

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

Samuel Durno

212-303-4183
Samuel.Durno@truist.com

11 Page Document

Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR +3.3% y/y last week, +17.0% vs. 2019. Better than past 2 weeks: higher BT/group mix + Art Basel

Overall U.S. RevPAR was +3.3% y/y for the week ending 12/9/2023, per STR, above the prior week's result of -0.8%, and above the trailing 10-week average of +2.5%. Versus 2019, RevPAR was +17.0%, above the prior week's result of +0.1%, and effectively in-line with the trailing 10-week average of +16.9%.

As we expected, last week had better sequential results, driven by a higher mix of business and group travel than the prior two weeks which were more leisure-centric. Of the three customer segments, business and group are the relatively outperforming customer segments of late, especially group. Results, especially for luxury hotels, from two weeks ago were also negatively impacted by the timing of Art Basel in Miami whereas last week was helped (Miami RevPAR +67.0% y/y).

On the macro front, workweek full-service hotel occupancy climbed back into the upper 60s to upper 70s from the 50s/60s last week. We note that full-service hotel occupancy is still down 5-10% from the same week in 2019, and up 0-3% y/y. We add that at ~75-90%+ occupancy in the midweek for some Top 25 markets, there is better opportunity for major urban market hoteliers to push room rates on compression-led fill nights (a welcome development for major market hotel owners including some of the public Lodging REITs and C-corps). ADR growth was +3-5% y/y for midweek full-service.

There were a few group-related positive pops in select major markets that also aided national headline RevPAR results. Examples include Boston weekend (RevPAR ~ +60% y/y), Orange County California (RevPAR +31% y/y for the week), and San Diego (RevPAR went from -24% y/y on Sunday to +89% y/y for last Friday/Saturday). **We assume some of these positive results are built into 4Q Lodging REIT guidance -- Boston and San Diego are major REIT markets.**

On Art Basel: as mentioned in last week's note, Art Basel shifted one week later in December (December 8-10) from the 2019 and 2022 years. Last week's note highlighted the tough comp in Miami. In this week's note, we note the y/y and vs. 2019 comps are favorable. Miami RevPAR of +67% y/y was led by ADR of +49% (great for hotel profits). Miami RevPAR was +107% versus 2019 -- perhaps reflecting how Miami ADR has climbed since COVID and where hoteliers can take advantage of the existing ADR growth in strong demand periods such as last week. Given how part of the Miami market is considered Resort per STR (our understanding) and Art Basel caters to high end travel, we view U.S. STR headline stats in Luxury, Upper Upscale, and Resort reflected in part the calendar shift from Art Basel.

We anticipate the start of the slowdown of traditional individual business and corporate/association group travel in next week's data as we approach Christmas and Holiday weeks and lighter overall occupancy, excluding major leisure and holiday-driven markets.

Major RevPAR statistics presented below:

- Luxury RevPAR: +3.6% y/y and +17.4% versus 2019;
- Upper Upscale RevPAR: +5.0% y/y and +10.8% versus 2019;
- Upscale RevPAR: +4.4% y/y and +10.1% versus 2019;
- Upper Midscale RevPAR: +1.0% y/y and +13.8% versus 2019;
- Midscale RevPAR: -1.4% y/y and +17.2% versus 2019;
- Economy RevPAR: -3.7% y/y and +16.4% versus 2019;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +3.1% y/y and +22.0% versus 2019; and

- Within Upper Upscale & Luxury class hotels:
 - Group: +5.1% y/y vs. +0.9% prior week; versus 2019: +19.7% vs -12.0% prior week.
 - Transient: +4.2% y/y vs. -2.5% prior week; versus 2019: +16.6% vs -2.8% prior week.
- Las Vegas RevPAR: +7.7% y/y and +36.3% 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 +3.3% y/y vs. the running 28-day average of +2.4% y/y.
- **Occupancy:** Absolute occupancy was 58.7% vs. 56.1% for the running 28-day average.
- **Absolute Group occupancy:** 20.8% last week vs. 17.0% 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

