3%), Upper Midscale (-50.0%), Midscale (-37.8%), and Economy (-26.5%). Independent hotels (-48.7%) outperformed the headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group underperformed Transient:** Transient segment (individual business and leisure travelers) RevPAR was -61.1% (vs. -65.4% last week) and Group segment RevPAR was -93.1% (vs. -94.2% last week).
 - Absolute Group occupancy remains near zero and does not seem to be improving: 2.6% last week vs. 2.7% for the running 28 days.
- **Los Angeles was the relatively strongest market of the top five markets:** Boston (-85.4%), Chicago (-78.7%), Los Angeles (-65.2%), NYC (-78.3%), and Washington, D.C. (-77.9%).
- **Other relevant markets:**
 - **San Francisco:** RevPAR was -80.6% vs. -81.8% last week.
 - **COVID-19 "watch" markets (RevPAR):**
 - **Dallas:** -58.7% vs. -67.1% last week. Absolute occupancy 41.0% vs. 40.8% last week.
 - **Houston sequentially softer vs. last week:** -57.9% vs. -55.6% last week. Absolute occupancy 39.0% vs. 40.6% last week.
 - **Phoenix:** -34.9% vs. -36.3% last week. Absolute occupancy 49.1% vs. 48.3% last week.
 - Note: many hotels in these markets would in theory be in low/shoulder season by June. Weekly changes for resort locations (more impactful to Phoenix) may add noise to the sequential comparisons.
 - **Florida market RevPAR:**
 - **Miami:** (-58.8% vs. -62.6% last week).
 - **Orlando:** (-76.2% vs. -77.5% last week). **Once again Orlando is not seeing much of a sequential week/week improvement.** We still expect Orlando results to improve as Florida opens up and especially as the theme parks resume operations. Note: [Walt Disney World theme parks are currently scheduled to reopen July 11-15th](#) (Disney). Covered companies with material exposure near the theme parks include: HST, PK, RHP, RLJ, and WH. Other C-corps have large resorts in the area but relative exposure impact is lower (MAR, HLT, and H).

From observations of what is happening with RevPAR and re-openings in China, we suspect we may see a slower and longer recovery in the US, especially for business and group centric hotels, than what the more optimistic/bullish management teams and investors expect.

(Our ratings and price targets generally represent our recommendations and forecasts based on a 12 to 18 month outlook. We acknowledge that near term uncertainty and volatility could affect financial inputs to our targets, and the likely multiples the market may pay for those metrics.)

Weekly RevPAR Summary

	YoY % change in RevPAR												
	U.S.	Upper Luxury		Upper Upscale		Upper Midscale		Economy	Inde- pendent	New York	Boston	LA	Chicago
5/16/2020	-73.6%	-89.7%	-89.8%	-78.2%	-69.8%	-55.4%	-36.3%	-69.5%	-80.5%	-90.9%	-73.6%	-85.9%	-87.0%
5/23/2020	-69.9%	-87.0%	-87.2%	-75.1%	-65.2%	-51.1%	-34.4%	-65.4%	-78.9%	-89.7%	-71.5%	-85.1%	-85.5%
5/30/2020	-62.1%	-79.4%	-80.7%	-66.8%	-57.2%	-44.9%	-28.4%	-58.0%	-71.8%	-86.6%	-64.6%	-82.8%	-78.3%
6/6/2020	-65.0%	-82.7%	-84.2%	-70.7%	-58.8%	-45.2%	-28.8%	-59.7%	-77.0%	-89.2%	-71.8%	-84.9%	-78.4%
6/13/2020	-62.6%	-80.4%	-81.6%	-68.5%	-56.4%	-43.4%	-29.9%	-56.3%	-74.9%	-87.0%	-73.7%	-83.8%	-79.8%
6/20/2020	-60.3%	-79.3%	-79.1%	-66.5%	-54.4%	-42.4%	-30.3%	-53.2%	-77.3%	-86.4%	-68.4%	-82.1%	-81.2%
6/27/2020	-56.5%	-76.1%	-76.5%	-63.3%	-50.0%	-37.8%	-26.5%	-48.7%	-78.3%	-85.4%	-65.2%	-78.7%	-77.9%

Decent improvement vs. prior week, but still limited group demand

Economy and Midscale led the industry (on a relative basis)

LA and DC led the Top 5 markets (on a relative basis; all markets extremely negative)

