

CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR -2% y/y last week, -2% vs. 2019. Halloween was no “treat” for group/business demand

Overall U.S. RevPAR was -2.1% y/y for the week ending 10/28/2023, per STR, below the prior week's result of +4.6%, and below the trailing 10-week average of +2.0%. Versus 2019, RevPAR was -1.6%, below the prior week's result of +33.4%, and below the trailing 10-week average of +15.4%.

As we had discussed in our previous U.S. RevPAR note, last week's results were affected by the timing of Halloween (10/31: last week Tuesday, Monday in 2022. This shift of the holiday to the midweek especially hurt group RevPAR (-7.4% y/y vs. overall October of approx. 8.5%).

As a rule of thumb, if there are abnormal results in the ground segment, it is usually due to a y/y comp issue. This shift was also evident in overall day of week results as Monday was -0.3% y/y whereas Tuesday was -22.5% y/y. By comparison, Thursday-Saturday averaged approx. +3% y/y.

Major RevPAR statistics presented below:

- Luxury RevPAR: -7.7% y/y and -9.2% versus 2019;
- Upper Upscale RevPAR: -3.0% y/y and -14.0% versus 2019;
- Upscale RevPAR: -1.1% y/y and -8.9% versus 2019;
- Upper Midscale RevPAR: -1.1% y/y and +2.5% versus 2019;
- Midscale RevPAR: -2.7% y/y and +10.0% versus 2019;
- Economy RevPAR: -3.2% y/y and +12.8% versus 2019;
- Independent hotels (~ 1/3rd of the data set) RevPAR: -2.4% y/y and +3.2% versus 2019; and
 - Within Upper Upscale & Luxury class hotels:
 - Group: -7.4% y/y vs. +7.5% prior week; versus 2019: -19.7% vs +46.1% prior week.
 - Transient: -2.0% y/y vs. +4.4% prior week; versus 2019: -2.4% vs +31.1% prior week.
- Las Vegas RevPAR: +6.6% y/y and +13.7% 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 -2.1% y/y vs. the running 28-day average of +1.7% y/y.
- **Occupancy:** Absolute occupancy was 59.7% vs. 65.8% for the running 28-day average.
- **Absolute Group occupancy:** 20.1% last week vs. 24.6% 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 (Buy).** With 75% of its business coming from groups/conventions, Ryman Hospitality Properties 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.

