

# Lodging

Lodging: US RevPAR +255.2% Y/Y Last Week. 2-yr -31.5%, unchanged from prior week.

Little change in the 2-yr trend across chain scales (still Spring Break comp).

What's Incremental To Our View

Overall U.S. RevPAR was +255.2% Y/Y for the week ending 3/27/2021, per STR, stronger than the prior week's result of +124.5%. Last week's result was up against a -75.2% comp in the comparable week in 2020 vs. and -69.5% in the prior week's results. On a 2-year run-rate, RevPAR was down 31.5% vs. down 31.5% in the prior week's 2-year run-rate. National results were unchanged on the 2-year comparison and most chain scales were also sequentially similar. Note that leisure demand continues to incorporate Spring Break impact, including pent-up leisure.

- Luxury was +1,044.5% and -41.0% over 2 years, the relatively strongest chain scale y/y for branded hotels;
- Upper Upscale at +511.9% and -54.3% over 2 years;
- Upscale was +258.2% and -40.4% over 2 years, y/y outperformed the industry average;
- Upper Midscale was +229.1% and -24.8% over 2 years, y/y underperformed the industry average;
- Midscale was +136.7% and -13.1% over 2 years;
- Economy was the weakest y/y at +82.3% and +1.4% over 2 years;
- Independent hotels (~ 1/3rd of the data set) were 298.0% y/y and -19.6% over 2 years; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +982.8% y/y vs. +348.5% prior week; over 2 years: -79.4% vs -83.0% prior week.
  - Transient: +963.6% y/y vs. +260.5% prior week; over 2 years: -28.0% vs -25.7% prior week.

**Despite the super-easy y/y comp driving an impressive headline, we primarily focus on the 2019 vs. 2021 comparison.** While last week is a continuation of Spring Break and pent-up leisure demand strength, particularly to the "sun and ski" markets, we continue to see little evidence of strength building in higher-rated corporate travel. Upper Upscale 2-year RevPAR change "improved" to -54.3% vs. the prior week at -54.8%. Upscale was -40.4% vs. -40.3% in the prior week. These statistics are telling for the lack of material rebound of the core individual business traveler.

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#### What's Inside

Weekly STR results and analysis



Occupancy in the Upscale and Upper Midscale markets in the midweek was generally in the mid-to-upper 50 percent range, better than recent weeks by about 300 bps, although we appreciate full-week leisure demand may also make the occupancy statistics inflated. A clearer analysis of continued weakness in corporate travel is the mid-30s occupancy for Luxury and Upper Upscale hotels. Luxury in theory would be stronger than Upper Upscale due to leisure demand, but similar results between the chain scales might suggest continued limited corporate demand especially at the higher price points.

### Last week's RevPAR details and sequential trends:

- Headline RevPAR was +255.2% vs. the running 28 day average of +22%.
- Occupancy: absolute occupancy of 57.9% was sequentially somewhat softer than the prior week of 58.9%
  - o Locations:
    - Urban: 49.0% vs. 49.8% in the prior week;
    - Suburban: 60.6% vs. 61.4%;
    - Interstate: 58.6% vs. 59.1%:
    - Resort: 61.0% vs. 64.0%.
- Open/closed hotels: Per STR 2.3% of the hotel supply was closed as of the week ending March 20th. STR has not provided updated statistics for the week ending March 27th.
  - Please note there are many hotels that suspended operations/closed and they are not included in the comparisons. Implications are that the headline statistics likely overstate the actual performance of the overall industry.
- Absolute Group occupancy remains very light despite the sequential improvement last week: 6.5% last week vs. 6.1% for the running 28 days.

As far as stocks, we reiterate the companies relatively best positioned here in our coverage universe are the drive-to leisure-centric C-Corps CHH and WH and the timeshare companies, BXG, HGV, VAC, and TNL (formerly WYND). WH, BXG, HGV, VAC, and TNL are the only names we believe we can still get material upside based on our 2023 estimates. CHH is rated Hold.

• While a widely distributed vaccine will be a game changer, until that point our best guess for the return of the business traveler for RevPAR modeling purposes is not until at least 3Q21 (three months ago we said 2Q21). Until that time, we continue to envision large corporations being extremely cautious in sending their employees out to travel, unless it is for essential purposes. Along similar lines, we see large group events and meetings being significantly curtailed until a vaccine is widely available and even after that experiencing lower than normal attendance for at least the first year perhaps partly driven by lower T&E budgets, ROI on webinars, meeting planner reticence to book, etc.

While the broader economy may have a U-shaped recovery, we believe hotel operating performance will take substantially longer to recover and be much choppier and vary by segmentation and geography. Additionally, we believe work from home will have a short-to-medium impact on hotel demand, though the longer-term impact is still unknown. While some travel industry leaders, news reporters, and businesspeople have predicted that 35-50% of business travel will be permanently lost our view is that it will be far less than 35-50% though it will not be zero either (Hospitality Net).

