

CONSUMER: Lodging

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11 Page Document

Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR +8% y/y last week, +13% vs. 2019. Clean comp, small w/w improvement as Group drives growth

Overall U.S. RevPAR was +8.4% y/y for the week ending 5/6/2023, per STR, up from the prior week's result of +5.6%, and above the trailing 10-week average of +7.1%. Versus 2019, RevPAR was +13.3%, up from the prior week's result of +12.0%, and above the trailing 10-week average of +12.9%.

- Last week was a clean comp. We note a slight improvement in w/w RevPAR growth, mainly driven by strong and continued Group customer performance (up 19.3% y/y vs. prior week's +10.9%). *Despite the y/y strong performance, we believe there is still continued opportunity for Group demand growth going forward as Group occupancy vs. 2019 was still down 7.5%.*

Major RevPAR statistics presented below:

- Luxury RevPAR: +8.5% y/y and +22.2% versus 2019;
- Upper Upscale RevPAR: +11.9% y/y and +7.0% versus 2019;
- Upscale RevPAR: +11.6% y/y and +5.9% versus 2019;
- Upper Midscale RevPAR: +9.0% y/y and +12.8% versus 2019;
- Midscale RevPAR: +4.4% y/y and +15.7% versus 2019;
- Economy RevPAR: +1.0% y/y and +15.6% versus 2019;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +4.2% y/y and +14.9% versus 2019; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +19.3% y/y vs. +10.9% prior week; versus 2019: +12.0% vs +4.7% prior week.
 - Transient: +3.0% y/y vs. +3.2% prior week; versus 2019: +13.3% vs +11.6% prior week.
- Las Vegas RevPAR: +4.5% y/y and +3.8% versus 2019.
 - **As a caveat, we note that many large Strip casino hotel operators do not participate in STR's survey.**

Last week's RevPAR details and sequential trends (all comparable information on new STR methodology):

- **Headline RevPAR** was +8.4% y/y vs. the running 28-day average of +7.3% y/y.
- **Occupancy:** Absolute occupancy was 65.2% vs. 65.7% for the running 28-day average.
- **Absolute Group occupancy:** 24.2% last week vs. 23.9% for the running 28 days.

The Lodging stocks: Similar to the past year in lodging (and many other) stocks, we see “macro over micro” at the moment. We see the main driver/wildcard coming from the economic impact from interest rates and inflation (and perhaps more importantly investor sentiment around these). While the risks from COVID are not zero (e.g. China reopening impact to the worldwide economy and outbound Chinese travel), we believe COVID issues are now secondary to macroeconomic considerations for most investors and for public company executives. We see **Hyatt (Buy)** as the relative outperformer in our lodging coverage universe for a host of reasons, including continued Caribbean/leisure outperformance and upcoming accretive asset sales. Leisure travel demand and pricing continues to show significant strength in 2023, a positive read-through for all-inclusive resorts (Buy-rated **PLYA, H**) and Vacation Ownership (Buy-rated **BVH, HGV, TNL, VAC**), and Wellness (**OSW**, Buy, Miller). While we have three Buy-rated Lodging REITS, (**PK, RLJ [Miller], RHP**), we have a neutral to cautious view on our broader Lodging REIT sector coverage, with Hold-rated **DRH, HST, PEB (Miller), and SHO**, a view driven by potential downside pressures on revenues and particularly on operating profit margins.

Not for Investment Purposes

Weekly RevPAR Summary

YoY % change in RevPAR													
U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC	
12/31/2022	4.2%	2.8%	5.5%	7.4%	5.3%	-0.1%	-1.9%	3.1%	65.3%	17.7%	-6.6%	12.2%	20.2%
1/7/2023	21.8%	42.8%	33.4%	16.2%	7.4%	0.7%	0.2%	33.0%	80.5%	31.4%	32.1%	24.3%	19.3%
1/14/2023	33.1%	68.5%	67.7%	33.3%	18.6%	8.1%	2.2%	27.4%	103.9%	48.7%	51.6%	45.3%	84.7%
1/21/2023	26.2%	34.2%	52.1%	30.5%	18.0%	9.2%	2.3%	21.4%	100.7%	57.4%	24.0%	37.0%	55.4%
1/28/2023	31.9%	44.4%	65.5%	36.4%	22.2%	10.2%	3.2%	23.6%	87.4%	64.4%	32.5%	43.3%	99.9%
2/4/2023	26.6%	35.3%	49.8%	27.9%	17.2%	6.8%	2.0%	25.2%	63.0%	42.6%	28.6%	32.4%	71.2%
2/11/2023	18.9%	16.9%	35.7%	23.3%	14.4%	5.3%	0.9%	14.1%	41.7%	36.1%	-28.4%	24.0%	73.4%
2/18/2023	13.5%	10.1%	24.1%	16.6%	11.4%	4.2%	1.4%	10.2%	49.5%	20.1%	-4.3%	22.4%	48.8%
2/25/2023	11.8%	6.2%	21.6%	15.9%	11.0%	4.5%	0.9%	7.5%	39.1%	21.9%	14.2%	28.8%	46.3%
3/4/2023	12.1%	7.7%	23.3%	15.9%	9.5%	3.0%	-0.6%	8.5%	30.3%	38.0%	18.2%	20.7%	52.2%
3/11/2023	11.1%	8.5%	19.0%	16.6%	10.1%	3.3%	-0.3%	6.3%	32.7%	39.0%	22.4%	22.2%	50.2%
3/18/2023	10.4%	2.1%	14.4%	13.2%	8.1%	2.3%	-1.6%	12.5%	36.4%	40.4%	8.2%	11.8%	47.3%
3/25/2023	4.1%	-3.8%	10.1%	10.0%	6.4%	0.9%	-3.6%	-2.3%	27.8%	14.9%	-6.3%	31.4%	33.4%
4/1/2023	10.9%	8.0%	15.9%	14.7%	10.9%	4.2%	-0.2%	7.7%	16.1%	21.5%	12.1%	11.8%	44.1%
4/8/2023	-6.7%	-9.9%	-7.0%	-4.5%	-7.1%	-9.4%	-8.7%	-7.0%	19.4%	2.0%	-4.4%	-7.9%	5.6%
4/15/2023	8.6%	-3.4%	10.4%	14.1%	15.5%	10.0%	3.6%	2.1%	3.3%	6.6%	5.3%	24.1%	38.1%
4/22/2023	6.6%	-1.8%	15.4%	13.0%	7.1%	0.4%	-2.6%	-0.2%	14.8%	8.8%	1.4%	60.6%	27.8%
4/29/2023	5.6%	5.2%	11.1%	9.5%	5.4%	-0.7%	-3.7%	0.8%	31.5%	35.1%	3.3%	18.6%	27.5%
5/6/2023	8.4%	8.5%	11.9%	11.6%	9.0%	4.4%	1.0%	4.2%	24.6%	14.2%	12.4%	36.2%	9.7%

