Lodging - US RevPAR +8.7% Y/Y Last Week; Strong Easter shift tailwinds continue

Another excellent week for the highest-rated group hotels

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What's Inside

Weekly STR results and analysis

What's Incremental To Our View

Overall U.S. RevPAR was +8.7% Y/Y for the week ending 4/21/2018, per STR, down from the prior week's result of +12.2%. (2-year stacked RevPAR was +9.3% vs. +7.4% in the prior week.) Independent hotels (about 1/3rd of the data set) were +5.1% y/y. Upper Upscale (+14.4%) was the strongest chain scale for branded hotels; Economy was the "weakest" at +4.0%. Midscale (+5.9%) and Upper Midscale (+7.3%) underperformed the overall US hotel industry average. Within Upper Upscale & Luxury class hotels, Group (+32.9% vs. +105.2% prior week) was stronger than Transient (+1.4% vs. -9.0% prior week).

The final week of major Easter calendar shifts concluded with last week's data. **Last week's data was very positive as expected due to a very easy y/y Easter shift comp** (last year's comparison includes Easter Sunday and a traditionally low occupancy start to the workweek).

- Corporate-focused chain scales (Upper Midscale, Upscale, and Upper Upscale) were among the most positive* as expected due to the easy y/y comp.
  - *We highlight a minor surprise that Luxury was the second-strongest chain scale. Importantly, while Luxury RevPAR was +12.2%, Resort RevPAR was just +1.7%. Thus, we see Luxury strength coming more from corporate group-oriented hotels than from leisure-focused properties.
- Group RevPAR was +32.9% whereas Transient was +1.4%. This large differential is mostly due to the calendar shift.
- Hurricane-impacted markets in Florida regained some lost ground last week relative to the prior week's data.

As a rule of thumb when analyzing the weekly data, if Group results are abnormally strong or weak, which they were last week, there is a holiday shift going on.

For the month of April, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, $82.04, Buy], Hyatt [H, $77.51, Hold], or Marriott [MAR, $136.90, Hold] hotel) will finish at approximately +5.5-6.5%. We estimate that the overall industry will finish approximately +4-5%. Please note that reported monthly results include hotels that are not in the weekly data set.

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RevPAR details:

- **Upper Upscale was the strongest chain scale. Midscale and Upper Midscale underperformed by 850 bps and 710 bps, respectively:** Luxury RevPAR (+12.2%), Upper Upscale (+14.4%), Upscale (+8.0%), Upper Midscale (+7.3%), Midscale (+5.9%), and Economy (+4.0%). Independent hotels (+5.1%) underperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was significantly stronger than Transient as expected due to the holiday shift:** Transient segment (individual business and leisure travelers) RevPAR was +1.4% (vs. -9.0% last week) and Group segment RevPAR was +32.9% (vs. +105.2% last week).
- **Chicago (+23.7%) was the strongest of the top five markets:** Boston (-0.7%), LA (+4.3%), NYC (+6.7%), and D.C. (+19.5%).
- **Other relevant markets:**
  - **San Francisco was very positive (easy group comp - Group RevPAR was +136%):** RevPAR was +56.0% vs. +25.5% 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 up:** Dallas RevPAR was +18.9% (vs. +18.4% last week). Houston RevPAR was +9.8% (vs. +29.4% last week).
  - **Hurricane-impacted markets in FL had strong results:** Miami (+9.9% vs. -9.4% last week); Orlando (+7.7% vs. -10.3% last week).

The lodging and leisure stocks:

As far as the stocks, based on our last several months of RevPAR data analytics observations, we are more positive on the hotel REITS than we were at the same time last year, though still not overly bullish like we are for the leisure focused sectors.

- Given recent forward-looking demand and pricing trends, we continue to have high confidence that numbers will not need to be cut in 2018 and that companies may actually have modest earnings beats and that dividends will be paid (though we're not expecting dividend raises of any size this year).
- We see the major issue/challenge for the hotel owners in 2018 as cost containment. In an environment of property-level operating costs of 2.5%+ vs. 1-3% RevPAR growth, this does not bode well for margin expansion for hotel owners (outside of PK, which has some unique self-help drivers).
- **For the C-Corps, it's all good until it isn't (and it's relatively good right now).** While most C-corps trade at expensive multiples by historical standards (not the case for the hotel REITs as the gap between hotel REITs and C-Corps is as wide as it has ever been), we note that historically asset-light C-Corp multiples can potentially get "wacky" (we note Four Seasons and Choice Hotels in the prior cycle, for example) and can stay expensive up to the point where a management team potentially delivers unexpected bad news (then look out below!). Based on our data research and industry conversations (private hotel owners), we are not anticipating such unexpected bad news (the "all good until it isn't" part) in April/May earnings releases as it relates to 1Q results and forward expectations.

