

Lodging

Lodging: US RevPAR +102.0% Y/Y Last Week; 2yr +19.6% vs. Prior -0.4%; clean Thanksgiving comp

Americans gorged on turkey & on hotel rooms. Even on a normal low-occupancy holiday week, ADRs up bigly

What's Incremental To Our View

Overall U.S. RevPAR was +102.0% y/y for the week ending 11/27/2021, per STR, weaker than the prior week's result of +107.6%. Last week's RevPAR was up against a -41.2% comparable result in 2020 vs. -52.2% in the prior week's 2-year run-rate. On a 2-year run-rate, RevPAR was +19.6% vs. -0.4% in the prior week's 2-year run-rate.

While low occupancy holiday weeks can make for unusual y/y and 2-yr comparisons, we note that given a relative clean comp there was a healthy pickup in occupancy (2-yr: +5%) and more to ADR (+14%). Beneficiaries were more midpriced-to-budget hotels and less so on urban markets.

Last week was in our view one of the easier-to-analyze clean comp holiday weeks versus both 2019 and 2020 and as a result we have more takeaways from the results.

- Given in part by flexible office policies and remote working combined with many 2020 Thanksgivings that were not with family, there was healthy demand growth vs. 2019 especially early in the week and we suspect the vast majority of the pickup was leisure-driven (2-yr: Sunday occupancy +12%, Monday-Wednesday +5-7%, with modest 1-2% gains Thursday/Friday).
- Hoteliers appeared able to push room rates despite occupancies in the 40s-60s percent. Upscale ADR vs. 2019 was +9%; all other chain scales were +13-28% (highest for Luxury and Economy).
- There was some weakness beyond the headline results.
 - Luxury and Upper Upscale occupancy vs. 2019 were -10% and -6% respectively whereas Upscale to Economy were +5-9%.
 - While resorts, small markets, suburbia, and airport locations had positive RevPAR vs. 2019, some major markets were materially down. NYC was -3%, Oahu was -21%, and San Francisco was -18%.

With one day left in the month, we can high-level forecast November results although we view Luxury and Upper Upscale as more volatile to project (we have a 20 point range for y/y).

November estimates:

• For the month of November, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, Hold], Hyatt [H, Hold], or Marriott [MAR, Hold] hotel) will finish approximately +230-250% y/y for Luxury, +190-210% y/y for Upper Upscale, and +100-110% y/y for Upscale full-service. We estimate that

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What's Inside

Weekly STR results and analysis

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the overall industry will finish approximately +100-105% y/y. Please note that reported monthly results include hotels that are not in the weekly data set.

- On a 2-year basis, STR data would suggest roughly down 0-5% RevPAR for the overall industry.
 - O By chain scale:
 - Luxury: down 5% to 15%
 - Upper Upscale: down 17% to 27%
 - Upscale: down 10% to 15%

Major RevPAR statistics presented below:

- Luxury RevPAR: +182.3% y/y and +15.0% over 2 years
- Upper Upscale RevPAR: +165.1% y/y and +8.5% over 2 years;
- Upscale RevPAR: +105.9% y/y and +14.8% over 2 years;
- Upper Midscale RevPAR: +94.7% y/y and +22.0% over 2 years;
- Midscale RevPAR: +68.2% y/y and +23.5% over 2 years;
- Economy RevPAR: +43.6% y/y and +24.2% over 2 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +88.5% y/y and +25.0% over 2 years; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +210.0% y/y vs. +542.6% prior week; over 2 years: --13.5% vs -28.1% prior week.
 - Transient: +142.6% y/y vs. +159.6% prior week; over 2 years: +21.1% vs -3.7% prior week.

Last week's RevPAR details and sequential trends:

- Headline RevPAR was +102.0% y/y vs. the running 28-day average of +100.7% y/y.
- Occupancy: Absolute occupancy was 53.0% y/y vs. the running 28-day average of 58.5% y/y.
- Open/closed hotels: Per STR, 0.7% of the hotel supply was closed (vs. 0.7% last week).
 - 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 was light given a leisure/holiday week: 5.9% last week vs. 13.9% for the running 28 days.

