

CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

## Lodging: US RevPAR +1.7% y/y last week. Group segment drives growth, an expected recurring theme of 2024

Overall U.S. RevPAR was +1.7% y/y for the week ending 2/3/2024, per STR, below the prior week's result of +4.8 y/y% and above the trailing 10-week average of +1.2%.

Last week's results were again led by Group (RevPAR +10.3% y/y) and we assume driven by corporate and association workweek demand. Upper Upscale and Urban occupancies were ~ +10-12% y/y on Monday and Tuesday nights. By contrast, Midscale and Economy RevPAR remains down low-to-mid single digits y/y. Leisure remains mixed across the chain scales with U.S. RevPAR on Saturday night -0.1%. Weekend RevPAR for Resorts was more positive at ~ +8% y/y.

Major RevPAR statistics presented below:

- Luxury RevPAR: +1.1% y/y
- Upper Upscale RevPAR: +6.0% y/y
- Upscale RevPAR: +4.9% y/y
- Upper Midscale RevPAR: +0.7% y/y
- Midscale RevPAR: -3.0% y/y
- Economy RevPAR: -5.5% y/y
- Independent hotels (~ 1/3rd of the data set) RevPAR: -1.6% y/y; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +10.3% y/y vs. +18.4% prior week;
  - Transient: -0.2% y/y vs. +5.2% prior week;
- Las Vegas RevPAR: -9.3% y/y
  - 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 +1.7% y/y vs. the running 28-day average of +1.7% y/y.
- **Occupancy:** Absolute occupancy was 55.2% vs. 54.2% for the running 28-day average.
- **Absolute Group occupancy:** 21.5% last week vs. 20.6% 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.

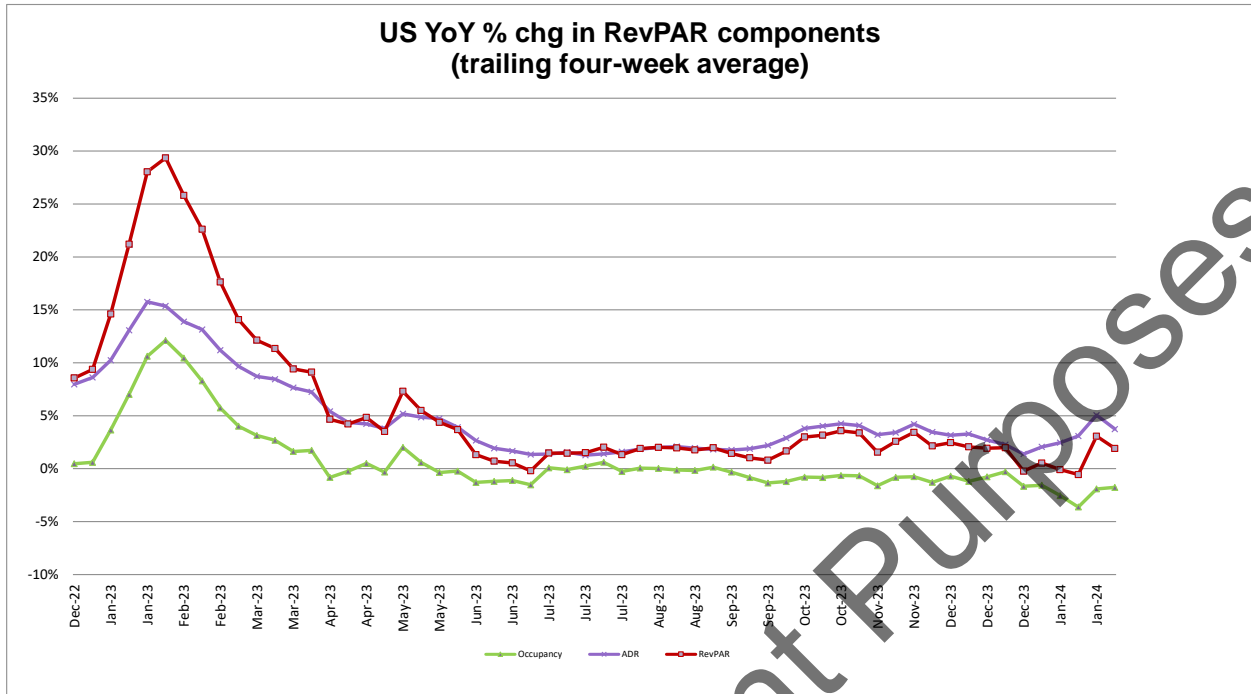
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Not for Investment Purposes