Not for Investment Purposes

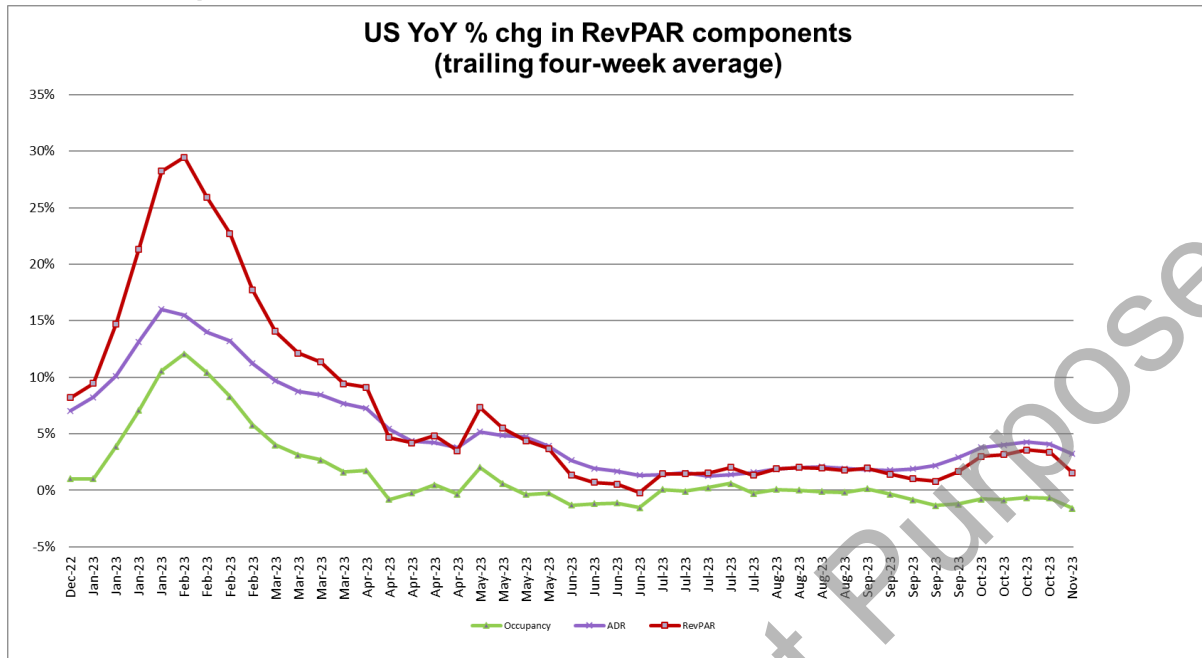
Weekly RevPAR Summary

YoY % change in RevPAR													
U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC	
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%	0.8%	19.7%	11.6%	2.8%	-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%	-1.4%	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%
9/16/2023	0.1%	-3.3%	1.2%	2.8%	1.1%	-2.6%	-4.9%	-1.9%	11.3%	5.0%	-8.7%	-20.0%	9.1%
9/23/2023	1.2%	-0.5%	2.7%	4.2%	1.8%	-1.1%	-4.0%	-1.5%	17.6%	13.0%	-4.5%	8.9%	11.8%
9/30/2023	5.4%	5.3%	9.7%	6.8%	2.7%	-0.9%	-4.9%	5.6%	17.3%	3.8%	3.0%	-6.2%	20.3%
10/7/2023	5.2%	8.2%	13.2%	6.9%	0.9%	-2.2%	-4.3%	3.1%	22.3%	23.1%	8.9%	23.0%	15.3%
10/14/2023	0.8%	-7.0%	2.0%	1.8%	0.5%	-1.0%	-3.2%	1.4%	7.3%	18.5%	1.6%	2.3%	-14.8%
10/21/2023	2.9%	-2.2%	3.9%	4.8%	1.8%	-0.8%	-3.0%	3.3%	8.5%	8.6%	1.5%	5.7%	6.5%
10/28/2023	4.6%	3.3%	6.0%	6.7%	3.7%	-0.2%	-3.7%	3.9%	18.1%	20.0%	1.9%	-11.4%	20.5%
11/4/2023	-2.1%	-7.7%	-3.0%	-1.1%	-1.1%	-2.7%	-3.2%	-2.4%	6.4%	6.0%	0.1%	-12.1%	9.4%
Halloween timing hurts group business			Upscale and Upper Midscale led the industry					DC and New York 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	27.7%	31.6%	37.3%	20.5%	10.8%	5.1%	0.0%	11.3%	87.4%	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%
3Q23	1.7%	0.1%	3.9%	3.7%	1.7%	-1.0%	-3.5%	0.2%	16.4%	8.0%	1.2%	-1.9%	11.5%

YoY % change in ADR													
U.S.	Luxury	Upper Upscale	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%	2.6%	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%	0.0%	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%	0.6%
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%	-2.8%	1.1%	2.5%	2.2%	0.2%	0.6%	2.3%	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%	9.5%	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%	-0.9%	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%
9/16/2023	2.3%	1.3%	2.1%	3.1%	2.8%	-0.1%	-1.0%	1.9%	10.5%	2.4%	-4.8%	-13.1%	6.2%
9/23/2023	2.9%	0.5%	1.9%	3.2%	3.0%	1.0%	0.3%	2.7%	16.5%	7.5%	-1.6%	2.8%	7.8%
9/30/2023	4.6%	-2.1%	3.5%	3.5%	2.8%	0.6%	-0.7%	6.2%	13.7%	2.2%	0.5%	-3.7%	10.9%
10/7/2023	5.4%	0.1%	6.0%	5.2%	3.1%	0.4%	-0.4%	5.0%	13.8%	13.1%	2.4%	10.7%	9.9%
10/14/2023	3.2%	-3.8%	2.5%	3.6%	3.1%	1.5%	0.6%	4.5%	8.3%	13.3%	-0.4%	4.1%	-7.5%
10/21/2023	3.8%	-1.8%	2.9%	3.7%	2.9%	0.8%	-0.4%	5.9%	8.0%	5.9%	-0.1%	0.9%	4.9%
10/28/2023	3.9%	-0.2%	2.6%	3.6%	2.9%	0.5%	-0.7%	5.0%	12.7%	11.5%	0.4%	-9.7%	11.6%
11/4/2023	2.0%	-2.5%	1.4%	2.4%	2.7%	0.5%	0.2%	2.8%	5.0%	0.4%	0.1%	-6.1%	5.6%
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%	-2.6%	4.0%
4Q19	0.7%	2.4%	0.6%	0.4%	0.3%	-1.0%	-1.3%	1.6%	-3.7%	-5.3%	0.3%	-2.2%	3.9%
1Q22	37.5%	21.0%	39.7%	34.1%	27.3%	20.8%	17.3%	34.0%	82.2%	60.5%	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	2.2%	-1.2%	2.5%	4.3%	2.9%	1.8%	-0.4%	2.1%	9.6%	5.8%	0.2%	6.8%	11.6%
3Q23	2.2%	-1.4%	1.3%	2.2%	2.2%	0.3%	0.0%	2.1%	9.8%	3.8%	0.2%	-2.1%	6.2%