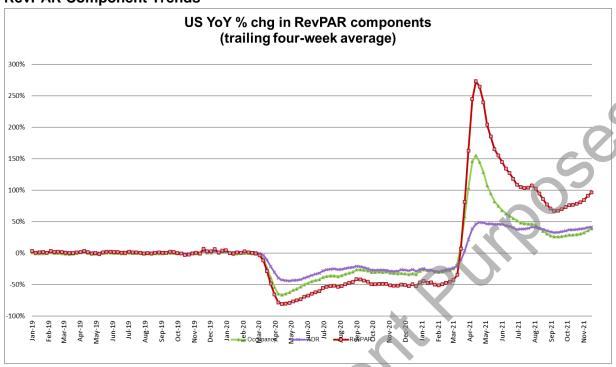
As far as stocks, we reiterate our view the companies relatively best positioned here in our coverage universe are the drive-to leisure-centric C-Corps CHH, WH, and RLJ for the value-play business traveler in the early corporate demand recovery, and the timeshare companies, HGV, VAC, and TNL (formerly WYND). WH, RLJ, HGV, VAC, and TNL are the only names we believe we can still get material upside based on our 2023 estimates, hence our Buy ratings. CHH is rated Hold.

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).

Weekly RevPAR Summary

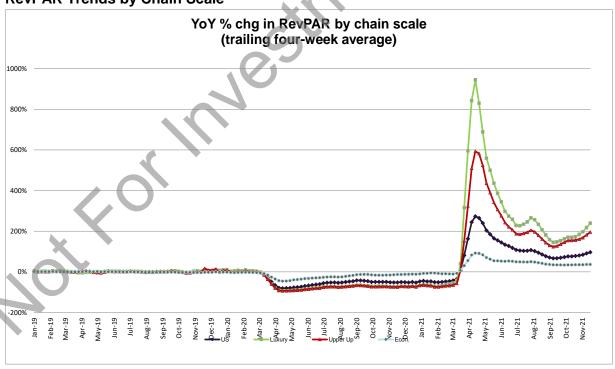
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-			Upper		Upper	YoY % ch		Inde-					
9/18/2021	U.S. 75.8%	170.6%	Upscale 151.3%	Upscale 82.1%	Midscale 64.2%	Midscale E 49.9%	34.9%	pendent 63.2%	217.9%	189.2%	LA 63.4%	Chicago 210.5%	DC 95.6%
9/25/2021	78.4%	183.0%	160.4%	85.2%	63.8%	49.9%	34.9%	64.2%	266.9%	273.5%	65.1%	184.6%	96.0%
10/2/2021	75.4%	164.3%	155.2%	82.3%	61.7%	47.1%	32.4%	63.0%	172.0%	241.1%	68.3%	149.4%	118.8%
10/9/2021 10/16/2021	74.9% 77.3%	164.5% 169.7%	150.4% 152.8%	79.2% 82.4%	60.0% 61.1%	46.3% 47.7%	35.0% 35.2%	62.7% 64.8%	201.8% 203.2%	222.7% 270.8%	82.8% 87.0%	227.4% 172.0%	123.0% 178.4%
10/23/2021	86.0%	192.9%	166.5%	87.8%	67.2%	52.7%	37.9%	75.4%	199.4%	290.3%	99.5%	184.9%	124.3%
10/30/2021	84.5%	209.2%	174.0%	86.2%	64.3%	46.3%	32.3%	74.8%	191.9%	249.1%	98.5%	178.4%	99.4%
11/6/2021 11/13/2021	89.7% 104.2%	217.7% 253.1%	180.7% 208.2%	91.4% 103.9%	66.6% 78.2%	48.2% 58.5%	35.8% 40.1%	81.5% 93.9%	245.5% 299.5%	252.6% 242.9%	106.3% 121.6%	200.1% 191.4%	111.1% 132.2%
11/20/2021	107.6%	278.9%	220.1%	110.7%	80.6%	56.5%	38.4%	95.7%	300.3%	234.7%	128.1%	266.8%	151.8%
11/27/2021	102.0%	182.3%	165.1%	105.9%	94.7%	68.2%	43.6%	88.5%	325.2%	178.4%	151.5%	222.4%	126.3%
	Strong rate	growth vs.	2019 on a week		Luxury	and Upper U	pscale led th	ne industry	١	NYC and Chi	cago led the	e Top 5 mark	ets
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 4Q18	1.7% 2.4%	3.3% 3.0%	1.9% 1.1%	0.8% 0.0%	-0.5% 0.5%	0.1% 1.3%	1.8% 2.9%	2.2% 4.9%	0.7% 3.5%	2.8% 12.2%	1.3% 3.0%	7.5% 2.8%	-3.4% -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 3Q19	1.1% 0.7%	1.1% 1.3%	0.5% 1.1%	-0.4% -0.5%	0.0% -0.1%	-0.7% -1.0%	1.7% -0.9%	2.4% 1.6%	-1.8% -2.2%	4.5% -0.4%	1.6% -0.2%	-0.1% -2.2%	-1.5% 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%	-21.4% -86.8%	-23.1% -86.7%	-20.8%	-19.1% -65.4%	-16.8%	-11.2% -35.0%	-16.7%	-28.0%	-24.5%	-19.3% -74.5%	-21.0% -83.7%	-23.2% -83.7%