Category	Q1	Q2	Q3	Q4
Clean Comp, Group driven growth	1.5%	1.1%	0.7%	0.7%
Upper Upscale and Upscale led the industry	1.5%	1.1%	0.7%	0.7%
Chicago and New York led the Top 5 markets	1.5%	1.1%	0.7%	0.7%

Q	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC
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	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%
1Q22	67.2%	112.3%	127.2%	69.7%	51.0%	38.2%	24.3%	58.3%	97.1%	137.1%	115.2%	85.1%	58.1%
2Q22	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%
3Q22	16.6%	27.7%	36.6%	22.5%	10.8%	3.5%	0.0%	11.3%	67.4%	59.9%	21.4%	48.1%	54.6%
4Q22	16.3%	19.7%	30.1%	20.5%	11.7%	5.1%	1.4%	12.3%	50.8%	35.8%	11.4%	37.3%	53.2%

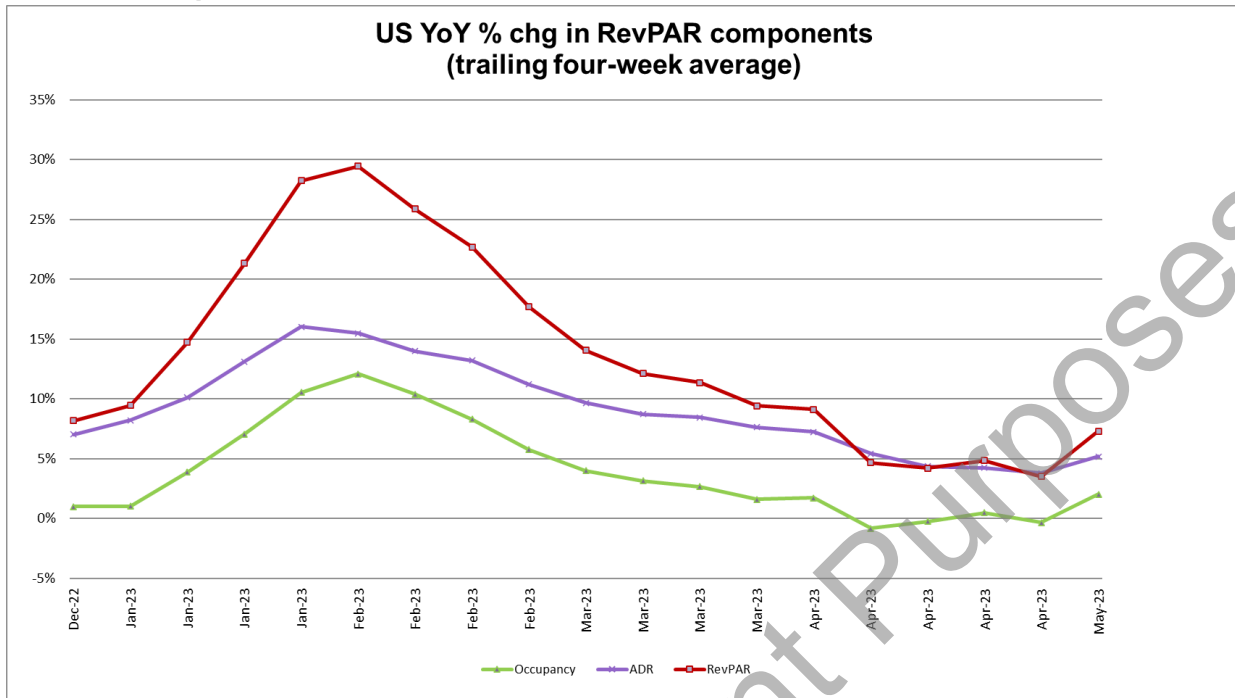
YoY % change in ADR													
U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC	
12/31/2022	4.4%	0.1%	1.9%	7.0%	4.2%	3.4%	2.1%	3.8%	26.5%	11.0%	-1.8%	5.0%	10.4%
1/7/2023	17.2%	8.9%	12.2%	11.5%	7.0%	5.8%	4.3%	25.2%	22.7%	17.0%	21.6%	11.8%	16.1%
1/14/2023	17.9%	8.3%	17.1%	12.2%	8.1%	6.6%	4.1%	18.1%	23.1%	18.9%	29.9%	15.7%	26.8%
1/21/2023	13.1%	-2.8%	11.2%	11.7%	7.7%	6.2%	4.0%	13.1%	22.7%	20.3%	11.4%	13.1%	22.2%
1/28/2023	15.9%	-1.0%	14.9%	14.3%	9.8%	7.2%	4.6%	14.3%	18.2%	25.3%	12.7%	15.6%	30.7%
2/4/2023	15.1%	-1.4%	12.7%	13.0%	9.0%	5.7%	4.7%	16.7%	12.6%	18.8%	14.0%	13.0%	27.1%
2/11/2023	11.9%	-3.4%	9.6%	13.0%	9.6%	5.9%	4.3%	10.7%	8.5%	15.3%	-28.2%	10.9%	28.3%
2/18/2023	10.0%	-2.4%	9.2%	12.1%	9.3%	5.3%	4.3%	8.3%	14.1%	10.7%	-7.0%	10.3%	22.7%
2/25/2023	7.9%	-2.1%	7.4%	10.1%	7.5%	4.1%	3.4%	6.3%	10.3%	12.2%	7.3%	10.8%	19.1%
3/4/2023	8.9%	0.0%	7.6%	9.9%	7.1%	3.9%	3.7%	8.3%	10.5%	15.9%	8.1%	10.7%	23.2%
3/11/2023	8.1%	0.4%	7.3%	10.5%	7.1%	3.5%	3.6%	6.2%	14.2%	18.6%	13.4%	11.2%	23.4%
3/18/2023	8.9%	-2.6%	7.2%	9.4%	6.4%	3.3%	3.1%	12.8%	20.0%	19.2%	5.2%	7.5%	25.5%
3/25/2023	4.7%	-3.3%	4.8%	7.6%	5.9%	2.7%	2.1%	1.9%	15.3%	6.3%	-2.2%	17.1%	20.9%
4/1/2023	7.3%	0.7%	6.0%	8.4%	6.8%	3.7%	2.8%	6.2%	8.0%	8.4%	5.1%	6.9%	21.9%
4/8/2023	0.8%	1.1%	0.7%	3.1%	0.6%	-1.4%	-0.9%	-0.4%	12.3%	2.6%	-1.4%	-0.6%	5.5%
4/15/2023	4.7%	-2.4%	4.7%	7.8%	7.9%	5.4%	4.2%	1.7%	4.5%	4.0%	5.3%	14.1%	22.5%
4/22/2023	4.2%	-5.2%	3.7%	6.9%	4.6%	1.7%	1.2%	1.0%	9.5%	7.4%	2.7%	29.6%	16.8%
4/29/2023	5.5%	3.8%	6.3%	6.7%	4.9%	1.7%	1.6%	2.3%	14.7%	17.2%	3.1%	11.1%	16.1%
5/6/2023	6.4%	3.1%	6.1%	7.4%	5.8%	3.4%	3.5%	4.6%	12.3%	7.9%	8.5%	18.8%	7.9%

