

CONSUMER: Lodging

C. Patrick Scholes

212-319-3915
Patrick.Scholes@truist.com

Gregory J. Miller

212-303-4198
Gregory.J.Miller@truist.com

Barry Jonas

212-590-0998
Barry.Jonas@truist.com

Vishaal Shekara

212-319-5834
Vishaal.Shekara@truist.com

11 Page Document

Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR +5% y/y last week, +23% vs. 2019. Group segment likely benefited from Halloween shift.

Overall U.S. RevPAR was +4.9% y/y for the week ending 10/28/2023, per STR, above the prior week's result of -2.1%, and above the trailing 10-week average of +2.3%. Versus 2019, RevPAR was +23.1%, above the prior week's result of -1.6%, and above the trailing 10-week average of +15.0%.

Last week's results likely benefited from some Group business that was pushed out of the prior week due to a Halloween timing shift (10/31: Tuesday in 2023, Monday in 2022). This pick-up was evident last week in Group RevPAR up 13.3% y/y with Group occupancy up 7.2% y/y.

By comparison, these results were much stronger than the running 28 day average of Group RevPAR up 5.1% y/y and Group occupancy flat y/y. As a rule of thumb, if there are abnormal results in the group segment, it is usually due to a y/y comp issue.

Major RevPAR statistics presented below:

- Luxury RevPAR: +5.6% y/y and +20.1% versus 2019;
- Upper Upscale RevPAR: +8.6% y/y and +16.0% versus 2019;
- Upscale RevPAR: +6.5% y/y and +15.6% versus 2019;
- Upper Midscale RevPAR: +2.6% y/y and +22.9% versus 2019;
- Midscale RevPAR: -1.9% y/y and +23.5% versus 2019;
- Economy RevPAR: -4.3% y/y and +21.9% versus 2019;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +3.9% y/y and +28.7% versus 2019; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +13.3% y/y vs. -7.4% prior week; versus 2019: +23.9% vs -19.7% prior week.
 - Transient: +4.9% y/y vs. -2.0% prior week; versus 2019: +21.4% vs -2.4% prior week.
- Las Vegas RevPAR: +12.1% y/y and +40.4% 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 +4.9% y/y vs. the running 28-day average of +2.7% y/y.
- **Occupancy:** Absolute occupancy was 64.8% vs. 64.9% for the running 28-day average.
- **Absolute Group occupancy:** 25.7% last week vs. 24.8% 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 (Buy).** With 75% of its business coming from groups/conventions, Ryman Hospitality Properties has the greatest

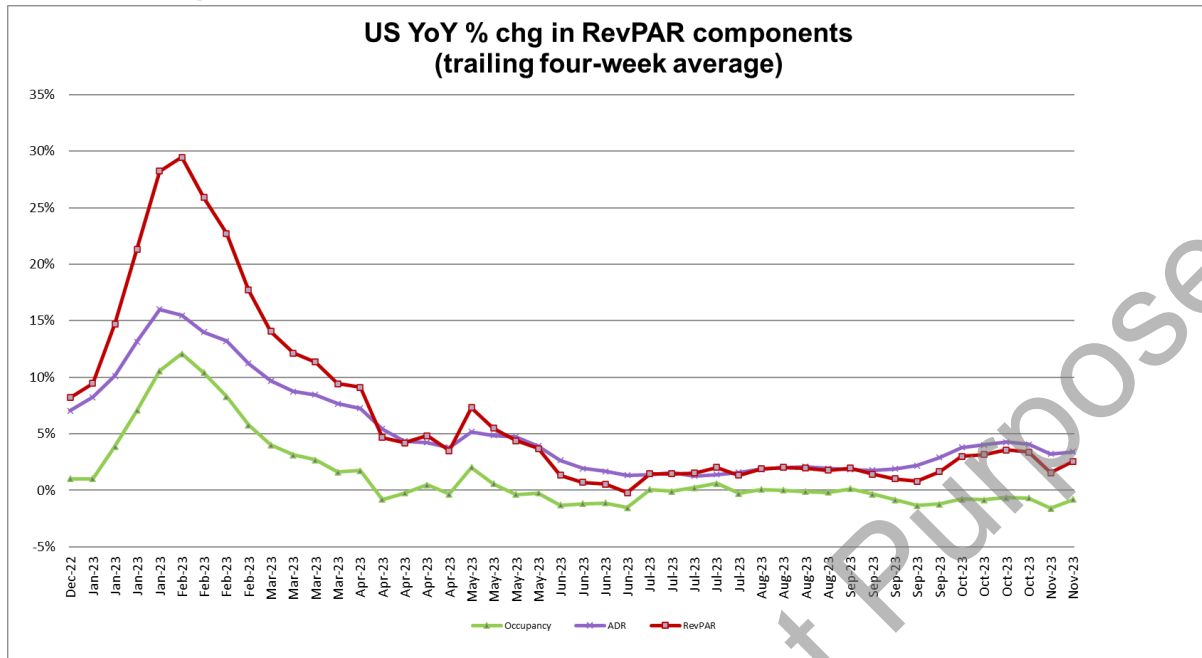
exposure to this customer segment and has no hotels located in the especially tech-heavy San Francisco area. We add that RHP's hotels are likely benefiting from several "self-help" factors including having properties in better condition than some other big box comparables and convention centers as well 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