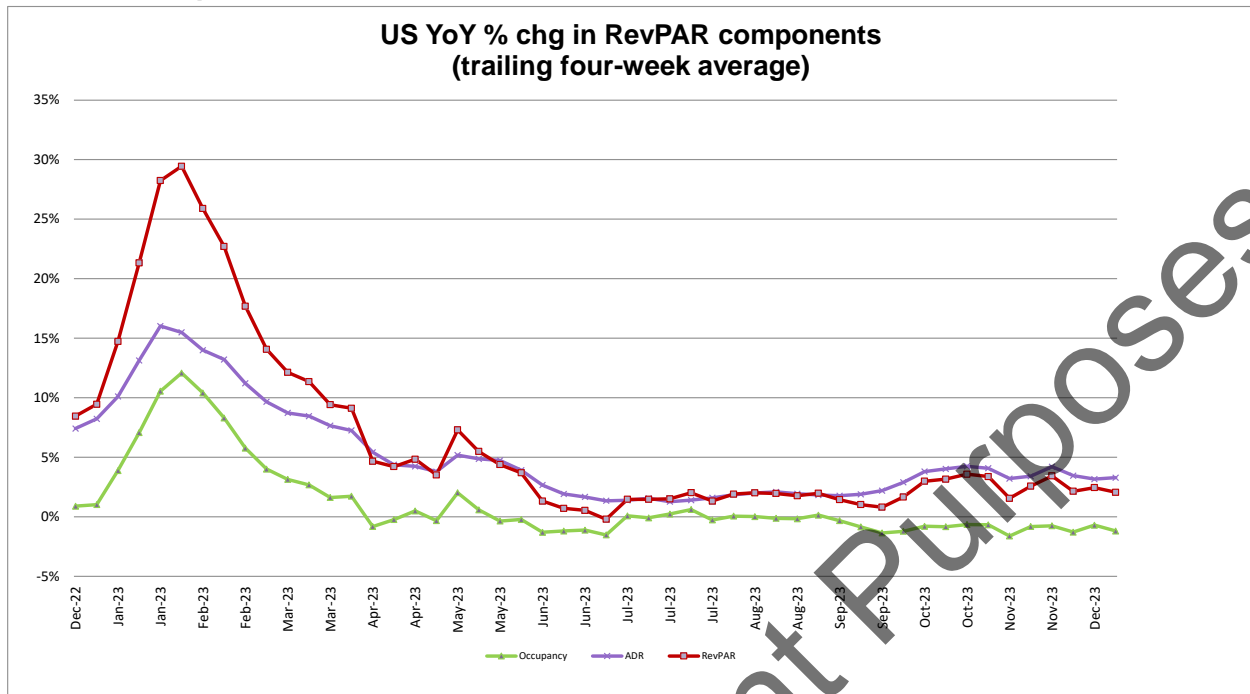
YoY % change in RevPAR													
U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC	
9/23/2023	1.2%	-0.5%	2.7%	4.2%	1.8%	-1.1%	-4.0%	-1.5%	17.6%	13.0%	-4.5%	8.9%	11.8%
9/30/2023	5.4%	5.3%	9.7%	6.8%	2.7%	-0.9%	-4.9%	5.6%	17.3%	3.8%	3.0%	-3.6%	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%
11/18/2023	6.3%	6.3%	8.6%	5.5%	2.5%	-1.6%	-4.4%	10.0%	12.5%	22.8%	-6.8%	4.8%	19.0%
11/25/2023	-0.6%	-2.1%	0.7%	-0.4%	-1.7%	-3.5%	-5.9%	0.3%	15.3%	7.3%	-5.0%	-0.6%	1.2%
12/2/2023	-0.8%	-9.8%	1.8%	1.0%	-1.1%	-3.5%	-5.9%	-1.2%	17.2%	0.2%	6.8%	1.9%	3.4%
12/9/2023	3.3%	3.6%	5.0%	4.4%	1.0%	-1.4%	-3.7%	3.1%	10.7%	29.3%	-3.1%	2.9%	3.3%
Higher businessgroup mix + Art Basel/Miami				Upper Upscale and Upscale led the industry				NYC and BOS 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%	2.9%	-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%	11.8%	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	
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	4.9%	-2.1%	3.5%	3.5%	2.8%	0.0%	-0.7%	6.2%	13.7%	2.2%	0.5%	-3.7%	10.9%
10/7/2023	5.4%	0.1%	6.1%	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%	-1.8%	2.9%	3.7%	2.9%	0.8%	-0.4%	5.7%	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%
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%
11/18/2023	7.0%	4.0%	5.5%	3.9%	2.8%	-0.2%	-0.7%	14.1%	7.7%	10.6%	-4.0%	2.2%	10.4%
11/25/2023	0.9%	-5.1%	-0.2%	0.0%	0.0%	-1.7%	-1.9%	2.4%	7.2%	1.5%	-3.4%	-1.2%	0.9%
12/2/2023	0.8%	-9.2%	0.3%	1.4%	1.0%	-1.3%	-2.1%	2.0%	9.8%	-0.6%	2.1%	1.6%	0.8%
12/9/2023	4.5%	4.6%	4.1%	2.9%	-3.1%	-3.8%	-3.8%	-2.3%	11.4%	13.4%	-1.8%	1.6%	1.7%
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%	1.6%
2Q19	1.2%	2.5%	1.4%	0.6%	0.7%	-0.2%	0.6%	1.7%	-1.0%	3.2%	0.8%	-1.0%	0.2%
3Q19	0.8%	1.5%	1.3%	0.2%	-0.1%	-1.0%	-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%	-1.9%	1.9%	-3.7%	-5.5%	-0.3%	-2.2%	3.8%
1Q20	-4.0%	1.6%	-1.4%	-2.9%	-3.1%	-3.8%	-3.8%	-2.3%	-8.6%	-6.2%	-2.4%	-4.6%	-6.8%
2Q20	-37.1%	-22.0%	-34.0%	-30.0%	-23.1%	-17.1%	-14.6%	-34.8%	-52.3%	-56.9%	-40.5%	-53.7%	-48.8%
3Q20	-24.1%	-12.6%	-25.6%	-24.2%	-17.3%	-11.6%	-9.4%	-16.1%	-47.7%	-47.3%	-31.6%	-33.2%	-34.5%
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-20.9%	-54.1%	-45.5%	-29.2%	-44.8%	-40.7%
1Q21	-19.6%	3.4%	-23.4%	-23.0%	-14.2%	-6.3%	-1.5%	-12.1%	-28.3%	-32.7%	-29.7%	-25.7%	-27.9%
2Q21	43.2%	37.8%	30.6%	21.3%	23.1%	20.4%	18.6%	52.6%	50.6%	30.6%	42.8%	46.1%	23.1%
3Q21	36.2%	31.8%	35.0%	29.7%	28.3%	23.5%	21.1%	32.8%	64.2%	57.1%	43.1%	59.6%	29.4%
4Q21	41.5%	29.6%	41.9%	34.2%	28.5%	22.9%	18.8%	39.2%	99.6%	69.6%	46.1%	64.9%	41.6%
1Q22	37.5%	21.0%	39.7%	34.1%	27.3%	20.8%	17.3%	34.0%	52.2%	30.8%	61.8%	41.1%	31.7%
2Q22	26.2%	14.3%	29.0%	27.1%	18.9%	14.8%	11.8%	20.9%	69.0%	78.6%	32.9%	53.6%	60.6%
3Q22	11.6%	6.7%	12.6%	13.3%	7.6%	5.9%	4.2%	6.5%	32.9%	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%	19.1%	13.0%	15.6%	3.8%	11.5%	24.4%
2Q23	3.2%	-1.2%	2.5%	4.3%	3.5%	1.6%	0.6%	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	
9/23/2023	-1.6%	-1.0%	0.8%	1.0%	-1.1%	-2.1%	-1.3%	-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%	-2.6%	-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%	-2.6%	-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%	0.6%	-0.7%	-3.4%	-1.1%	4.8%	7.7%	1.5%	-1.8%	7.9%
11/4/2023	-4.0%	-5.3%	-4.3%	-3.5%	-3.5%	-3.2%	-3.4%	-5.0%	1.4%	5.5%	0.0%	-6.5%	3.8%
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%
11/18/2023	-0.6%	2.2%	3.0%	1.5%	-0.3%	-1.4%	-3.7%	-3.6%	4.4%	11.0%	-3.0%	2.6%	7.8%
11/25/2023	-1.4%	3.2%	0.9%	-0.4%	-1.8%	-1.8%	-4.1%	-2.0%	7.6%	5.7%	-1.6%	0.6%	0.3%
12/2/2023	-1.6%	-0.7%	1.5%	-0.3%	-2.0%	-2.2%	-3.8%	-3.2%	6.8%	0.7%	4.6%	0.2%	2.6%
12/9/2023	-1.1%	-1.0%	0.4%	0.3%	-1.5%	-1.5%	-2.5%	-2.6%	-0.6%	14.1%	-1.3%	1.2%	1.6%
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%	-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%	66.7%	13.7%	38.3%	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%	9.0%	2.6%	1.4%	0.3%	-2.0%	-4.6%	-2.7%	3.3%	5.1%	-1.3%	3.3%	5.1%
3Q23	-0.9%	1.5%	2.6%	1.4%	-0.5%	-1.3%	-3.5%	-1.8%	6.0%	4.1%	1.1%	0.3%	5.0%