3Q20	-69.9% -48.5%	-72.0%	-71.8%	-74.8% -55.2%	-41.7%	-51.3% -29.7%	-19.0%	-65.2% -39.0%	-76.9% -77.6%	-88.2% -79.1%	-74.5%	-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%
1Q21 2Q21	-27.7% 160.4%	-42.7% 391.1%	-54.4% 305.3%	-34.3% 173.3%	-17.4% 150.1%	-5.9% 100.7%	4.1% 61.1%	-18.0% 162.0%	-48.4% 73.8%	-56.7% 192.1%	-45.3% 166.4%	-45.0% 158.3%	-43.5% 126.2%
3Q21		201.3%	162.9%	91.2%	72.8%	56.4%	39.5%	71.1%	169.2%	207.8%	95.8%	166.4%	96.9%
						YoY %	change i	in ADR					X
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale E	conomy	Inde- pendent	New York	Boston	LA	Chicago	DC
9/18/2021	35.8%	33.0%	37.9%	31.0%	27.9%	22.4%	19.6%	32.0%	84.2%	64.1%	33.6%	72.6%	31.8%
9/25/2021	37.9%	38.2%	42.2%	33.1%	28.5%	22.7%	19.2%	33.3%	105.3%	91.4%	34.4%	69.0%	39.5%
10/2/2021	36.3%	27.3%	39.0%	31.9%	28.0%	22.1%	18.6%	32.5%	74.7%	79.9%	33.5%	59.3%	44.7%
10/9/2021 10/16/2021	37.2% 36.7%	32.7% 33.7%	40.5% 40.5%	33.4% 32.6%	28.6% 27.3%	22.6% 21.9%	19.8% 18.5%	33.2% 32.5%	80.3% 78.5%	87.2% 96.9%	34.1% 36.6%	85.9% 66.2%	45.2% 58.6%
10/23/2021	39.9%	37.0%	43.7%	34.6%	29.2%	23.7%	19.8%	36.5%	77.4%	100.2%	41.4%	66.2%	44.4%
10/30/2021	39.3%	34.5%	42.5%	31.9%	27.2%	21.6%	18.1%	36.9%	76.7%	79.2%	40.2%	63.0%	38.7%
11/6/2021	40.1%	31.7%	40.8%	31.8%	26.6%	21.7%	18.7%	40.1%	84.7%	73.6%	44.0%	62.6%	35.3%
11/13/2021 11/20/2021	43.3% 43.0%	36.5% 31.3%	44.7% 42.6%	34.0% 32.9%	28.8% 27.6%	23.8% 23.0%	19.8% 20.2%	41.8% 41.3%	94.7% 91.5%	69.6% 66.2%	45.0% 47.8%	61.9% 77.5%	43.9% 45.9%
11/27/2021	38.4%	33.3%	35.1%	32.0%	28.8%	23.6%	19.9%	35.1%	102.5%	44.4%	50.3%	61.5%	31.1%
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 4Q18	2.1% 2.0%	3.3% 3.7%	2.4%	1.8% 1.6%	1.2% 1.1%	1.3% 0.9%	1.2% 0.6%	1.9% 2.9%	1.2% 3.4%	1.9% 5.6%	1.1% 1.4%	6.7% 2.2%	-0.8% -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 3Q19	1.2% 0.8%	2.5% 1.5%	1.4% 1.3%	0.6% 0.2%	0.7% -0.1%	-0.2% -0.5%	0.6%	1.7% 1.6%	-1.0% -1.9%	3.2% 0.9%	0.8% -0.2%	-1.7% -2.8%	0.2% 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 3Q20	-37.1% -24.1%	-22.0% -12.6%	-34.0% -25.6%	-30.0% -24.2%	-23.1% -17.3%	-17.1% -11.6%	-14.6% -9.4%	-34.8% -16.1%	-52.3% -47.7%	-56.9% -47.3%	-40.5% -31.6%	-53.7% -43.2%	-48.8% -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	-19.6% 43.2%	3.4% 37.8%	-23.4% 30.6%	-23.0% 21.3%	-14.2% 23.1%	-6.3% 20.4%	-1.5% 18.6%	-12.1% 52.6%	-28.3% 33.5%	-32.7% 38.0%	-29.7% 42.5%	-25.7% 46.1%	-27.9% 23.1%
