

CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR flat y/y last week, -2% vs. 2019. Clean comp y/y, Labor Day weekend results relatively decent

Overall U.S. RevPAR was -0.1% y/y for the week ending 9/9/2023, per STR, below the prior week's result of +2.0%, and below the trailing 10-week average of +1.4%. Versus 2019, due to the comparable timing of Labor Day, RevPAR was -2.0%, below the prior week's result of +26.8% and below the trailing 10-week average of +11.1%.

Despite a tough y/y holiday weekend leisure comp, we found results last week relatively decent all things considered though marginally softer for the Economy/Midscale chain scales. September MTD results at +5% for the U.S. and +5-6% for corporate-focused Upper Upscale/Upscale is a promising start to the month before business group travel heats up post-holiday.

While we would not call Labor Day weekend results excellent, given a very difficult leisure comp, we note that Resort RevPAR was down just -0.5% y/y on Saturday. Economy/Midscale was marginally softer at low-mid single digit negative RevPAR growth on Saturday night. It appears to us that Urban leisure held somewhat better on Saturday night which could be a good sign for the remainder of the holiday weekend demand and a relative positive for both global C-corps and REITS (although given operating cost growth, we assume margin deceleration without mid-single digit RevPAR growth).

More importantly, after we lap Labor Day, the rest of September should present tailwinds to the urban- and group-centric hotel names from the start of the fall business travel season. While the High Holidays in September should have a negative impact to demand later this month (conversely better for October), a strong MTD result and **robust forward group data** are tailwinds for the remainder of 3Q performance. RevPAR was +4.6% y/y for the U.S. through September 9th and about 100-150 bps better for Upscale/Upper Upscale. Conversely, Midscale MTD RevPAR is +2.3% y/y and Economy is -0.4%.

Major RevPAR statistics presented below:

- Luxury RevPAR: -2.3% y/y and -3.5% versus 2019;
- Upper Upscale RevPAR: +1.0% y/y and -17.2% versus 2019;
- Upscale RevPAR: +1.9% y/y and -11.7% versus 2019;
- Upper Midscale RevPAR: +0.3% y/y and -2.3% versus 2019;
- Midscale RevPAR: -2.1% y/y and +6.2% versus 2019;
- Economy RevPAR: -3.6% y/y and +10.0% versus 2019;
- Independent hotels (~ 1/3rd of the data set) RevPAR: -1.5% y/y and +8.7% versus 2019; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +1.2% y/y vs. +4.3% prior week; versus 2019: -33.9% vs -1.8% prior week.
 - Transient: -2.0% y/y vs. +1.2% prior week; versus 2019: +7.2% vs +33.8% prior week.
- Las Vegas RevPAR: +0.8% y/y and -4.1% 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 -0.1% y/y vs. the running 28-day average of +1.5% y/y.
- **Occupancy:** Absolute occupancy was 60.3% vs. 63.7% for the running 28-day average.

- **Absolute Group occupancy:** 15.5% last week vs. 15.8% for the running 28 days.

The lodging stocks: Overall, we continue to summarize our view on the lodging sector at the moment as one of “relative optimism,” *though more so for the global C-Corps and less so for the hotel REITS.*

- **Of the lodging stocks our favorite name continues to be Hyatt Hotels Corp. (H, Buy), which we see having several idiosyncratic catalysts.** Hyatt is a beneficiary of group strength primarily through its legacy portfolio but also to an extent due to the acquired Apple Leisure Group, the recovery of international higher-rated travel, and particular strength in leisure demand to the Caribbean and Europe, a continued push to asset-light, a leading global rooms pipeline, and improved FCF story. Hyatt generates approx. 30% of earnings from the group segment and 30% from its Caribbean-centric Apple Leisure Group business.
 - **For the hotel REITS, our favorite name is RHP.** With 75% of its business coming from groups/conventions, Ryman Hospitality Properties (RHP, Buy) has the greatest exposure to this customer segment and has no hotels located in the especially tech-heavy San Francisco area. We add that RHP’s hotels are likely benefiting from several “self-help” factors including having properties in better condition than some other big box comparables and convention centers as well as what has proven to be a smart strategy of maintaining their property-level salesforce during the peak of the pandemic.
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Not for Investment Purpose