Weekly RevPAR Summary

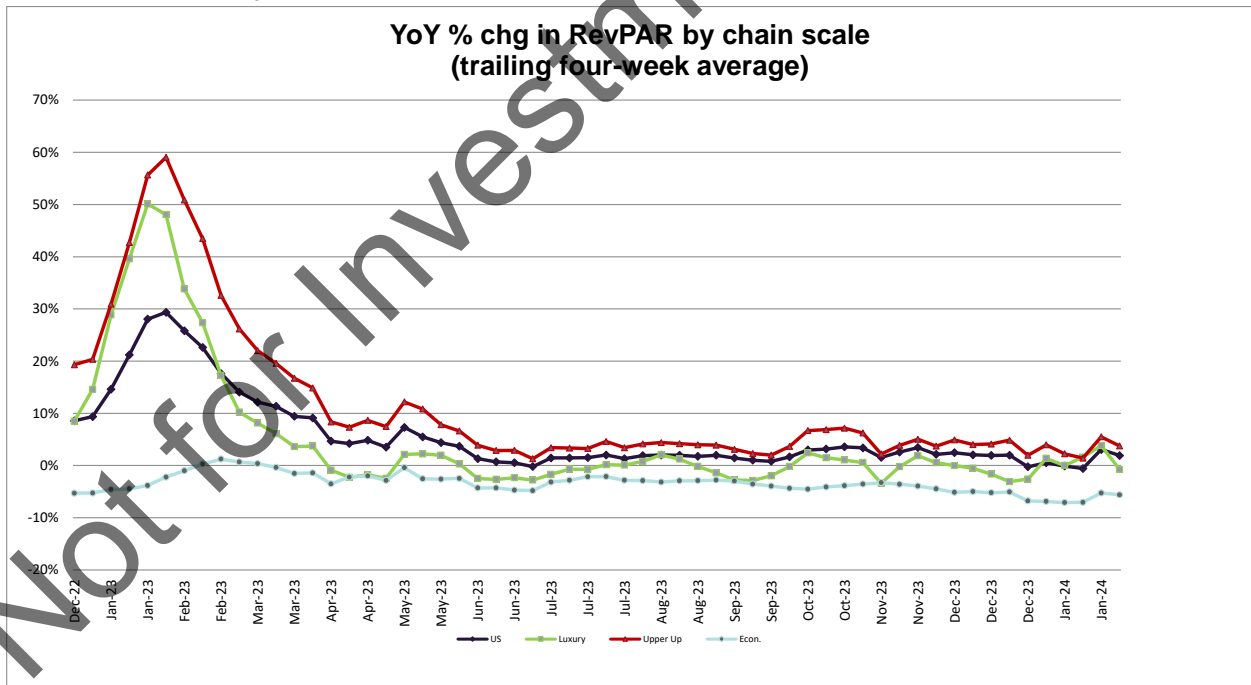
	YoY % change in RevPAR												
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC
10/14/2023	0.8%	-7.0%	2.0%	1.8%	0.5%	-1.0%	-3.2%	1.4%	7.3%	18.5%	1.6%	2.3%	-14.8%
10/21/2023	2.9%	-2.2%	3.9%	4.8%	1.8%	-0.6%	-3.0%	3.3%	8.5%	6.0%	1.5%	5.7%	6.5%
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%	6.6%	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%	6.6%	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%	3.8%	5.0%	4.4%	1.0%	-1.4%	-3.7%	3.1%	10.7%	29.3%	-3.1%	2.9%	3.3%
12/16/2023	5.8%	1.8%	9.0%	6.7%	2.5%	-0.6%	-5.4%	8.5%	25.7%	17.8%	-2.9%	-13.5%	-6.7%
12/23/2023	-0.4%	-8.0%	3.6%	2.8%	1.6%	-1.8%	-5.4%	-3.3%	18.7%	23.1%	-0.7%	0.9%	5.2%
12/30/2023	-9.7%	-7.8%	-0.7%	-9.4%	-10.9%	-12.0%	-12.7%	-10.1%	4.7%	-9.3%	-1.9%	-14.6%	-11.5%
1/6/2024	6.4%	19.4%	13.0%	5.1%	1.8%	-0.9%	-4.0%	4.4%	49.9%	12.4%	8.8%	21.2%	4.0%
1/13/2024	3.3%	-3.7%	2.1%	0.8%	-2.8%	-5.2%	-6.3%	14.8%	6.2%	16.0%	-16.6%	-4.3%	4.8%
1/20/2024	-2.2%	-1.6%	0.3%	-0.7%	-4.3%	-5.3%	-5.1%	-4.1%	7.4%	5.8%	3.1%	3.5%	3.0%
1/27/2024	4.8%	1.1%	6.6%	3.9%	-0.7%	-3.4%	-5.6%	11.2%	9.0%	8.2%	-2.2%	52.1%	4.6%
2/3/2024	1.7%	1.1%	6.0%	4.9%	0.7%	-3.0%	-5.5%	-1.6%	14.4%	17.9%	-1.0%	3.3%	17.0%
	Strong group performance again drives results			Upper Upscale and Upscale led the industry					Boston and DC led the top 5 markets				
1019	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%
2019	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%
3019	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%
4019	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%
1022	67.2%	112.3%	127.2%	69.7%	51.0%	38.2%	24.3%	58.3%	97.1%	137.1%	116.2%	85.1%	58.1%
2022	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%
3022	16.6%	2.5%	1.4%	2.4%	2.9%	0.5%	0.2%	2.8%	67.4%	58.9%	11.3%	48.5%	16.8%
4022	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%
1023	16.7%	16.0%	28.8%	20.4%	13.4%	4.8%	0.8%	12.9%	46.6%	35.0%	11.6%	26.6%	56.7%
2023	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%
3023	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%
4023	1.3%	-0.5%	4.3%	2.7%	-0.1%	-3.0%	-5.4%	0.2%	14.6%	13.8%	0.6%	0.7%	5.7%