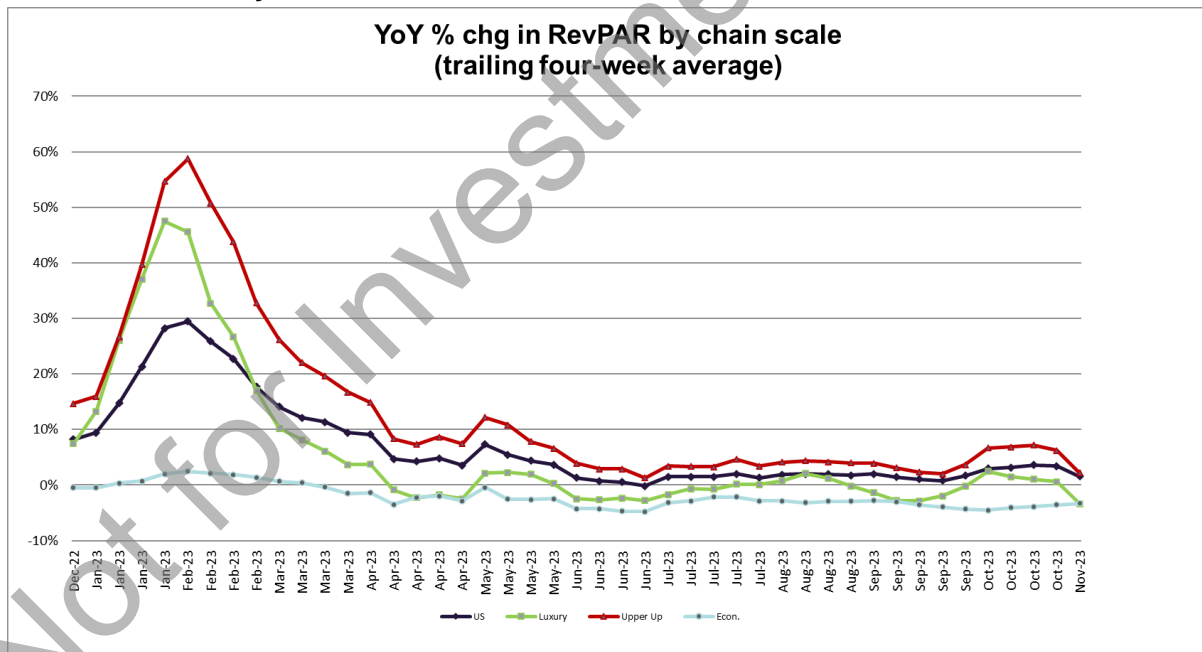
YoY % change in Occupancy													
U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC	
6/17/2023	-1.1%	-1.6%	1.3%	0.5%	-0.6%	-2.9%	-4.6%	-2.1%	-1.6%	-3.3%	0.5%	-1.8%	-0.2%
6/24/2023	-1.0%	-1.8%	-0.8%	0.4%	0.0%	-2.0%	-2.9%	-1.9%	-2.9%	1.9%	2.0%	-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%	-2.8%	-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%	-0.7%	3.9%	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%	3.3%	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	-1.3%	-0.3%	0.5%	-0.4%	-1.6%	-2.1%	-3.0%	-3.7%	3.2%	4.6%	-9.2%	3.4%	5.5%
9/16/2023	-2.2%	-4.5%	-0.9%	-0.3%	-1.6%	-2.5%	-3.9%	-3.7%	0.8%	2.6%	-4.1%	-7.9%	2.7%
9/23/2023	-1.6%	-1.0%	0.8%	1.0%	-1.1%	-2.1%	-4.3%	-4.1%	0.9%	5.0%	-3.0%	5.9%	3.7%
9/30/2023	0.8%	7.5%	6.0%	3.2%	-0.1%	-1.5%	-4.2%	-0.6%	3.2%	1.5%	2.5%	0.1%	8.5%
10/7/2023	-0.2%	8.1%	6.7%	1.7%	-2.1%	-2.5%	-4.0%	-1.8%	7.4%	8.8%	6.3%	11.2%	4.9%
10/14/2023	-2.3%	-3.4%	-0.5%	-1.7%	-2.5%	-2.4%	-3.8%	-3.0%	-0.9%	4.5%	2.1%	-1.8%	-7.9%
10/21/2023	-0.8%	-0.4%	1.0%	1.0%	-1.1%	-1.4%	-2.6%	-2.3%	0.4%	2.6%	1.6%	4.8%	1.5%
10/28/2023	0.7%	3.5%	3.3%	3.0%	0.8%	-0.7%	-3.1%	-1.1%	4.8%	7.7%	1.5%	-1.8%	7.9%
11/4/2023	-4.0%	-5.3%	-4.3%	-3.8%	-3.7%	-3.2%	-3.4%	-5.0%	1.4%	5.9%	0.0%	-6.5%	3.6%
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%	-4.0%	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%	-0.8%	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%	65.5%	54.2%	29.5%	57.6%	57.0%	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		