• Good news for the hotel REITS is that unlike the 2008-2009 downturn where many issued significant dilutive equity, that has not been the case (so far) this downturn. We believe such equity issuance was a major reason why most hotel REITS were never able to get back to their pre-2008 prices. However we do not see such a headwind today -- with the potential for some permanent incremental costs savings (+100-300bps) being the consensus range by some Lodging REITS, most hotel REITS have the potential to eventually get back to or possibly exceed their pre-Covid prices.

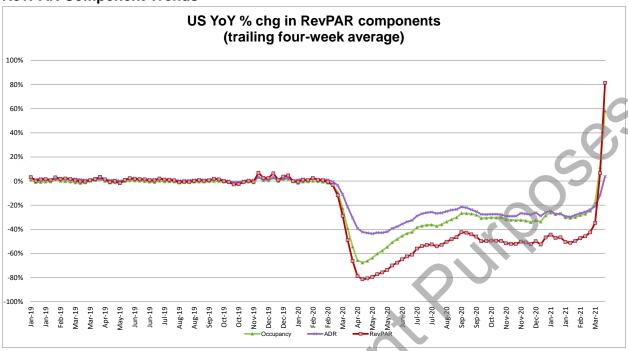
(Our ratings and price targets generally represent our recommendations and forecasts based on a 12 to 18 month outlook. We acknowledge that near term uncertainty and volatility could affect financial inputs to our targets, and the likely multiples the market may pay for those metrics).



