Lodging

Lodging - US RevPAR +2.7% Y/Y Last Week; Relatively clean comp

Group lagged for Upper Upscale; stronger for Luxury and All Other segments

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What's Inside

Weekly STR results and analysis

What's Incremental To Our View

Overall U.S. RevPAR was +2.7% Y/Y for the week ending 5/26/2018, per STR, down slightly from the prior week's result of +3.0%. (2-year stacked RevPAR was +5.7% vs. +4.4% in the prior week.) Independent hotels (about 1/3rd of the data set) were +3.2% y/y. Midscale and Luxury (+3.4%) were the strongest chain scales for branded hotels; Upscale was the weakest at +1.6%. Upper Midscale (+2.3%) underperformed the overall US hotel industry average. Within Upper Upscale & Luxury class hotels, Group (+2.3% vs. +2.0% prior week) was modestly stronger than Transient (+1.8% vs. +3.4% prior week).

Last week was another generally clean comp (ex-2017 hurricane impact and last week's Subtropical Storm Alberto that impacted Florida and the Gulf). There were no major surprises to the data although we note that Group RevPAR was +4.0% for Luxury and +3.5% for "All Others" versus Upper Upscale at +1.6%.

- The strongest days of the week were early/mid-week (+4-5%). Weekend RevPAR was roughly flat.
- RevPAR gains continued to be ADR driven (ADR: +2.4%; occupancy +30 bps).
- Hurricane-impacted markets had mixed performance (see below for detail).

For the month of May, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, $81.73, Buy], Hyatt [H, $82.02, Hold], or Marriott [MAR, $136.27, Hold] hotel) will finish at approximately +3-4% (up from our prior estimate of +2.5-3.5%). We estimate that the overall industry will finish approximately +3.5-4.5% (unchanged from our prior estimate). Please note that reported monthly results include hotels that are not in the weekly data set.

RevPAR details:

- **Midscale and Luxury were the strongest chain scales.** Upper Midscale underperformed by 110 bps: Luxury RevPAR (+3.4%), Upper Upscale (+1.8%), Upscale (+1.6%), Upper Midscale (+2.3%), Midscale (+3.4%), and Economy (+1.7%). Independent hotels (+3.2%) modestly outperformed headline U.S. RevPAR.

SEE PAGE 7 FOR REQUIRED DISCLOSURE INFORMATION

- **Within Upper Upscale & Luxury class hotels, Group was modestly stronger than Transient:** Transient segment (individual business and leisure travelers) RevPAR was +1.8% (vs. +3.4% last week) and Group segment RevPAR was +2.3% (vs. +2.0% last week).
- **Chicago (+5.4%) was the strongest of the top five markets:** Boston (-4.6%), LA (-1.6%), NYC (+0.9%), and D.C. (-1.9%).
- **Other relevant markets:**
    - **San Francisco was once again very strong:** RevPAR was +9.9% vs. +11.2% last week. We anticipate y/y comps will be relatively easy in 2Q and 3Q as the Moscone Convention Center's North and South halls were closed from April to August 2017.
    - **Texas results were mixed:** Dallas RevPAR was +2.5% (vs. +2.2% last week). Houston RevPAR was -3.5% (vs. +9.3% last week). Note that FEMA has extended the financial assistance for some Texans in Houston hotels through July 1st.
    - **Hurricane-impacted markets in FL had mixed results:** Miami (+3.7% vs. +22.3% last week); Orlando (-8.4% vs. -16.4% last week). We note that Miami's RevPAR turned negative by the weekend (despite the generally highly attended Hip Hop weekend, the rainy weekend weather may have impacted demand for the market). Orlando's RevPAR was down all week.

The lodging and leisure stocks:

Overall for the stocks, the continuation of improving trends signal continued opportunity to grind higher and favor hotel owners (REITS) over the managers/franchisors as the hotel owners have the greatest sensitivity to changes in RevPAR. The rule of thumb for earnings sensitivity to a 1 point change in RevPAR is a 5 point change in EBIT for an owned hotel versus a 1 point change in EBIT for a hotel franchisor (a hotel manager falls somewhere between, depending on the degree of incentive management fees in the contract).