RevPAR Component Trends



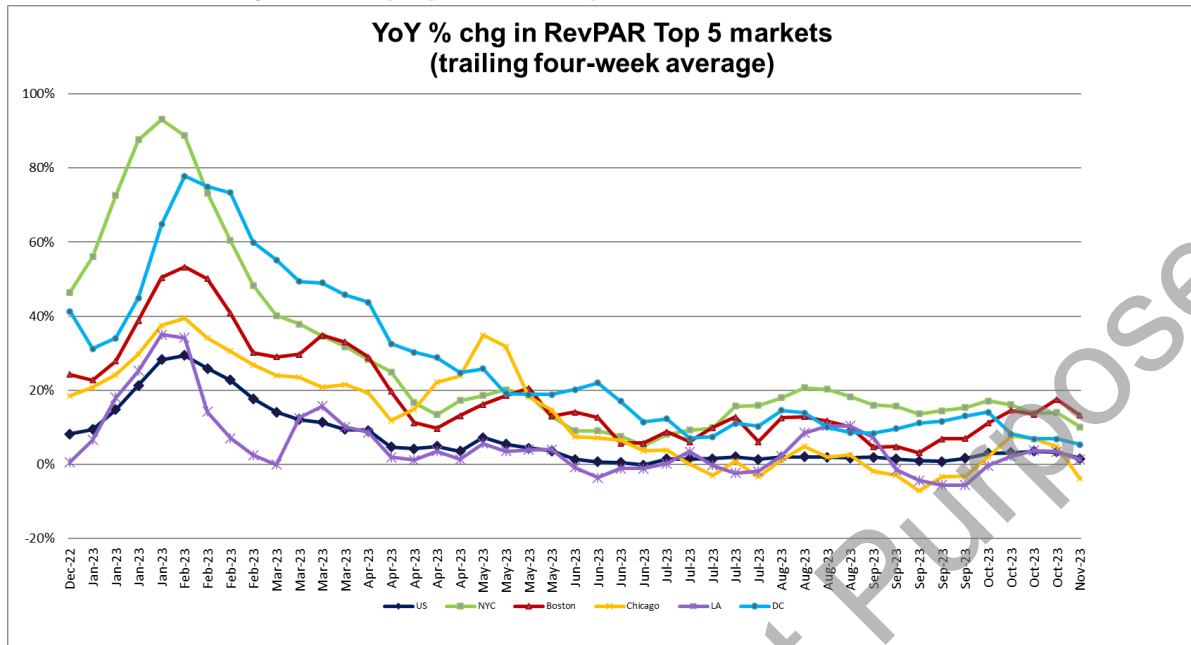
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