Weekly RevPAR Summary

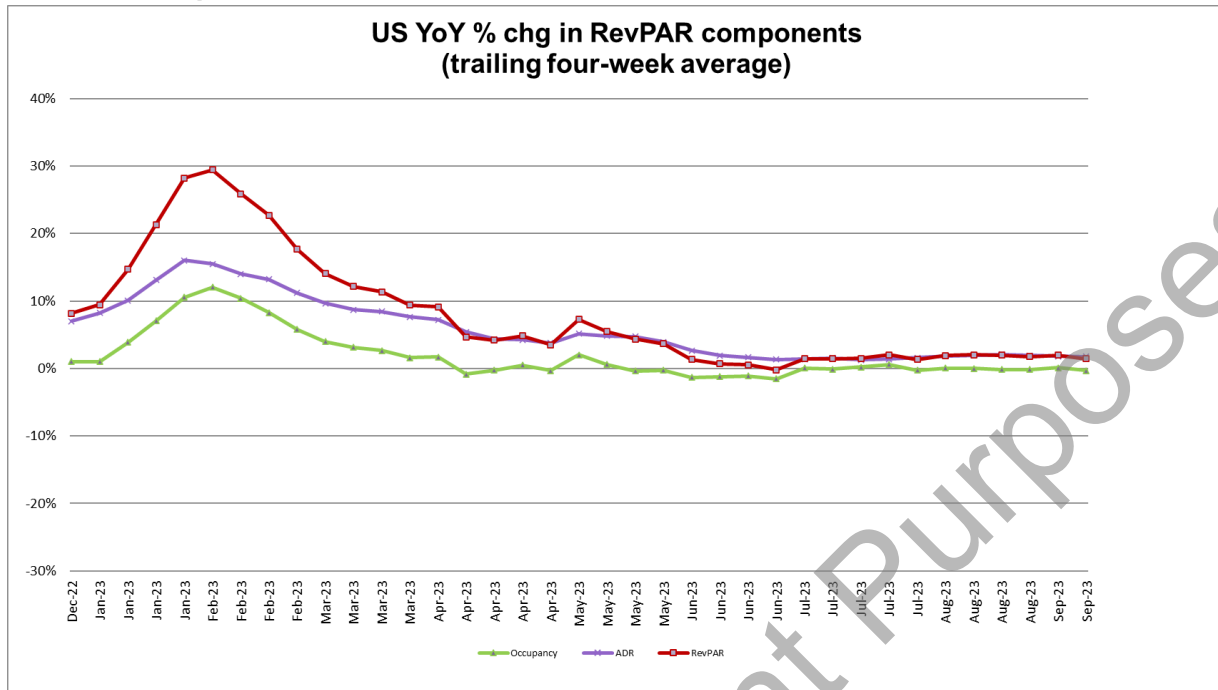
YoY % change in RevPAR														
U.S.	Luxury	Upper Upscale	Upper Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC		
6/17/2023	1.5%	-1.6%	3.4%	3.4%	1.6%	-2.3%	-4.5%	0.4%	3.3%	-10.9%	13.3%	3.5%	7.2%	
6/24/2023	-0.1%	-3.3%	-0.1%	2.2%	1.5%	-2.3%	-3.6%	-1.9%	-2.2%	4.8%	3.5%	-6.5%	4.6%	
7/1/2023	5.7%	1.8%	9.5%	9.4%	7.7%	3.0%	0.2%	1.2%	21.1%	30.9%	-1.6%	7.8%	18.6%	
7/8/2023	-1.2%	0.3%	0.6%	-2.6%	-3.2%	-4.5%	-3.5%	0.2%	14.7%	-0.4%	-1.3%	-4.3%	-2.0%	
7/15/2023	1.6%	-1.8%	3.1%	3.9%	2.1%	-1.0%	-1.8%	0.1%	5.7%	4.2%	-1.7%	-8.9%	8.6%	
7/22/2023	2.0%	0.3%	5.3%	4.5%	3.0%	-0.7%	-3.5%	-1.2%	21.2%	16.2%	-4.8%	8.8%	18.9%	
7/29/2023	2.9%	1.5%	4.8%	5.7%	3.0%	0.1%	-2.6%	0.9%	22.0%	4.4%	0.4%	-8.8%	15.5%	
8/5/2023	1.2%	3.2%	3.4%	3.2%	0.8%	-1.7%	-3.7%	-0.8%	23.3%	25.4%	15.5%	13.5%	15.2%	
8/12/2023	2.0%	3.1%	4.2%	4.2%	1.5%	-1.0%	-2.9%	0.5%	16.3%	5.4%	23.0%	6.1%	6.1%	
8/19/2023	1.8%	-2.8%	4.4%	3.7%	1.8%	-1.1%	-2.6%	0.6%	19.7%	11.6%	2.6%	-3.2%	3.3%	
8/26/2023	2.1%	-4.2%	4.0%	4.1%	2.2%	-1.0%	-2.4%	1.6%	14.0%	-1.9%	0.6%	-6.5%	9.6%	
9/2/2023	2.0%	-1.8%	3.1%	3.7%	1.6%	-1.2%	-3.3%	2.1%	14.1%	3.6%	3.1%	-3.7%	14.7%	
9/9/2023	-0.1%	-2.3%	1.0%	1.9%	0.3%	-2.1%	-3.6%	-1.5%	15.1%	6.0%	-12.2%	1.8%	11.1%	
Clean comp y/y; decent Labor Day weekend leisure														
Upscale and Upper Upscale led the industry														
New York and DC led the Top 5 markets														
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%	
1Q23	16.7%	16.0%	29.8%	20.4%	13.4%	4.8%	0.8%	12.9%	46.6%	35.0%	11.6%	26.6%	56.7%	
2Q23	2.5%	-2.3%	5.1%	5.8%	3.8%	-0.4%	-3.8%	-0.6%	13.3%	11.2%	1.2%	12.1%	17.4%	