Weekly RevPAR Summary

YoY % change in RevPAR

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
3/24/2018	**5.4%**	8.8%	5.2%	4.1%	5.1%	5.1%	5.1%	4.6%	5.3%	-4.0%	-7.4%	-0.2%	6.8%
3/31/2018	**0.7%**	17.1%	-6.7%	-2.5%	-3.7%	-0.6%	1.8%	5.6%	20.9%	-7.3%	6.2%	-4.9%	-25.9%
4/7/2018	**-2.0%**	5.5%	-11.0%	-5.6%	-2.9%	1.2%	1.7%	3.2%	-5.8%	-7.7%	-0.4%	-29.9%	-19.4%
4/14/2018	**12.2%**	8.2%	21.8%	12.1%	15.0%	11.5%	6.8%	5.3%	-11.5%	9.2%	1.1%	47.3%	30.8%
4/21/2018	**8.7%**	12.2%	14.4%	8.0%	7.3%	5.9%	4.0%	5.1%	6.7%	-0.7%	4.3%	23.7%	19.5%
4/28/2018	**1.7%**	5.2%	-0.2%	0.2%	1.4%	2.7%	1.1%	1.8%	7.3%	-10.0%	6.6%	1.7%	1.8%
5/5/2018	**3.3%**	3.3%	1.8%	1.9%	2.9%	4.4%	2.6%	4.2%	6.6%	-9.4%	-4.0%	-7.9%	-2.2%
5/12/2018	**4.4%**	4.4%	2.4%	3.5%	3.3%	4.6%	3.0%	6.2%	15.9%	-5.8%	0.4%	2.6%	0.4%
5/19/2018	**3.0%**	3.1%	2.2%	1.0%	1.6%	2.6%	1.7%	4.9%	8.1%	-0.5%	-5.6%	-1.4%	0.5%
5/26/2018	**2.7%**	3.4%	1.8%	1.6%	2.3%	3.4%	1.7%	3.2%	0.9%	-4.6%	-1.6%	5.4%	-1.9%
	Relatively clean comp				Midscale and Luxury led the industry				Chicago and NYC led the Top 5 markets				
1Q15	8.0%	6.3%	6.0%	7.0%	8.5%	8.8%	9.2%	8.9%	-4.3%	13.8%	7.7%	11.4%	6.3%
2Q15	6.5%	5.5%	5.4%	5.9%	6.3%	6.6%	6.7%	7.1%	-1.8%	7.1%	7.4%	11.0%	11.7%
3Q15	5.9%	4.4%	4.0%	5.7%	5.7%	6.4%	6.1%	6.8%	0.6%	7.1%	11.1%	5.1%	0.3%
4Q15	4.8%	2.7%	3.8%	4.2%	4.9%	3.7%	4.4%	5.9%	-2.0%	5.3%	8.3%	1.4%	2.1%
1Q16	2.7%	1.6%	1.9%	2.2%	2.0%	0.0%	1.8%	4.0%	-1.2%	-3.0%	16.6%	-4.8%	3.1%
2Q16	3.5%	0.8%	2.9%	3.1%	3.2%	3.2%	3.0%	4.2%	-4.5%	1.5%	11.1%	-1.0%	3.5%
3Q16	3.3%	1.5%	2.5%	2.0%	1.8%	2.5%	3.0%	5.1%	-2.5%	-0.5%	9.3%	1.2%	5.5%
4Q16	3.2%	1.9%	0.6%	1.2%	2.2%	3.9%	4.4%	5.1%	0.9%	-1.6%	6.9%	3.3%	8.0%
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%