3Q21	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%
-			Upper	4	Upper	oY % cha	nge in O	ccupano	у				
	U.S.		Upscale		Midscale	Midscale E	conomy	pendent	New York		LA	Chicago	DC
9/18/2021 9/25/2021	29.5% 29.4%	103.4% 104.7%	82.3% 83.1%	38.9% 39.1%	28.3% 27.5%	22.5% 21.5%	12.8% 12.4%	23.7% 23.2%	72.6% 78.7%	76.2% 95.1%	22.3% 22.8%	79.9% 68.4%	48.4% 40.4%
10/2/2021	28.7%		83.6%	38.3%	26.4%	20.6%	11.6%	23.2%	55.7%	89.6%	26.1%	56.6%	51.2%
10/9/2021	27.4%	99.4%	78.3%	34.3%	24.5%	19.3%	12.7%	22.2%	67.4%	72.4%	36.4%	76.1%	53.6%
10/16/2021 10/23/2021	29.7% 32.9%	101.7% 113.8%	79.9% 85.5%	37.6% 39.5%	26.5% 29.5%	21.1% 23.5%	14.0% 15.1%	24.4% 28.5%	69.9% 68.8%	88.3% 95.0%	36.9% 41.1%	63.7% 71.4%	75.5% 55.3%
10/23/2021	32.5%	129.8%	92.2%	41.1%	29.5%	20.4%	12.0%	27.7%	65.2%	94.8%	41.1%	70.8%	43.7%
11/6/2021	35.4%	141.3%	99.4%	45.2%	31.6%	21.8%	14.4%	29.6%	87.0%	103.1%	43.2%	84.6%	56.1%
11/13/2021	42.5%	158.6%	113.0%	52.2%	38.3%	28.0%	16.9%	36.8%	105.1%	102.2%	52.8%	80.0%	61.3%
11/20/2021 11/27/2021	45.2% 45.9%	188.5% 111.8%	124.4% 96.2%	58.5% 56.1%	41.5% 51.2%	27.3% 36.1%	15.1% 19.8%	38.5% 39.5%	109.0% 109.9%	101.4% 92.9%	54.4% 67.3%	106.7% 99.7%	72.6% 72.6%
1Q18 2Q18	0.9% 1.1%	2.1% 1.3%	0.0% 0.5%	0.5% 0.4%	1.1% 0.9%	0.9% 1.5%	1.3% 0.4%	0.7% 1.5%	3.5% 0.5%	3.7% -1.1%	-1.3% -1.4%	4.4% 0.7%	-1.8% 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 2Q19	0.4% -0.1%	-2.8% -1.4%	-1.3% -0.9%	-1.4% -1.0%	-0.5% -0.7%	0.0% -0.6%	2.3% 1.1%	2.1% 0.7%	-3.5% -0.7%	-2.8% 1.3%	-0.7% 0.8%	-2.2% 1.7%	-3.8% -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	-0.1% -15.9%	1.2% -22.6%	-21.9%	-0.2% -18.4%	-0.8% -16.5%	-1.7% -13.6%	-0.4% -7.7%	0.4% -14.8%	-0.4% -21.3%	-6.5% -19.5%	-17.1%	1.5% -18.8%	1.3% -17.6%
2Q20	-52.1%	-83.0%	-79.8%	-64.0%	-55.1%	-41.3%	-23.9%	-46.6%	-51.5%	-72.7%	-57.1%	-64.7%	-68.2%
3Q20 4Q20	-32.2% -32.1%	-68.0% -67.8%	-62.2% -61.2%	-40.9% -39.1%	-29.5% -27.8%	-20.5% -17.8%	-10.6% -9.1%	-27.3% -28.5%	-57.3% -58.7%	-60.3% -56.2%	-39.1% -42.5%	-53.1% -55.5%	-51.2% -51.7%
1Q21	-32.1%	-44.6%	-40.5%	-14.7%	-3.8%	0.5%	5.6%	-28.5% -6.7%	-28.0%	-35.6%	-22.2%	-26.0%	-21.6%
2Q21	81.9%	256.5%	210.5%	125.3%	103.2%	66.7%	35.9%	71.7%	30.2%	111.7%	86.9%	76.8%	83.8%
3Q21	34.9%	128.5%	94.7%	47.4%	34.7%	26.6%	15.2%	28.8%	64.0%	95.2%	36.9%	67.0%	52.1%