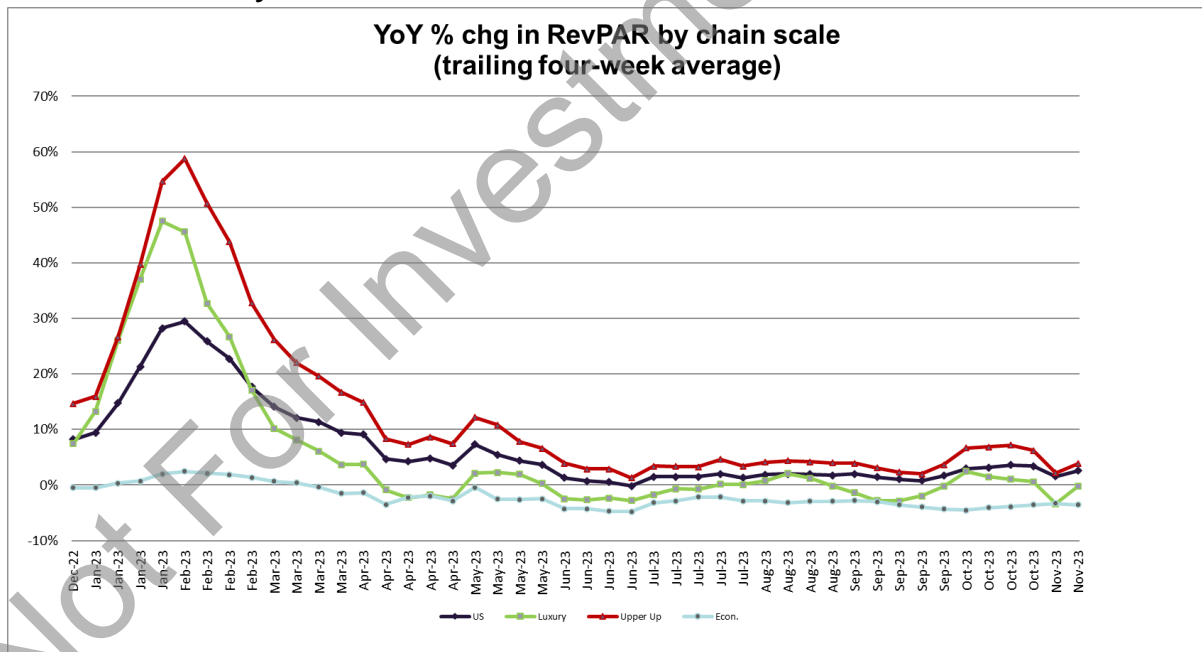
YoY % change in RevPAR													
U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC	
6/17/2023	1.5%	-1.8%	3.4%	3.4%	1.6%	-2.3%	-4.5%	0.4%	3.3%	-10.9%	13.3%	3.5%	7.2%
6/24/2023	-0.1%	-3.3%	-0.1%	2.2%	1.5%	-2.3%	-3.6%	-1.9%	-2.2%	4.8%	3.5%	-6.5%	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%	2.1%	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%	-3.6%	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%	-0.6%	-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%
11/11/2023	4.9%	5.6%	8.6%	6.5%	2.6%	-1.9%	-4.3%	3.9%	15.7%	18.2%	2.7%	11.5%	16.9%
Group business pick-up after Halloween shift													
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%	108.5%	145.7%
3Q22	16.6%	27.7%	36.6%	22.5%	10.8%	3.5%	0.0%	11.3%	67.4%	69.9%	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%
Upper Upscale and Upscale led the industry													
Boston and DC led the Top 5 markets													
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%	2.5%	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%	0.1%
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%	5.3%
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%	9.2%	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%	2.5%	1.8%	-0.4%	-0.7%	2.6%	8.1%	1.3%	1.3%	-3.3%	6.3%
9/9/2023	2.8%	-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%	-1.5%	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%	13.9%	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%	-1.9%	2.9%	3.7%	2.9%	0.8%	-0.4%	5.7%	8.0%	5.3%	-0.1%	0.9%	4.9%
10/28/2023	3.9%	-2.1%	3.6%	3.6%	2.9%	0.5%	0.4%	5.0%	12.4%	6.9%	-0.1%	-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%
11/11/2023	4.0%	-0.8%	3.2%	3.4%	2.4%	0.4%	-0.8%	4.6%	8.8%	9.9%	0.6%	6.0%	8.9%
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%	0.3%	0.8%	-1.7%	0.2%
3Q19	0.8%	1.5%	1.2%	-0.2%	-0.1%	-0.5%	-0.5%	1.0%	-1.9%	-1.4%	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%	6.9%	12.6%	13.7%	8.7%	6.2%	4.5%	10.2%	29.0%	20.5%	4.6%	20.2%	27.0%
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%
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%	-2.3%	-4.1%	-4.1%	-3.3%	-1.1%	11.4%	0.1%	0.7%	-1.5%	-2.4%
7/15/2023	0.1%	0.9%	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%
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%	3.8%	1.0%	0.3%	3.0%	0.8%	0.8%	4.9%	7.7%	1.5%	-1.8%	7.9%
11/4/2023	-4.0%	-5.3%	-4.3%	-3.5%	-3.7%	-3.2%	-3.4%	-5.0%	1.4%	5.5%	0.0%	-6.5%	3.6%
11/11/2023	0.8%	6.4%	5.2%	3.0%	0.2%	-2.4%	-3.5%	-0.7%	6.3%	7.5%	2.1%	5.2%	7.3%
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%	-0.8%	1.1%	0.7%	-0.7%	1.3%	0.8%	1.7%	-1.7%
3Q19	-0.1%	1.2%	0.4%	-0.2%	-0.4%	-0.5%	-0.4%	0.0%	-1.4%	0.2%	0.4%	1.6%	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%	1											