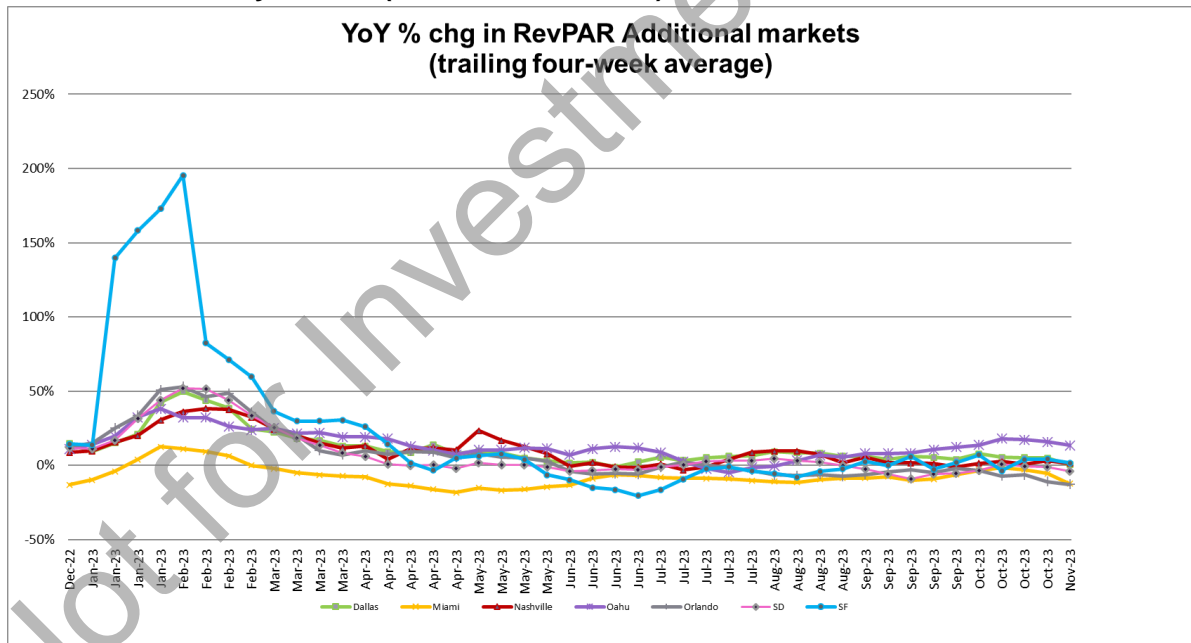
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



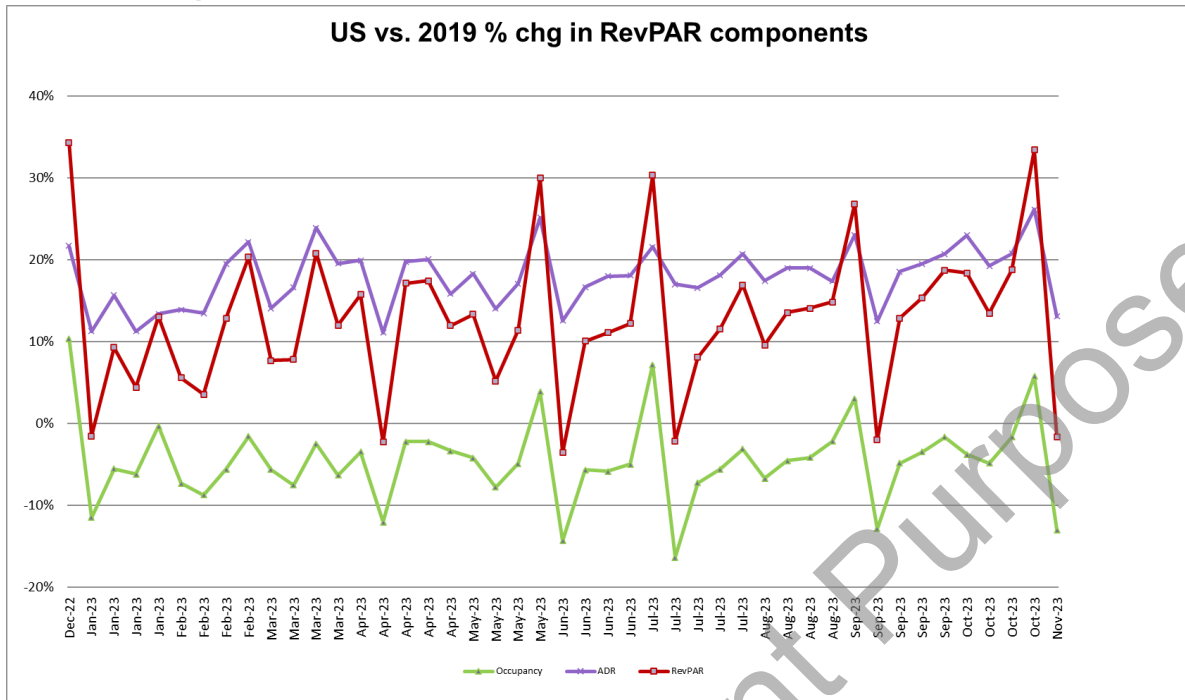
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