## **Weekly RevPAR Summary**

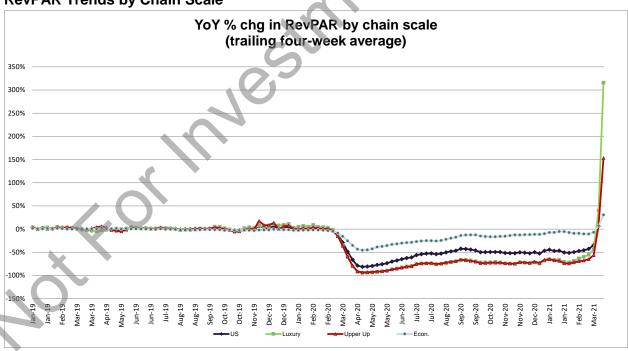
Week	ly R	levl	PAF	R Sı	ımm	nary							
-	U.S.	Lucioni	Upper	Unacala	Upper	YoY % cl		Inde-	New York	Besten	LA	Chicago	DC
12/19/2020	-42.5%	-69.0%	-66.0%	-47.0%	-32.4%	-17.4%	-7.1%	-36.8%	-76.2%	-62.0%	-54.8%	-62.1%	-55.7%
12/26/2020	-52.3%	-72.1%	-68.3%	-50.8%	-42.3%	-29.8%	-14.7%	-52.2%	-77.2%	-57.0%	-65.5%	-57.5%	-51.6%
1/2/2021	-35.1%	-52.7%	-52.7%	-34.8%	-23.0%	-13.6%	-6.1%	-31.4%	-70.7%	-50.7%	-66.9%	-41.9%	-41.1%
1/9/2021	-47.7%	-65.3%	-72.5%	-51.7%	-35.8%	-18.5%	-1.6%	-45.3%	-62.8%	-66.4%	-58.5%	-56.0%	-32.9%
1/16/2021	-53.6%	-75.8%	-76.5%	-56.9%	-40.3%	-23.6%	-6.6%	-47.1%	-69.6%	-71.2%	-65.6%	-71.6%	-49.8%
1/23/2021	-50.1%	-70.4%	-72.8%	-52.5%	-37.7%	-23.8%	-7.0%	-45.9%	-60.4%	-66.9%	-65.5%	-61.3%	-4.5%
1/30/2021	-50.6%	-72.2%	-73.9%	-54.9%	-38.2%	-23.1%	-7.0%	-44.2%	-60.8%	-70.1%	-63.3%	-58.6%	-45.9%
2/6/2021	-50.6%	-69.8%	-73.4%	-54.5%	-39.5%	-25.1%	-9.0%	-44.7%	-64.5%	-67.5%	-63.2%	-60.7%	-59.7%
2/13/2021	-47.2%	-61.2%	-67.4%	-52.1%	-40.0%	-28.4%	-14.3%	-38.5%	-62.0%	-64.5%	-62.1%	-64.6%	-62.0%
2/20/2021	-40.6%	-49.9%	-62.6%	-46.4%	-34.0%	-20.2%	-6.4%	-32.2%	-55.4%	-56.0%	-53.3%	-57.3%	-52.4%
2/27/2021	-44.5%	-58.6%	-67.8%	-49.7%	-34.8%	-23.6%	-11.9%	-35.4%	-60.0%	-72.9%	-55.2%	-56.4%	-69.1%
3/6/2021 3/13/2021	-44.5% -37.9% -15.8%	-58.6% -51.1% -14.3%	-61.7% -34.0%	-49.7% -43.2% -21.5%	-34.8% -29.8% -12.5%	-23.6% -20.3% -7.1%	-11.9% -9.7% 0.2%	-35.4% -28.4% -9.3%	-58.6% -30.1%	-72.9% -70.9% -45.5%	-55.2% -50.9% -26.8%	-55.1% -33.5%	-69.1% -69.2% -54.8%
3/20/2021	124.5% 255.2%	284.9%	196.9% 511.9%	132.6%	103.5%	70.2%	49.7% 82.3%	143.4%	141.4%	73.8%	106.8% 217.5%	122.1%	71.9%
	2-year Re					and Upper U			1 [			Top 5 mark	$\overline{}$
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%		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 1Q19	2.4% 1.5%	3.0% -0.7%	1.1%	0.0% -0.5%	0.5%	1.3% -0.1%	2.9% 1.9%	4.9% 3.1%	3.5% -7.1%	12.2% -2.1%	3.0% -1.7%	2.8% -4.5%	-3.4% -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 2Q20	-19.3% -69.9%	-21.4% -86.8%	-23.1% -86.7%	-20.8% -74.8%	-1.0% -19.1% -65.4%	-2.7% -16.8% -51.3%	-11.2% -35.0%	-16.7% -65.2%	-4.1% -28.0% -76.9%	-24.5% -88.2%	-19.3% -74.5%	-0.7% -21.0% -83.7%	-23.2% -83.7%
3Q20	-48.5%	-72.0%	-71.8%	-55.2%	-41.7%	-29.7%	-19.0%	-39.0%	-77.6%	-79.1%	-58.4%	-73.4%	-68.0%
4Q20	-50.6%	-71.4%	-72.4%	-55.5%	-40.6%	-26.3%	-14.5%	-43.5%	-81.0%	-76.1%	-59.3%	-75.4%	-71.4%
=						YoY %	change	in ADR					
	U.S.			Upscale		Midscale I			New York		LA	Chicago	DC
12/19/2020	-21.9%	-5.0%	-19.7%	-20.3%	-13.5%	-7.6%	-2.3%	-17.8%	-44.3%	-28.7%	-25.8%	-30.0%	-24.6%
12/26/2020	-28.8%	-12.9%	-23.3%	-22.2%	-17.0%	-12.8%	-7.1%	-28.3%	-48.5%	-20.2%	-31.8%	-25.4%	-15.4%
1/2/2021	-21.5%	-0.5%	-17.9%	-21.5%	-13.9%	-8.1%	-4.2%	-17.0%	-46.1%	-22.8%	-39.2%	-18.7%	-15.3%
1/9/2021	-27.1%	8.7%	-26.8%	-23.7%	-15.5%	-7.9%	-2.6%	-27.4%	-30.0%	-32.9%	-33.0%	-27.0%	-11.9%
1/16/2021	-31.9%	-16.1%	-34.5%	-28.3%	-19.0%	-10.4%	-4.6%	-27.3%	-35.9%	-36.2%	-36.5%	-37.3%	-25.6%
1/23/2021	-31.9% -28.1% -29.8%	-16.1% -9.1% -13.0%	-34.5% -29.8% -32.4%	-28.3% -25.1% -28.2%	-19.0% -17.0% -18.5%	-10.4% -9.6% -10.0%	-4.6% -3.3% -4.2%	-27.3% -24.8% -25.3%	-27.7% -28.0%	-36.2% -33.2% -37.8%	-36.5% -38.2% -37.7%	-37.3% -29.6% -29.7%	-25.6% -6.6% -27.5%
2/6/2021	-29.0%	-8.3%	-29.9%	-27.3%	-18.9%	-10.8%	-4.8%	-24.8%	-31.9%	-36.0%	-37.7%	-29.6%	-33.5%
2/13/2021	-25.7%	-3.3%	-25.4%	-26.4%	-19.2%	-12.3%	-7.7%	-19.7%	-31.0%	-32.0%	-36.8%	-34.7%	-33.2%
2/20/2021	-22.1%	3.8%	-23.4%	-24.7%	-17.2%	-9.4%	-4.5%	-14.9%	-24.5%	-25.9%	-30.4%	-29.0%	-25.7%