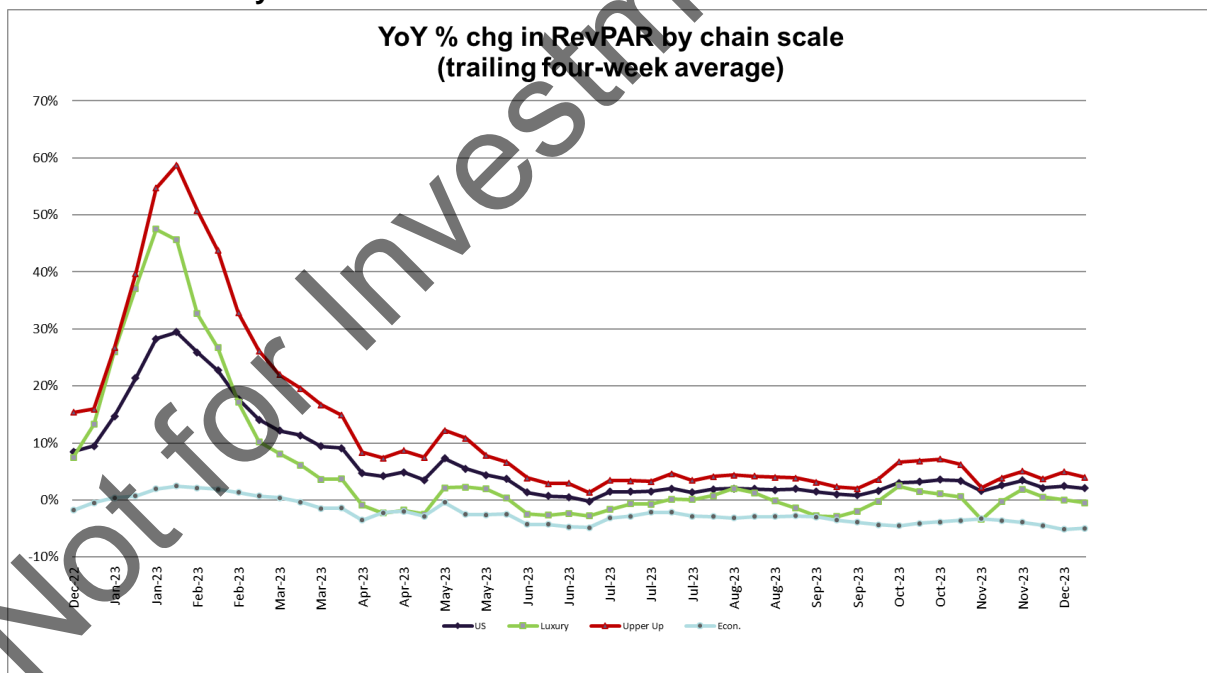
Source: STR data, Truist Securities research