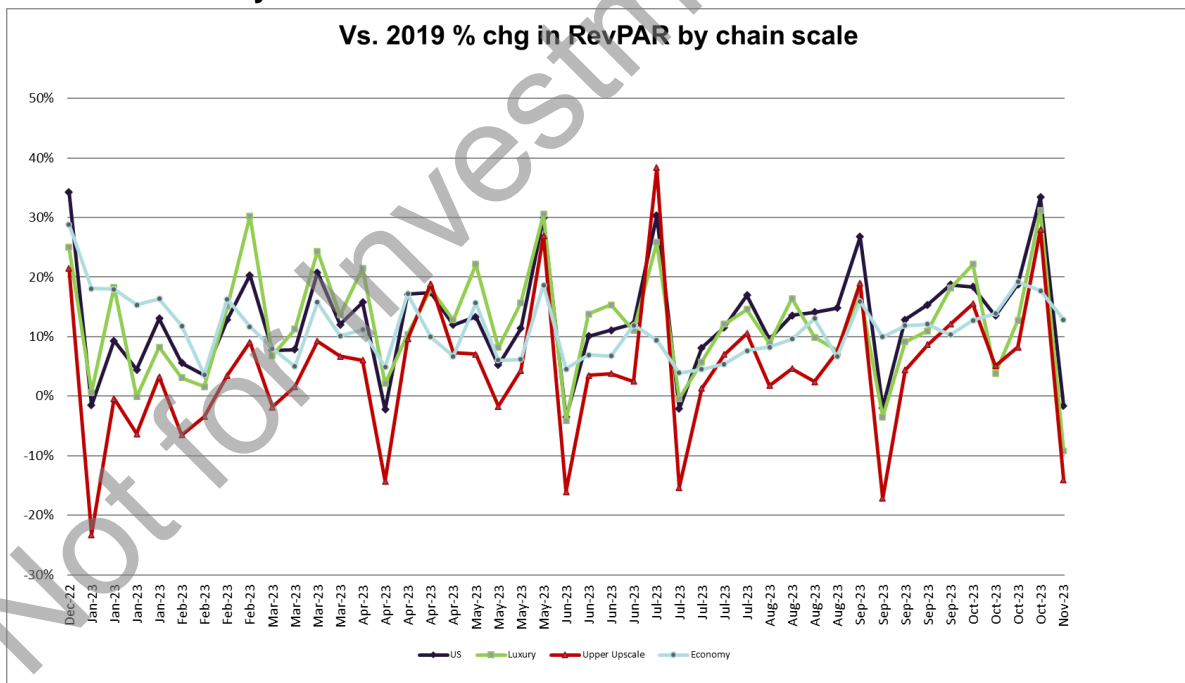
Source: STR data, Truist Securities research

