Equity Research

CONSUMER: Lodging

TRUIST HH

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results



September 28, 2022

Lodging: US RevPAR +30.3% Y/Y Last Week, aided by holiday timing. +13.9% vs. 2019, clean comp.

Overall U.S. RevPAR was +30.3% y/y for the week ending 9/24/2022, per STR, flattish vs. the prior week's result of +30.6% y/y. Last week's RevPAR was up against a +78.4% comparable result in 2021 vs. +75.8% in the prior week. **On a 3-year run-rate (vs. 2019), RevPAR was +13.9% vs. +12.9% in the prior week's 3-year run-rate.**

We see the y/y strength driven by the timing of the Jewish Holidays. This was most evident in the abnormally strong result for the Group segment, up 61% y/y. For the results vs. 2019, we see this as a clean comp and a result about 300bps higher than the average of the prior 10 weeks.

Major RevPAR statistics presented below:

- Luxury RevPAR: +50.0% y/y and +10.7% over 3 years;
- Upper Upscale RevPAR: +59.3% y/y and +5.9% over 3 years;
- Upscale RevPAR: +35.5% y/y and +7.5% over 3 years;
- Upper Midscale RevPAR: +18.2% y/y and +13.5% over 3 years;
- Midscale RevPAR: +9,4% y/y and +17.6% over 3 years;
- Economy RevPAR: +4.7% y/y and +17.8% over 3 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +24.8% y/y and +20.4% over 3 years; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +87.3% y/y vs. +97.6% prior week; over 3 years: +7.8% vs -2.6% prior week

Transient: +32.9% y/y vs. +35.7% prior week; over 3 years: +13.4% vs +14.0% prior week.

Last week's RevPAR details and sequential trends:

- Headline RevPAR was +30.3% y/y vs. the running 28-day average of +22.6% y/y.
- **Occupancy:** Absolute occupancy was 70.0% y/y vs. 66.0% for the running 28-day average.
- Absolute Group occupancy: 27.3% last week vs. 21.3% for the running 28 days.

We summarize our view on the lodging sector at the moment as one of "relative optimism," a view markedly more favorable than the bear case of "relative pessimism". Of the lodging stocks our favorite name is Hyatt (H, Buy) which we see in the "sweet spot" of both the group recovery and strength in international markets, most notably the Caribbean. Hyatt generates approx. 30% of earnings from the group segment and 30% from its Caribbean-centric Apple Leisure Group segment. To this we note an EV/EBITDA valuation multiple approx. 350 bps. below that of HLT (Hold) and MAR (Hold). Additionally, we raised our rating on RHP (Buy) to Buy from Hold on 9/7/22 and raised our price target to \$103 from \$95. At 75% of its business coming from groups/ conventions, RHP has the greatest exposure to this customer segment. For the lodging sector as a whole, we see the biggest potential drivers of earnings upside coming from corporate group business and associated outside of room spend (aka "Total RevPAR") and secondarily from the recovery in international markets.