RevPAR Component Trends



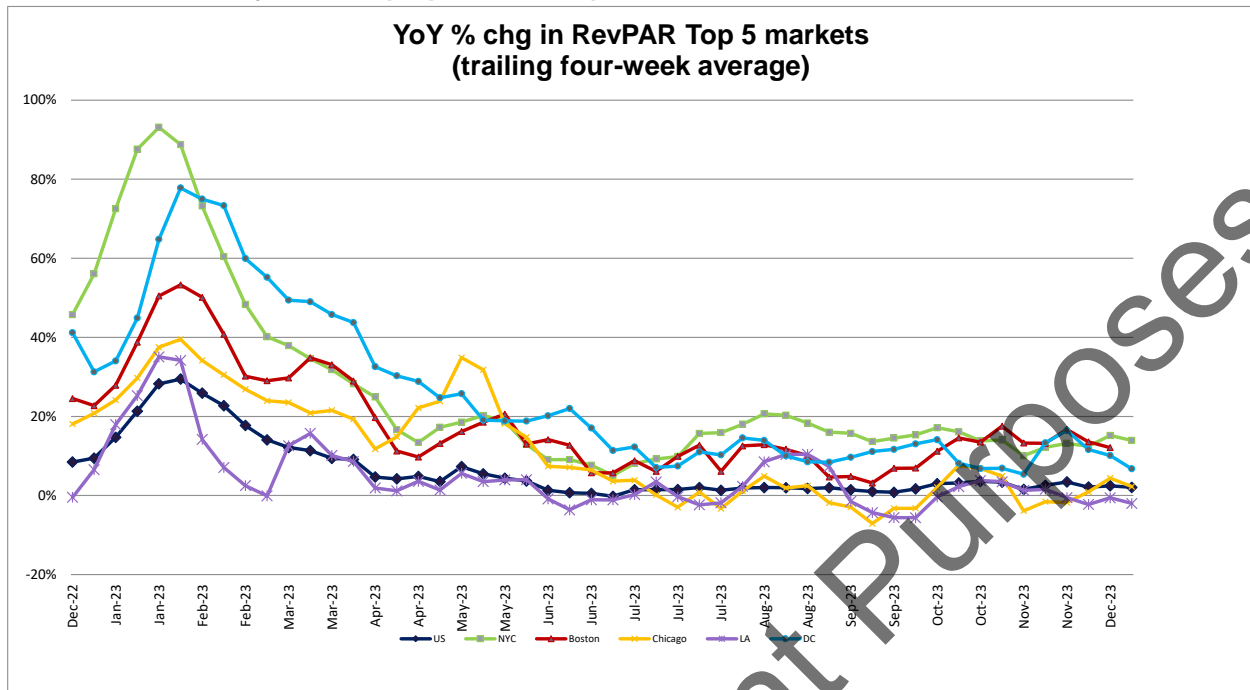
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