YoY % change in ADR														
U.S.	Luxury	Upper Upscale	Upper Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC		
6/17/2023	2.6%	0.0%	2.0%	2.8%	2.2%	0.6%	0.1%	2.5%	5.0%	-7.9%	12.7%	5.4%	7.4%	
6/24/2023	0.9%	-1.5%	0.8%	1.8%	1.5%	-0.3%	-0.6%	0.0%	0.8%	2.9%	1.5%	-1.9%	5.8%	
7/1/2023	1.5%	-3.1%	2.1%	3.1%	2.4%	0.6%	-0.2%	-1.0%	8.5%	12.3%	-1.6%	4.3%	9.6%	
7/8/2023	1.2%	-0.8%	0.0%	0.4%	0.9%	-0.4%	-0.2%	1.3%	3.0%	-0.5%	-2.0%	-2.9%	0.4%	
7/15/2023	1.5%	-2.1%	0.9%	1.9%	1.9%	0.1%	0.4%	1.0%	1.1%	1.3%	-1.7%	-5.6%	5.9%	
7/22/2023	1.5%	-2.9%	1.2%	1.9%	2.0%	-0.4%	-0.1%	0.2%	8.3%	9.9%	-4.3%	4.8%	9.1%	
7/29/2023	2.3%	-2.6%	1.1%	2.5%	2.2%	0.2%	2.3%	0.6%	10.3%	1.9%	-2.5%	-8.0%	7.0%	
8/5/2023	2.2%	-0.5%	1.5%	2.6%	1.9%	0.1%	0.7%	1.5%	11.6%	11.5%	7.7%	9.2%	7.1%	
8/12/2023	2.0%	-0.7%	0.8%	2.1%	1.9%	0.1%	0.3%	1.8%	8.3%	1.7%	8.4%	2.9%	3.4%	
8/19/2023	1.8%	-4.0%	0.7%	2.3%	2.1%	0.0%	0.4%	2.1%	10.7%	5.8%	0.5%	-2.9%	2.7%	
8/26/2023	1.7%	-4.4%	0.8%	2.1%	1.7%	-0.4%	-0.2%	2.4%	8.6%	-1.1%	0.1%	-4.7%	4.1%	
9/2/2023	1.8%	-3.9%	0.3%	1.8%	1.8%	-0.4%	-0.7%	2.6%	8.1%	0.3%	1.8%	-3.7%	6.3%	
9/9/2023	1.8%	-2.1%	0.4%	2.3%	2.0%	0.0%	-0.5%	2.3%	11.5%	1.4%	-3.4%	-1.5%	5.2%	
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%	14.8%	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%	
1Q23	10.2%	-1.9%	8.4%	11.0%	8.1%	4.7%	3.8%	9.1%	13.4%	15.6%	3.8%	11.5%	24.4%	
2Q23	3.2%	-1.2%	2.5%	4.3%	3.5%	1.6%	0.9%	2.1%	9.6%	5.8%	2.5%	8.5%	11.6%	

YoY % change in Occupancy														
U.S.	Luxury	Upper Upscale	Upper Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC		
6/17/2023	-1.1%	-1.6%	1.3%	0.5%	-0.6%	-2.9%	-4.6%	-2.1%	-1.6%	-3.3%	0.5%	-1.8%	-0.2%	
6/24/2023	-1.0%	-1.8%	-0.8%	0.4%	0.0%	-2.0%	-2.9%	-1.9%	-2.9%	1.9%	2.0%	-4.7%	-1.1%	
7/1/2023	4.1%	5.1%	7.2%	6.2%	5.2%	2.3%	0.4%	2.3%	11.6%	16.6%	-0.1%	3.3%	8.2%	
7/8/2023	-2.3%	1.2%	0.6%	-2.9%	-4.1%	-4.1%	-3.3%	-1.1%	11.4%	0.1%	0.7%	-1.5%	-2.4%	
7/15/2023	0.1%	0.2%	2.2%	1.9%	0.2%	-1.1%	-2.1%	-0.9%	4.6%	2.8%	0.0%	-3.5%	2.6%	
7/22/2023	0.5%	3.4%	4.1%	2.5%	1.0%	-0.3%	-3.4%	-1.5%	11.8%	5.8%	-0.6%	3.9%	9.0%	
7/29/2023	0.6%	4.4%	3.6%	3.1%	0.8%	-0.1%	-3.1%	-1.4%	10.6%	2.4%	3.0%	-0.8%	7.9%	
8/5/2023	-1.0%	3.7%	1.9%	0.6%	-1.1%	-1.8%	-4.3%	-2.2%	10.4%	12.4%	7.2%	3.9%	7.6%	
8/12/2023	0.0%	3.9%	3.3%	2.1%	-0.4%	-1.1%	-3.3%	-1.3%	7.3%	3.7%	13.5%	3.2%	2.6%	
8/19/2023	-0.1%	1.2%	3.7%	1.4%	-0.3%	-1.0%	-2.9%	-1.5%	8.1%	5.4%	2.1%	-0.3%	0.5%	
8/26/2023	0.4%	0.3%	3.2%	2.0%	0.5%	-0.6%	-2.2%	-0.8%	5.0%	-0.8%	0.5%	-1.8%	5.2%	
9/2/2023	0.2%	2.2%	2.7%	1.9%	-0.2%	-0.9%	-2.6%	-0.5%	5.5%	3.2%	1.3%	0.0%	7.9%	
9/9/2023	-1.9%	-0.3%	0.5%	-0.4%	-1.6%	-2.1%	-3.0%	-3.7%	3.2%	4.6%	-9.2%	3.4%	5.5%	
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%	59.4%	52.3%	55.5%	54.2%	29.5%	57.6%	33.0%	31.2%	20.1%	
2Q22	10.0%	48.8%	41.8%	15.5%	6.2%	0.5%	-2.6%	5.9%	42.7%	56.7%	13.7%	36.3%	53.0%	
3Q22	4.5%	19.7%	21.3%	8.1%	2.9%	-2.3%	-4.0%	2.2%	26.3%	23.0%	5.9%	18.1%	23.2%	
4Q22	3.8%	12.4%	15.5%	6.0%	2.7%	-1.1%	-2.9%	1.9%	17.8%	12.7%	7.6%	14.2%	19.8%	
1Q23	5.9%	18.3%	19.8%	8.5%	4.9%	0.1%	-2.9%	3.5%	29.3%	16.8%	7.5%	13.6%	25.9%	
2Q23	-0.7%	-1.0%	2.6%	1.4%	0.3%	-2.0%	-4.6%	-2.7%	3.3%	5.1%	-1.3%	3.3%	5.1%	