Weekly RevPAR Summary

6/4/202 6/11/202 6/18/202 6/25/202 7/2/202 7/9/202 7/16/202	022 32.4% 022 26.6%	36.9% 60.3%	49.4%	Upscale I 29.0%	Upper Midscale	Midscale E		Inde-					
6/11/202 6/18/202 6/25/202 7/2/202 7/9/202	22 21.5% 022 32.4% 022 26.6%	36.9% 60.3%	49.4%		wiascale					Dester		01-1	
6/11/202 6/18/202 6/25/202 7/2/202 7/9/202	022 32.4% 022 26.6%	60.3%			14.6%	7.9%	Economy 6.1%	12.5%	94.9%	128.1%	LA 33.7%	Chicago 123.6%	DC 99.7%
6/18/202 6/25/202 7/2/202 7/9/202	22 26.6%		76.1%	40.3%	20.3%	10.3%	6.8%	12.5%	94.9% 130.7%	128.1%	33.7% 51.4%	123.6%	99.7% 132.9%
7/2/202 7/9/202		47.9%	61.6%	35.3%	18.2%	9.2%	5.2%	15.3%	108.3%	202.4%	28.4%	120.3%	124.0%
7/9/202	22 21.4%	33.4%	48.7%	29.8%	15.4%	6.9%	3.1%	12.2%	100.5%	98.6%	15.0%	92.5%	110.8%
	16.1%	28.2%	40.5%	25.4%	11.4%	3.2%	-0.4%	6.7%	61.3%	71.9%	22.5%	87.5%	73.8%
7/16/20:		7.0%	12.0%	6.8%	0.0%	-3.9%	-4.0%	0.0%	27.5%	48.0%	6.3%	25.4%	35.0%
		24.6%	34.1%	21.0%	8.9%	2.1%	-2.0%	7.2%	65.7%	82.7%	14.5%	73.2%	59.5%
7/23/202		20.8%	32.0%	20.7%	8.7%	2.6%	-0.6%	6.6%	53.9%	66.7%	22.7%	60.4%	55.7%
7/30/202		18.1%	32.2%	19.4%	9.0%	1.9%	-1.5%	7.4%	52.5%	67.1%	14.6%	41.8%	61.2%
8/6/202		14.7%	28.1%	17.9%	9.5%	2.9%	0.5%	6.7%	51.2%	40.5%	12.0%	39.4%	35.4%
8/13/202		22.9%	31.2%	18.1%	8.7%	1.7%	-1.3%	8.5%	59.6%	55.0%	14.9%	33.9%	45.1%
8/20/202		27.3%	33.7%	21.3%	12.6%	5.4%	1.3%	12.6%	53.3%	49.0%	22.4%	46.5%	36.9%
8/27/202 9/3/202		30.9% 24.9%	40.4% 31.3%	23.3% 17.0%	12.3% 7.1%	4.2% -0.4%	-0.5% -3.6%	12.9% 10.3%	54.6% 58.4%	47.4% 40.3%	23.6% 12.5%	40.6% 26.0%	36.4% 27.8%
9/10/202		32.6%	32.8%	18.2%	7.1%	-0.4%	-0.4%	12.1%	71.9%	40.3%	27.5%	36.5%	37.1%
9/10/202		32.6% 56.4%	32.8% 65.1%	18.2% 35.7%	18.0%	1.4%	-0.4% 4.3%	24.0%	100.7%	103.2%	27.5%	36.5% 80.9%	37.1% 95.8%
9/24/202		50.0%		35.5%	18.2%	9.4%	4.7%	24.8%	100.2%	39.0%	36.4%	36.5%	87.5%
			2010/0				,0	/0			2011/0		
	Decent 3yr	r result on a	fairly clean		Upper L	Jpscale and	Luxurv led th	e industrv		NYC and D	IC led the T	op 5 markets	
		comp											
101	19 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%
201		1.1%	0.5%	-0.4%	0.0%	-0.7%	1.7%	2.4%	-1.8%	4.5%	1.6%	-0.1%	-1.5%
30		1.3%	1.1%	-0.5%	-0.1%	-1.0%	-0.9%	1.6%	-2.2%	-0.4%	-0.2%	-2.2%	4.5%