YoY % change in ADR

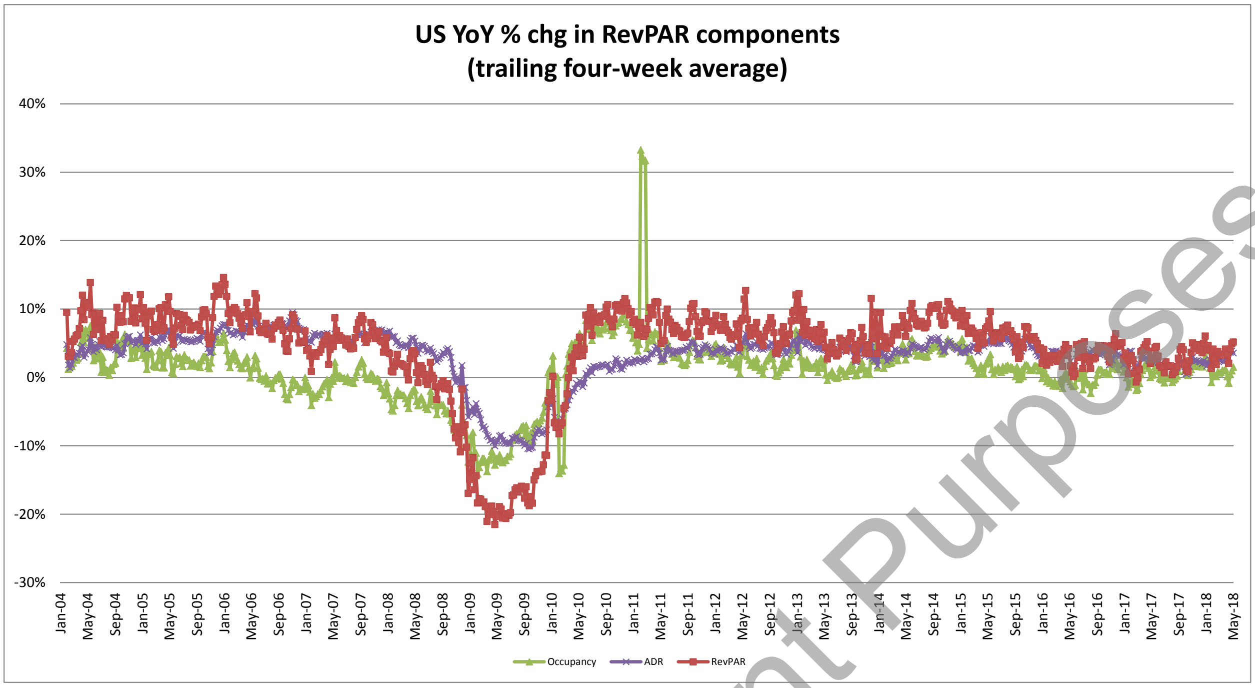
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
3/24/2018	**4.4%**	7.8%	3.9%	3.2%	3.1%	3.5%	4.2%	4.7%	5.1%	-0.7%	-0.1%	-1.2%	4.3%
3/31/2018	**3.6%**	14.9%	-1.8%	1.5%	1.3%	3.0%	3.2%	6.5%	15.6%	-5.2%	4.9%	-4.3%	-19.2%
4/7/2018	**0.7%**	7.7%	-3.3%	-0.8%	0.1%	2.1%	2.6%	3.6%	-2.7%	-4.4%	2.8%	-17.0%	-12.6%
4/14/2018	**5.8%**	0.8%	10.8%	4.5%	5.6%	4.5%	4.0%	2.8%	-4.9%	4.6%	3.9%	23.8%	20.9%
4/21/2018	**5.4%**	3.7%	8.1%	4.3%	3.6%	3.1%	3.5%	3.5%	3.3%	-1.2%	4.8%	12.7%	11.7%
4/28/2018	**2.3%**	5.1%	1.6%	1.8%	1.7%	2.6%	2.7%	2.0%	5.7%	-5.8%	7.4%	2.6%	3.0%
5/5/2018	**2.7%**	3.8%	1.6%	2.2%	2.1%	3.1%	3.4%	3.1%	3.7%	-4.0%	0.7%	-4.4%	-2.2%
5/12/2018	**3.5%**	4.7%	2.2%	3.5%	2.4%	3.1%	3.5%	4.5%	8.5%	-1.2%	1.4%	2.6%	1.2%