Q	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC
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%	-3.7%	-5.5%	0.3%	-2.2%	3.9%
1Q22	37.5%	21.0%	39.7%	34.1%	27.3%	20.8%	17.3%	34.0%	52.2%	50.5%	61.8%	41.1%	31.7%
2Q22	26.2%	14.3%	29.0%	27.1%	18.9%	14.6%	11.8%	20.5%	69.0%	73.6%	32.9%	53.6%	60.6%
3Q22	11.6%	6.7%	12.6%	13.3%	7.6%	5.9%	4.2%	8.9%	32.6%	30.0%	14.6%	25.4%	25.5%
4Q22	12.0%	6.5%	12.6%	13.7%	8.7%	6.2%	4.5%	10.2%	28.0%	20.5%	8.4%	20.2%	27.9%

YoY % change in Occupancy													
U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC	
12/31/2022	-0.2%	2.7%	3.5%	0.4%	1.0%	-3.5%	-3.9%	-0.7%	30.6%	6.0%	-4.8%	6.8%	8.9%
1/7/2023	3.9%	31.2%	18.8%	4.1%	0.4%	-4.8%	-4.0%	6.2%	47.1%	12.3%	8.6%	11.2%	2.7%
1/14/2023	12.9%	55.6%	43.2%	18.8%	9.7%	1.5%	-1.9%	7.9%	65.7%	25.1%	16.7%	25.6%	45.6%
1/21/2023	11.6%	38.1%	36.7%	16.9%	9.5%	2.8%	-1.6%	7.3%	63.5%	30.8%	11.3%	21.2%	27.2%
1/28/2023	13.7%	45.8%	44.0%	19.3%	11.3%	2.7%	-1.3%	8.1%	58.6%	31.2%	17.6%	23.9%	52.9%
2/4/2023	10.0%	37.1%	32.9%	13.2%	7.5%	1.0%	-2.5%	7.2%	44.8%	20.0%	12.8%	17.1%	34.8%
2/11/2023	6.2%	21.1%	23.9%	9.0%	4.4%	-0.6%	-3.3%	3.1%	30.5%	18.1%	-0.3%	11.8%	35.2%
2/18/2023	3.2%	12.3%	13.6%	4.0%	1.9%	-1.0%	-2.8%	1.7%	31.0%	8.4%	2.9%	11.0%	21.3%
2/25/2023	3.6%	8.4%	13.2%	5.3%	3.2%	0.3%	-2.4%	1.1%	26.1%	8.7%	6.4%	16.2%	22.9%
3/4/2023	3.0%	7.7%	14.6%	5.5%	2.3%	-0.8%	-4.1%	0.2%	17.9%	19.0%	9.3%	9.0%	23.6%
3/11/2023	2.8%	8.2%	11.0%	5.4%	2.8%	-0.1%	-3.8%	0.1%	16.2%	17.2%	7.9%	9.9%	21.8%
3/18/2023	1.3%	4.8%	6.8%	3.4%	1.6%	-0.9%	-4.5%	-0.3%	13.6%	17.8%	2.8%	4.0%	17.3%
3/25/2023	-0.6%	-0.5%	5.1%	2.2%	0.5%	-1.8%	-5.5%	-4.1%	10.8%	8.1%	-6.2%	12.2%	10.4%
4/1/2023	3.4%	7.3%	9.4%	5.8%	3.9%	0.5%	-2.9%	1.4%	7.6%	12.1%	6.6%	4.6%	18.2%
4/8/2023	-7.4%	-10.9%	-7.7%	-7.4%	-7.7%	-8.2%	-7.7%	-6.6%	6.3%	-0.6%	-3.1%	-7.3%	0.0%
4/15/2023	3.7%	-1.0%	5.4%	5.8%	7.0%	4.4%	-0.6%	0.5%	-1.1%	2.6%	0.0%	8.8%	12.7%
4/22/2023	2.3%	3.6%	11.2%	5.8%	2.4%	-1.3%	-3.7%	-1.2%	4.8%	1.3%	-1.3%	23.9%	9.4%
4/29/2023	0.1%	1.3%	4.5%	2.6%	0.5%	-2.4%	-5.3%	-1.5%	14.7%	15.3%	0.2%	6.7%	9.8%
5/6/2023	2.0%	5.2%	5.4%	3.9%	3.0%	1.0%	-2.4%	-0.4%	11.0%	5.9%	3.6%	14.7%	1.7%