	YoY % change in ADR												
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC
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%	9.2%	16.8%
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%	5.8%
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%	4.5%	4.1%	2.5%	0.1%	-1.2%	5.8%	11.4%	13.4%	-1.8%	1.6%	1.7%
12/16/2023	4.7%	-1.2%	4.2%	4.0%	2.4%	0.2%	-0.6%	6.9%	16.2%	5.0%	-0.9%	3.7%	-6.1%
12/23/2023	-0.9%	-13.3%	-0.9%	-0.4%	0.3%	-1.9%	-2.6%	-1.0%	9.9%	1.9%	-1.4%	-0.1%	1.8%
12/30/2023	-2.8%	-8.9%	-3.9%	-3.7%	-3.0%	-4.5%	-4.7%	-2.8%	3.2%	-7.8%	-1.8%	-8.5%	-5.8%
1/6/2024	7.2%	6.2%	6.6%	5.5%	4.1%	1.1%	-0.4%	6.8%	33.6%	5.3%	2.7%	11.5%	2.5%
1/13/2024	6.3%	-2.4%	3.3%	3.1%	2.3%	-0.5%	-2.1%	16.6%	4.6%	2.2%	10.4%	0.1%	2.1%
1/20/2024	1.6%	-2.3%	1.4%	1.9%	1.0%	-0.9%	-2.7%	1.8%	5.6%	1.7%	0.9%	3.7%	2.6%
1/27/2024	5.1%	-3.3%	3.0%	2.9%	1.8%	-0.2%	-2.5%	11.4%	5.7%	2.2%	-0.6%	21.2%	3.2%
2/3/2024	1.9%	-3.6%	1.4%	2.5%	1.1%	-0.6%	-2.8%	1.3%	6.3%	4.7%	-0.1%	2.7%	5.5%
1019	1.1%	2.2%	2.5%	1.0%	0.8%	-0.2%	-0.3%	1.0%	-9.8%	0.7%	-1.0%	-2.4%	1.5%
2019	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%
3019	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%
4019	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%
1020	-4.0%	1.6%	-1.4%	-2.9%	-3.1%	-3.8%	-3.8%	-2.3%	-8.6%	-6.2%	-2.7%	-2.6%	-6.8%
2020	-37.1%	-22.0%	-30.0%	-30.0%	-23.1%	-17.1%	-10.6%	-8.9%	-52.3%	-56.9%	-40.5%	-53.7%	-48.8%
3020	-24.1%	-12.6%	-25.6%	-24.2%	-17.3%	-11.6%	-6.4%	-16.1%	-47.7%	-47.3%	-31.6%	-43.2%	-34.5%
4020	-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%
1021	-19.6%	3.4%	-23.4%	-23.0%	-14.2%	-6.0%	-1.5%	-12.1%	-28.3%	-32.7%	-29.7%	-25.7%	-27.9%
2021	43.2%	37.8%	30.6%	21.3%	23.1%	20.4%	16.6%	52.6%	33.5%	38.0%	42.5%	46.1%	23.1%
3021	36.2%	31.8%	35.0%	29.7%	28.3%	23.5%	21.1%	32.5%	64.2%	57.7%	43.1%	59.6%	29.4%
4021	41.5%	29.6%	34.9%	34.2%	28.2%	18.8%	13.9%	39.2%	99.6%	89.6%	64.8%	84.9%	45.6%
1022	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%
2022	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%
3022	11.6%	6.7%	12.6%	13.1%	7.6%	5.9%	4.2%	8.9%	32.6%	30.0%	14.6%	25.4%	25.5%