5/19/2018	**3.5%**	4.3%	2.8%	2.2%	2.0%	2.8%	3.1%	5.1%	6.7%	0.1%	0.3%	1.3%	1.1%
5/26/2018	**2.4%**	3.0%	2.7%	2.0%	1.7%	2.4%	1.5%	2.6%	3.2%	-1.6%	1.8%	3.8%	-1.6%
1Q15	4.7%	5.8%	4.7%	5.2%	4.7%	4.7%	5.5%	4.7%	-4.1%	7.3%	6.5%	7.1%	1.7%
2Q15	4.8%	4.9%	4.8%	5.3%	4.6%	4.3%	5.4%	4.6%	-1.5%	6.8%	7.1%	9.2%	7.9%
3Q15	4.5%	3.7%	3.6%	5.2%	4.4%	4.6%	5.0%	4.6%	0.3%	7.4%	9.6%	5.3%	-0.1%
4Q15	3.6%	2.3%	3.0%	3.9%	3.5%	3.0%	4.2%	3.8%	-2.3%	3.9%	6.1%	2.3%	1.0%
1Q16	3.2%	1.9%	2.7%	3.2%	2.6%	1.7%	3.3%	3.7%	-3.1%	1.4%	11.3%	-1.9%	1.1%
2Q16	2.9%	1.5%	2.2%	2.9%	2.8%	2.7%	3.4%	3.0%	-3.1%	3.3%	9.4%	0.3%	2.1%
3Q16	3.4%	1.5%	2.5%	2.7%	2.4%	3.1%	3.6%	4.4%	-2.7%	2.3%	7.5%	1.9%	3.5%
4Q16	2.6%	2.1%	1.4%	2.2%	2.0%	2.2%	3.2%	3.8%	-1.2%	1.3%	5.8%	3.9%	4.1%
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%