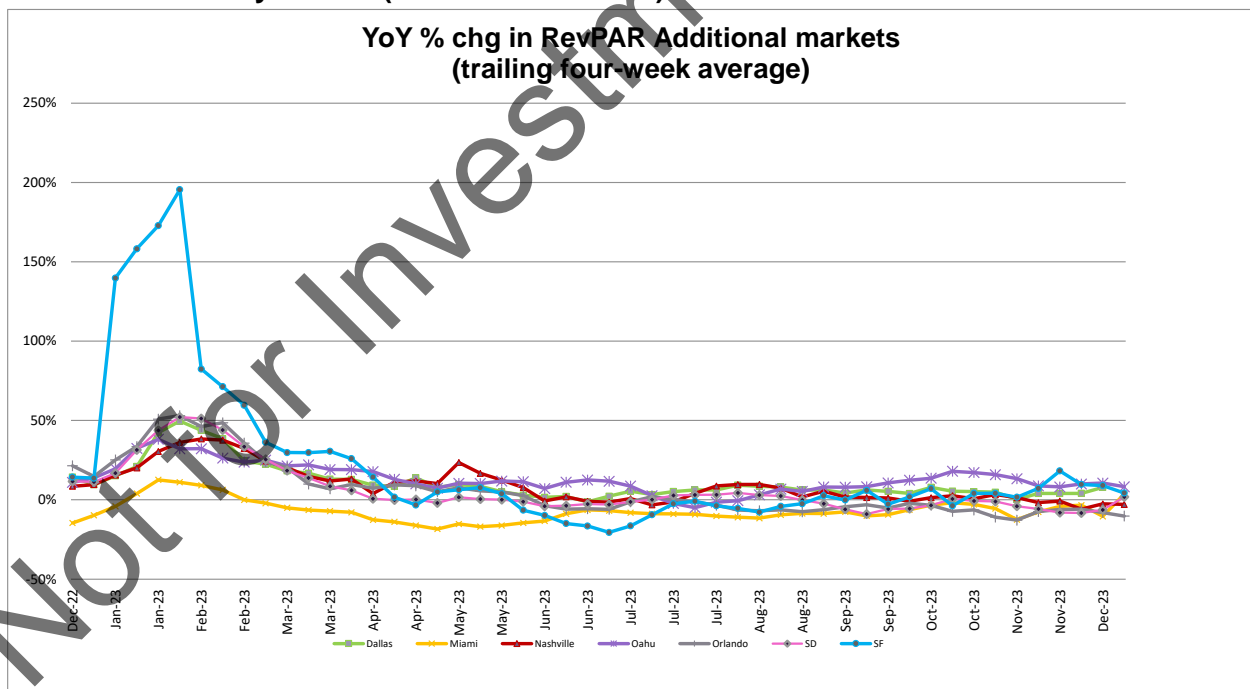
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



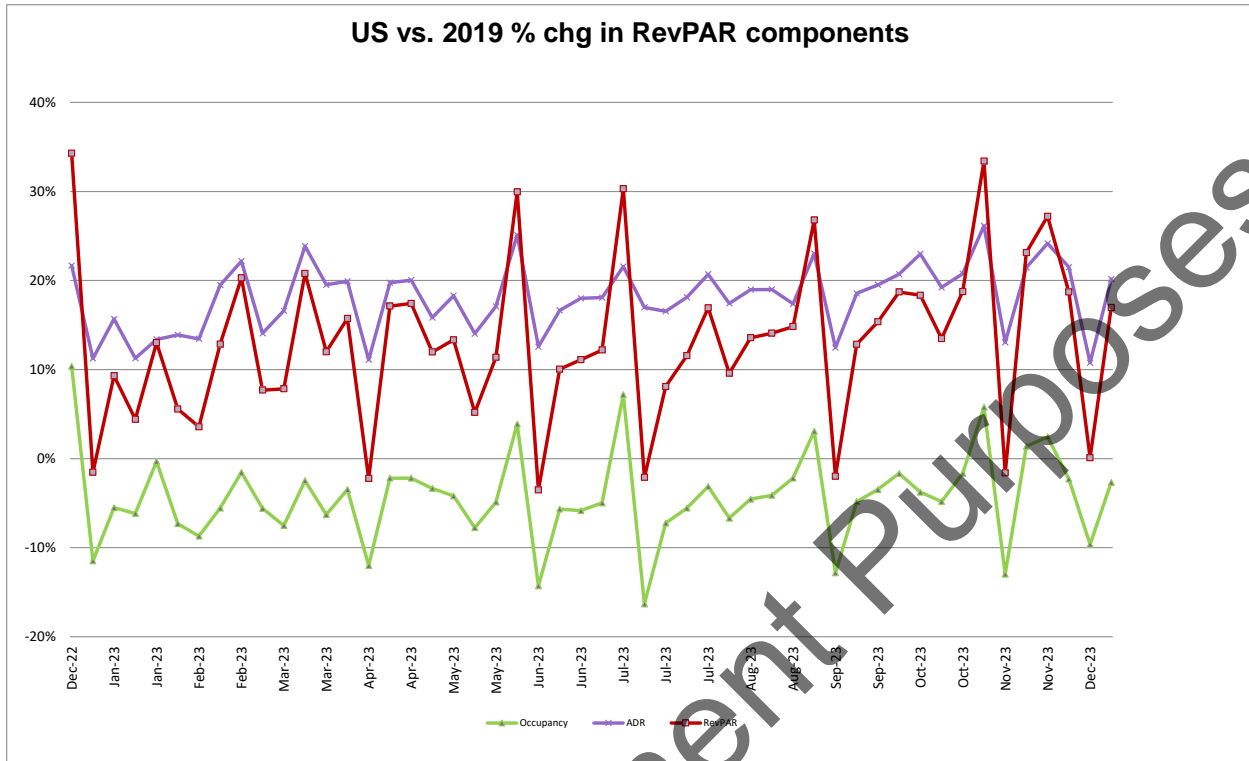
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