2/27/2021	-25.2%	-3.8%	-28.4%	-27.3%	-18.8%	-10.6%	-5.6%	-17.3%	-27.4%	-40.9%	-31.5%	-26.6%	-39.8%
3/6/2021	-21.9% -14.5%	-0.8%	-25.2% -20.5%	-24.5% -21.3%	-17.1% -13.5%	-9.8% -6.2%	-5.1% -2.2%	-14.0% -8.7%	-31.6% -27.6%	-40.8% -34.3%	-29.6% -22.4%	-28.1% -23.1%	-42.7% -39.4%
3/20/2021	15.8%	-7.5%	-5.8%	-8.1%	0.0%	6.7%	9.7%	31.0%	-19.5%	-17.6%	1.5%	5.4%	-7.1%
3/27/2021	36.2%	28.5%	18.3%	-0.5%	8.4%	13.5%	14.6%	61.4%	-10.4%	-8.0%	12.3%	20.9%	1.0%
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%		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 1Q19	2.0% 1.1%	3.7% 2.2%	2.2%	1.6%	1.1%	-0.2%	-0.3%	2.9% 1.0%	3.4%	5.6% 0.7%	1.4% -1.0%	2.2% -2.4%	-2.1% 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%
2Q20	-37.1%	-22.0%	-34.0%	-30.0%	-23.1%	-17.1%	-14.6%	-34.8%	-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%
-	-		Upper		Y	oY % cha	inge in C	ccupan	су				
12/19/2020	U.S. -26.4%	-67.3%	-57.7%	-33.5%	Midscale -21.8%	-10.7%	-4.9%	pendent -23.1%	New York -57.3%	-46.7%	<b>LA</b> -39.1%	Chicago -45.9%	DC -41.3%
12/26/2020	-33.0%	-68.0%	-58.7%	-36.7%	-30.5%	-19.5%	-8.2%	-33.4%	-55.7%	-46.1%	-49.4%	-43.0%	-42.8%
	-17.2%	-52.4%	-42.4%	-16.9%	-10.6%	-6.0%	-2.1%	-17.3%	-45.7%	-36.1%	-45.6%	-28.5%	-30.4%
1/9/2021	-28.3%	-71.2%	-62.5%	-36.7%	-24.0%	-11.4%	1.1%	-24.6%	-46.9%	-49.8%	-38.0%	-39.8%	-23.8%
1/16/2021	-31.8%		-64.1%	-39.9%	-26.3%	-14.7%	-2.0%	-27.2%	-52.5%	-54.8%	-45.9%	-54.7%	-32.5%
1/23/2021	-30.6%		-61.2%	-36.6%	-24.9%	-15.8%	-3.8%	-28.1%	-45.2%	-50.5%	-44.2%	-45.1%	2.2%
1/30/2021	-29.6%	-68.0%	-61.3%	-37.2%	-24.1%	-14.6%	-3.0%	-25.3%	-45.6%	-52.0%	-41.0%	-41.1%	-25.4%
2/6/2021	-30.5%	-67.1%	-62.1%	-37.5%	-25.3%	-16.1%	-4.4%	-26.4%	-47.9%	-49.2%	-40.9%	-44.2%	-39.5%
2/13/2021	-29.0%	-59.8%	-56.3%	-35.0%	-25.8%	-18.4%	-7.1%	-23.5%	-44.9%	-47.8%	-40.0%	-45.7%	-43.2%
2/20/2021	-23.8%	-51.7%	-51.2%	-28.8%	-20.3%	-11.9%	-1.9%	-20.4%	-41.0%	-40.6%	-32.9%	-39.9%	-36.0%
2/27/2021	-25.8%		-55.0%	-30.9%	-19.8%	-14.5%	-6.7%	-21.9%	-44.9%	-54.2%	-34.7%	-40.6%	-48.7%
3/6/2021	-20.5%		-48.7%	-24.8%	-15.2%	-11.6%	-4.8%	-16.8%	-39.5%	-50.9%	-30.2%	-37.6%	-46.2%
3/13/2021	-1.4%		-17.0%	-0.4%	1.1%	-1.0%	2.4%	-0.7%	-3.5%	-17.0%	-5.7%	-13.6%	-25.5%
3/20/2021 3/27/2021	93.9%	316.3%	215.1% 417.3%	153.2% 260.0%	103.6%	59.5% 108.5%	36.5% 59.1%	85.8% 146.6%	199.8% 255.2%	111.0% 175.8%	103.7% 182.8%	110.6% 173.5%	85.0% 134.3%
1Q17 2Q17	0.9% 0.5%	-0.2% 0.1%	0.6%	-0.3% -1.1%	0.7%	1.6%	0.2%	1.6% 1.6%	1.0%	-1.1% 0.3%	-2.4% 0.8%	-0.2% -0.7%	2.2%
3Q17 4Q17	0.5% 0.5% 1.8%	-0.9% 2.2%	-0.9% 1.3%	-1.1% -0.1% 2.0%	-0.3% 0.6% 2.1%	1.6% 1.2%	0.5% 0.3%	0.9% 2.0%	1.1% 1.0%	-1.0% 2.8%	-2.9% -0.3%	-0.7% -2.7% -0.5%	-1.2% -0.5% -0.2%
1Q18 2Q18 3Q18	0.9% 1.1% -0.4%	2.1% 1.3% 0.0%	0.0%	0.5% 0.4%	1.1% 0.9%	0.9% 1.5% -1.1%	1.3% 0.4%	0.7% 1.5% 0.3%	3.5% 0.5%	3.7% -1.1% 0.9%	-1.3% -1.4% 0.2%	4.4% 0.7%	-1.8% 0.7%
3Q18 4Q18 1Q19	-0.4% 0.4% 0.4%	-0.7% -2.8%	-0.5% -1.1% -1.3%	-1.0% -1.6% -1.4%	-1.7% -0.6% -0.5%	-1.1% 0.4% 0.0%	0.5% 2.3% 2.3%	0.3% 1.9% 2.1%	-0.5% 0.1% -3.5%	0.9% 6.3% -2.8%	0.2% 1.6% -0.7%	0.7% 0.6% -2.2%	-2.6% -1.3% -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 1Q20 2Q20	-0.1% -15.9% -52.1%	-22.6% -83.0%	-21.9% -79.8%	-0.2% -18.4% -64.0%	-0.8% -16.5% -55.1%	-1.7% -13.6% -41.3%	-0.4% -7.7% -23.9%	-14.8% -46.6%	-0.4% -21.3% -51.5%	-6.5% -19.5% -72.7%	-17.1% -57.1%	1.5% -18.8% -64.7%	-17.6% -68.2%
3Q20	-32.2%	-68.0%	-62.2%	-40.9%	-29.5%	-20.5%	-10.6%	-27.3%	-57.3%	-60.3%	-39.1%	-53.1%	-51.2%
4Q20	-32.1%		-61.2%	-39.1%	-27.8%	-17.8%	-9.1%	-28.5%	-58.7%	-56.2%	-42.5%	-55.5%	-51.7%