YoY % change in Occupancy

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
3/24/2018	**1.0%**	0.9%	1.3%	0.9%	1.9%	1.5%	0.8%	-0.1%	0.2%	-3.3%	-7.3%	1.0%	2.4%
3/31/2018	**-2.8%**	1.9%	-5.0%	-4.0%	-4.9%	-3.4%	-1.3%	-0.9%	4.6%	-2.2%	1.2%	-0.6%	-8.3%
4/7/2018	**-2.7%**	-2.1%	-8.0%	-4.9%	-3.0%	-0.9%	-0.9%	-0.5%	-3.2%	-3.4%	-3.1%	-15.6%	-7.8%
4/14/2018	**6.1%**	7.3%	10.0%	7.3%	8.9%	6.7%	2.7%	2.4%	-7.0%	4.4%	-2.7%	19.0%	8.2%
4/21/2018	**3.1%**	8.2%	5.8%	3.5%	3.6%	2.7%	0.5%	1.6%	3.3%	0.5%	-0.5%	9.8%	7.0%
4/28/2018	**-0.6%**	0.0%	-1.8%	-1.6%	-0.3%	0.0%	-1.6%	-0.2%	1.5%	-4.4%	-0.8%	-0.9%	-1.1%
5/5/2018	**0.5%**	-0.5%	0.2%	-0.3%	0.8%	1.2%	-0.7%	1.1%	2.8%	-5.6%	-4.6%	-3.6%	0.0%
5/12/2018	**0.8%**	-0.3%	0.2%	0.0%	0.9%	1.4%	-0.4%	1.6%	6.8%	-4.6%	-1.0%	0.0%	-0.8%
5/19/2018	**-0.5%**	-1.2%	-0.6%	-1.2%	-0.5%	-0.3%	-1.4%	-0.3%	1.3%	-0.6%	-5.9%	-2.7%	-0.6%
5/26/2018	**0.3%**	0.3%	-0.9%	-0.4%	0.5%	1.0%	0.3%	0.6%	-2.2%	-3.1%	-3.3%	1.5%	-0.2%
1Q15	3.1%	0.5%	1.3%	1.7%	3.6%	3.9%	3.5%	4.0%	-0.2%	6.1%	1.1%	4.0%	4.6%
2Q15	1.6%	0.6%	0.5%	0.6%	1.7%	2.2%	1.3%	2.3%	-0.3%	0.3%	0.3%	1.7%	3.5%
3Q15	1.4%	0.6%	0.4%	0.5%	1.3%	1.8%	1.0%	2.1%	0.2%	-0.3%	1.3%	-0.1%	0.4%
4Q15	1.2%	0.4%	0.8%	0.2%	1.3%	0.6%	0.2%	2.1%	0.3%	1.4%	2.0%	-0.9%	1.1%
1Q16	-0.5%	-0.3%	-0.8%	-0.9%	-0.6%	-1.7%	-1.5%	0.3%	2.0%	-4.3%	4.7%	-3.0%	2.0%
2Q16	0.6%	-0.7%	0.7%	0.2%	0.4%	0.5%	-0.4%	1.2%	-1.4%	-1.7%	1.5%	-1.4%	1.3%
3Q16	0.0%	0.0%	-0.1%	-0.6%	-0.6%	-0.6%	-0.6%	0.7%	0.3%	-2.8%	1.7%	-0.7%	1.9%
4Q16	0.6%	-0.2%	-0.8%	-1.0%	0.2%	1.7%	1.2%	1.2%	2.2%	-2.8%	1.0%	-0.5%	3.7%
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%