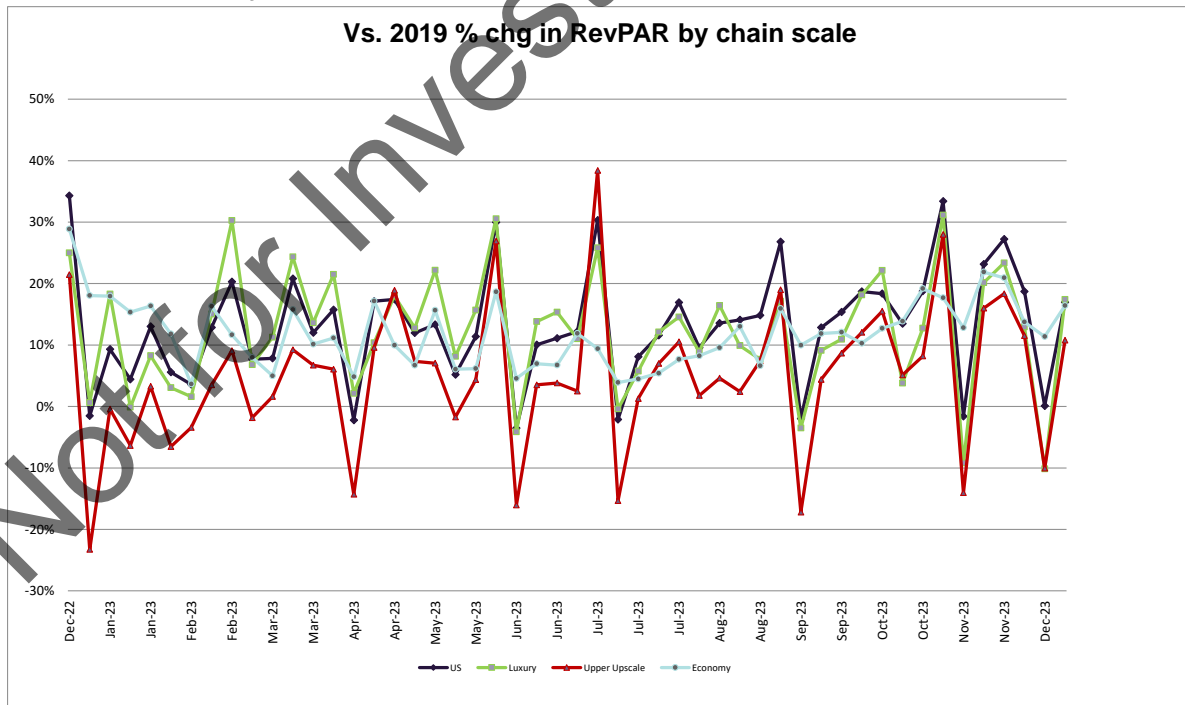
Source: STR data, Truist Securities research

RevPAR Component Trends



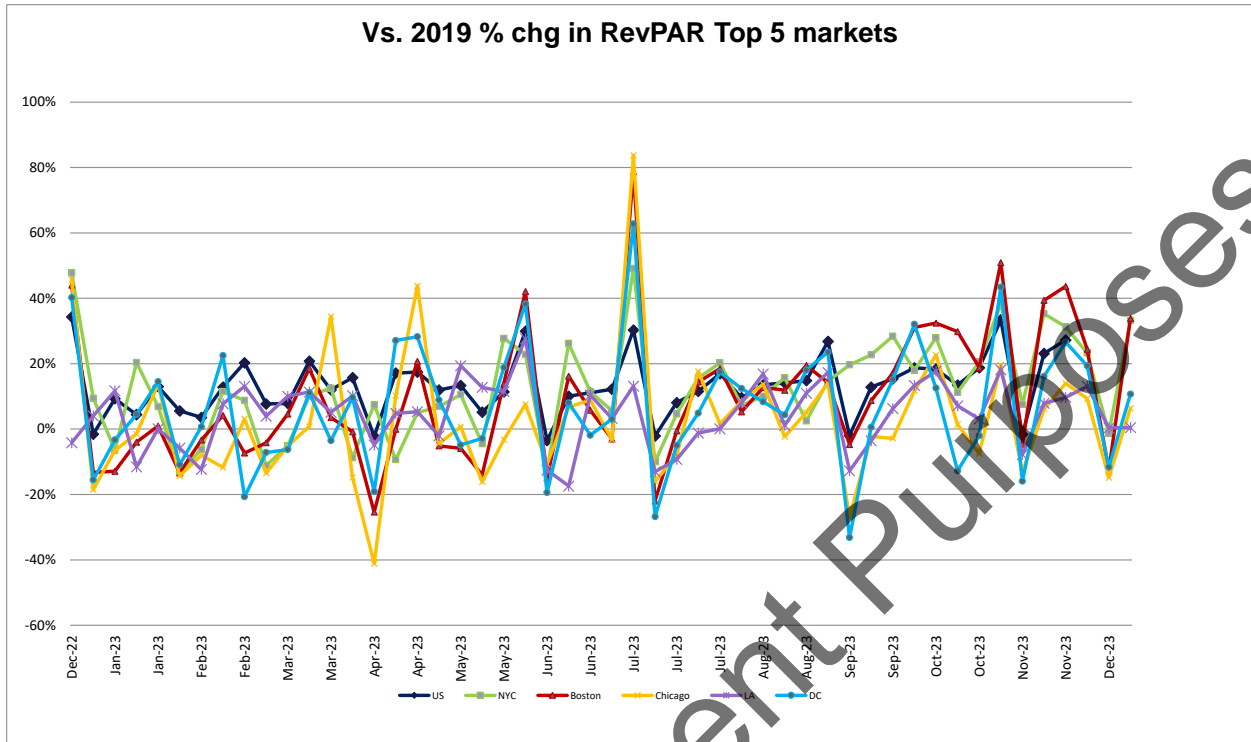
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