RevPAR Component Trends



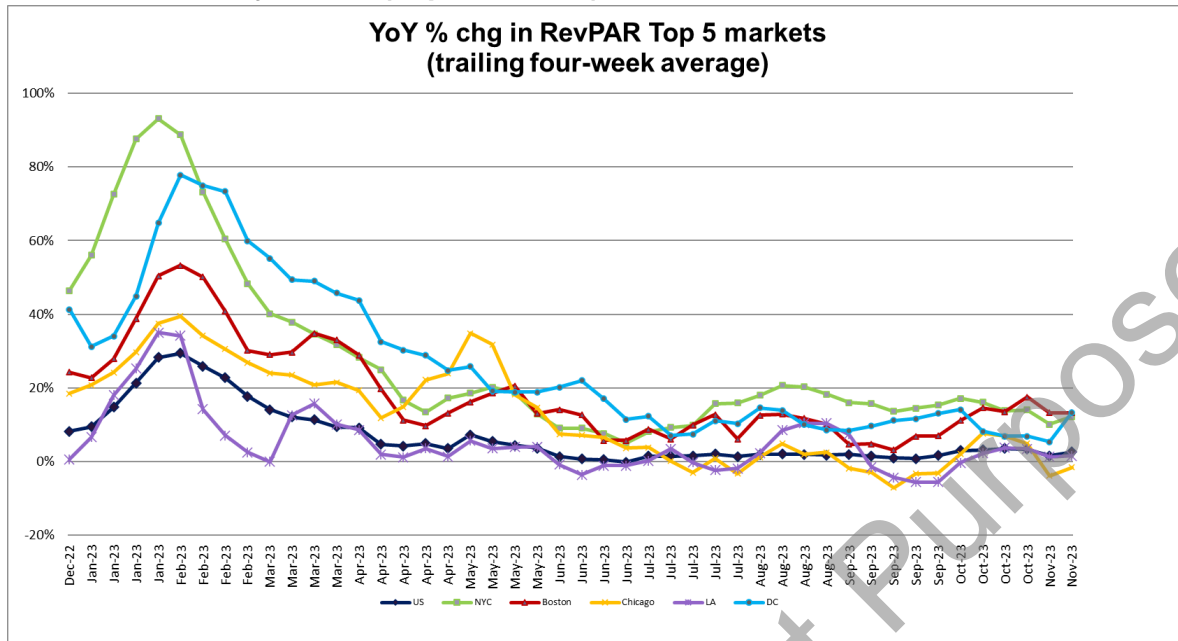
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