1Q17	3.4%	2.1%	3.0%	1.0%	2.4%	3.5%	2.6%	5.2%	-1.3%	-1.1%	-2.5%	1.5%	16.1%
2Q17	2.7%	2.3%	0.6%	0.6%	1.2%	2.4%	3.7%	5.1%	0.2%	4.4%	3.6%	0.8%	0.8%
3Q17	1.9%	0.5%	-0.7%	0.7%	1.8%	3.5%	2.9%	3.1%	-0.9%	-0.2%	-1.2%	-5.0%	-0.6%
4Q17	4.2%	4.5%	3.2%	3.8%	3.9%	3.7%	3.7%	4.1%	0.8%	3.7%	4.2%	-2.5%	2.2%
1Q18	3.5%	6.6%	0.9%	2.2%	3.0%	3.8%	5.3%	3.8%	7.1%	2.6%	2.7%	5.8%	-11.0%
2Q18	4.0%	4.9%	3.4%	2.8%	3.0%	4.1%	3.1%	4.6%	4.2%	-1.2%	0.6%	4.0%	-3.1%
3Q18	1.7%	3.3%	1.9%	0.8%	-0.5%	0.1%	1.8%	2.2%	0.7%	2.8%	1.3%	7.5%	-3.4%
4Q18	2.4%	3.0%	1.1%	0.0%	0.5%	1.3%	2.9%	4.9%	3.5%	12.2%	3.0%	2.8%	-3.4%
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%
1Q20	-19.3%	-21.4%	-23.1%	-20.8%	-19.1%	-16.8%	-11.2%	-16.7%	-28.0%	-24.5%	-19.3%	-21.0%	-23.2%

	YoY % change in ADR												
	U.S.	Upper Luxury		Upper Upscale		Upper Midscale		Economy	Inde- pendent	New York	Boston	LA	Chicago
5/16/2020	-42.4%	-27.6%	-44.0%	-35.1%	-27.8%	-19.8%	-16.8%	-41.4%	-59.4%	-64.6%	-41.6%	-57.4%	-55.8%
5/23/2020	-39.7%	-27.7%	-39.4%	-33.5%	-25.9%	-18.3%	-16.5%	-38.5%	-56.9%	-62.1%	-39.8%	-56.8%	-52.6%
5/30/2020	-33.3%	-16.5%	-30.1%	-27.0%	-21.3%	-16.0%	-13.2%	-32.3%	-48.3%	-55.2%	-34.4%	-58.0%	-41.9%
6/6/2020	-35.9%	-22.6%	-34.9%	-31.0%	-22.9%	-16.6%	-13.1%	-33.5%	-56.0%	-60.9%	-40.3%	-59.4%	-42.9%
6/13/2020	-33.9%	-20.5%	-32.9%	-30.0%	-22.3%	-16.7%	-13.9%	-30.4%	-7.5%	-15.0%	11.4%	-66.9%	-21.5%
6/20/2020	-31.7%	-18.8%	-29.8%	-28.8%	-21.9%	-16.1%	-13.8%	-27.0%	-52.7%	-55.7%	-38.1%	-53.6%	-48.5%
6/27/2020	-29.0%	-14.0%	-26.9%	-26.9%	-19.6%	-14.0%	-12.0%	-23.7%	-52.3%	-54.1%	-35.6%	-49.0%	-44.9%