4Q1		3.6%	1.0%	-0.6%	-1.0%	-2.7%	-1.5%	2.3%	-4.1%	-11.6%	1.1%	-0.7%	5.2%
102		-21.4%	-23.1%	-20.8%	-19.1%	-16.8%	-11.2%	-16.7%	-28.0%	-24.5%	-19.3%	-21.0%	-23.2%
2Q2 3Q2		-86.8%	-86.7%	-74.8% -55.2%	-65.4% -41.7%	-51.3% -29.7%	-35.0% -19.0%	-65.2% -39.0%	-76.9%	-88.2% -79.1%	-74.5% -58.4%	-83.7% -73.4%	-83.7% -68.0%
3Q2 4Q2		-72.0% -71.4%	-71.8% -72.4%	-55.2% -55.5%	-41.7% -40.6%	-29.7% -26.3%	-19.0% -14.5%	-39.0% -43.5%	-77.6% -81.0%	-79.1% -76.1%	-58.4% -59.3%	-73.4% -75.4%	-68.0% -71.4%
102		-42.7%	-54.4%	-34.3%	-40.8%	-20.3%	4.1%	-43.5%	-48.4%	-56.7%	-45.3%	-45.0%	-43.5%
202		391.1%		173.3%	150.1%	100.7%	61.1%	162.0%	73.8%	192.1%	166.4%	158.3%	126.2%
302		201.3%		91.2%	72.8%	56.4%	39.5%	71.1%	169.2%	207.8%	95.8%	166.4%	96.9%
4Q2		215.5%	185.6%	98.3%	74.2%	55.2%	37.2%	86.4%	273.7%	225.6%	124.8%	195.9%	129.6%
102		112.3%	127.2%	69.7%	51.0%	38.2%	24.3%	58.3%	97.1%	137.1%	115.2%	85.1%	58.1%
202	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%
						YoY %	change i	n ADR					
			Upper		Upper			Inde-					
	U.S.	Luxury	Upscale	Upscale I	Midscale	Midscale E	Economy	pendent	New York	Boston	LA	Chicago	DC
6/4/202	18.5%	10.0%	21.5%	21.1%	14.3%	12.1%	10.4%	13.7%	51.3%	59.6%	25.1%	69.1%	42.6%
6/11/202	22 23.3%	15.8%	28.7%	24.3%	15.8%	12.5%	10.5%	17.9%	67.3%	75.4%	31.7%	62.1%	56.0%
6/18/202		11.6%	23.5%	21.8%	14.1%	11.2%	9.2%	13.6%	56.8%	88.7%	21.1%	57.3%	53.2%
6/25/202		7.9%	20.1%	19.8%	13.1%	9.8%	7.9%	12.7%	55.5%	50.0%	15.5%	45.7%	51.3%
	22 12.4%	1.8%	13.3%	15.3%	9.5%	6.6%	5.5%	8.1%	33.6%	38.7%	16.8%	40.0%	35.0%
7/2/202		6.0%	8.8%	11.0%	7.0%	5.5%	4.4%	7.6%	19.5%	32.0%	12.3%	19.3%	19.6%
7/2/202 7/9/202			40.50/	44.00/					34.0%	43.0%	15.5%	38.1%	27.9%
7/2/202 7/9/202 7/16/202	22 12.1%	6.2%	13.5%	14.2%	8.6%	6.2%	4.5%	9.0%		25 59/			25.00/
7/2/202 7/9/202 7/16/202 7/23/202	022 12.1% 022 11.0%	6.2% 4.0%	12.7%	13.9%	7.8%	6.4%	4.6%	7.5%	29.3%	35.5% 34.9%	18.7%	30.4%	25.9%
7/2/202 7/9/202 7/16/202 7/23/202 7/23/202	022 12.1% 022 11.0% 022 10.2%	6.2% 4.0% 3.2%	12.7% 11.5%	13.9% 12.5%	7.8% 7.0%	6.4% 5.3%	4.6% 3.7%	7.5% 7.4%	29.3% 25.8%	34.9%	18.7% 11.8%	30.4% 23.6%	27.8%
7/2/202 7/9/202 7/16/202 7/23/202	12.1% 12.1% 11.0% 122 10.2% 1022 8.8%	6.2% 4.0%	12.7%	13.9%	7.8%	6.4%	4.6%	7.5%	29.3%		18.7%	30.4%	