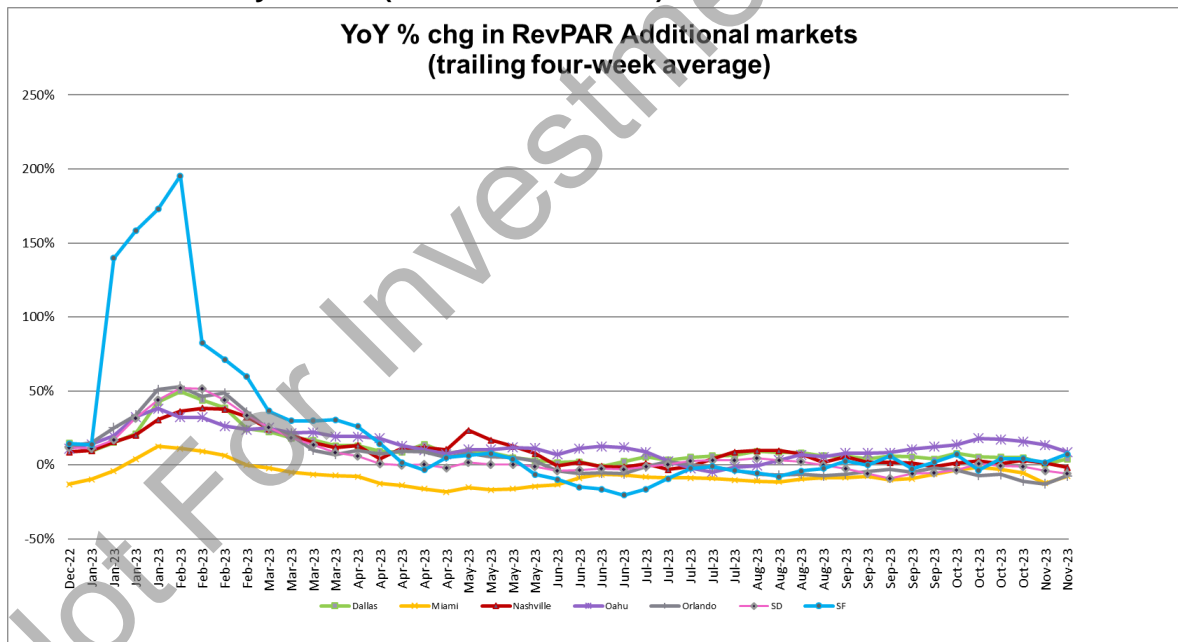
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