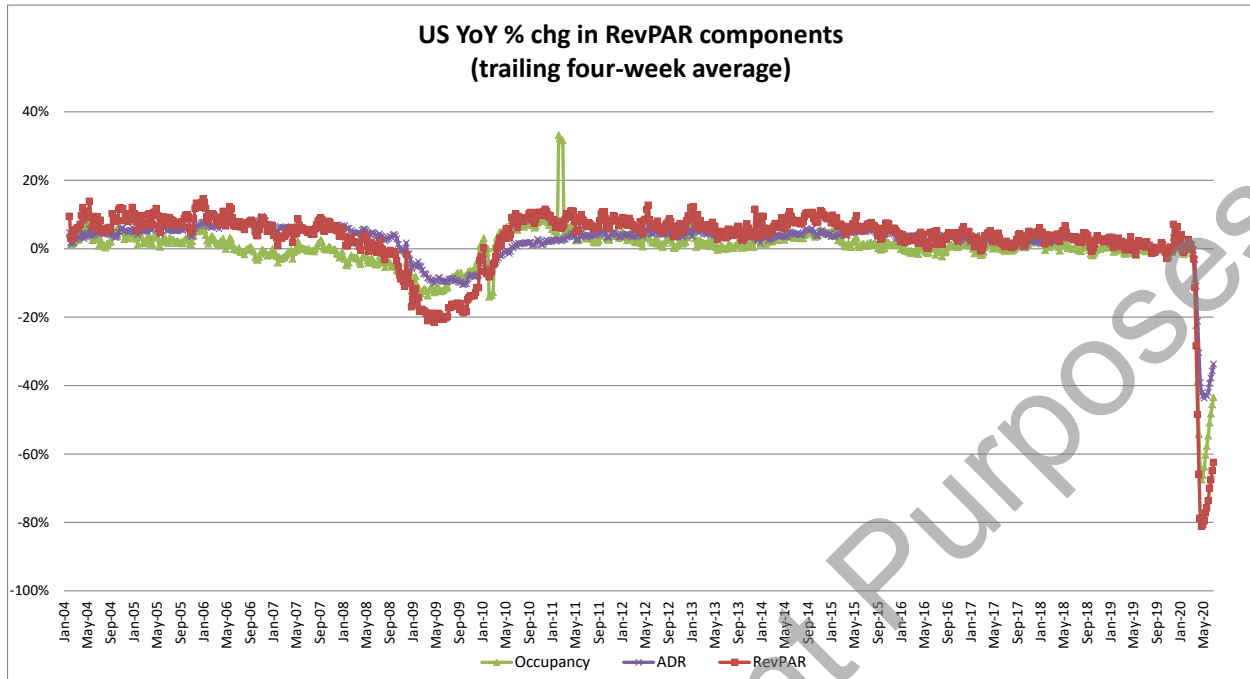
1Q17	2.5%	2.3%	2.4%	1.3%	1.6%	1.8%	2.4%	3.5%	-2.2%	0.0%	-0.2%	1.7%	13.6%
2Q17	2.2%	2.2%	1.2%	1.7%	1.5%	2.1%	2.3%	3.5%	-1.5%	4.1%	2.8%	1.5%	2.0%
3Q17	1.4%	1.4%	0.2%	0.8%	1.2%	1.9%	2.4%	2.2%	-2.0%	0.8%	1.8%	-2.4%	0.0%
4Q17	2.4%	2.2%	1.9%	1.8%	1.8%	2.5%	3.4%	2.1%	-0.2%	0.8%	4.6%	-2.0%	2.4%
1Q18	2.5%	4.5%	1.0%	1.7%	2.0%	3.0%	4.0%	3.1%	3.5%	-1.0%	4.0%	1.4%	-9.4%
2Q18	2.9%	3.5%	2.9%	2.4%	2.1%	2.6%	2.7%	3.1%	3.7%	-0.1%	2.1%	3.3%	2.4%
3Q18	2.1%	3.3%	2.4%	1.8%	1.2%	1.3%	1.2%	1.9%	1.2%	1.9%	1.1%	6.7%	-0.8%
4Q18	2.0%	3.7%	2.2%	1.6%	1.1%	0.9%	0.6%	2.9%	3.4%	5.6%	1.4%	2.2%	-2.1%
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%
1Q20	-4.0%	1.6%	-1.4%	-2.9%	-3.1%	-3.8%	-3.8%	-2.3%	-8.6%	-6.2%	-2.7%	-2.6%	-6.8%

	YoY % change in Occupancy												
	U.S.	Upper Luxury		Upper Upscale		Upper Midscale		Economy	Inde- pendent	New York	Boston	LA	Chicago
5/16/2020	-54.1%	-85.7%	-81.9%	-66.3%	-58.1%	-44.3%	-23.5%	-47.9%	-52.1%	-74.4%	-54.8%	-66.9%	-70.5%
5/23/2020	-50.2%	-82.0%	-78.8%	-62.5%	-53.0%	-40.2%	-21.5%	-43.7%	-50.9%	-72.9%	-52.7%	-65.5%	-69.5%
5/30/2020	-43.2%	-75.4%	-72.3%	-54.5%	-45.6%	-34.4%	-17.4%	-38.0%	-45.5%	-70.0%	-46.1%	-59.0%	-62.7%
6/6/2020	-45.3%	-77.7%	-75.7%	-57.5%	-46.6%	-34.3%	-18.1%	-39.4%	-47.7%	-72.4%	-52.7%	-62.7%	-62.3%
6/13/2020	-43.4%	-75.3%	-72.6%	-55.1%	-43.8%	-32.0%	-18.6%	-37.2%	-68.4%	-48.2%	-54.8%	-69.7%	-46.1%
6/20/2020	-41.8%	-74.4%	-70.3%	-53.0%	-41.6%	-31.3%	-19.1%	-35.9%	-52.0%	-69.3%	-49.0%	-61.3%	-63.5%
6/27/2020	-38.7%	-72.1%	-67.9%	-49.8%	-37.9%	-27.7%	-16.5%	-32.8%	-54.6%	-68.1%	-45.9%	-58.2%	-59.9%