## **RevPAR Component Trends**

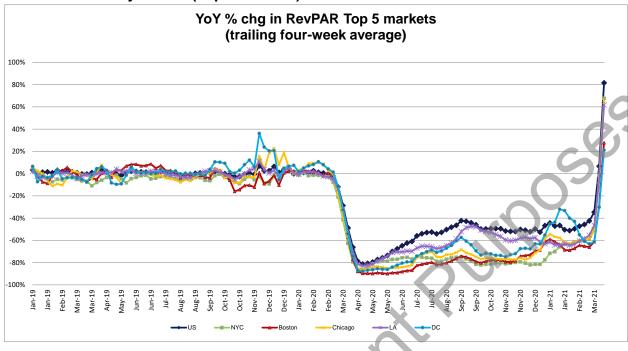


Source: STR data, Truist Securities research

## **RevPAR Trends by Chain Scale**

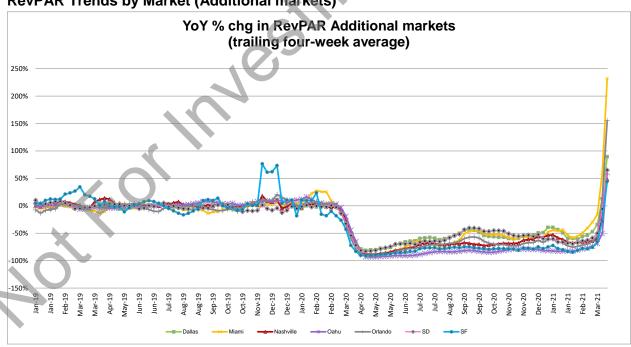


## **RevPAR Trends by Market (Top 5 markets)**

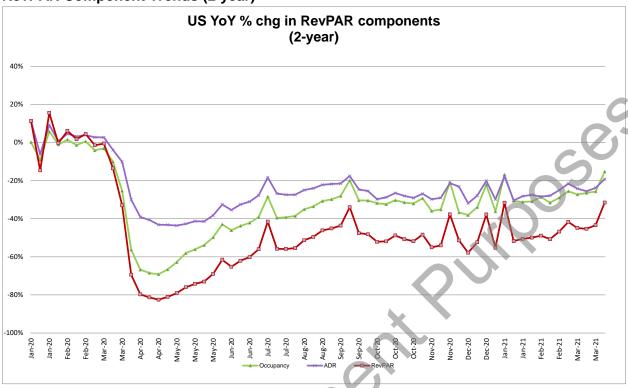


Source: STR data, Truist Securities research

## RevPAR Trends by Market (Additional markets)

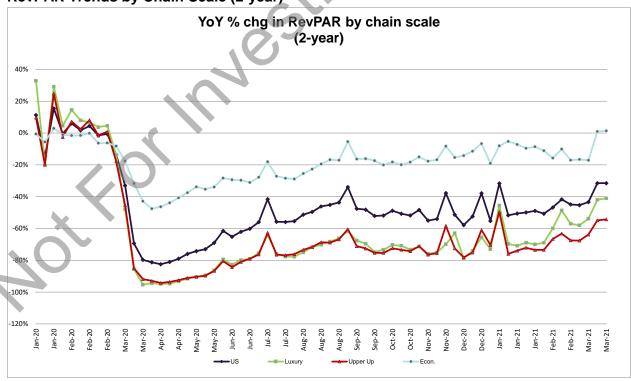


# **RevPAR Component Trends (2-year)**

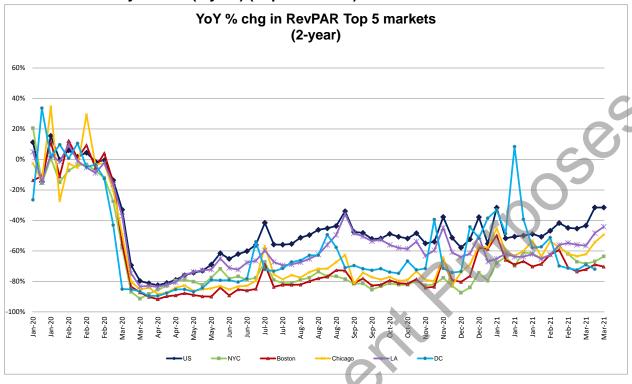


Source: STR data, Truist Securities research

# RevPAR Trends by Chain Scale (2-year)

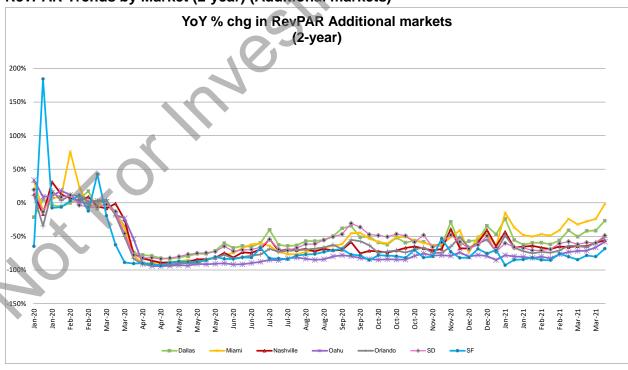






Source: STR data, Truist Securities research

# RevPAR Trends by Market (2-year) (Additional markets)





# **Price Target/Risks Summary**

08.59 Hold 0.56 Sell 22.06 Hold 17.64 Buy 7.30 Sell 13.28 Sell 48.23 Hold	BXG \$11.12 CHH \$108.59 DRH \$10.56 HLT \$122.06 HGV \$37.64 HST \$17.30 H \$83.28	\$90 - \$8 - \$98 -	2% \$88 17% \$314 24% \$2 20% \$1,342 27% \$219 19% -\$165	\$111 \$374 \$126 \$2,016 \$407	\$127 \$428 \$251 \$2,402	\$88 \$322 \$2 \$1,416	\$111 \$382 \$126 \$2.100	\$127 \$436 \$251	7.5X 14.0X	hold/improve on RevPAR and margins despite the challenging macro.
08.59 Hold 0.56 Sell 22.06 Hold 17.64 Buy 7.30 Sell 13.28 Sell 48.23 Hold	CHH \$108.59  DRH \$10.56  HLT \$122.06  HGV \$37.64  HST \$17.30	\$90 - \$8 - \$98 -	17% \$314 24% \$2 20% \$1,342 27% \$219	\$374 \$126 \$2,016	\$428 \$251 \$2,402	\$322 \$2	\$382 \$126	\$436 \$251	14.0X 12.0X	Upside risk: conservative growth of new brands.  Downside risk: slowdown in development opportunities.  Upside risk faster demand improvement in corporate travel than expected.  Brand changes (e.g. Vaii) lead to material EBITDA improvement. Leisure hote
0.56 Sell 22.06 Hold 17.64 Buy 7.30 Sell 13.28 Sell 48.23 Hold	DRH \$10.56  HLT \$122.06  HGV \$37.64  HST \$17.30	\$8 - \$98 - \$48 :	24% \$2 20% \$1,342 27% \$219	\$126 \$2,016	\$251 \$2,402	\$2	\$126	\$251	12.0X	Downside risk: slowdown in development opportunities. Upside risk: faster demand improvement in corporate travel than expected. Brand changes (e.g. Val) lead to material ESITDA improvement. Leisure hotel hold/improve on RevPAR and margins despite the challenging macro.
0.56 Sell 22.06 Hold 17.64 Buy 7.30 Sell 13.28 Sell 48.23 Hold	DRH \$10.56  HLT \$122.06  HGV \$37.64  HST \$17.30	\$8 - \$98 - \$48 :	24% \$2 20% \$1,342 27% \$219	\$126 \$2,016	\$251 \$2,402	•		\$251		Upside risk: faster demand improvement in corporate travel than expected.  Brand changes (e.g. Vaii) lead to material EBITDA improvement. Leisure hote hold/improve on RevPAR and margins despite the challenging macro.
7.64 Buy 7.30 Sell 13.28 Sell 48.23 Hold	HGV \$37.64 HST \$17.30	\$48	27% \$219			\$1,416	\$2 100			Upside risk: Macro lodging trends improve beyond expectations. Faster than
7.30 Sell 13.28 Sell 48.23 Hold	HST \$17.30		•	\$407				\$2,502	14.8X	expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession
13.28 Sell 48.23 Hold		\$14 -	19% -\$165		\$487	\$262	\$428	\$509	10.1X	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
48.23 Hold	H \$83.28			\$677	\$1,207	-\$165	\$677	\$1,207	12.5X	Upside risk: faster demand improvement in corporate travel than expected. Dispositions at higher multiple than expected (incl. NYC). Upside risk: Transient and group trends outperform expectations, particularly for
		\$59 -	29% \$14	\$473	\$640	\$39	\$501	\$671	13.6X	owned hotels. Material disposition of owned hotels. Faster than expected improvement in net rooms growth.  Upside risk: Macro lodging trends improve beyond expectations. Faster than