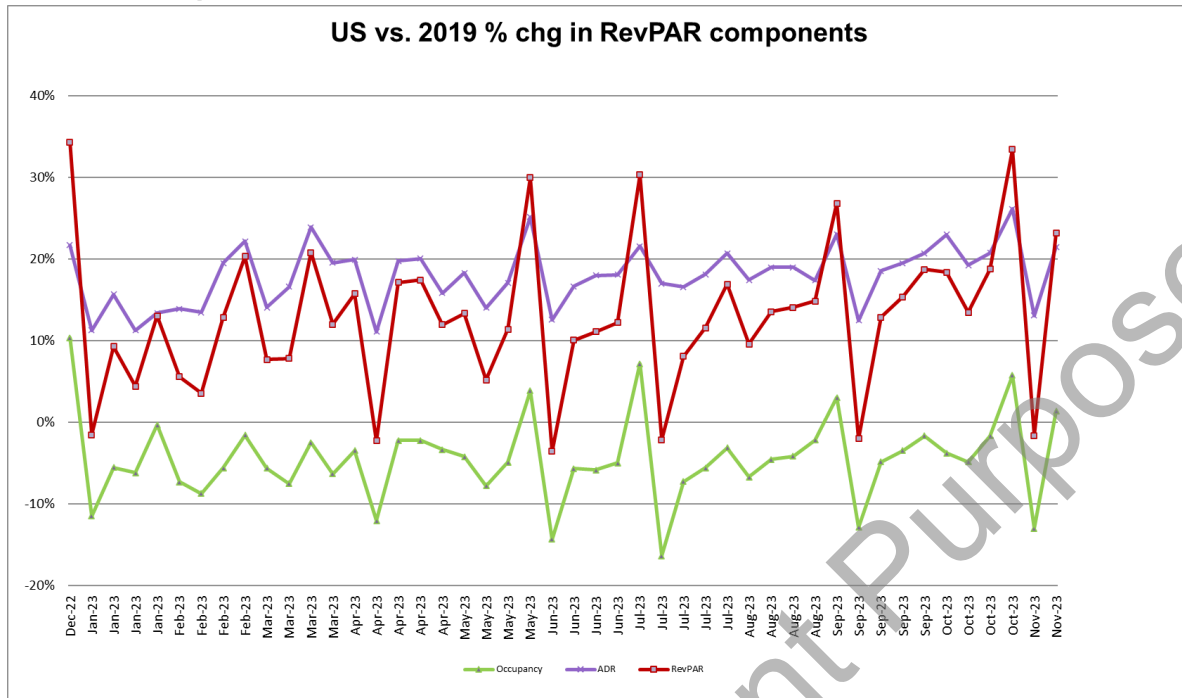
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



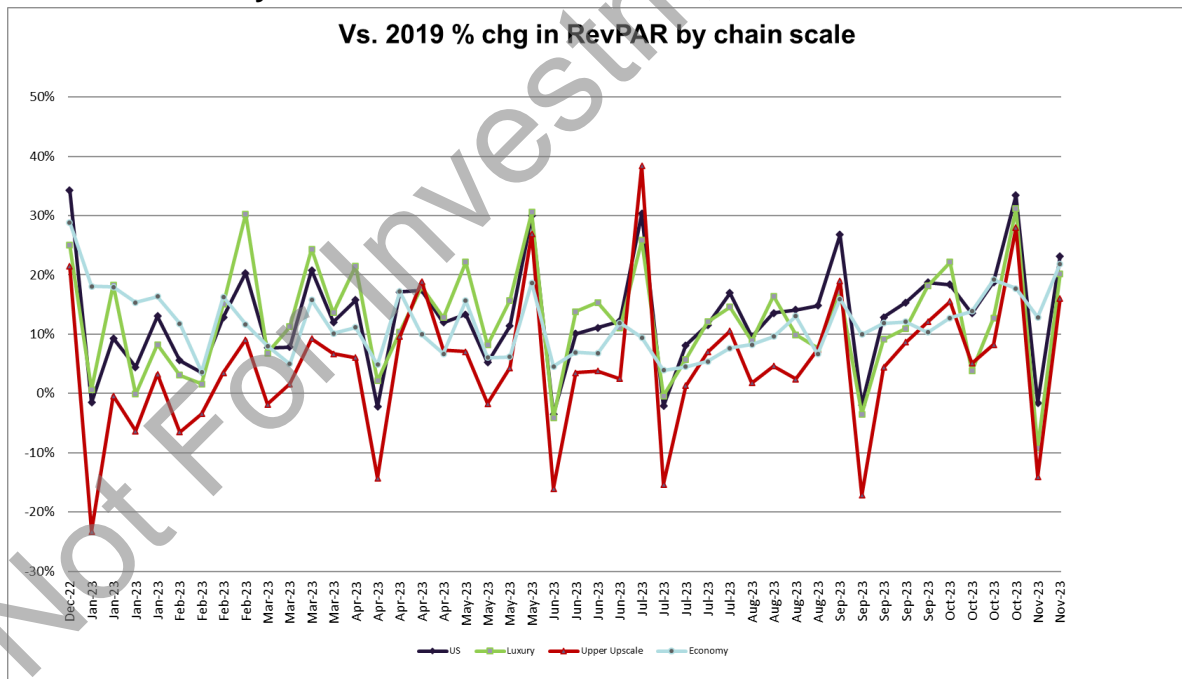
Source: STR data, Truist Securities research