-													
	U.S.	Luxury	Upper	Unecalo	Upper Midscalo	Midecalo	Economy	Inde-	New York	Boston	LA	Chicago	DC
6/4/2022	18.5%	10.0%	21.5%	21.1%	14.3%	12.1%		13.7%	51.3%	59.6%	25.1%	69.1%	42.6%
6/11/2022	23.3%	15.8%	21.5%	21.1%	14.3%	12.1%		17.9%		75.4%	31.7%	62.1%	42.6%
6/18/2022	19.4%	11.6%	23.5%	24.3%	14.1%	12.5%		13.6%		88.7%	21.1%	57.3%	53.2%
6/25/2022	17.0%	7.9%	20.1%	21.8%		9.8%	9.2%	12.7%		50.0%	15.5%	45.7%	51.3%
					13.1%								
7/2/2022	12.4%	1.8%	13.3%	15.3%	9.5%	6.6%	5.5%	8.1%		38.7%	16.8%	40.0%	35.0%
7/9/2022	9.0%	6.0%	8.8%	11.0%	7.0%	5.5%	4.4%	7.6%		32.0%	12.3%	19.3%	19.6%
7/16/2022	12.1%	6.2%	13.5%	14.2%	8.6%	6.2%	4.5%	9.0%		43.0%	15.5%	38.1%	27.9%
7/23/2022	11.0%	4.0%	12.7%	13.9%	7.8%	6.4%	4.6%	7.5%		35.5%	18.7%	30.4%	25.9%
7/30/2022	10.2%	3.2%	11.5%	12.5%	7.0%	5.3%	3.7%	7.4%	25.8%	34.9%	11.8%	23.6%	27.8%
8/6/2022	8.8%	3.8%	8.9%	10.7%	6.5%	5.4%		6.5%		21.9%	10.1%	20.0%	15.6%
8/13/2022	8.5%	1.1%	7.8%	10.0%	5.5%	4.4%	3.4%	5.8%	25.8%	28.9%	11.4%	19.3%	19.3%
8/20/2022	10.4%	4.8%	10.1%	11.0%	6.8%	5.9%	4.9%	8.7%	21.3%	23.0%	15.7%	23.6%	15.6%
8/27/2022	10.8%	3.7%	10.7%	11.0%	6.7%	5.9%	4.3%	8.2%	20.2%	23.6%	14.8%	20.2%	16.6%
9/3/2022	10.0%	4.5%	10.6%	10.2%	5.6%	4.0%	3.1%	8.3%	25.7%	22.3%	8.1%	14.5%	13.6%
9/10/2022	11.4%	9.3%	12.4%	12.1%	6.6%	5.2%	3.9%	9.3%	34.9%	33.8%	12.2%	20.3%	20.4%
9/17/2022	18.1%	13.5%	22.5%	17.8%	9.8%	7.3%	5.6%	15.1%	48.5%	42.6%	18.1%	41.4%	43.4%
9/24/2022	17.6%	16.0%	20.5%	18.3%	9.6%	6.6%	4.6%	14.9%	57.1%	16.9%	16.5%	17.5%	36.8%
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%		-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%		-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%		-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%		-47.3%	-31.6%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-20.9%		-45.5%	-29.2%	-44.8%	-40.7%
1Q21	-19.6%	3.4%	-23.4%	-23.0%	-14.2%	-6.3%	-1.5%	-12.1%		-32.7%	-29.7%	-25.7%	-27.9%
2Q21	43.2%	37.8%	30.6%	21.3%	23.1%	20.4%	18.6%	52.6%		38.0%	42.5%	46.1%	23.1%
3Q21	36.2%	31.8%	35.0%	29.7%	28.3%	23.5%		32.8%		57.7%	43.1%	59.6%	29.4%
4Q21	41.5%	29.6%	41.9%	34.2%	28.5%	22.9%	18.8%	39.2%		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%		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%
						oY % ch	ange in C	Occupan	cv				
-			Upper		Upper			Inde-	Ľ				
	U.S.	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	New York	Boston	LA	Chicago	DC
6/4/2022	2.5%	24.5%	23.0%	6.5%	0.3%	-3.7%	-3.9%	-1.1%	28.8%	42.9%	6.9%	32.2%	40.0%
6/11/2022	7.4%	38.4%	36.8%	12.9%	3.8%	-1.9%	-3.3%	2.9%	37.9%	51.1%	15.0%	36.7%	49.3%
6/18/2022	6.0%	32.6%	30.9%	11.0%	3.6%	-1.9%	-3.7%	1.6%	32.9%	60.2%	6.0%	40.1%	46.2%
6/25/2022	3.8%	23.6%	23.8%	8.3%	2.1%	-2.6%	-4.5%	-0.4%	28.9%	32.4%	-0.5%	32.1%	39.3%
7/2/2022	3.3%	25.9%	24.0%	8.8%	1.8%	-3.2%	-5.6%	-1.3%	20.8%	23.9%	4.9%	33.9%	28.7%
7/9/2022	-5.6%	1.0%	2.9%	-3.8%	-6.5%	-8.9%	-8.0%	-7.1%	6.7%	12.1%	-5.3%	5.1%	12.9%
7/16/2022	1.7%	17.3%	18.1%	6.0%	0.3%	-3.8%		-1.6%		27.7%	-0.8%	25.4%	24.7%
7/23/2022	2.1%	16.2%	17.1%	5.9%	0.8%	-3.5%		-0.8%		23.0%	3.3%	23.0%	23.6%
7/30/2022	2.8%	14.4%	18.5%	6.2%	1.8%	-3.3%		0.0%		23.9%	2.5%	14.8%	26.1%
8/6/2022	3.1%	10.5%	17.6%	6.5%	2.8%	-2.3%	-3.5%	0.1%		15.3%	1.7%	16.1%	17.1%
8/13/2022	4.4%	21.6%	21.8%	7.4%	3.0%	-2.7%		2.5%		20.2%	3.1%	12.2%	21.7%
8/20/2022	5.8%	21.4%	21.4%	9.3%	5.4%	-0.5%		3.6%		21.2%	5.8%	18.5%	18.4%
8/27/2022	6.7%	26.3%	26.8%	11.1%	5.2%	-0.5%	-4.5%	4.3%		19.3%	7.7%	17.0%	16.9%
9/3/2022	2.9%	19.5%	18.7%	6.1%	1.4%	-4.3%		4.3%	26.0%	19.3%	4.1%	10.1%	12.5%
9/10/2022	3.1%	21.4%	18.2%	5.4%	0.6%	-4.5%	-4.2%	2.6%	27.4%	28.1%	13.6%	13.5%	13.9%
9/17/2022	10.6%	37.8%		15.2%	7.5%	-3.0%		2.0%		42.5%	14.2%	27.9%	36.5%
9/17/2022 9/24/2022	10.6%	29.3%	34.8%	15.2%	7.5%	2.6%	-1.3%	7.8%		42.5% 18.9%	14.2%	27.9%	36.5% 37.1%
012-1/2022	10.070	20.070	52.370	14.376	1.0%	2.0%	0.176	0.076	21.470	10.976	17.170	10.270	JI.170