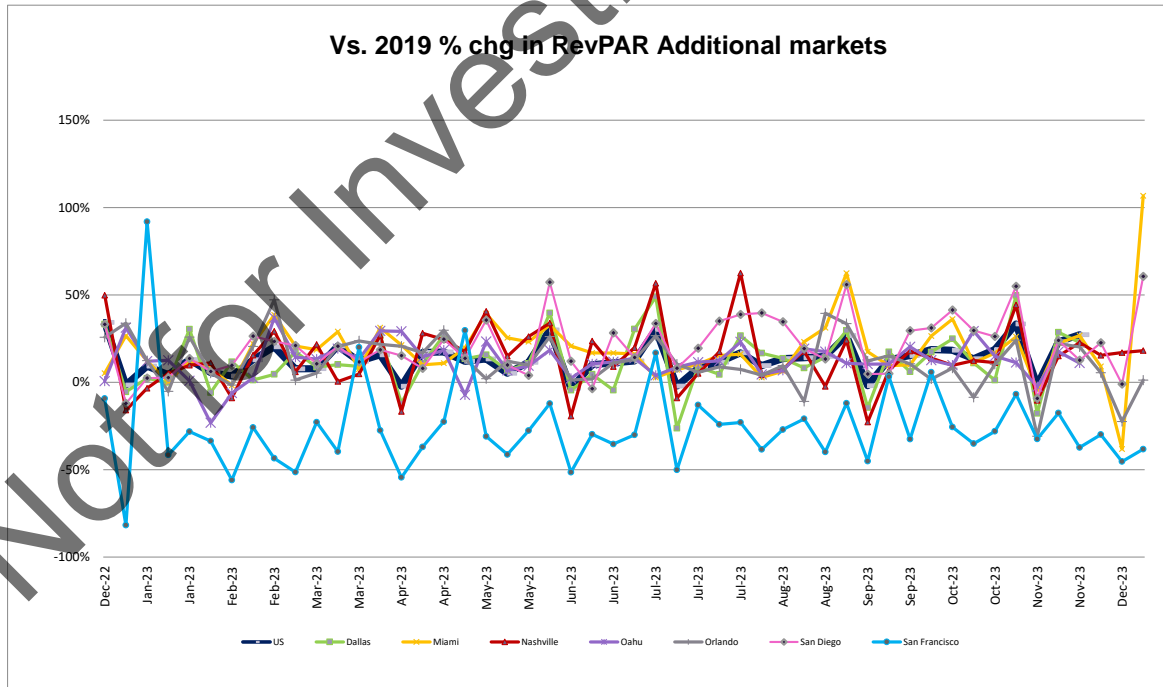
Source: STR data, Truist Securities research

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

RHP: Valuation and Risks

Our price target of \$124 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.

H: Valuation and Risks

Our price target of \$143 is derived by applying a 14.2x 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.

Companies Mentioned in This Note

Hyatt Hotels Corporation (H, \$127.40, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$106.94, 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.