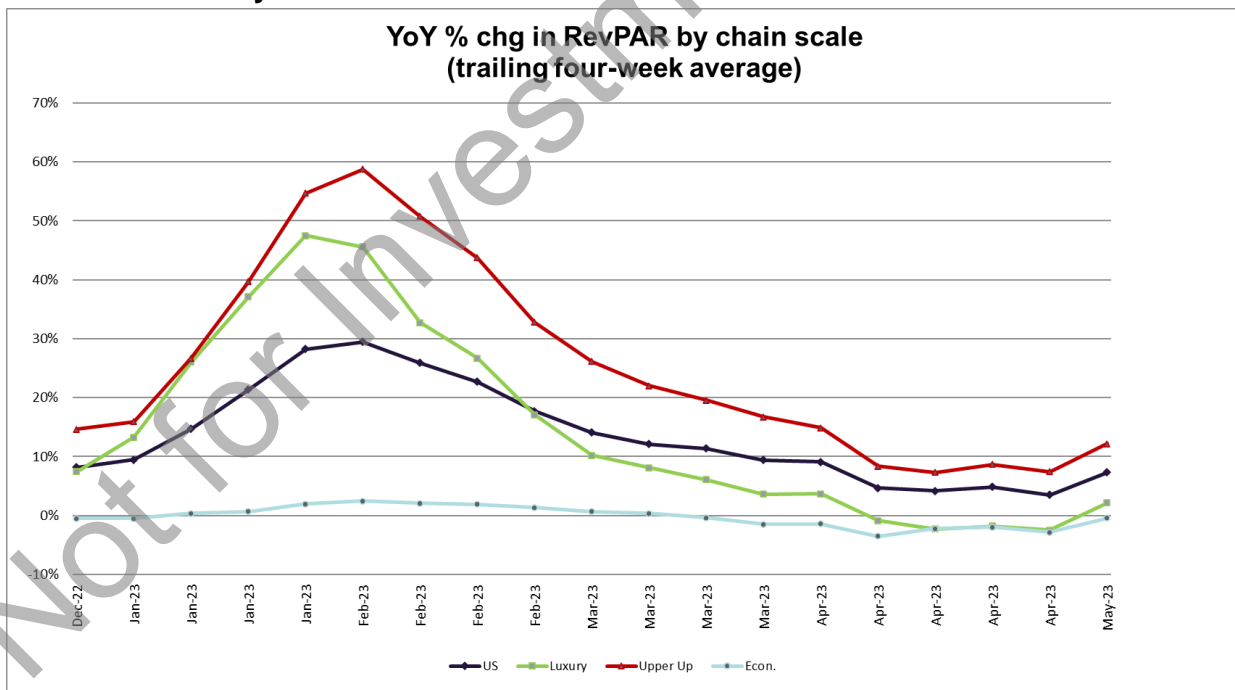
Q	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC
1Q19	0.4%	-2.8%	-1.3%	-1.4%	-0.5%	0.0%	2.3%	2.1%	-3.5%	-2.8%	-0.7%	-2.2%	-3.8%
2Q19	-0.1%	-1.4%	-0.9%	-1.0%	-0.7%	-0.6%	1.1%	0.7%	-0.7%	1.3%	0.8%	1.7%	-1.7%
3Q19	-0.1%	-0.2%	-0.2%	-0.7%	0.0%	-0.5%	-0.4%	0.0%	-0.3%	-1.4%	0.1%	0.6%	0.4%
4Q19	-0.1%	1.2%	0.4%	-0.2%	-0.8%	-1.7%	-0.4%	0.4%	-0.4%	-6.5%	0.8%	1.5%	1.3%
1Q22	56.2%	54.0%	53.2%	60.3%									