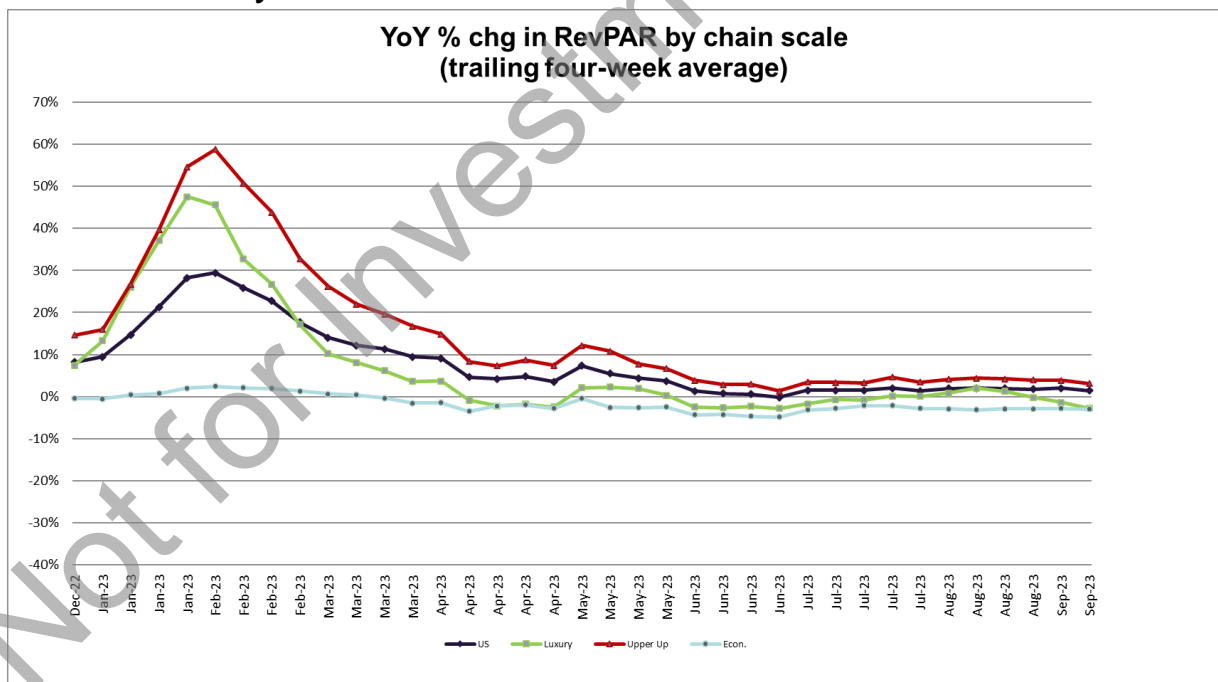
Source: STR data, Truist Securities research

RevPAR Component Trends



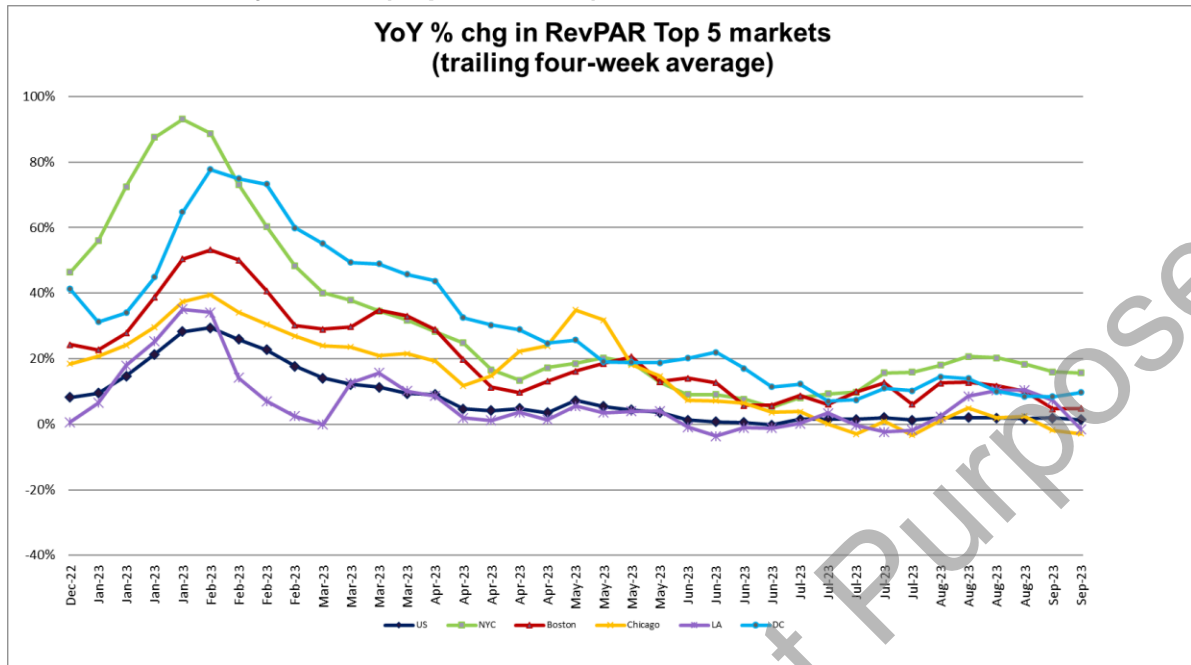
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