	MAR \$148.23	\$119 -	20% \$1.405	\$2.548	\$3,251	\$1.717	\$2.870	\$3.587	14.9X	expected net unit growth. Disposition of owned hotels at attractive pricing.  Downside risk: slowing pipeline, Deep 2022 recession.
75.49 Buv	VAC \$175.49		20% \$1,405 5% \$540	\$2,548 \$830	\$3,251 \$905	\$1,717	\$2,870	\$3,587	14.9X 10.4X	Downside risk: slowing pipeline. Deep 2022 recession.  Downside risk: M&A story fades and multiples revert to historical levels
	PK \$22.13		19% -\$40	\$419	\$763	\$0	\$0	\$0	12.5X	Upside risk: faster demand improvement in corporate travel than expected.  Dispositions at higher multiple than expected. CHSP revenue and asset management strategies lead to faster than expected EBITDA gains.
										Upside Risks: Material near-term incremental EBITDA from Legacy LHO asset Downside Risks: Incremental EBITDA from major CapEx investments take longer than anticipated, contributing to multiple contraction. Very slow recovery
4.72 Hold	PEB \$24.72	\$21 -	15% -\$4	\$235	\$409	-\$4	\$235	\$409	14.5X	San Francisco.  Upside risk: quicker recovery post-COVID, Cap Cana group strength/rate grow in the D.R. Downside risk: demand shock, hurricanes, slow ramp up of Cap
7.21 Hold	PLYA \$7.21	\$5 -	31% -\$11	\$124	\$191	-\$1	\$133	\$200	10.0X	Caná, country-specific risks (emerging market portfolio)  Upside risk: RevPAR reaccelerates faster than expected, leading to estimate revisions and multiple expansion. Wyndham hotels are repositioned earlier in the 2022/2023 valuation period and incremental EBITDA is more material than our control of the
5.75 Hold	RLJ \$15.75	\$13 -	17% \$16	\$263	\$357	\$28	\$276	\$369	12.5X	expectations. Downside risk: Lower customer demand/operational inefficiencie for select-service hotels.
	RHP \$78.27			\$278	\$422	\$82	\$282	\$415	13.0X	Upside risk: recovering group and Entertainment demand faster than expected better margin recovery.
2.73 Sell	SHO \$12.73	\$10 -	21% -\$11	\$167	\$247	-\$3	\$177	\$255	12.0X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements.
										Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
90.16 Hold	MTN \$290.16	\$292	1% \$521	\$807	\$934	\$521	\$807	\$934	15.0X	Upside risks include a faster economic recovery and investors continuing to app higher target valuation multiples.
2.33 Buy	TNL \$62.33	\$74	18% \$712	\$855	\$954	\$712	\$855	\$954	8.5X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
0.13 Buy	WH \$70.13	\$68	-3% \$432	\$567	\$656	\$460	\$589	\$680	13.0X	Downside risk: Slowdown in development opportunities. La Quinta synergies below expectations.
90	RHP \$78.  SHO \$12.  MTN \$290  TNL \$62.  WH \$70.  rived by applyi	27 Sell  73 Sell  .16 Hold  33 Buy  13 Buy  ng a target EV.  companies in	27 Sell \$50 - 73 Sell \$10 - 16 Hold \$292 33 Buy \$74 13 Buy \$68 rg a target EV/EBITDA mull	27         Sell         \$50         -36%         \$59           73         Sell         \$10         -21%         -\$11           16         Hold         \$292         1%         \$521           33         Buy         \$74         18%         \$712           33         Buy         \$68         -3%         \$432           rg a target EV/EB/ITDA multiple to our estimate for companies including stock-based compensation.         sectorspanies including stock-based compensation.	27         Sell         \$50         -36%         \$59         \$278           73         Sell         \$10         -21%         -\$11         \$167           16         Hold         \$292         1%         \$521         \$807           33         Buy         \$74         18%         \$712         \$857           33         Buy         \$68         -3%         \$432         \$567           rg a target EV/EB/ITAA multiple to our estimate for 2020 EB/ITDA companies including stock-based compensation.         \$200 EB/ITDA companies including stock-based compensation.	27         Sell         \$50         .36%         \$59         \$278         \$422           73         Sell         \$10         .21%         .511         \$167         \$247           .16         Hold         \$292         .1%         \$521         \$807         \$934           .33         Buy         \$74         .18%         \$712         \$855         \$954           .33         Buy         \$68         .3%         \$432         \$567         \$656           .09         a target EV/EBITDA multiple to our estimate for 2020 EBITDA companies including stock-based compensation.	27         Sell         \$50         .36%         \$59         \$278         \$422         \$82           73         Sell         \$10         .21%         .\$11         \$167         \$247         .\$3           .16         Hold         \$292         .1%         \$521         \$807         \$934         \$521           .33         Buy         \$74         .18%         \$712         \$855         5954         \$712           .33         Buy         \$68         .3%         \$432         \$567         \$656         \$460           rig a target EV/EBITDA multiple to our estimate for 2020 EBITDA companies including stock-based compensation.         \$656         \$460	27         Sell         \$50         -36%         \$59         \$278         \$422         \$82         \$282           73         Sell         \$10         -21%         -\$11         \$167         \$247         -\$3         \$177           16         Hold         \$292         1%         \$521         \$807         \$334         \$521         \$807           33         Buy         \$74         18%         \$712         \$855         \$954         \$712         \$889           13         Buy         \$68         -3%         \$432         \$567         \$656         \$460         \$589           rig a target EV/EBITDA multiple to our estimate for 2020 EBITDA companies including stock-based compensation.         \$275         \$656         \$460         \$689	27         Sell         \$50         -36%         \$59         \$278         \$422         \$82         \$282         \$416           73         Sell         \$10         -21%         -\$11         \$167         \$247         -\$3         \$117         \$255           16         Hold         \$292         1%         \$521         \$807         \$934         \$521         \$807         \$934           33         Buy         \$74         18%         \$712         \$855         \$954         \$712         \$855         \$954           33         Buy         \$68         -3%         \$432         \$567         \$656         \$460         \$589         \$680           rig a target EV/EBITDA multiple to our estimate for 2020 EBITDA companies including stock-based companisation.         \$400         \$589         \$680	75         Hold         \$13         -17%         \$16         \$263         \$357         \$28         \$276         \$399         \$28           27         Sell         \$50         -36%         \$59         \$278         \$422         \$82         \$282         \$4/16         \$13.0X           73         Sell         \$10         -21%         -\$11         \$167         \$247         -\$3         \$177         \$255         \$2.0X           16         Hold         \$292         1%         \$521         \$807         \$934         \$521         \$807         \$934         \$10.0X         \$934         \$15.0X         \$934         \$10.0X         \$934         \$10.0X <td< td=""></td<>