RevPAR Component Trends



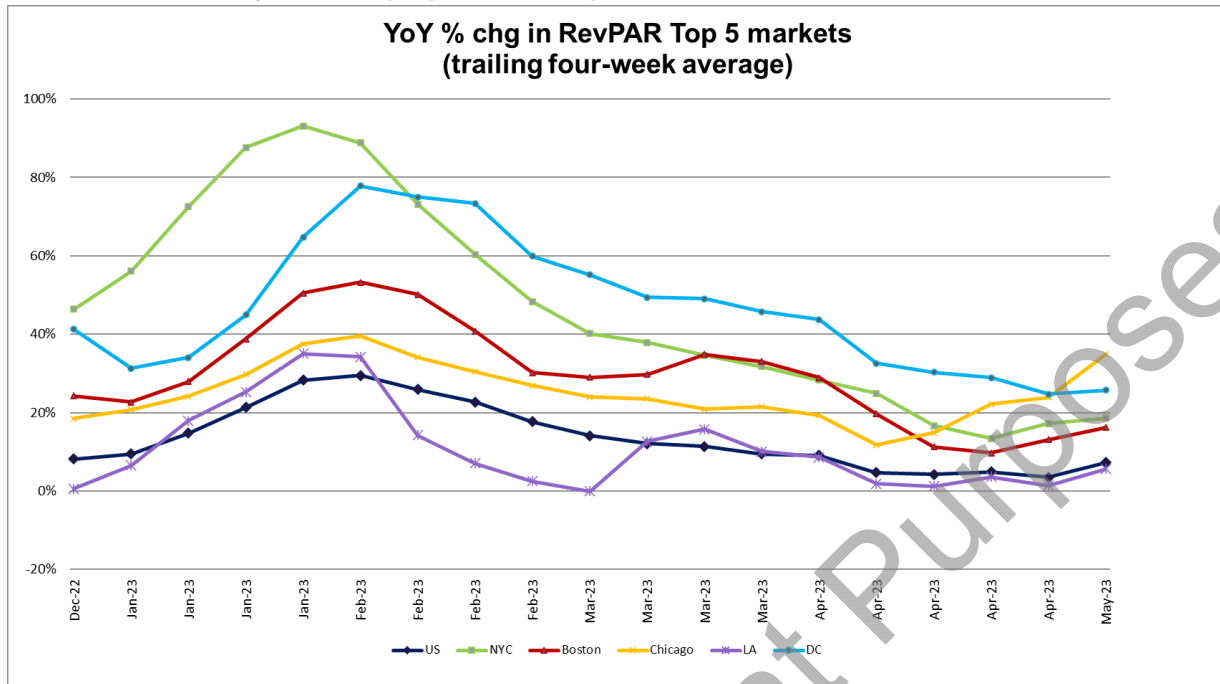
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



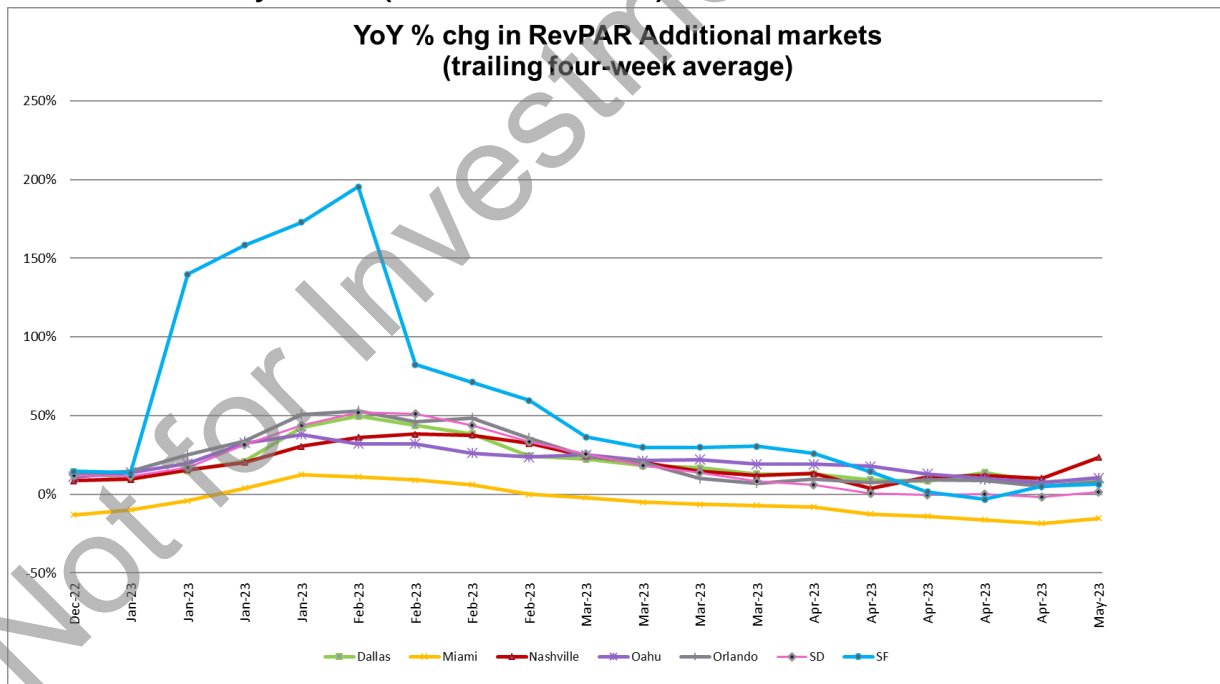
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