RevPAR Component Trends

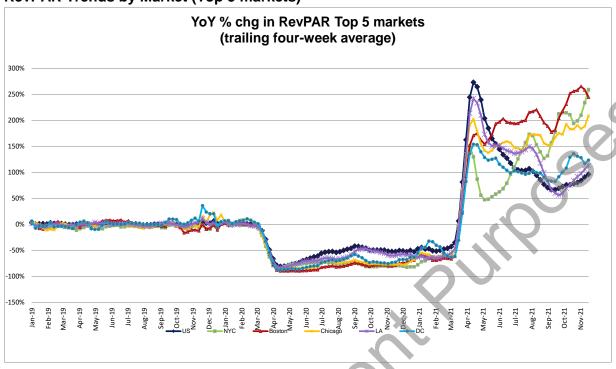


Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale

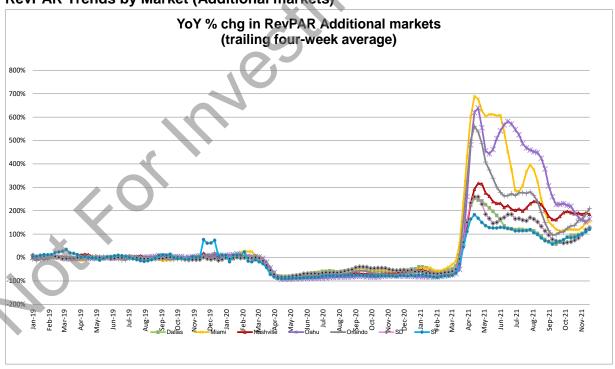


RevPAR Trends by Market (Top 5 markets)