RevPAR Component Trends



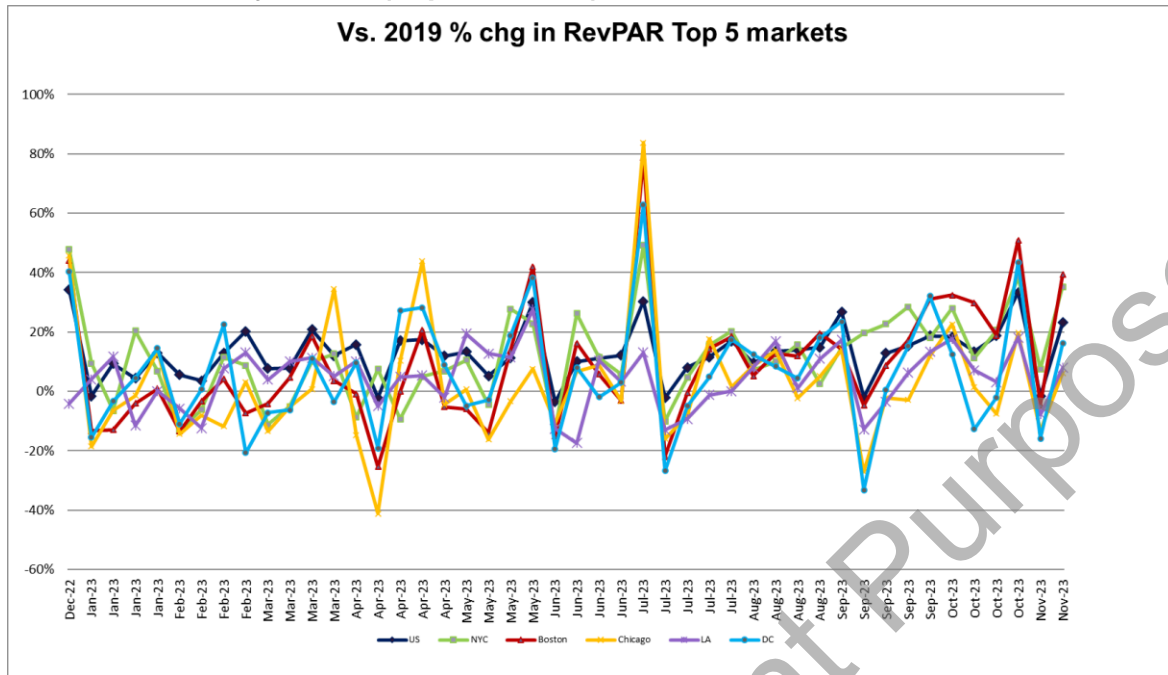
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