-2.8% 1.3% -1.4% -6.5% -19.5% -72.7% -60.3% -56.2% -0.7% 0.8% 0.1% 0.8% -17.1% -57.1% -39.1% -2.2% 1.7% 0.6% 1.5% -18.8% -64.7% -53.1%

76.8% 67.0% 83.8% 52.1%

-42.5% -22.2% 86.9% 36.9% -55.5%

53.9% 53.9% 33.0% 13.7% 79.4% 31.2% 36.3% -3.8% -1.7% 0.4% 1.3%

-17.6% -68.2% -51.2%

62.2% 20.1% 53.0%

2.1% 0.7% 0.0% 0.4% -14.8% -46.6% -27.3% -3.5% -0.7% -0.3% -0.4% -21.3% -51.5% -57.3%

-2.8% -1.4% -0.2% 1.2% -22.6% -83.0% -68.0% -67.8% -44.6% 256.5% 128.5% 0.0% -0.6% -0.5% -1.7% -13.6% -41.3% -20.5% -17.8% 0.5% 66.7% 26.6% 2.3% 1.1% -0.4% -0.4% -7.7% -23.9% -10.6% -9.1% 5.6% 35.9% 15.2% -0.1% -0.1% -15.9% -52.1% -32.2% -32.1% -10.1% 81.9% 34.9% -28.5% -6.7% 71.7% 28.8% -58.7% -28.0% 30.2% 64.0% -56.2% -35.6% 111.7% 95.2% 2Q21 3Q21 210.5% 94.7% 125.3% 47.4% -3.8% 103.2% 34.7% 4Q21 1Q22 2Q22 143.4% 54.0% 48.8% 47.8% 60.3% 15.5% 35.6% 59.4% 6.2% 15.2% 15.4% 55.5% -2.6% 28.8% 33.9% 54.2% 5.9% 92.1% 57.6% 56.7% 38.8% 56.2% 10.0% 101.3% 53.2% 41.8% 26.3% 52.3% 0.5% 87.3% 29.5% 42.7%

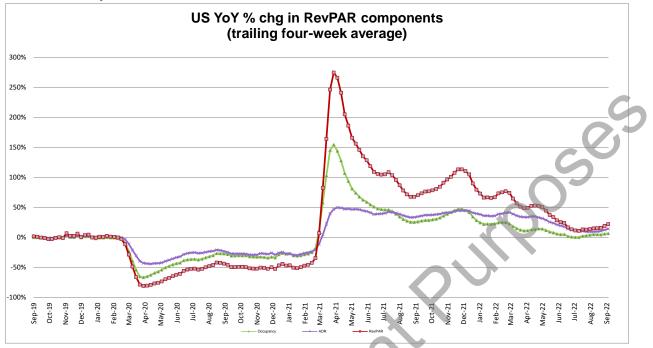
-0.5% -0.7% 0.0% -0.8% -16.5% -55.1% -29.5% -27.8% -3.8%

Source: STR data, Truist Securities research

-1.3% -0.9% -0.2% 0.4% -21.9% -79.8% -62.2% -61.2% -40.5% -1.4% -1.0% -0.7% -0.2% -18.4% -64.0% -40.9% -39.1% -14.7%