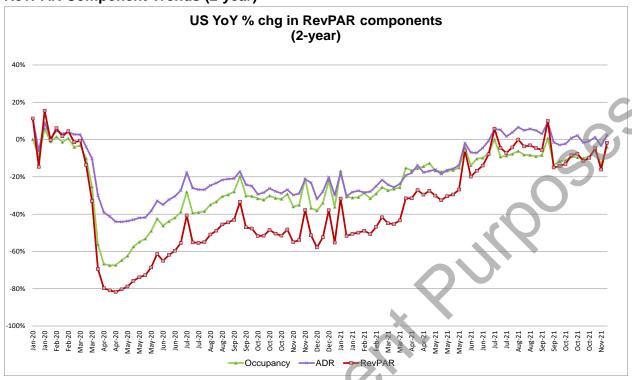


Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)

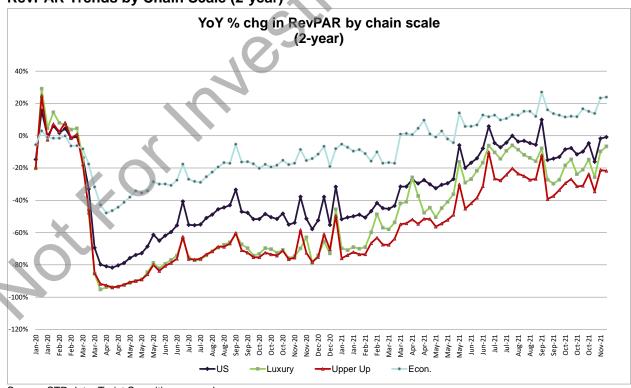


RevPAR Component Trends (2-year)

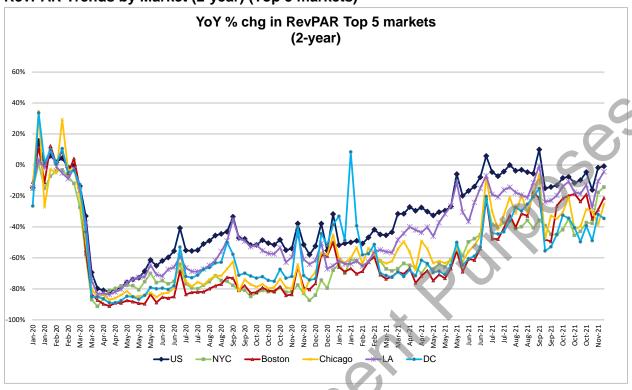


Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (2-year)

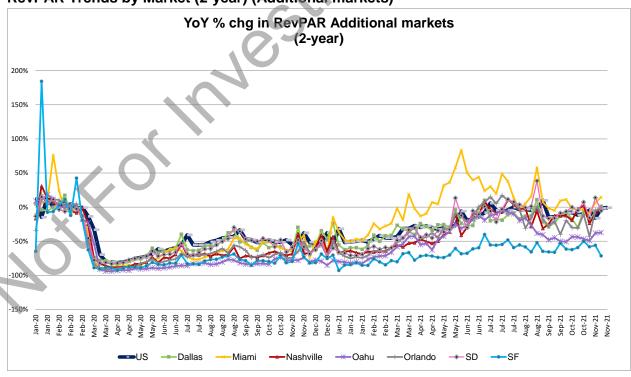


RevPAR Trends by Market (2-year) (Top 5 markets)