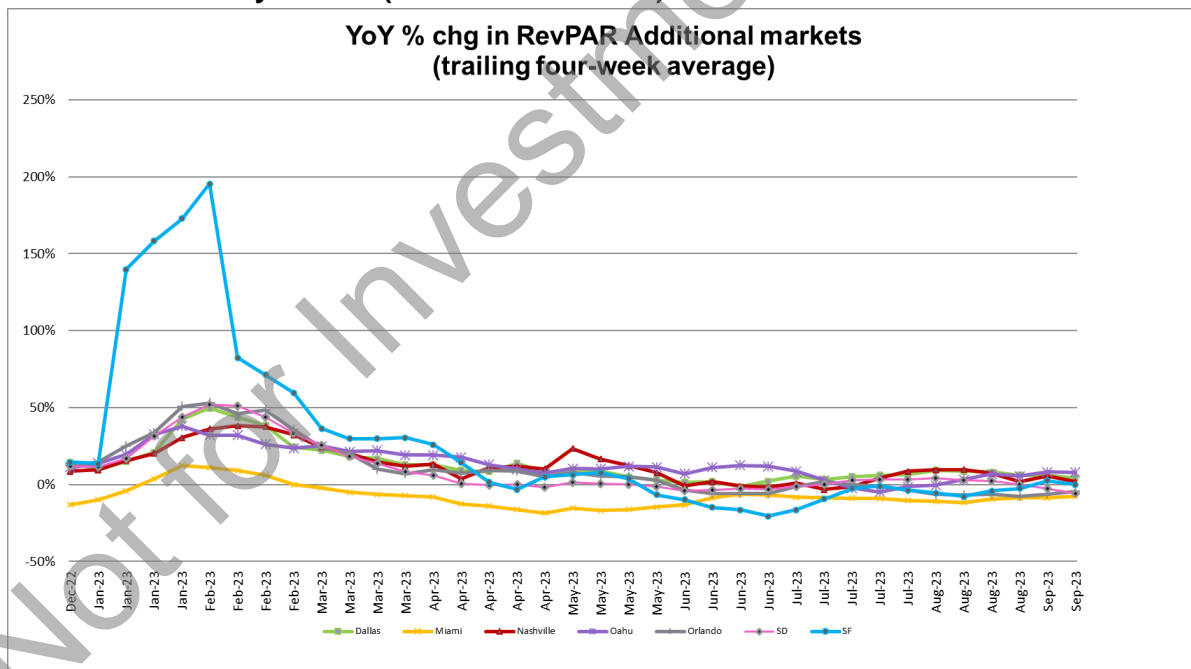
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



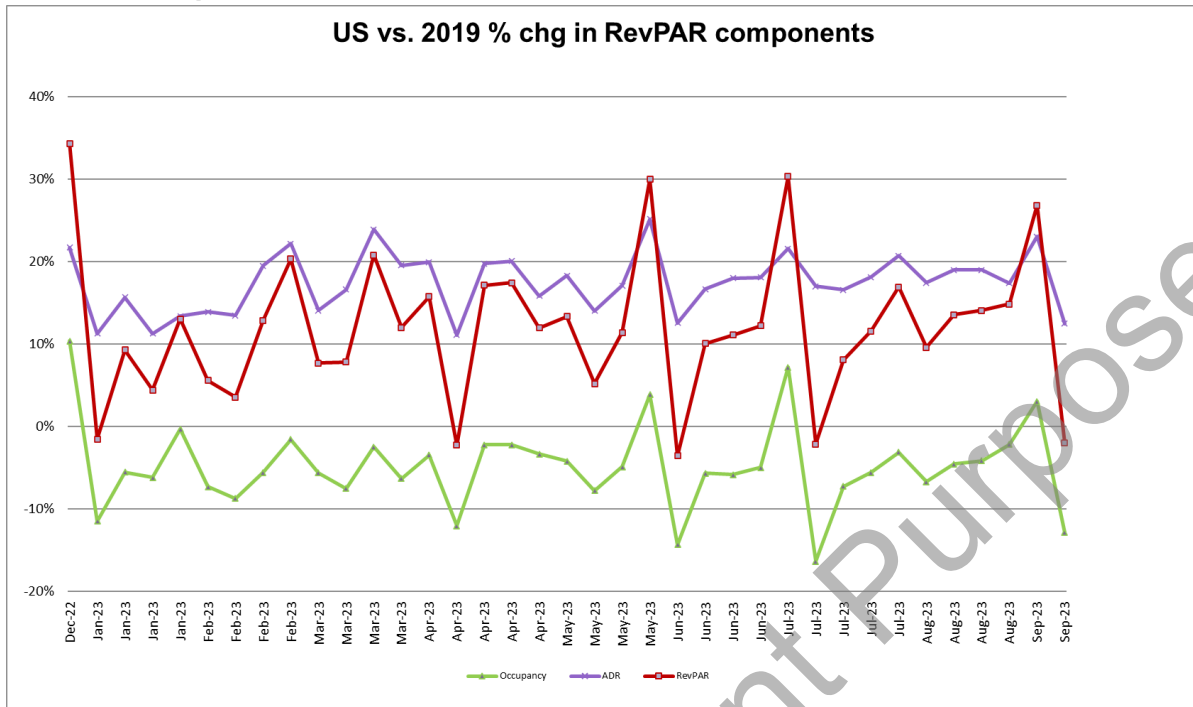
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