4022	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%
1023	10.2%	-1.9%	3.9%	3.5%	3.1%	1.7%	0.8%	9.1%	13.4%	15.6%	3.8%	11.5%	24.4%
2023	3.2%	-1.2%	2.5%	4.3%	3.6%	1.6%	0.9%	2.1%	9.6%	5.8%	2.5%	8.5%	11.6%
3023	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%
4023	2.9%	-2.3%	2.7%	2.5%	1.8%	-0.3%	-1.3%	3.7%	9.6%	7.0%	0.0%	0.7%	3.5%
	YoY % change in Occupancy												
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent	New York	Boston	LA	Chicago	DC
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%	-3.5%	-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%
11/18/2023	-0.6%	3.2%	4.9%	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%	0.5%	-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%
12/16/2023	1.1%	3.1%	4.6%	2.5%	0.1%	-0.8%	-4.8%	1.5%	8.1%	12.2%	-2.0%	-10.2%	-0.6%
12/23/2023	0.8%	6.2%	4.6%	3.2%	1.3%	0.2%	-2.9%	-2.3%	8.0%	21.5%	0.6%	1.1%	3.3%
12/30/2023	-7.5%	0.6%	-6.1%	-6.0%	-8.2%	-7.9%	-8.4%	-7.5%	1.4%	-1.7%	46.1%	-6.8%	45.1%
1/6/2024	-0.7%	12.5%	5.9%	-0.4%	-2.2%	-2.0%	-3.7%	-2.2%	12.3%	6.8%	5.9%	8.7%	1.4%
1/13/2024	-2.8%	-1.3%	-1.2%	-2.2%	-4.9%	-4.7%	-4.3%	-1.6%	1.5%	13.5%	-4.8%	-4.4%	2.7%
1/20/2024	-3.8%	0.7%	-1.1%	-2.6%	-5.3%	-4.5%	-2.4%	-5.8%	1.7%	4.0%	2.2%	-0.1%	0.4%
1/27/2024	-0.3%	4.6%	3.5%	0.9%	-2.5%	-3.2%	-3.2%	-0.2%	3.2%	5.8%	-1.6%	25.5%	1.4%
2/3/2024	-0.1%	4.8%	4.5%	2.3%	-0.5%	-2.5%	-2.8%	-2.9%	7.6%	12.5%	-0.9%	0.6%	10.9%
1019	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%
2019	-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%
3019	-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%
4019	-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%
1022	56.2%	54.0%	53.2%	50.3%	59.4%	52.3%	54.2%	54.2%	29.5%	57.6%	33.0%	31.2%	20.1%
2022	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%
3022	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%
4022	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%
1023	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%
2023	-0.7%	-1.0%	2.6%	1.4%	0.3%	-2.0%	-4.8%	-2.7%	3.3%	5.1%	-1.3%	3.3%	5.1%
3023	-0.5%	1.5%	2.6%	1.4%	-0.5%	-1.3%	-3.5%	-1.8%	6.0%	4.1%	1.1%	0.3%	5.0%
4023	-1.6%	1.8%	1.5%	0.2%	-1.8%	-2.7%	-4.2%	-3.3%	4.5%	6			