Source: STR data, Truist Securities research

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





Price Target/Risks Summary

.odging	TKR	Price 11/30/21	Rating	PT*	% upside/ down- side	2021E Valuation EBITDA (\$M)* **	2022E Valuation EBITDA (\$M)* **	2023E Valuation EBITDA (\$M)* **	2021E As Reported/ Consensus EBITDA (\$M)*	2022E As Reported/ Consensus EBITDA (\$M)*	2023E As Reported/ Consensus 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.
Bluegreen Vacations	BVH	\$29.73	Buy	\$44	48%	\$115	\$133	\$141	\$17	\$16	\$16	7.6X	Downside risk: controlled company issues, limited cap/float, loan defaults and macroeconomic risk.
ouegreen vacations	DVII	Ψ23.73	Duy	J-1-1	4070	ψ113	ψ133	\$141	Ψ17	\$10	Ψ10	7.07	Upside risk: conservative growth of new brands.
Choice Hotels	CHH	\$143.55	Hold	\$114	-21%	\$366	\$430	\$475	\$377	\$442	\$491	15.0X	Downside risk: slowdown in development opportunities. Upside risk: faster demand improvement in corporate travel than expected.
													Brand changes (e.g. Vail) lead to material EBITDA improvement. Leisure hotels hold/improve on RevPAR and margins despite the challenging macro. Downside risk: lodging recovery takes longer than expected, weaker results from ROI projects than forecasted, poor performance of the projects than forecasted, poor performance of the projects than forecasted.
DiamondRock Hospitality	DRH	\$8.71	Hold	\$8	-8%	\$78	\$182	\$228	\$79	\$182	\$229	12.0X	recently acquired assets. Upside risk: Macro lodging trends improve beyond expectations. Faster
													than expected net unit growth. Downside risk: slowing pipeline. Deep 202
Hilton	HLT	\$135.07	Hold	\$139	3%	\$1,528	\$2,491	\$2,935	\$1,669	\$2,629	\$3,069	15.9X	recession. Downside risk: Disruption in a major market (HGV more concentrated that
Hilton Grand Vacations	HGV	\$47.50	Buy	\$54	14%	\$730	\$1,185	\$1,738	\$339	\$339	\$339	9.8X	peers), issues with Japanese customer (HGV more exposed than peers) difficulty sourcing additional fee-for-service inventory deals
													Upside risk faster demand improvement in orporate/conventor unset than expected. Dispositions at hipper mul, be than or out-off (incl. NYC stronger than expected performance by loazy fewer or ears so no both too line and margins through the valuation year. Downside risk- extended industry downturn with particular impact to large by gox hotels, weak recovery of international travel aring the valuation period, macro-deman
Host Hotels & Resorts	HST	\$15.70	Hold	\$16	2%	\$383	\$999	\$1,345	\$383	\$999	\$1,345	12.5X	shock to acquired resort assets, labor issues. Upside risk: Transient and group trends outperform expectations,
													particularly for owned hotels. Material disposition of owned hotels. Fasts than expected improvement in net rooms growth. Downside risk: lodging recovery takes longer than expected. Planned dispositions take longer than expected, Material lation issues to owned hotels. Pipeline growth slower
Hyatt Hotels	н	\$78.77	Hold	\$76	-4%	\$179	\$496	\$707	\$228	\$544	\$759	13.5X	than expected. Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep 202
Marriott International Marriott Vacations	MAR VAC	\$147.56 \$152.65	Hold Buy	\$156 \$201	6% 32%	\$1,924 \$603	\$3,094 \$874	\$3,728 \$951	\$2,227 \$647	\$3,398 \$922	\$4,044 \$1,003	15.9X 10.5X	recession. Downside risk: M&A story fades and multiples revert to historical levels
						,		• • • • • • • • • • • • • • • • • • • •				2	Upside risk: laster demand improvement in corporate travel than expecte Dispositions at higher multiple than expected. CHSP revenue and asset management strategies lead to faster than expected EBITDA gains. Downside risk: extended industry downtum with particular impact to larg lig box hotels, weak recovery of international travel during the valuation period expectagly Callum, warcor demand shock impact to major resort.
Park Hotels & Resorts	PK	\$16.64	Hold	\$18	8%	\$120	\$465	\$732	\$138	\$481	\$748	12.5X	assets, labor issues. Upside Risks: Material near-term incremental EBITDA from Legacy LHC assets. Downside Risks: Incremental EBITDA from major CapEx
Pebblebrook Hotel Trust***	PEB	\$20.95	Hold	\$24	15%	\$94	\$343	\$453	\$94	\$343	\$453	14.5X	investments take longer than anticipated, contributing to multiple contraction. Very slow recovery in San Francisco.
										7			Upside risk: quicker recovery post-COVID, Cap Cana group strength/rat growth in the D.R. Downside risk: demand shock, hurricanes, slow ram
Playa Hotels & Resorts	PLYA	\$7.12	Hold	\$7	-2%	\$49	\$177	\$209	\$62	\$191	\$223	10.0X	up of Cap Cana, country-specific risks (emerging market portfolio) Downside risk: Sower than expected recovery of corporate business travel post-COVID; scopel/timing and/or upside from repositionings underwhelms investor expectations; labor costs are not reduced either of to increased wages/benefits or inability to cut costs post-tech
RLJ Lodging Trust***	RLJ	\$12.59	Buy	\$19	51%	\$141	\$273	\$431	\$159	\$293	\$452	12.5X	improvements
Ryman Hospitality Properties	RHP	\$77.40	Sell	\$61	-21%	\$160	\$430	\$497	\$180	\$457	\$525	13.0X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery.
								X					Upside risk: faster demand improvement in corporate travel than expected ESITOA Improvements. SHC Benovations lead to faster than expected ESITOA Improvements. SHC buys hotels at accretive terms and quickly adds incremental ESITOA during the valuation period. Downside risk: Lodging recovery takes long than expected, labor issues, weak recovery of international travel to gateway markets, natural disaster risk. Mortage ESITOA stabilizes well
Sunstone Hotel Investors	SHO	\$10.87	Hold	\$11	1%	\$48	\$204	\$262	\$60	\$214	\$270	12.0X	lower than expected. Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
/ail Resorts, Inc.	MTN	\$331.71	Hold	\$322	-3%	\$540	\$810	\$928	\$540	\$810	\$928	16.0X	Upside risks include a faster economic recovery and investors continuin to apply higher target valuation multiples.
Fraunt + Leieure Co	TNI	\$40.22	Busy	\$77	56%	\$747	\$928	\$1 nnp	\$7.47	6028	\$1,000	9.69	Downside risk: The timeshare business is especially vulnerable to
Fravel + Leisure Co. Nyndham Hotels & Resorts	TNL	\$49.22 \$79.48	Buy	\$77 \$83	56% 4%	\$747 \$503	\$928 \$592	\$1,008 \$692	\$747 \$532	\$928 \$622	\$1,008 \$724	8.6X 14.0X	economic softness. There are potential execution risks post the spin of Downside risk: Slowdown in development opportunities.