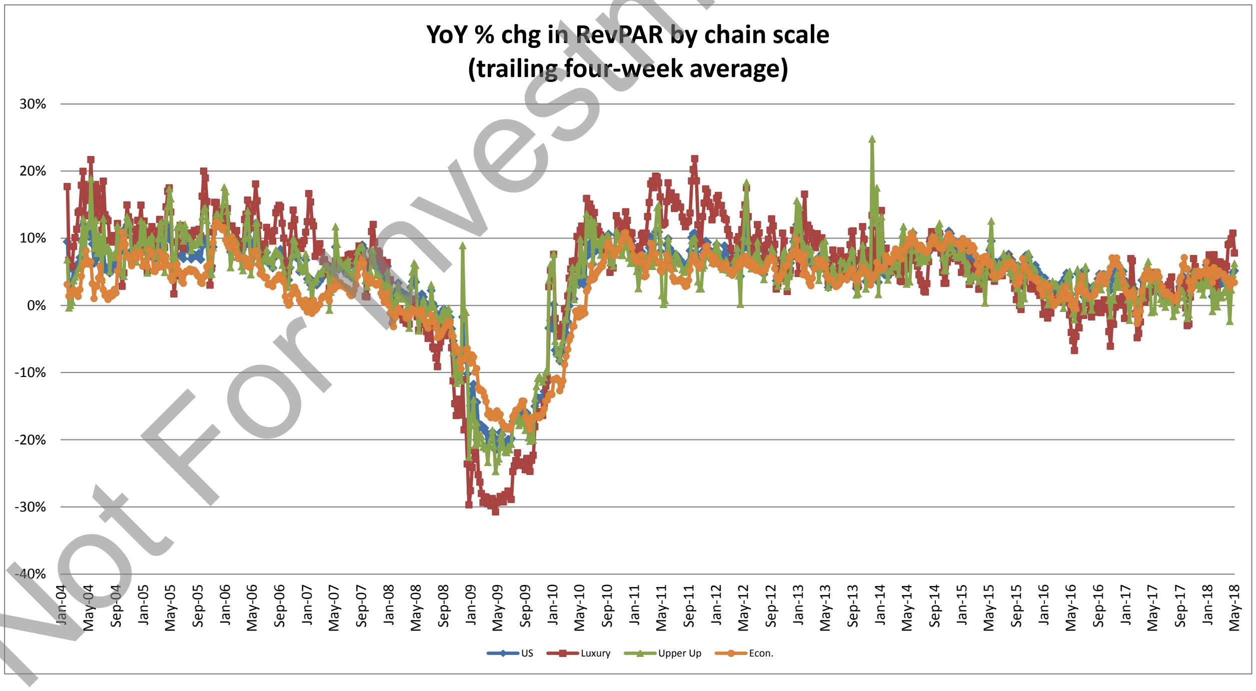
Source: STR data, STRH research

RevPAR Component Trends



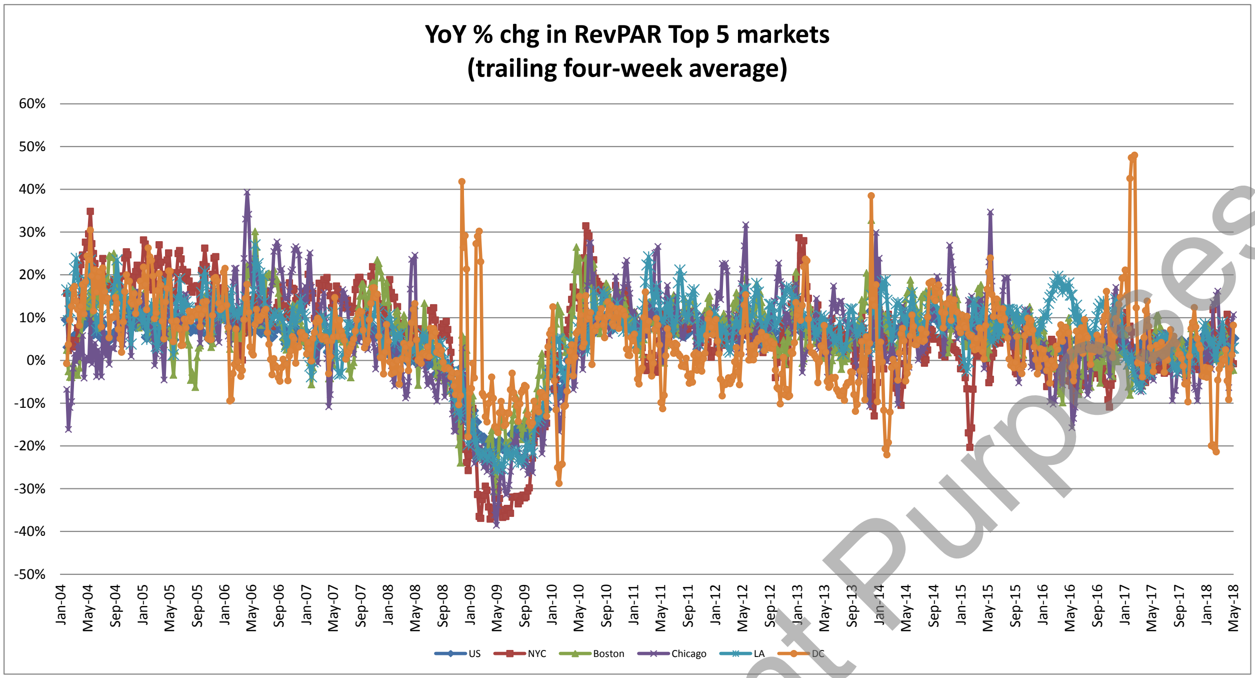
Source: STR data, STRH research

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 5/30/18	Rating	PT*	% upside down-side	2019E EBITDA ($M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	$32.29	Hold	$27	-16%	$192	12.0X	Upside risk: improvement in NY and Chicago markets Downside risk: softening of RevPAR trends in Boston or SF. Slowdown in real estate lending.
Choice Hotels	CHH	$80.95	Hold	$85	5%	$359	15.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	$12.82	Hold	$11	-14%	$267	11.5X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: company unable to locate properties to buy.
Host Hotels & Resorts	HST	$21.82	Hold	$21	-4%	$1,557	12.5X	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.
Hyatt Hotels	H	$82.02	Hold	$86	5%	$802	14.1X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	$20.98	Buy	$24	14%	$184	9.2X	Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	$40.32	Buy	$50	24%	$470	12.0X	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	HLT	$81.73	Buy	$95	16%	$2,279	15.8X	Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
ILG	ILG	$34.60	Buy	$34	-2%	$436	11.1X	Downside risk: membership base erosion as churn outstrips new timeshare sales
LaSalle Hotel Properties	LHO	$34.34	Hold	$32	-7%	$320	12.5X	Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.
Marriott International	MAR	$136.27	Hold	$135	-1%	$0	15.8X	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. Downside Risk: 2018 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	$121.93	Buy	$143	17%	$372	11.2X	Upside risk: continued share repurchases, continued strong execution and M&A drive continued outperformance. Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	$32.01	Buy	$32	0%	$753	12.5X	Downside risk: Significant supply growth and macroeconomic challenges/shocks.
RLJ Lodging Trust	RLJ	$23.63	Hold	$21	-11%	$550	11.5X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion. Downside risk: Significant supply growth, struggle to source deals/lower leverage, macroeconomic challenges/demand shocks.
Ryman Hospitality Properties	RHP	$83.80	Hold	$70	-16%	$440	12.3X	Upside risk:recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	$17.42	Hold	$15	-14%	$333	12.0X	Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in Orlando and Boston Park Plaza post-meeting space expansions. Downside risk: Weaker than expected demand trends following capital investment projects.
Wyndham Worldwide Corp	WYN	$110.82	Buy	$131	18%	$1,436	10.6X	Downside risk: the timeshare business is especially vulnerable to economic softness.