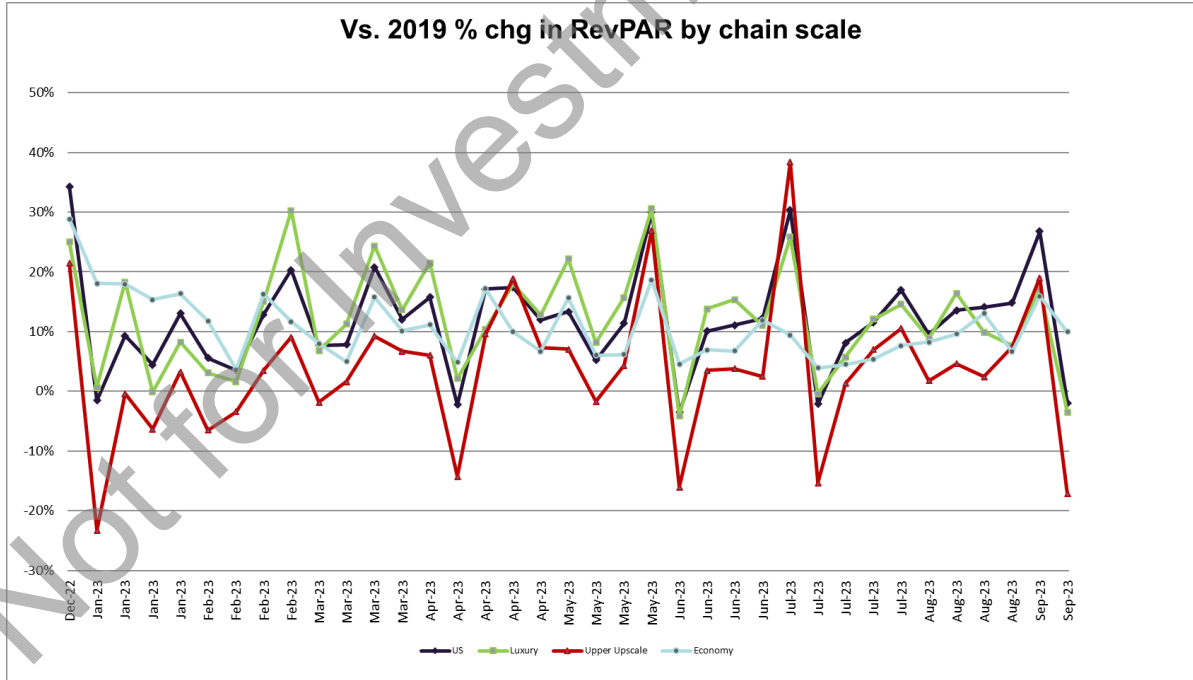
Source: STR data, Truist Securities research

RevPAR Component Trends



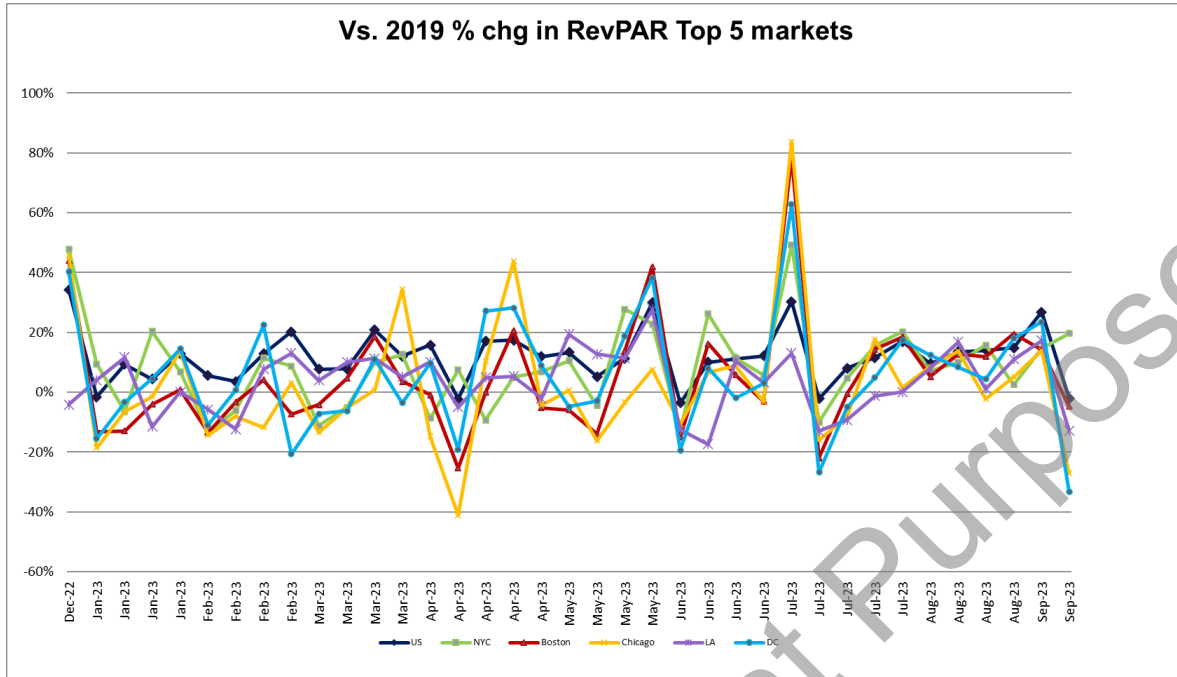
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