Source: FactSet Truist Securities research



### **Companies Mentioned in This Note**

Bluegreen Vacations Corporation (BXG, \$11.12, Buy, C. Patrick Scholes)

Choice Hotels International, Inc. (CHH, \$108.59, Hold, C. Patrick Scholes)

DiamondRock Hospitality Company (DRH, \$10.56, Sell, C. Patrick Scholes)

Hyatt Hotels Corporation (H, \$83.28, Sell, C. Patrick Scholes)

Hilton Grand Vacations Inc. (HGV, \$37.64, Buy, C. Patrick Scholes)

Hilton Worldwide Holdings Inc. (HLT, \$122.06, Hold, C. Patrick Scholes)

Host Hotels & Resorts, Inc. (HST, \$17.30, Sell, C. Patrick Scholes)

Marriott International, Inc. (MAR, \$148.23, Hold, C. Patrick Scholes)

Vail Resorts, Inc. (MTN, \$290.16, Hold, C. Patrick Scholes)

Pebblebrook Hotel Trust (PEB, \$24.72, Hold, Gregory Miller)

Park Hotels & Resorts Inc. (PK, \$22.13, Sell, C. Patrick Scholes)

Playa Hotels & Resorts N.V. (PLYA, \$7.21, Hold, C. Patrick Scholes)

Ryman Hospitality Properties, Inc. (RHP, \$78.27, Sell, C. Patrick Scholes)

RLJ Lodging Trust (RLJ, \$15.75, Hold, Gregory Miller)

Sunstone Hotel Investors, Inc. (SHO, \$12.73, Sell, C. Patrick Scholes)

Travel + Leisure Co. (TNL, \$62.33, Buy, C. Patrick Scholes)

Marriott Vacations Worldwide Corporation (VAC, \$175.49, Buy, C. Patrick Scholes)

Wyndham Hotels & Resorts, Inc. (WH, \$70.13, Buy, C. Patrick Scholes)

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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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Hold (H) – the stock's total return is expected to perform in line with the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

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S = Sell

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