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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%
	Easter calendar shift tailwind continues				Upper Upscale and Luxury led the industry				Chicago and DC 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%
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%
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

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RevPAR Component Trends

Source: STR data, STRH research

RevPAR Trends by Chain Scale

Source: STR data, STRH research

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RevPAR Trends by Market

Source: STR data, STRH research

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Price Target/Risks Summary

Lodging	TKR	Price 4/24/18	Rating	PT*	% upside down-side	2019E EBITDA ($M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	$29.41	Hold	$26	-12%	$191	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	$80.85	Hold	$82	1%	$333	15.0X	Upside risk: conservative guidance. Downside risk: big catalyst of special dividend already baked into the stock.
DiamondRock Hospitality	DRH	$11.08	Hold	$11	-1%	$265	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	$19.30	Hold	$20	4%	$1,520	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	$77.51	Hold	$83	7%	$784	13.9X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	$23.94	Buy	$21	-12%	$184	7.9X	Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	$43.56	Buy	$50	15%	$465	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	$82.04	Buy	$92	12%	$2,267	15.6X	Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
InterContinental Hotels	IHG	$62.10	Hold	$66	6%	$991	14.5X	Upside risk: further acceleration in returning capital to shareholders. Downside risk: trends continue to worsen in Greater China
ILG	ILG	$32.56	Buy	$34	4%	$436	11.1X	Downside risk: membership base erosion as churn outstrips new timeshare sales
LaSalle Hotel Properties	LHO	$30.51	Hold	$24	-21%	$313	12.5X	Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.
Marriott International	MAR	$136.90	Hold	$128	-7%	$3,731	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	$137.49	Hold	$149	8%	$355	11.1X	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	$28.55	Buy	$32	12%	$745	12.6X	Downside risk: Significant supply growth and macroeconomic challenges/shocks.
RLJ Lodging Trust	RLJ	$20.40	Hold	$21	3%	$540	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	$78.93	Hold	$70	-11%	$444	12.3X	Upside risk:recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	$15.62	Hold	$15	-4%	$331	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	$115.82	Buy	$131	13%	$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

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PK: Valuation and Risks

Our $32 price target is based on an 12.5x multiple on our 2019 EBITDA estimate. This multiple is in-line with portfolio quality.

Downside risk: Significant supply growth and macroeconomic challenges/shocks. Press reports (FT, Bloomberg, others) have indicated possible financial difficulties at HNA, a 25% holder of PK shares. If HNA should have to liquidate PK we believe this would create near-term pressure on the shares.

LHO: Valuation and Risks

Our price target of $24 for LHO is derived by applying a 12.5X target EV/EBITDA multiple (a premium to the industry given most of the portfolio is unbranded and therefore unencumbered by franchise/management contracts) to our estimate for 2019 EBITDA.

Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.

Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, $23.94, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, $80.85, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, $29.41, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, $11.08, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, $77.51, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, $43.56, Buy, Bradford Dalinka)
Hilton Worldwide Holdings Inc. (HLT, $82.04, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, $19.30, Hold, C. Patrick Scholes)
InterContinental Hotels Group PLC (IHG, $62.10, Hold, C. Patrick Scholes)
ILG, Inc. (ILG, $32.56, Buy, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, $30.51, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, $136.90, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, $28.55, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, $78.93, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, $20.40, Hold, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, $15.62, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, $137.49, Hold, C. Patrick Scholes)
Wyndham Worldwide Corporation (WYN, $115.82, 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.

I, Bradford Dalinka , 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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STRH Ratings System for Equity Securities

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The rating system effective as of Oct. 7, 2016:

STRH Rating System for Equity Securities

SunTrust Robinson Humphrey (STRH) rates individual equities using a three-tiered system. Each stock is rated relative to the broader market (generally the S&P 500) over the next 12-18 months (unless otherwise indicated).

Buy (B) – the stock's total return is expected to outperform the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

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)

Sell (S) – the stock's total return is expected to underperform the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Not For Investment Purposes

Not Rated (NR) – STRH does not have an investment rating or opinion on the stock

Coverage Suspended (CS) – indicates that STRH's rating and/or target price have been temporarily suspended due to applicable regulations and/or STRH Management discretion. The previously published rating and target price should not be relied upon

STRH analysts have a price target on the stocks that they cover, unless otherwise indicated. The price target represents that analyst's expectation of where the stock will trade in the next 12-18 months (unless otherwise indicated). If an analyst believes that there are insufficient valuation drivers and/or investment catalysts to derive a positive or negative investment view, they may elect with the approval of STRH Research Management not to assign a target price; likewise certain stocks that trade under $5 may exhibit volatility whereby assigning a price target would be unhelpful to making an investment decision. As such, with Research Management's approval, an analyst may refrain from assigning a target to a sub-$5 stock.

Legend for Rating and Price Target History Charts:
B = Buy
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:

3 designations based on total returns* within a 12-month period**
· Buy – total return ≥ 15% (10% for low-Beta securities)***
· Reduce – total return ≤ negative 10% (5% for low Beta securities)
· Neutral – total return is within the bounds above
· NR – NOT RATED, STRH does not provide equity research coverage
· CS – Coverage Suspended
*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

SunTrust Robinson Humphrey ratings distribution (as of 04/25/2018):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	**Count**	**Percent**	**Rating**	**Count**	**Percent**
Buy	456	64.04%	Buy	140	30.70%
Hold/Neutral	253	35.53%	Hold/Neutral	43	17.00%
Sell/Reduce	3	0.42%	Sell/Reduce	1	33.33%

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