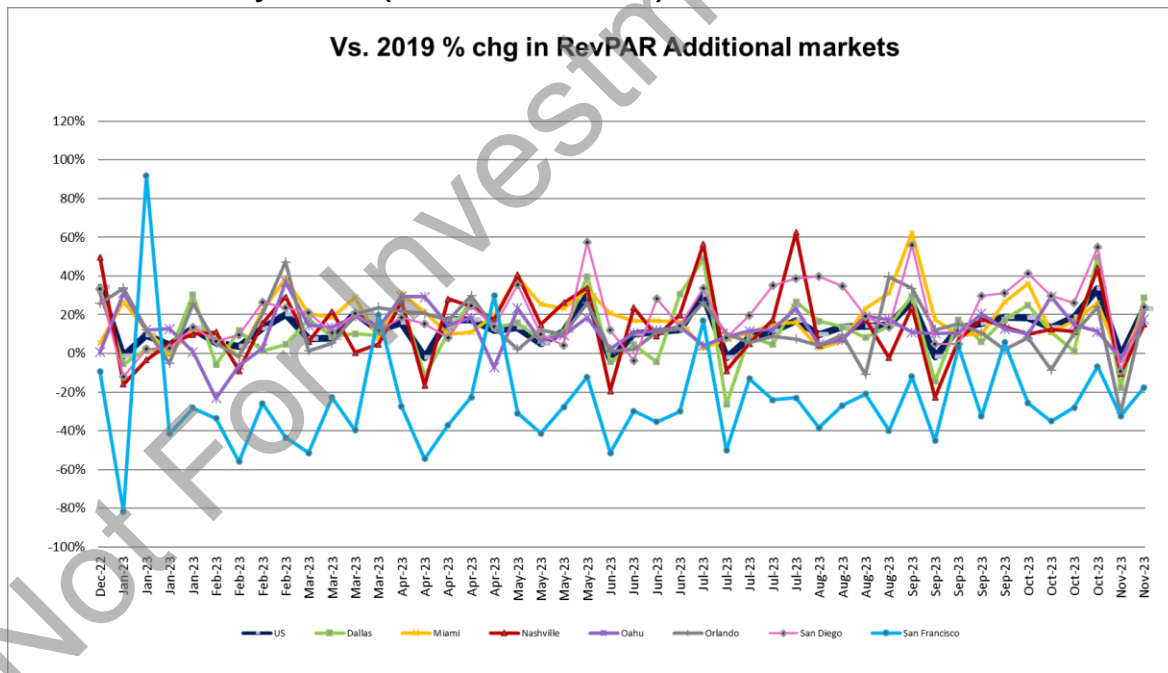
Source: STR data, Truist Securities research

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 11/14/23	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	\$73.45	Hold	\$75	2%	\$140	\$152	\$159	\$140	\$152	\$159	9.2X	Upside risk: A better buy-out offer, though we do not see this as likely. Downside risk: controlled company issues, limited cap/float, loan defaults, and macroeconomic risk.
Choice Hotels	CHH	\$112.35	Hold	\$143	27%	\$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	\$8.46	Hold	\$10	18%	\$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; weak results from ROI projects than forecasted; poor performance of recently acquired assets.
Hilton	HLT	\$167.03	Hold	\$175	5%	\$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	\$35.82	Buy	\$66	83%	\$1,049	\$1,004	\$1,066	\$1,049	\$1,004	\$1,066	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 leisure services inventory deals.
Host Hotels & Resorts	HST	\$16.98	Hold	\$21	24%	\$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, macro demand shock to acquired resort assets, labor issues.
Hyatt Hotels	H	\$110.73	Buy	\$143	29%	\$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	\$202.36	Hold	\$221	9%	\$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	\$80.67	Buy	\$149	85%	\$966	\$755	\$760	\$966	\$755	\$760	11.0X	Downside risk: M&A story fades and multiples revert to historical levels.
Park Hotels & Resorts	PK	\$13.89	Buy	\$17	22%	\$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	\$12.76	Hold	\$15	18%	\$345	\$338	\$361	\$357	\$350	\$373	13.5X	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.
Playa Hotels & Resorts	PLYA	\$7.56	Buy	\$13	72%	\$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	\$10.36	Buy	\$13	25%	\$315	\$345	\$357	\$337	\$368	\$381	11.5X	Downside risk: Slower than expected recovery of corporate business travel post-COVID; speculation and/or upside from repositionings underwhelms investor expectations
Ryman Hospitality Properties	RHP	\$97.31	Buy	\$123	26%	\$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	\$9.94	Hold	\$11	11%	\$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	\$225.02	Buy	\$290	29%	\$833	\$848	\$874	\$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	\$36.90	Buy	\$59	61%	\$859	\$906	\$956	\$859	\$906	\$956	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	\$77.55	Buy	\$94	21%	\$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, \$73.45, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$112.35, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$8.46, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$110.73, Buy, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$35.82, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$167.03, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$16.98, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$202.36, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$225.02, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$12.76, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$13.89, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$7.56, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$97.31, Buy, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$10.36, Buy, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$9.94, Hold, C. Patrick Scholes)
Travel + Leisure Co. (TNL, \$36.90, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$80.67, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$77.55, Buy, C. Patrick Scholes)

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.

Required Disclosures

Analyst compensation is based upon stock price performance, quality of analysis, communication skills, and the overall revenue and profitability of the firm, including investment banking revenue.