1Q17	0.9%	-0.2%	0.6%	-0.3%	0.7%	1.6%	0.2%	1.6%	1.0%	-1.1%	-2.4%	-0.2%	2.2%
2Q17	0.5%	0.1%	-0.6%	-1.1%	-0.3%	0.4%	1.4%	1.6%	1.7%	0.3%	0.8%	-0.7%	-1.2%
3Q17	0.5%	-0.9%	-0.9%	-0.1%	0.6%	1.6%	0.5%	0.9%	1.1%	-1.0%	-2.9%	-2.7%	-0.5%
4Q17	1.8%	2.2%	1.3%	2.0%	2.1%	1.2%	0.3%	2.0%	1.0%	2.8%	-0.3%	-0.5%	-0.2%
1Q18	0.9%	2.1%	0.0%	0.5%	1.1%	0.9%	1.3%	0.7%	3.5%	3.7%	-1.3%	4.4%	-1.8%
2Q18	1.1%	1.3%	0.5%	0.4%	0.9%	1.5%	0.4%	1.5%	0.5%	-1.1%	-1.4%	0.7%	0.7%
3Q18	-0.4%	0.0%	-0.5%	-1.0%	-1.7%	-1.1%	0.5%	0.3%	-0.5%	0.9%	0.2%	0.7%	-2.6%
4Q18	0.4%	-0.7%	-1.1%	-1.6%	-0.6%	0.4%	2.3%	1.9%	0.1%	6.3%	1.6%	0.6%	-1.3%
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%
1Q20	-15.9%	-22.6%	-21.9%	-18.4%	-16.5%	-13.6%	-7.7%	-14.8%	-21.3%	-19.5%	-17.1%	-18.8%	-17.6%