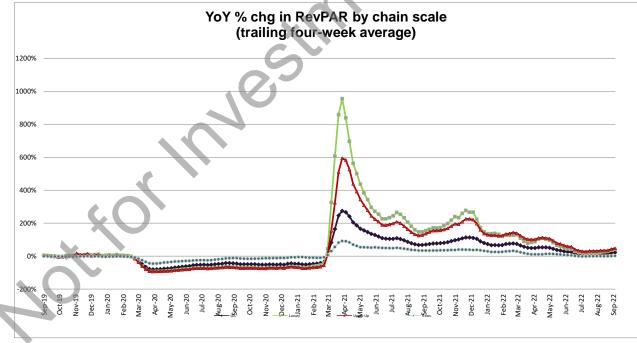
1Q20 2Q20 3Q20 4Q20 1Q21

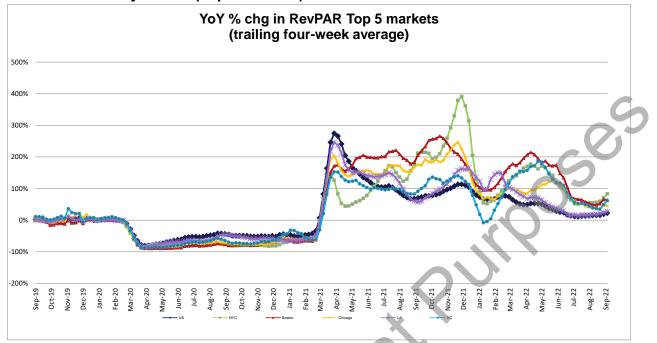
RevPAR Component Trends



Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale

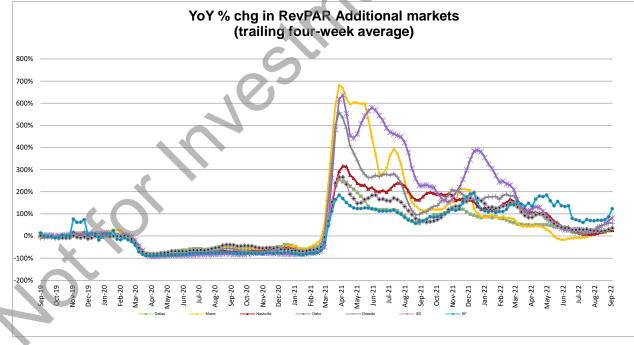


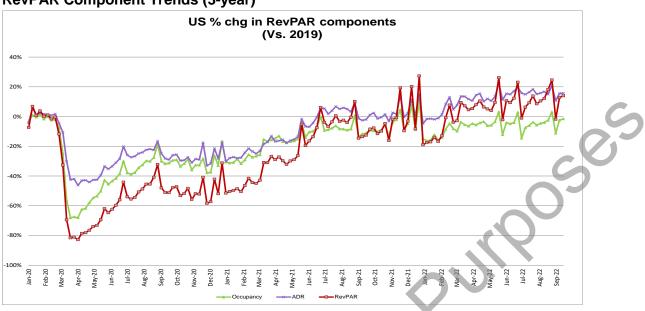


RevPAR Trends by Market (Top 5 markets)

Source: STR data, Truist Securities research



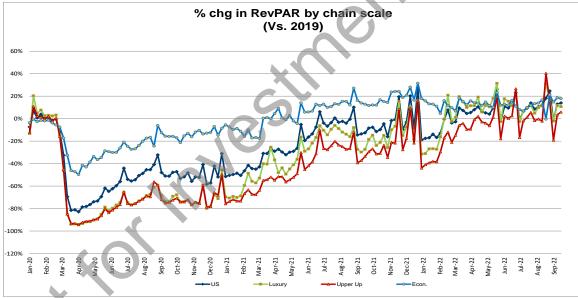


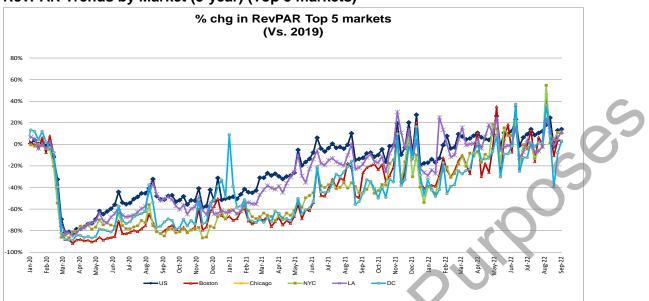


RevPAR Component Trends (3-year)

Source: STR data, Truist Securities research

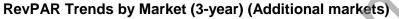
RevPAR Trends by Chain Scale (3-year)