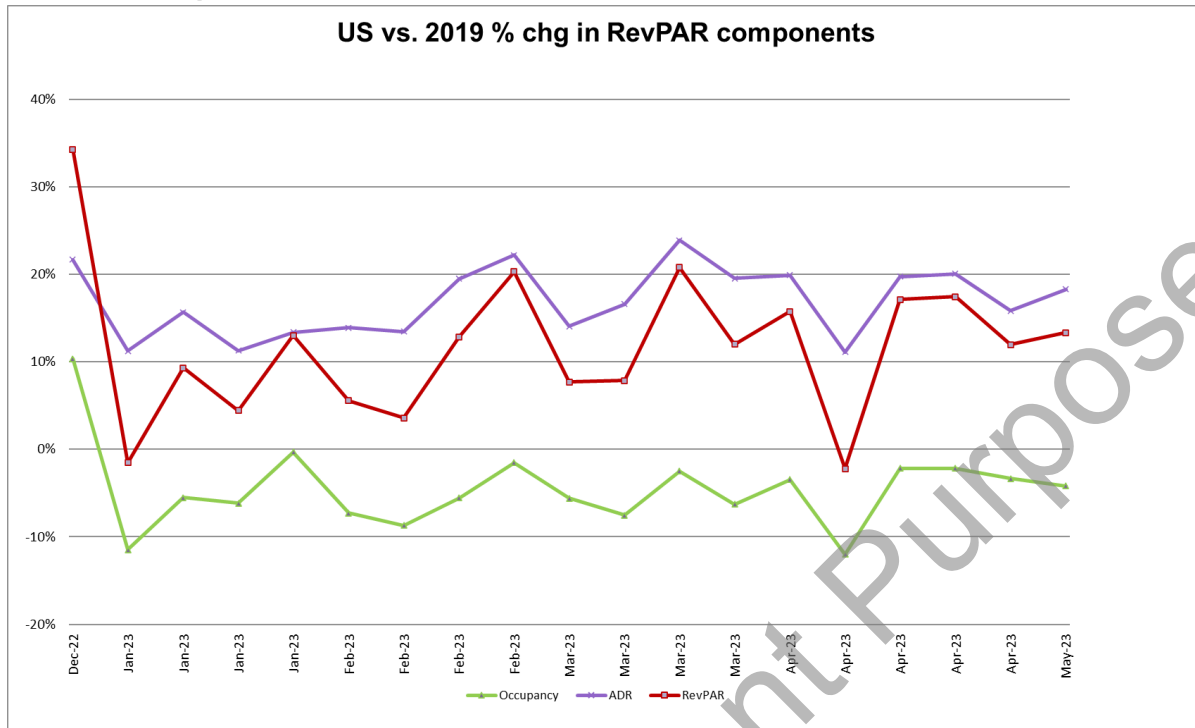
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



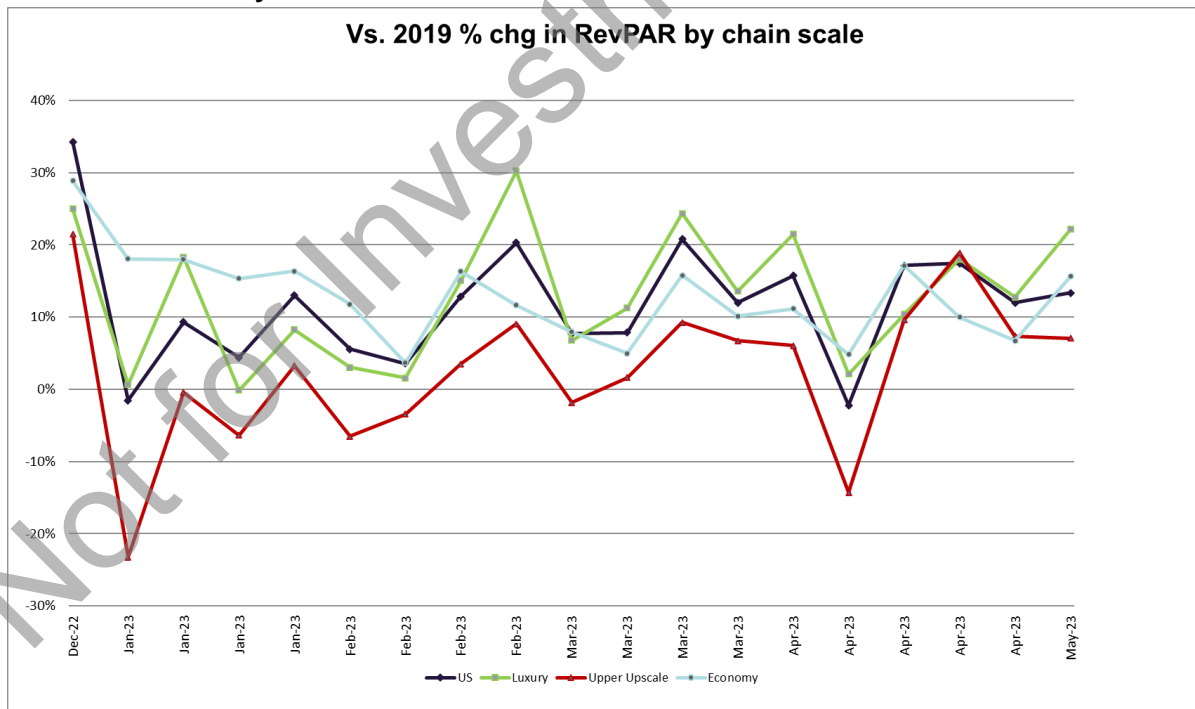
Source: STR data, Truist Securities research