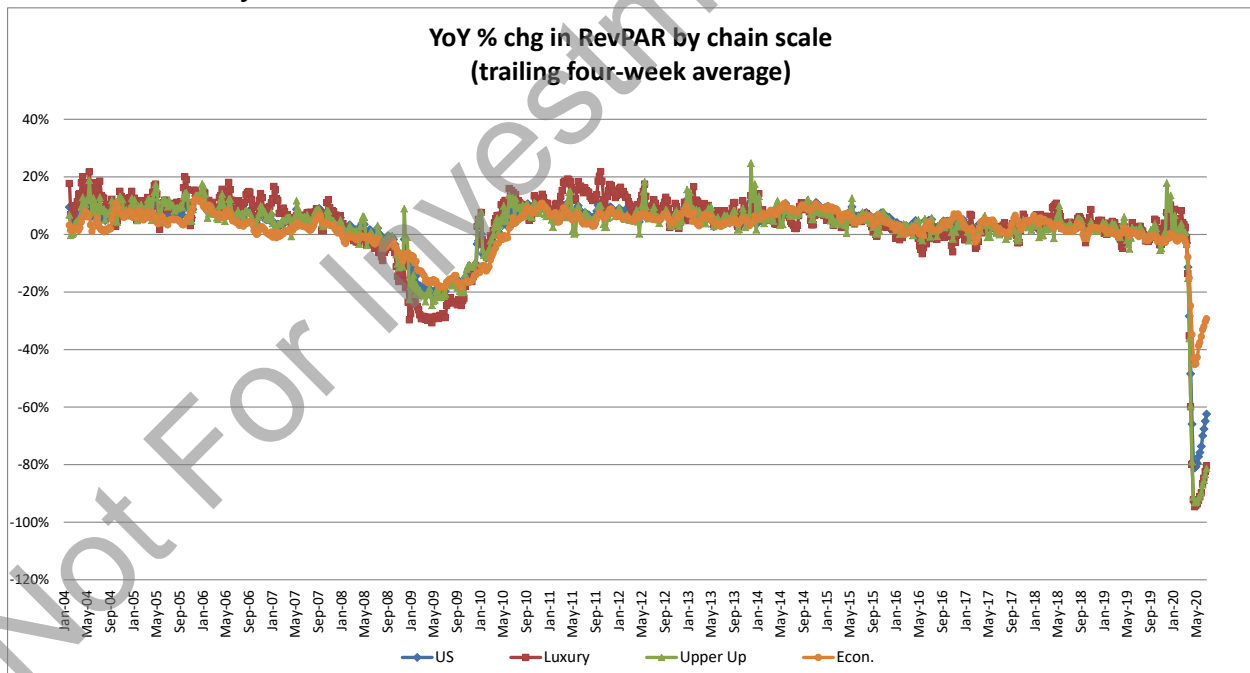
Source: STR data, STRH research

RevPAR Component Trends



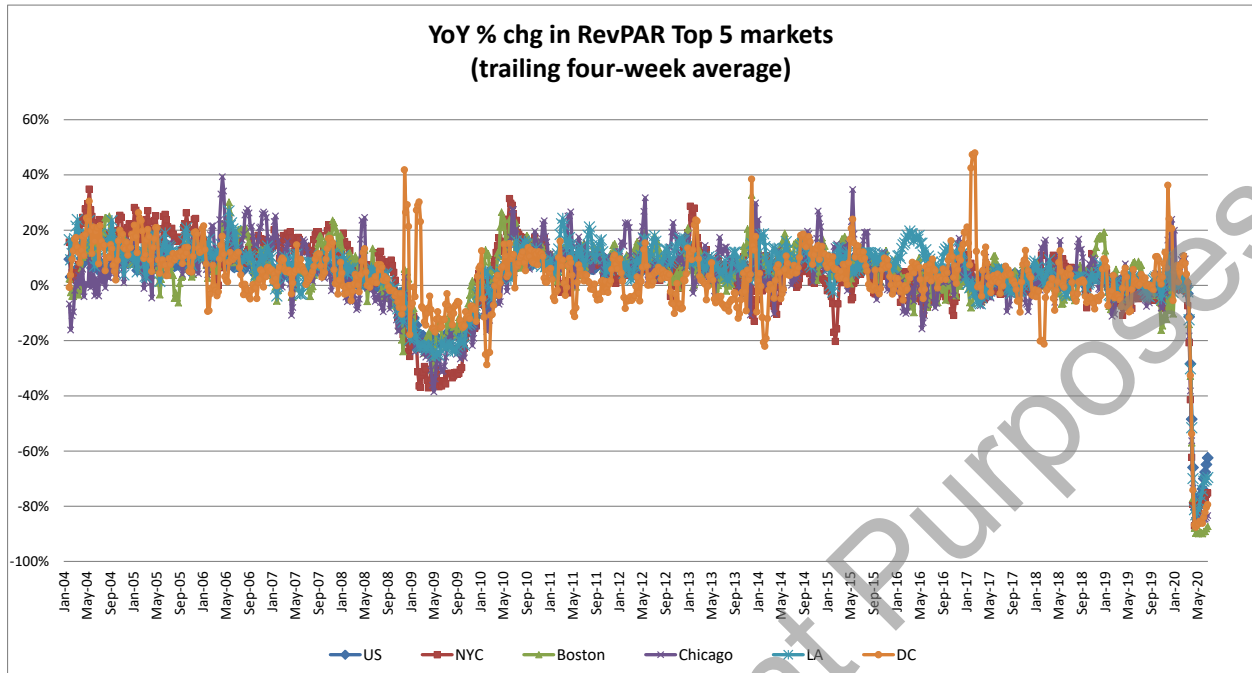
Source: STR data, STRH research

RevPAR Trends by Chain Scale



Source: STR data, STRH research

RevPAR Trends by Market



Source: STR data, STRH research

Price Target/Risks Summary

Lodging	TKR	Price 6/30/20	Rating	PT*	% upside down- side	2021E Valuation EBITDA (\$M)* **	2021E As Reported EBITDA (\$M)*	Target EV/EBITDA Multiple	Risks Note: COVID-19 represents a material risk to our entire coverage especially related to the length/severity of the demand shock.
Choice Hotels	CHH	\$78.90	Hold	\$67	-15%	\$336	\$336	13.0X	Upside risk: conservative growth of new brands. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$5.53	Hold	\$4	-28%	\$147	\$148	11.5X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: leisure hotels struggle more than expected in 2020. Upside risk: the company increases dividends by more than expected; NYC outperforms or is sold down at attractive multiples. Downside risk: Group underperforms. NYC hotels underperform and asset sales do not happen.
Host Hotels & Resorts	HST	\$10.79	Hold	\$9	-17%	\$776	\$776	12.0X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Hyatt Hotels	H	\$50.29	Hold	\$49	-3%	\$488	\$516	12.7X	Upside risk: Accelerating tour flow, FCF generation and declining consumer defaults. Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Bluegreen Vacations Corporation	BXG	\$5.42	Hold	\$5	1%	\$73	\$73	6.3X	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
Hilton Grand Vacations	HGV	\$19.55	Buy	\$23	17%	\$318	\$334	9.3X	Upside risk: Macro lodging trends improve beyond expectations. Downside risk: slowing pipeline. Deep 2021 recession.
Hilton	HLT	\$73.45	Hold	\$66	-10%	\$1,796	\$1,877	13.9X	Upside Risk: Significant U.S macroeconomic improvement results in large recovery in transient corporate demand (and consequential >400 bps RevPAR improvement). Owned assets sell for premium prices relative to MAR expectations. Slowing pipeline. Downside Risk: 2021 is a deep recession year in the US. Geopolitical and policy risks negatively impact lodging demand.
Marriott International	MAR	\$85.73	Hold	\$86	0%	\$2,571	\$2,794	14.0X	Downside risk: M&A story fades and multiples revert to historical levels
Marriott Vacations	VAC	\$82.21	Buy	\$114	39%	\$690	\$0	9.5X	Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs.
Park Hotels & Resorts	PK	\$9.89	Buy	\$10	1%	\$526	\$538	12.0X	Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets. Downside Risks: Planned asset sales do not materialize as expected and/or at lower-than-expected pricing. Incremental EBITDA from major CapEx investments take longer than anticipated, resulting in multiple contraction. Very slow recovery in San Francisco.