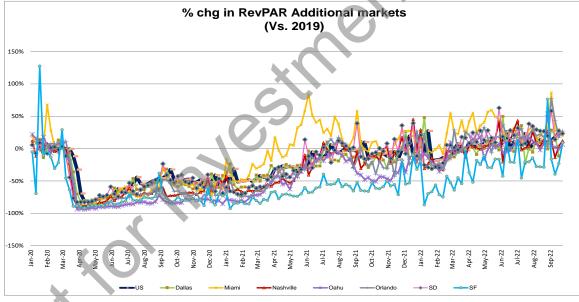






Source: STR data, Truist Securities research





Price Target/Risks Summary

						Truist Securities Valuation EBIT excluding Stock Based Comp/Ot							
.odging	TKR	Price 9/27/22	Rating	PT*	% upside/ down- side	2021A EBITDA (\$M)* **	2022E EBITDA (\$M)* **	2023E EBITDA (\$M)* **	2021A EBITDA (\$M)*	2022E EBITDA (\$M)*	2023E 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.
													Downside risk: controlled company issues, limited cap/float, loan
Iluegreen Vacations	BVH	\$16.96	Buy	\$56	227%	\$122	\$141	\$156	\$122	\$141	\$157	7.6X	defaults, and macroeconomic risk. Upside risk: conservative growth of new brands; market share gains.
choice Hotels	CHH	\$105.64	Hold	\$135	28%	\$392	\$446	\$487	\$404	\$459	\$503	16.0X	Downside risk: slowdown in development opportunities; market share
	01#1	\$100.04	Tiold	¢100	2078			¢101	<u> </u>	ф40 <u>5</u>		10.07	Upside risk: faster demand improvement in corporate travel than expected. Brand changes (e.g. Vali) lead to material EBITDA improvement. Leisure hotels hold/improve on ReV-RA rad margins despite the challenging macro. Downside risk: lodging recovery, takes longer than expected, weaker results from Rol Dirpretex than forecaste
DiamondRock Hospitality	DRH	\$7.35	Hold	\$11	50%	\$83	\$257	\$289	\$84	\$257	\$289	12.0X	poor performance of recently acquired assets.
													Upside risk: Macro lodging trends improve beyond expectations. Fast than expected net unit growth. Downside risk: slowing pipeline. Deep
lilton	HLT	\$118.17	Hold	\$150	27%	\$1,470	\$2,217	\$2,881	\$1,629	\$2,338	\$2,996	17.0X	recession. Downside risk: Disruption in a major market (HGV more concentrated
lilton Grand Vacations	HGV	\$34.45	Buy	\$63	81%	\$585	\$865	\$982	\$743	\$987	\$1,081	9.4X	than peers), issues with Japanese customer (HGV more exposed than peers), difficulty sourcing additional fee-for-service-invertoy deals Upside risk: faster demand improvement in corporate/convention trave than expected. Dispositions at higher multiple than expected, strong
													than expected performance by luxury leisure resorts on both top-line an margins through the valuation year. Downside risk: extended industry downturn with particular impact to large big box hotels, weak recovery international travel.during the valuation period, macro demand shock tr
Host Hotels & Resorts	HST	\$15.76	Hold	\$21	33%	\$532	\$1,514	\$1,507	\$532	\$1,514	\$1,507	12.5X	acquired resort assets, labor issues. Downside risk lodging recovery takes longer than expected. Planner dispositions take longer than expected. Material labor issues to owner hotels. Pipeline growth slower than expected. Apple Leisure Group
lyatt Hotels	н	\$80.57	Buy	\$122	51%	\$234	\$881	\$1,073	\$284	\$937	\$1,134	13.8X	underperforms. Upside risk: Macro lodging trends improve beyond expectations. Fast
larriott International	MAR	\$138.68	Hold	\$184	33%	\$1,977	\$3,351	\$3,899	\$2,278	\$3,640	\$4,200	16.8X	Upside fisk: macro lodging trends improve beyond expectations. Fast than expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession.
Marriott Vacations	VAC	\$122.58	Buer	\$202	65%	\$524	\$342	\$1,380	\$657	\$928	\$1,035	10.0X	Downside risk: M&A story fades and multiples revert to historical leve
		\$122.30	Buy	\$202	03%							\mathbf{T}	Downside risk: extended industry downturn with particular impact to large big box hotels, weak recovery of international travel during the valuation period especially Oahu, macro demand shock impact to maj
Park Hotels & Resorts	РК	\$11.25	Buy	\$22	96%	\$123	\$567	\$752	\$142	\$585	\$776	12.0X	resort assets, labor issues. Upside Risks: Material near-term incremental EBITDA from Legacy LF assets. Faster than expected San Francisco recovery. Downside Risk Incremental EBITDA from major CapEx investments take longer than anticipated, contributing to multiple contraction. Very slow recovery i
ebblebrook Hotel Trust***	PEB	\$14.78	Hold	\$24	62%	\$88	\$388	\$431	\$88	\$399	\$444	14.5X	San Francisco.
laya Hotels & Resorts	PLYA	\$5.89	Buy	\$11	87%	\$86	\$223	\$245	\$99	\$235	\$256	10.5X	Downside risk: demand shocks, hurricanes, reduced airlift, new supply country-specific risks (emerging market portfolio) Downside risk: Slower than expected recovery of corporate business
													travel post-COVID; scope/timing and/or upside from repositionings underwhelms investor expectations; labor costs are not materially reduced either due to increased wages/benefits or inability to cut cost
LJ Lodging Trust***	RLJ	\$10.23	Buy	\$17	66%	\$145	\$344	\$405	\$162	\$366	\$428	12.0X	post-tech improvements Downside risk: Group demand returns slower than expected. Propert
tyman Hospitality Properties	RHP	\$73.94	Buy	\$103	39%	\$162	\$509	\$613	\$177	\$522	\$611	13.0X	specific risks given a small portfolio. Upside risk: faster demand improvement in corporate travel than
									\bigcirc				expected. Renovations lead to faster than expected EB/TDA improvements. SHO buys hotels at accretive terms and quickly add incremental EB/TDA during the valuation period. Downside fisk: Lodgin recovery takes longer than expected, labor issues, weak recovery of international travel to gateway markets, natural disaster fisk. Montag
Sunstone Hotel Investors	SHO	\$9.62	Hold	\$12	25%	\$54	\$186	\$254	\$67	\$199	\$266	12.5X	EBITDA stabilizes well lower than expected. Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel ar leisure related industries.
ail Resorts, Inc.	MTN	\$203.87	Hold	\$281	38%	\$540	\$837	\$893	\$540	\$837	\$893	16.0X	Upside risks include a faster economic recovery and investors continui to apply higher target valuation multiples.
ravel + Leisure Co.	TNL	\$35.68	Buy	\$72	100%	\$748	\$835	\$971	\$778	\$869	\$1,014	8.6X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin of the softness.
Vyndham Hotels & Resorts	WН	\$60.22	Buy	\$92	53%	\$562	\$586	\$653	\$590	\$621	\$695	15.0X	Downside risk: Slowdown in development opportunities. Weaker tha expected transient trends.
All of our Lodging price targets are	e derived by	y applying a t	target EV/I	EBITDA r	nultiple to.ou	r estimate for 20					****		