** All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2019 EBITDA*

Source: FactSet, STRH research

H: Valuation and Risks

Our price target of $86 for H is derived by applying a 14.1x target EV/EBITDA multiple (a blended average of the industry multiples for each business segment) to our estimate for 2019 EBITDA. Our valuation model for Hyatt assumes an owned-hotel 2019 EBITDA multiple of 13.0x and a franchise/management fee EBITDA multiple of 15.0x.
Upside risk: transient and group trends outperform expectations.
Downside risk: ongoing misexecution and volatility.

HLT: Valuation and Risks

We apply a blended multiple of 15.8x (10.5x for Owned/leased and 16.0x for Managed/franchised) to our 2019 adjusted EBITDA estimate to derive a 12-month price target of $95. This multiple is towards the higher end of the historical range of 10x-16x.

Risks include:
Growth trajectory could disappoint. Pipeline growth could either slow down or projects scheduled for construction could be cancelled, which would diminish system growth for the firm and disappoint investors.

MAR: Valuation and Risks

Our price target of $135 for MAR is derived by applying a 15.8x target EV/EBITDA multiple (a blended average of the industry average multiples for each business segment) to our estimate for 2019 EBITDA.

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.

Downside Risk: 2018 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.

Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, $20.98, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, $80.95, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, $32.29, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, $12.82, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, $82.02, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, $40.32, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, $81.73, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, $21.82, Hold, C. Patrick Scholes)
ILG, Inc. (ILG, $34.60, Buy, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, $34.34, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, $136.27, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, $32.01, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, $83.80, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, $23.63, Hold, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, $17.42, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, $121.93, Buy, C. Patrick Scholes)
Wyndham Worldwide Corporation (WYN, $110.82, Buy, C. Patrick Scholes)

Four Seasons (private)