Pebblebrook Hotel Trust***	PEB	\$13.66	Hold	\$9	-34%	\$292	\$292	13.25X	Upside risk: quicker recovery post-COVID, Cap Cana group strength/rate growth in the D.R. Downside risk: demand shock, hurricanes, slow ramp up of Cap Cana, country-specific risks (emerging market portfolio)
Playa Hotels & Resorts	PLYA	\$3.62	Hold	\$2	-45%	\$136	\$142	9.5X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion. Upside risk: recovering group demand better than expected, better margin recovery.
RLJ Lodging Trust***	RLJ	\$9.44	Sell	\$7	-26%	\$270	\$282	11.5X	Downside risk: booking issues stickier than expected. Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in various hotels post-2020 renovations. Downside risk: Weaker than expected demand trends following capital investment projects.
Ryman Hospitality Properties	RHP	\$34.60	Hold	\$30	-13%	\$316	\$322	12.5X	Downside risk: Economic conditions, competition for vacation and ski dollars, stagnant skier visitation, an aging customer, and climate change.
Sunstone Hotel Investors	SHO	\$8.15	Hold	\$7	-14%	\$197	\$197	11.5X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off. Downside risk: Slowdown in development opportunities. La Quinta synergies below expectations.
Vail Resorts, Inc.****	MTN	\$182.15	Buy	\$233	28%	\$811	\$811	14.5X	
Wyndham Destinations	WYND	\$28.18	Buy	\$39	37%	\$771	\$799	7.3X	
Wyndham Hotels & Resorts	WH	\$42.62	Buy	\$45	6%	\$512	\$528	12.0X	

* All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2020 EBITDA
 ** Valuation EBITDA excludes select items for specific companies including stock-based compensation.
 *** Covered by Gregory J. Miller

Source: FactSet, STRH research

Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, \$5.42, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$78.90, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$5.53, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$50.29, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$19.55, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$73.45, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$10.79, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$85.73, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$182.15, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$13.66, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$9.89, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$3.62, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$34.60, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$9.44, Sell, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$8.15, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$82.21, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$42.62, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, \$28.18, 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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