RevPAR Component Trends



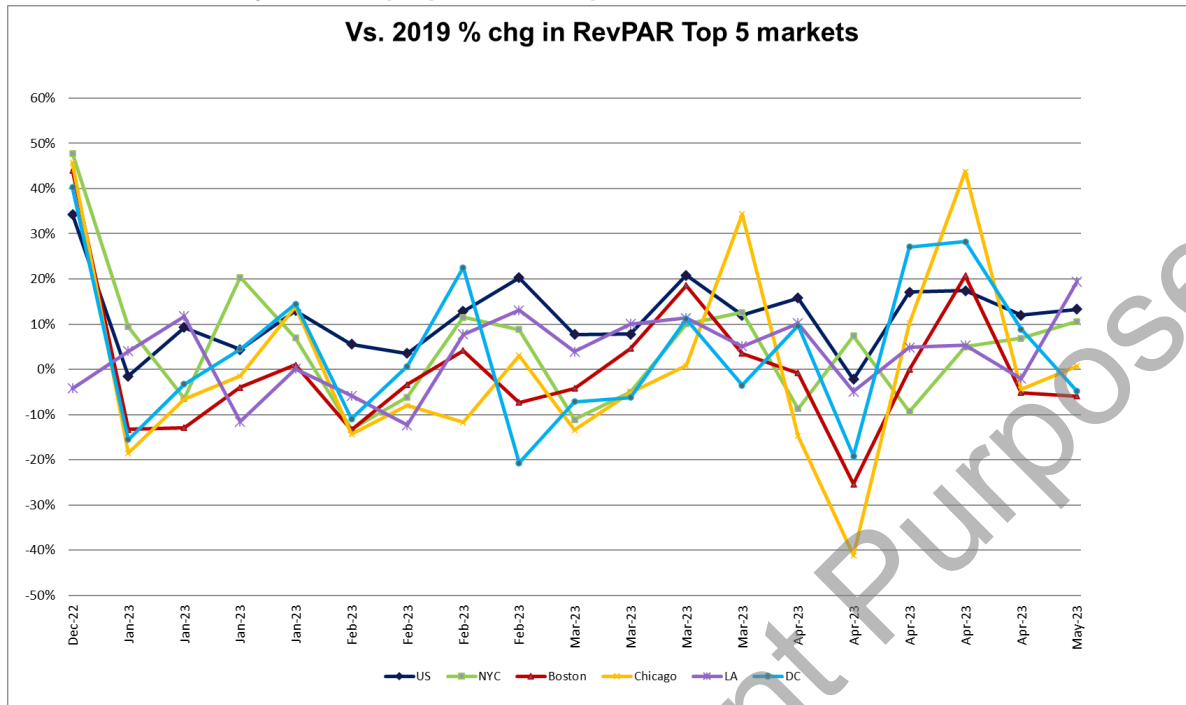
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



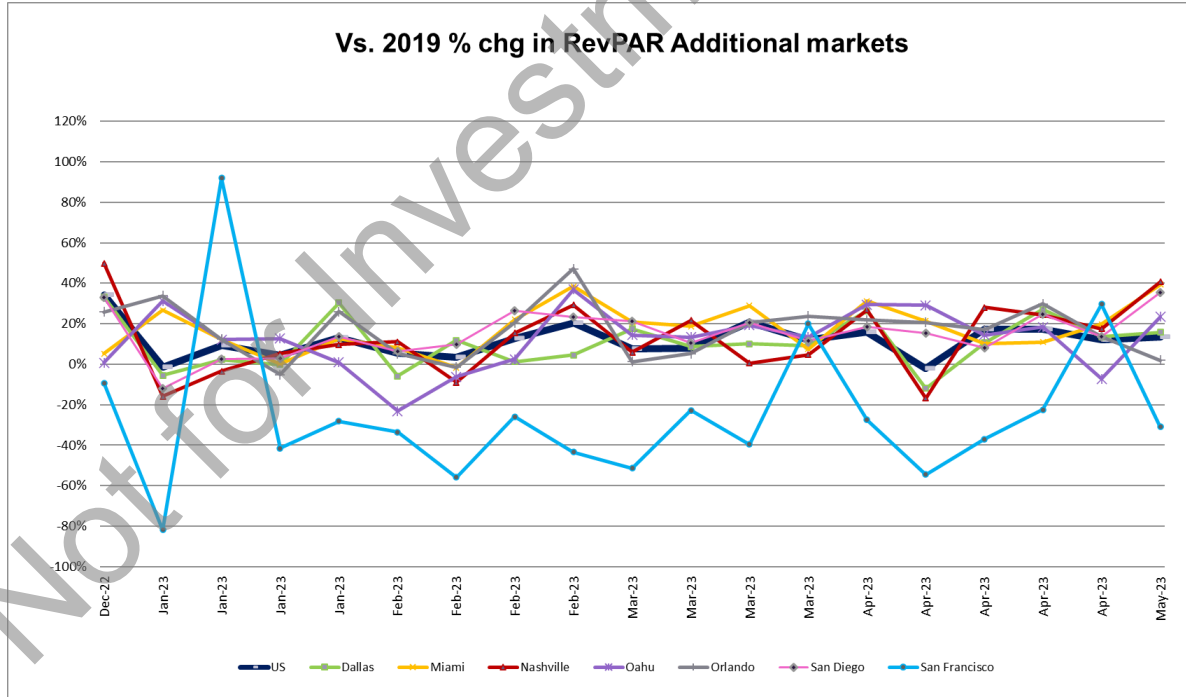
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