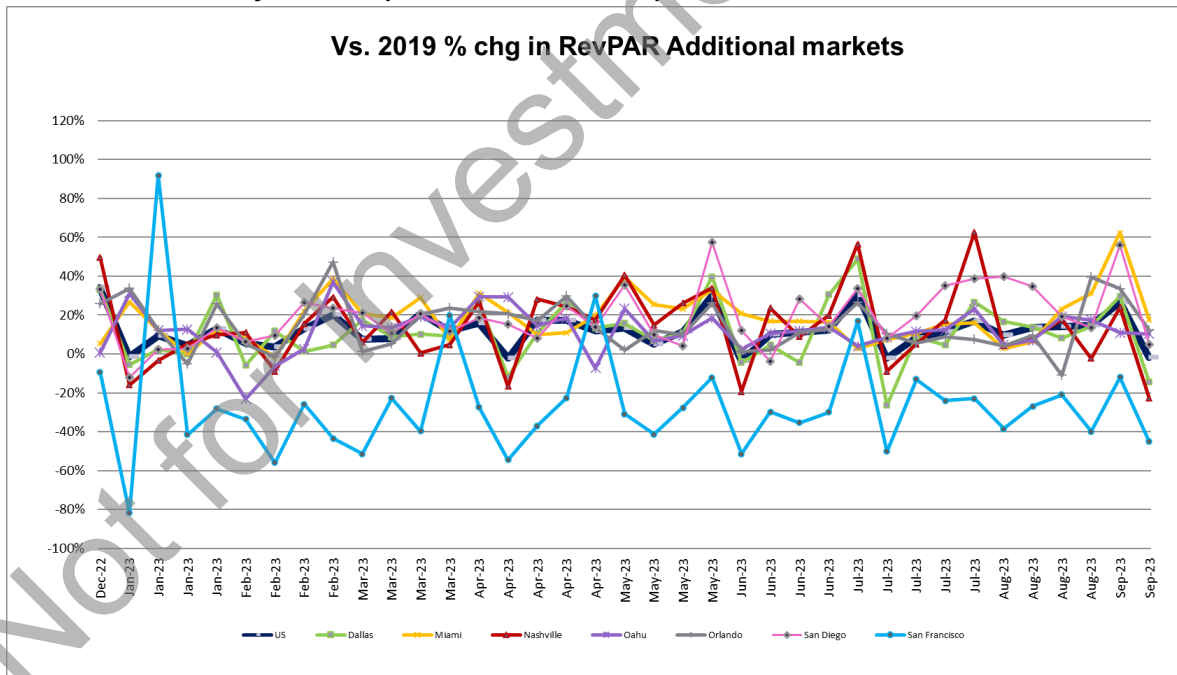
Source: STR data, Truist Securities research

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 9/12/23	Rating	PT*	% Upside/ down- side	Truist Securities Valuation EBITDA excluding Stock Based Comp/Other			As Reported/Consensus/Data Aggregator "Headline" EBITDA			Target EV/EBITDA Multiple	Risks
						2022A EBITDA (\$M)* **	2023E EBITDA (\$M)* **	2024E EBITDA (\$M)* **	2022A EBITDA (\$M)*	2023E EBITDA (\$M)*	2024E EBITDA (\$M)* **		
Bluegreen Vacations	BVH	\$36.12	Buy	\$54	50%	\$140	\$151	\$157	\$140	\$151	\$157	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	\$126.17	Hold	\$133	5%	\$459	\$517	\$534	\$478	\$535	\$553	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	\$8.31	Hold	\$11	32%	\$281	\$291	\$292	\$281	\$291	\$292	12.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Hilton	HLT	\$155.74	Hold	\$172	10%	\$2,479	\$2,916	\$3,196	\$2,599	\$3,016	\$3,301	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. 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 big big hotels; weak recovery of international travel during the valuation period; macro demand shock to acquired resort assets; labor issues.
Host Hotels & Resorts	HST	\$16.35	Hold	\$21	28%	\$1,498	\$1,592	\$1,561	\$1,498	\$1,592	\$1,561	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	\$108.45	Buy	\$149	37%	\$1,004	\$1,170	\$1,258	\$908	\$1,054	\$1,141	14.1X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Marriott International	MAR	\$203.80	Hold	\$221	8%	\$3,546	\$4,242	\$4,489	\$3,853	\$4,620	\$4,842	16.7X	Downside risk: M&A story fades and multiples revert to historical levels. Upside risk: extended downturn in San Francisco, weak recovery of international travel during the valuation period especially Ohio, macro demand shock impact to major resort assets; labor issues.
Marriott Vacations	VAC	\$102.25	Buy	\$190	85%	\$966	\$882	\$914	\$966	\$882	\$914	11.0X	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.
Park Hotels & Resorts	PK	\$13.27	Buy	\$19	43%	\$589	\$624	\$669	\$606	\$641	\$693	12.0X	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
Pebblebrook Hotel Trust***	PEB	\$14.88	Hold	\$16	8%	\$345	\$348	\$374	\$357	\$359	\$386	13.5X	Downside risk: Group demand slower than expected. Property-specific risks given a small portfolio.
Playa Hotels & Resorts	PLYA	\$7.28	Buy	\$13	79%	\$231	\$255	\$264	\$243	\$269	\$278	10.5X	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.
RLJ Lodging Trust***	RLJ	\$10.13	Buy	\$14	38%	\$315	\$352	\$364	\$337	\$375	\$388	11.5X	Downside risk: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Ryman Hospitality Properties	RHP	\$87.15	Buy	\$119	37%	\$536	\$638	\$665	\$556	\$663	\$700	13.0X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Sunstone Hotel Investors	SHO	\$9.28	Hold	\$11	19%	\$223	\$249	\$246	\$234	\$260	\$258	13.5X	Downside risk: Slowdown in development opportunities. Weaker than expected transient trends.
Vail Resorts, Inc.	MTN	\$249.29	Buy	\$290	16%	\$833	\$848	\$974	\$833	\$848	\$974	13.0X	
Travel + Leisure Co.	TNL	\$38.67	Buy	\$66	70%	\$859	\$937	\$989	\$859	\$937	\$999	8.5X	
Wyndham Hotels & Resorts	WH	\$75.23	Buy	\$95	26%	\$618	\$620	\$660	\$651	\$658	\$700	15.0X	