Source: FactSet, Truist Securities research



Companies Mentioned in This Note

Bluegreen Vacations Holding Corporation (BVH, \$29.73, Buy, C. Patrick Scholes)

Choice Hotels International, Inc. (CHH, \$143.55, Hold, C. Patrick Scholes)

DiamondRock Hospitality Company (DRH, \$8.71, Hold, C. Patrick Scholes)

Hyatt Hotels Corporation (H, \$78.77, Hold, C. Patrick Scholes)

Hilton Grand Vacations Inc. (HGV, \$47.50, Buy, C. Patrick Scholes)

Hilton Worldwide Holdings Inc. (HLT, \$135.07, Hold, C. Patrick Scholes)

Host Hotels & Resorts, Inc. (HST, \$15.70, Hold, C. Patrick Scholes)

Marriott International, Inc. (MAR, \$147.56, Hold, C. Patrick Scholes)

Vail Resorts, Inc. (MTN, \$331.71, Hold, C. Patrick Scholes)

Pebblebrook Hotel Trust (PEB, \$20.95, Hold, Gregory Miller)

Park Hotels & Resorts Inc. (PK, \$16.64, Hold, C. Patrick Scholes)

Playa Hotels & Resorts N.V. (PLYA, \$7.12, Hold, C. Patrick Scholes)

Ryman Hospitality Properties, Inc. (RHP, \$77.40, Sell, C. Patrick Scholes)

RLJ Lodging Trust (RLJ, \$12.59, Buy, Gregory Miller)

Sunstone Hotel Investors, Inc. (SHO, \$10.87, Hold, C. Patrick Scholes)

Travel + Leisure Co. (TNL, \$49.22, Buy, C. Patrick Scholes)

Marriott Vacations Worldwide Corporation (VAC, \$152.65, Buy, C. Patrick Scholes)

Wyndham Hotels & Resorts, Inc. (WH, \$79.48, Buy, C. Patrick Scholes)

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