Source: STR data, Truist Securities research

Price Target/Risks Summary

Lodging	TKR	Price 5/9/23	Rating	PT*	% upside/downside	Truist Securities Valuation EBITDA excluding Stock Based Comp/Other			As Reported/Consensus/Data Aggregator "Headline" EBITDA			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.
						2022A EBITDA (\$M)**	2023E EBITDA (\$M)**	2024E EBITDA (\$M)**	2022A EBITDA (\$M)**	2023E EBITDA (\$M)**	2024E EBITDA (\$M)**		
Bluegreen Vacations	BVH	\$28.79	Buy	\$51	78%	\$136	\$141	\$146	\$140	\$145	\$150	7.2X	Downside risk: controlled company issues, limited cap/float, loan defaults, and macroeconomic risk. Upside risk: conservative growth of new brands; market share gains. Downside risk: slowdown in development opportunities; market share losses.
Choice Hotels	CHH	\$127.52	Hold	\$132	4%	\$459	\$522	\$533	\$478	\$540	\$552	15.0X	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 recently acquired assets.
DiamondRock Hospitality	DRH	\$8.11	Hold	\$11	36%	\$281	\$294	\$297	\$281	\$294	\$297	12.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Hilton	HLT	\$144.02	Hold	\$165	15%	\$2,479	\$2,818	\$3,095	\$2,599	\$2,926	\$3,213	16.6X	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 Grand Vacations	HGV	\$42.80	Buy	\$75	74%	\$1,003	\$1,037	\$1,105	\$1,049	\$1,103	\$1,155	9.1X	Upside risk: faster demand improvement in corporate/convention travel than expected. Dispositions at higher multiple than expected, stronger than expected performance by luxury leisure resorts on both top-line and margins through the valuation year. Downside risk: extended industry downturn with particular impact to large box hotels, weak recovery of international travel during the valuation period, macro demand shock to acquired resort assets, labor issues.
Host Hotels & Resorts	HST	\$16.17	Hold	\$20	24%	\$1,498	\$1,482	\$1,473	\$1,498	\$1,482	\$1,473	12.0X	Downside risk: lodging recovery takes longer than expected. Planned dispositions take longer than expected. Material labor issues to owned hotels. Pipeline growth slower than expected. Apple Leisure Group underperforms.
Hyatt Hotels	H	\$114.30	Buy	\$145	27%	\$1,004	\$1,136	\$1,236	\$1,065	\$1,206	\$1,310	13.8X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Marriott International	MAR	\$169.34	Hold	\$213	26%	\$3,546	\$4,152	\$4,337	\$3,853	\$4,471	\$4,669	16.7X	Downside risk: M&A story fades and multiples revert to historical levels.
Marriott Vacations	VAC	\$134.56	Buy	\$223	66%	\$927	\$935	\$1,006	\$966	\$975	\$1,048	10.4X	Downside risk: extended downturn in San Francisco, weak recovery of international travel during the valuation period especially Oahu, macro demand shock impact to major resort assets, labor issues.
Park Hotels & Resorts	PK	\$12.05	Buy	\$20	66%	\$589	\$652	\$700	\$606	\$669	\$724	12.0X	Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets. Faster than expected San Francisco recovery. Downside Risks: Incremental EBITDA from major CapEx investments take longer than anticipated, contributing to multiple contraction. Very slow recovery in San Francisco.
Pebblebrook Hotel Trust***	PEB	\$14.23	Hold	\$16	12%	\$345	\$346	\$377	\$357	\$357	\$389	13.5X	Downside risk: demand shocks, hurricanes, reduced airflit, new supply, country-specific risks (emerging market portfolio)
Playa Hotels & Resorts	PLYA	\$9.31	Buy	\$13	40%	\$231	\$262	\$271	\$243	\$273	\$282	10.5X	Downside risk: Slower than expected recovery of corporate business travel post-COVID; scope/limiting and/or upside from repositionings underwhelms investor expectations
RLJ Lodging Trust***	RLJ	\$10.10	Buy	\$15	49%	\$315	\$342	\$359	\$337	\$365	\$383	12.0X	Downside risk: Group demand slower than expected. Property-specific risks given a small portfolio.
Ryman Hospitality Properties	RHP	\$89.66	Buy	\$119	33%	\$536	\$638	\$665	\$556	\$683	\$700	13.0X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements. SHO buys hotels at accretive terms and quickly adds incremental EBITDA during the valuation period. Downside risk: Lodging recovery takes longer than expected, labor issues, weak recovery of international travel to gateway markets, natural disaster risk. Montage EBITDA stabilizes well lower than expected.
Sunstone Hotel Investors	SHO	\$9.53	Hold	\$11	15%	\$223	\$242	\$248	\$234	\$254	\$260	13.5X	Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Vail Resorts, Inc.	MTN	\$240.52	Hold	\$262	9%	\$833	\$948	\$974	\$833	\$848	\$974	13.0X	Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.
Travel + Leisure Co.	TNL	\$38.27	Buy	\$67	75%	\$817	\$887	\$943	\$859	\$931	\$990	8.4X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	\$68.22	Buy	\$96	41%	\$618	\$620	\$664	\$651	\$659	\$705	15.0X	Downside risk: Slowdown in development opportunities. Weaker than expected transient trends.

* All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimates for 2024 EBITDA.
 ** Valuation EBITDA excludes select items for specific companies including stock-based compensation.
 *** Covered by Gregory J. Miller - gregory.j.miller@truist.com

Source: FactSet, Truist Securities research

Companies Mentioned in This Note

Bluegreen Vacations Holding Corporation (BVH, \$25.68, Buy, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$8.45, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$119.08, Buy, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$42.82, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$17.50, Hold, C. Patrick Scholes)
OneSpaWorld Holdings Limited (OSW, \$12.09, Buy, Gregory Miller)
Pebblebrook Hotel Trust (PEB, \$14.79, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$13.06, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$9.11, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$95.88, Buy, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$10.85, Buy, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$10.43, Hold, C. Patrick Scholes)
Travel + Leisure Co. (TNL, \$36.50, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$128.43, Buy, C. Patrick Scholes)

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