I, Gregory J. Miller , 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, Barry Jonas , 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

Truist Securities, Inc. or an affiliate managed or co-managed a securities offering for the following company within the last 12 months: H-US

The following company is a client of Truist Securities, Inc. for investment banking services within the last 12 months: H-US

Truist Securities, Inc. or an affiliate has received compensation for investment banking services within the last 12 months: H-US

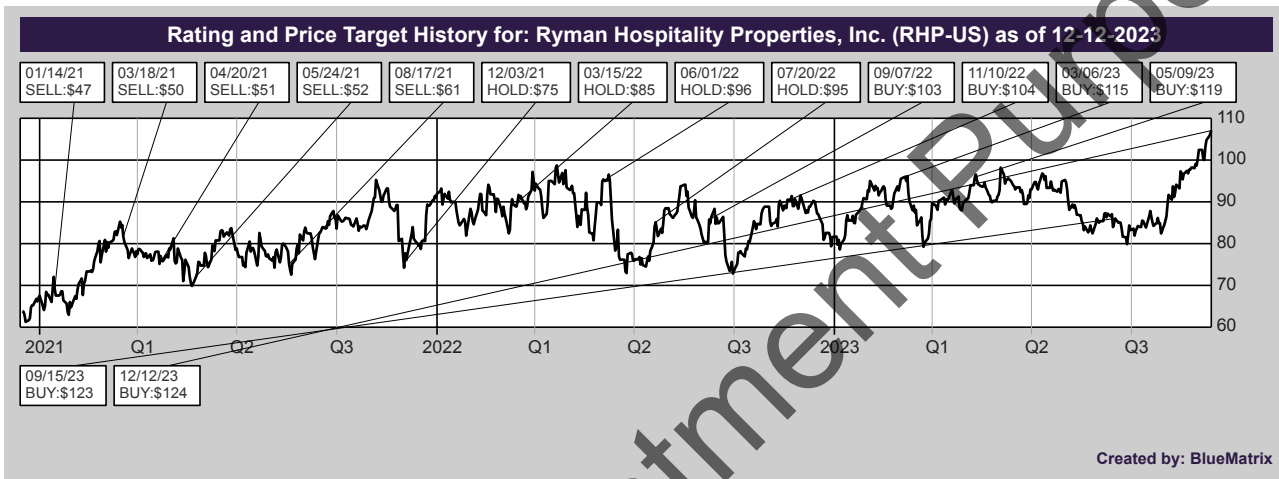
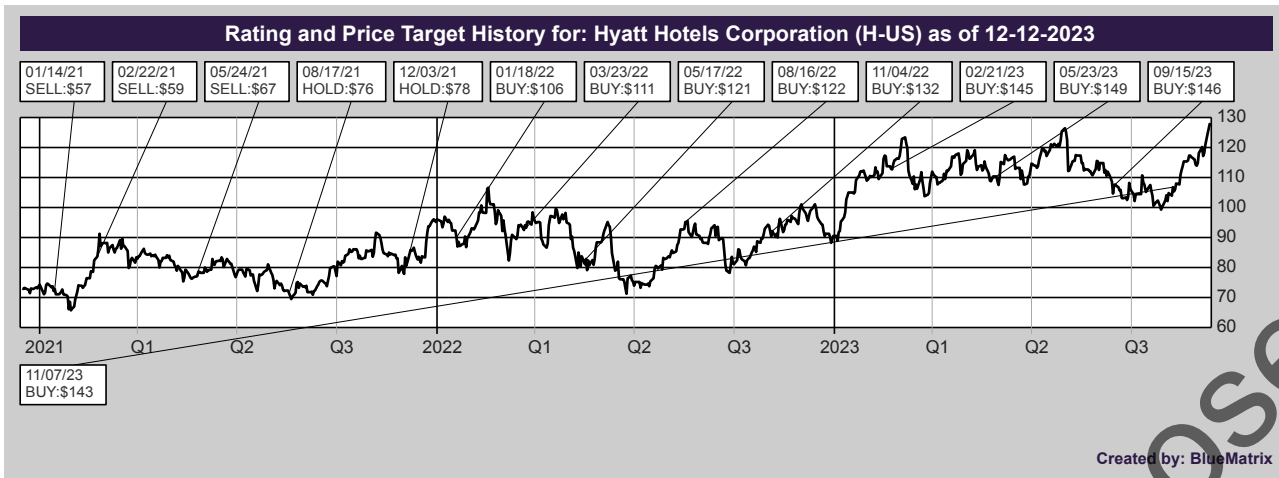
Truist Securities, Inc. or an affiliate expects to receive or intends to seek compensation for investment banking services from the following company in the next three months: H-US

The following company is a client of Truist Securities, Inc. for non-securities-related services within the last 12 months: H-US

Truist Securities, Inc. or an affiliate has received compensation for non-securities related services within the last 12 months: H-US

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.



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 12/13/2023):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	Count	Percent	Rating	Count	Percent
Buy	456	65.05%	Buy	76	16.67%
Hold	240	34.24%	Hold	31	12.92%
Sell	5	0.71%	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. Certain clients may compensate Truist Securities, Inc. for research via hard dollar payments, and Truist Securities, Inc. may be deemed to be an investment adviser to such clients as a result of such payments.

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, or by writing to: Truist Securities, Research Department, 3333 Peachtree Road N.E., Atlanta, GA 30326-1070

Not for Investment Purposes