Analyst Certification

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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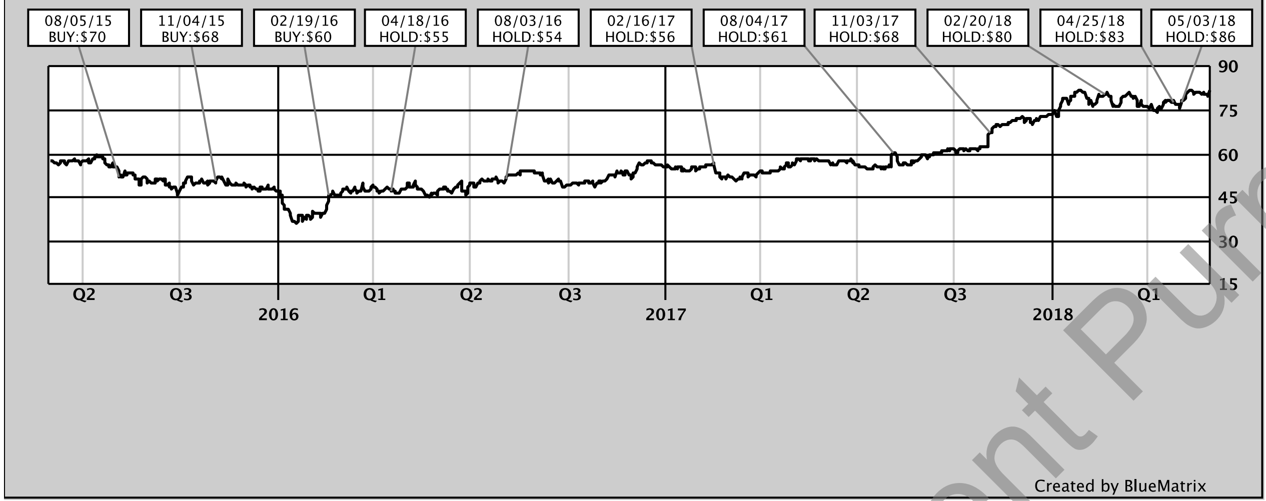
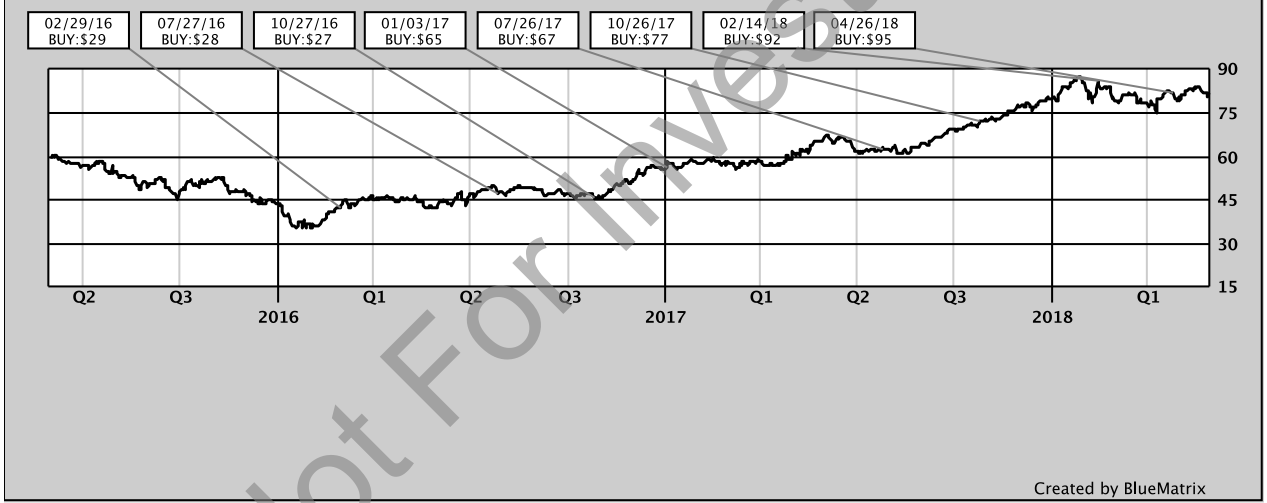
Rating and Price Target History for: Hyatt Hotels Corporation (H-US) as of 05-30-2018



Rating and Price Target History for: Hilton Worldwide Holdings Inc. (HLT-US) as of 05-30-2018



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H = Hold
S = Sell
D = Drop Coverage
CS = Coverage Suspended
NR = Not Rated
I = Initiate Coverage
T = Transfer Coverage

The prior rating system until Oct. 7, 2016:

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*Total return (price appreciation + dividends); **Price targets are within a 12-month period, unless otherwise noted; ***Low Beta defined as securities with an average Beta of 0.8 or less, using Bloomberg's 5-year average

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