RevPAR Component Trends



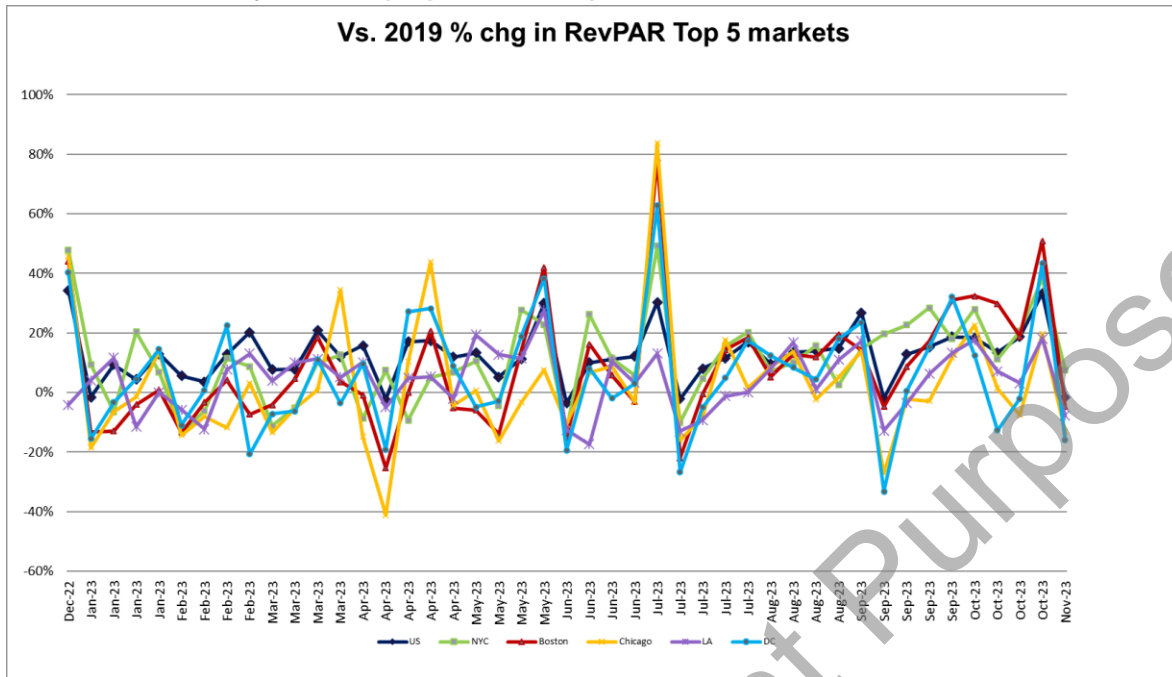
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



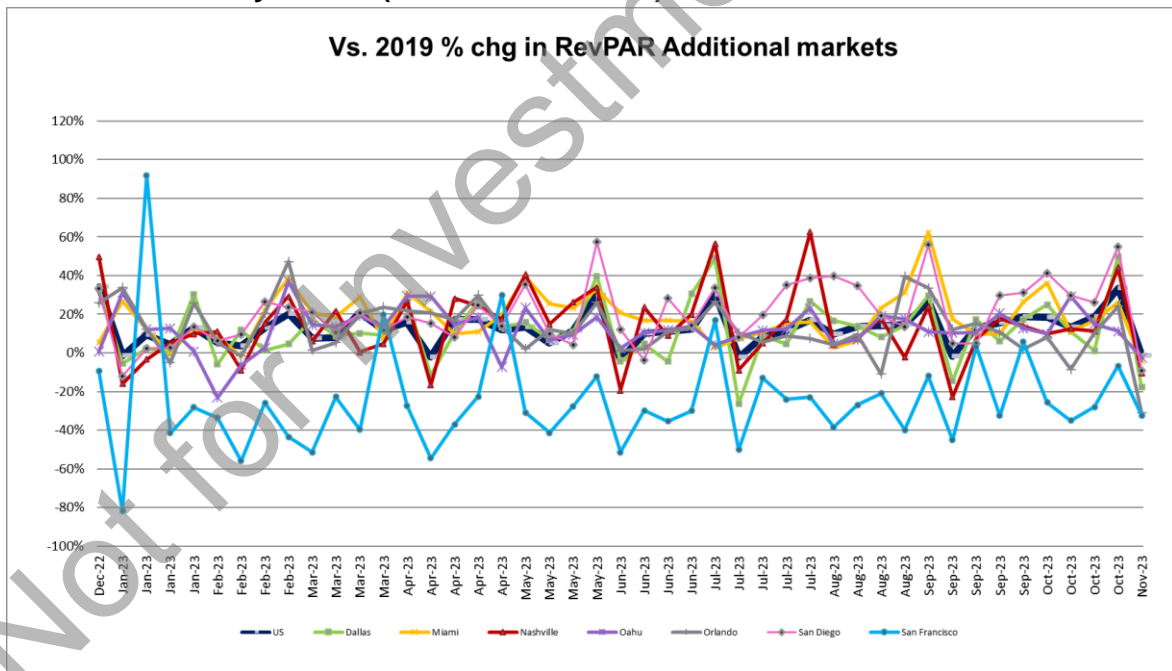
Source: STR data, Truist Securities research