As a matter of policy and practice, the firm prohibits the offering of favorable research, a specific research rating or a specific target price as consideration or inducement for the receipt of business or compensation. In addition, associated persons preparing research reports are prohibited from owning securities in the subject companies.

Charts indicating changes in ratings can be found in recent notes and/or reports at our website or by contacting Truist Securities. Please see our disclosures page for more complete information at <https://truist.bluematrix.com/sellside/Disclosures.action>

Truist Securities Ratings System for Equity Securities

Dissemination of Research

Truist Securities, Inc. ("Truist Securities") seeks to make all reasonable efforts to provide research reports simultaneously to all eligible clients. Reports are available as published in the restricted access area of our website to all eligible clients who have requested a password. Institutional investors, corporates, and members of the Press may also receive our research via third party vendors including: Thomson Reuters, Bloomberg, FactSet, and S&P Capital IQ. Additional distribution may be done by sales personnel via email, fax, or other electronic means, or regular mail.

For access to third party vendors or our Research website: <https://truistresearch.bluematrix.com/client/library.jsp>

Please email the Research Department at EquityResearchDepartment@truist.com or contact your Truist Securities sales representative.

Truist Securities Rating System for Equity Securities

Truist Securities, Inc. ("Truist Securities") 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 Rated (NR) – Truist Securities does not have an investment rating or opinion on the stock

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

Truist Securities 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 Truist Securities 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

Truist Securities ratings distribution (as of 11/15/2023):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	Count	Percent	Rating	Count	Percent
Buy	450	65.31%	Buy	76	16.89%
Hold	234	33.96%	Hold	32	13.68%
Sell	5	0.73%	Sell	1	20.00%

Other Disclosures

Information contained herein has been derived from sources believed to be reliable but is not guaranteed as to accuracy and does not purport to be a complete analysis of the security, company or industry involved. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any security. Truist Securities, Inc. and/or its officers or employees may have positions in any securities, options, rights or warrants. The firm and/or associated persons may sell to or buy from customers on a principal basis. Investors may be prohibited in certain states from purchasing some over-the-counter securities mentioned herein. Opinions expressed are subject to change without notice.

Truist Securities, Inc.’s research is primarily provided to and intended for use by Institutional Accounts as defined in FINRA Rule 4512(c). The term “Institutional Account” shall mean the account of: (1) a bank, savings and loan association, insurance company or registered investment company; (2) an investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions); or (3) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least \$50 million. In addition, certain affiliates of Truist Securities, Inc., including Truist Investment Services, Inc. (an SEC registered broker-dealer and a member of FINRA, SIPC) and Truist Advisory Services, Inc. (an investment adviser registered with the SEC), may make Truist Securities, Inc. research available, upon request, to certain of their clients from time to time.

Truist Securities, Inc. is a registered broker-dealer and a member of FINRA and SIPC. It is a service mark of Truist Financial Corporation. Truist Securities, Inc. is owned by Truist Financial Corporation and affiliated with Truist Investment Services, Inc. Despite this affiliation, securities recommended, offered, sold by, or held at Truist Securities, Inc. or Truist Investment Services, Inc. (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Truist Bank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. Truist Bank may have a lending relationship with companies mentioned herein.

Please see our Disclosure Database to search by ticker or company name for the current required disclosures, including valuation and risks. Link: <https://truist.bluematrix.com/sellside/Disclosures.action>

Please visit the Truist Securities equity research library for current reports and the analyst roster with contact information. Link: <https://truistresearch.bluematrix.com/client/library.jsp>

Truist Securities, Inc., member FINRA and SIPC. Truist, Truist Bank, Truist Securities, Truist Investment Services, and Truist Advisory Services are service marks of Truist Financial Corporation.

If you no longer wish to receive this type of communication, please request removal by sending an email to EquityResearchDepartment@truist.com

© Truist Securities, Inc. 2023. All rights reserved. Reproduction or quotation in whole or part without permission is forbidden.

ADDITIONAL INFORMATION IS AVAILABLE at our website, [TruistSecurities.com](https://www.truist.com), or by writing to: Truist Securities, Research Department, 3333 Peachtree Road N.E., Atlanta, GA 30326-1070

Not For Investment Purposes