RevPAR Component Trends



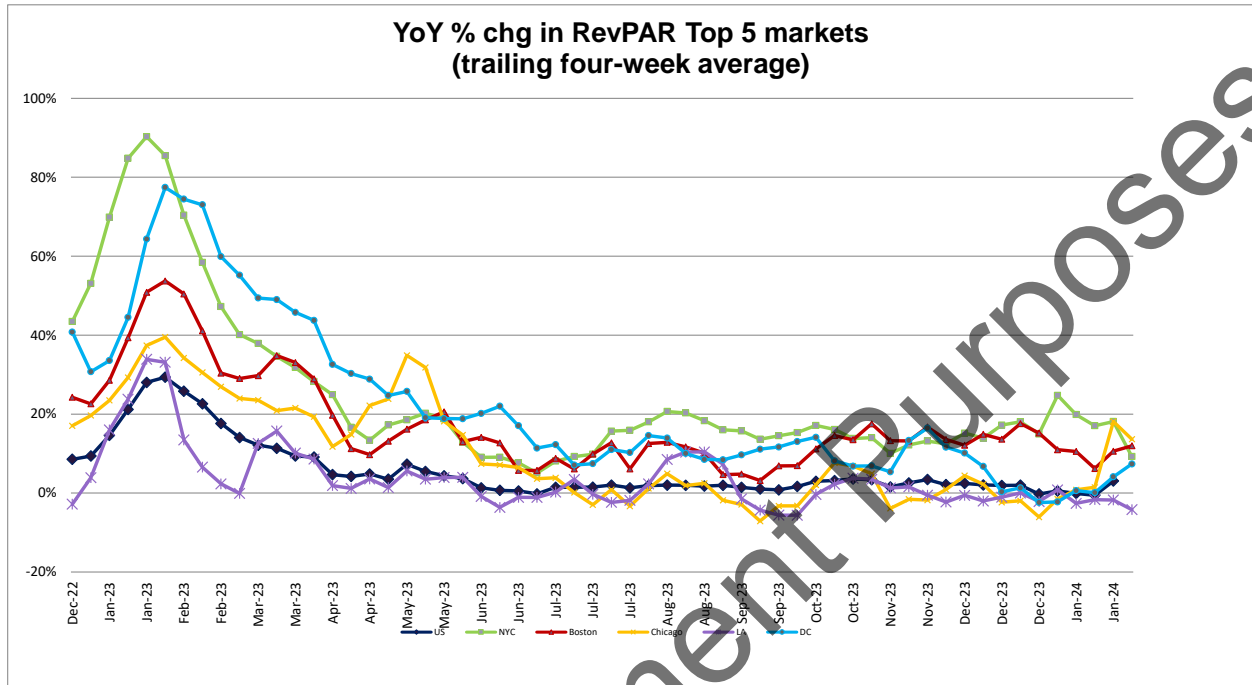
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