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 11/7/23	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
						2022A EBITDA (\$M)**	2023E EBITDA (\$M)**	2024E EBITDA (\$M)**	2022A EBITDA (\$M)*	2023E EBITDA (\$M)*	2024E EBITDA (\$M)**		
Bluegreen Vacations	BVH	\$73.20	Buy	\$54	-26%	\$140	\$151	\$157	\$140	\$151	\$157	7.2X	Downside risk: controlled company issues, limited cap/float, loan defaults, and macroeconomic risk.
Choice Hotels	CHH	\$115.50	Hold	\$143	24%	\$459	\$517	\$569	\$478	\$538	\$591	15.0X	Upside risk: conservative growth of new brands; market share gains. Downside risk: slowdown in development opportunities; market share losses.
DiamondRock Hospitality	DRH	\$8.29	Hold	\$10	21%	\$281	\$269	\$268	\$281	\$269	\$268	12.0X	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.
Hilton	HLT	\$158.05	Hold	\$175	11%	\$2,479	\$2,928	\$3,206	\$2,599	\$3,037	\$3,320	16.7X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Hilton Grand Vacations	HGV	\$34.67	Buy	\$73	110%	\$1,049	\$1,076	\$1,137	\$1,049	\$1,076	\$1,137	9.2X	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.
Host Hotels & Resorts	HST	\$16.58	Hold	\$21	27%	\$1,498	\$1,548	\$1,518	\$1,498	\$1,548	\$1,518	12.0X	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 box hotels, weak recovery of international travel during the valuation period, intense demand shock to acquired resort assets, labor issues.
Hyatt Hotels	H	\$106.72	Buy	\$143	34%	\$1,004	\$1,169	\$1,254	\$908	\$1,065	\$1,150	14.2X	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.
Marriott International	MAR	\$194.50	Hold	\$221	14%	\$3,546	\$4,242	\$4,489	\$3,853	\$4,620	\$4,842	16.7X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Marriott Vacations	VAC	\$81.80	Buy	\$187	129%	\$966	\$842	\$905	\$966	\$842	\$905	11.0X	Downside risk: M&A story fades and multiples revert to historical levels.
Park Hotels & Resorts	PK	\$13.37	Buy	\$17	27%	\$589	\$635	\$628	\$606	\$653	\$652	12.0X	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.
Pebblebrook Hotel Trust***	PEB	\$12.36	Hold	\$15	21%	\$345	\$338	\$361	\$357	\$350	\$373	13.5X	Upside Risk: 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.
Playa Hotels & Resorts	PLYA	\$7.15	Buy	\$13	82%	\$231	\$255	\$264	\$243	\$269	\$278	10.5X	Downside risk: demand shocks, hurricanes, reduced airlift, new supply, country-specific risks (emerging market portfolio)
RLJ Lodging Trust***	RLJ	\$10.12	Buy	\$13	28%	\$315	\$345	\$357	\$337	\$368	\$381	11.5X	Downside risk: Slower than expected recovery of corporate business travel post-COVID, scope/timing and/or upside from repositionings underwhelms investor expectations
Ryman Hospitality Properties	RHP	\$93.72	Buy	\$123	31%	\$536	\$661	\$741	\$556	\$688	\$776	13.0X	Downside risk: Group demand slower than expected. Property-specific risks given a small portfolio.
Sunstone Hotel Investors	SHO	\$9.59	Hold	\$11	15%	\$223	\$249	\$240	\$234	\$260	\$252	13.5X	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. Mortgage EBITDA stabilizes well lower than expected.
Vail Resorts, Inc.	MTN	\$221.86	Buy	\$290	31%	\$833	\$848	\$971	\$833	\$848	\$974	13.0X	Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Travel + Leisure Co.	TNL	\$36.01	Buy	\$66	82%	\$859	\$937	\$999	\$859	\$937	\$999	8.5X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	\$76.15	Buy	\$94	23%	\$618	\$623	\$656	\$651	\$661	\$697	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 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

Companies Mentioned in This Note

Bluegreen Vacations Holding Corporation (BVH, \$73.09, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$111.37, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$8.11, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$105.26, Buy, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$34.15, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$156.91, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$16.13, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$192.58, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$219.30, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$11.91, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$13.05, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$7.08, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$91.21, Buy, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$9.85, Buy, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$9.45, Hold, C. Patrick Scholes)
Travel + Leisure Co. (TNL, \$35.48, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$79.25, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$75.28, Buy, C. Patrick Scholes)

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