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

H: Valuation and Risks

Our price target of \$149 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 2024 EBITDA. Our sum-of-the-parts analysis on our 2024 segment multiple assumptions include (12.5x owned EBITDA u/c, 16x fees EBITDA u/c) and other segments/ALG (10-12x, u/c).

Risks to our rating and price target: Lodging recovery takes longer than expected. Planned dispositions take longer than expected. Material labor issues to owned hotels. Regional risks to the Caribbean including material new competitive supply growth. H pipeline growth slower than expected. Apple Leisure Group underperforms Hyatt's guidance.

RHP: Valuation and Risks

Our price target of \$119 for RHP is derived by applying a 13.0x target EV/EBITDA multiple to our estimate for 2024 lodging EBITDA and a 16.0x multiple to our Opry/attractions estimate. We view the multiple assignments as appropriate for the quality and unique nature of the portfolios (slight premium to REIT peer average of ~12.0-12.5x on Hospitality).

Risks to our rating and price target include: Group demand returns slower than expected. Property-specific risks given a small portfolio.

Companies Mentioned in This Note

Hyatt Hotels Corporation (H, \$104.57, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$84.01, Buy, C. Patrick Scholes)

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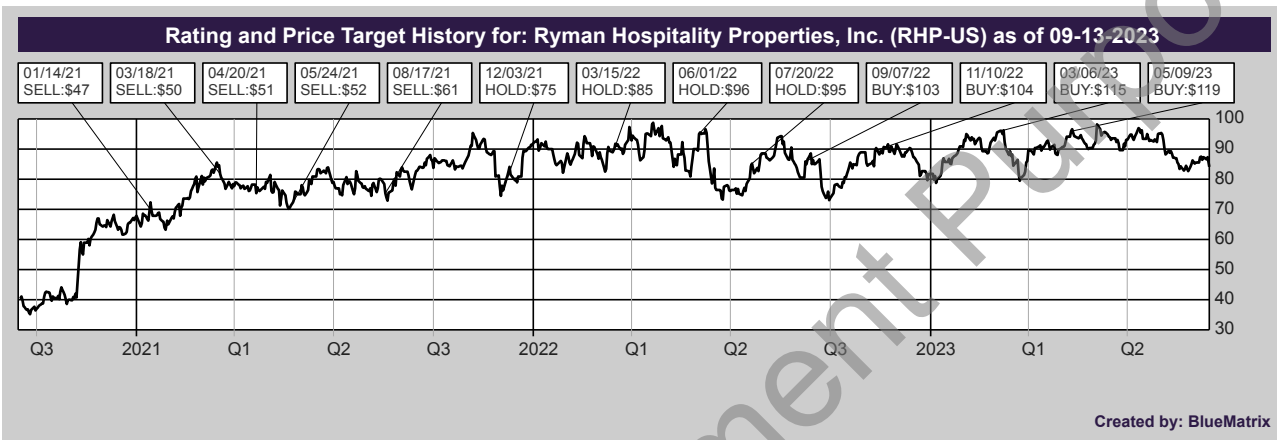
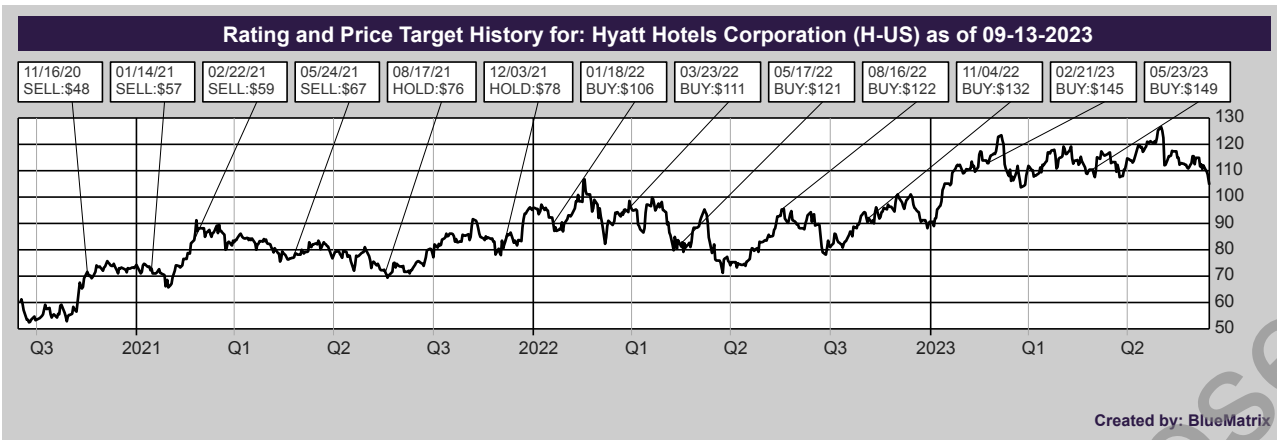
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