Source: FactSet, Truist Securities research

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Companies Mentioned in This Note

Bluegreen Vacations Holding Corporation (BVH, \$17.26, Buy, C. Patrick Scholes) Choice Hotels International, Inc. (CHH, \$110.83, Hold, C. Patrick Scholes) DiamondRock Hospitality Company (DRH, \$7.70, Hold, C. Patrick Scholes) Hyatt Hotels Corporation (H, \$83.43, Buy, C. Patrick Scholes) Hilton Grand Vacations Inc. (HGV, \$35.17, Buy, C. Patrick Scholes) Hilton Worldwide Holdings Inc. (HLT, \$123.67, Hold, C. Patrick Scholes) Host Hotels & Resorts, Inc. (HST, \$16.55, Hold, C. Patrick Scholes) Marriott International, Inc. (MAR, \$143.82, Hold, C. Patrick Scholes) Vail Resorts, Inc. (MTN, \$210.29, Hold, C. Patrick Scholes) Pebblebrook Hotel Trust (PEB, \$15.39, Hold, Gregory Miller) Park Hotels & Resorts Inc. (PK, \$11.80, Buy, C. Patrick Scholes) Playa Hotels & Resorts N.V. (PLYA, \$5.96, Buy, C. Patrick Scholes) Ryman Hospitality Properties, Inc. (RHP, \$75.79, Buy, C. Patrick Scholes) RLJ Lodging Trust (RLJ, \$10.69, Buy, Gregory Miller) Sunstone Hotel Investors, Inc. (SHO, \$9.96, Hold, C. Patrick Scholes) Travel + Leisure Co. (TNL, \$36.68, Buy, C. Patrick Scholes) Marriott Vacations Worldwide Corporation (VAC, \$125.71, Buy, C. Patrick Scholes) Wyndham Hotels & Resorts, Inc. (WH, \$63.21, 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:

B = I	Buy
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- S = Sell
- D = Drop Coverage

CS = Coverage Suspended

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- I = Initiate Coverage
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Coverage Univers	е		Investment Banking Clients Past 12 Months					
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Hold	231	30.60%	Hold	38	16.45%			
Sell	3	0.40%	Sell	0	0.00%			
			0.					

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