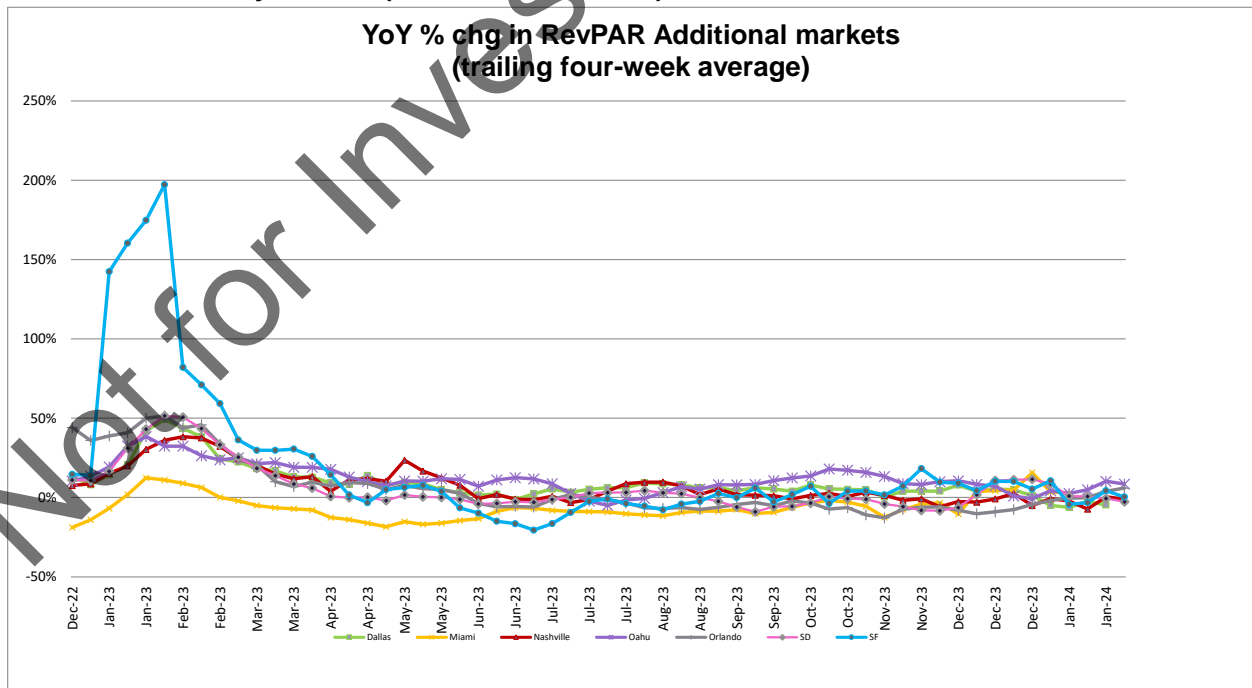
Source: STR data, Truist Securities research

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 2/6/24	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)**		
Choice Hotels	CHH	\$120.99	Hold	\$140	16%	\$459	\$517	\$564	\$478	\$539	\$587	15.0X	Upside risk: conservative growth of new brands; market share gains. Downside risk: slowdown in development opportunities; market share risks. 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 locally acquired assets.
DiamondRock Hospitality	DRH	\$9.20	Hold	\$10	9%	\$281	\$271	\$267	\$281	\$271	\$267	12.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slower recovery in deep recession. Downside risk: Disruption in a major market (HGV more concentrated than peers), issues with Japanese customer (HGV more concentrated than peers), difficulty sourcing additional fee-for-service/inventory deals.
Hilton	HLT	\$194.62	Hold	\$175	-10%	\$2,470	\$2,986	\$3,242	\$2,599	\$3,089	\$3,336	16.7X	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.
Hilton Grand Vacations	HGV	\$42.09	Buy	\$66	56%	\$1,049	\$1,004	\$1,066	\$1,049	\$1,004	\$1,066	9.2X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Host Hotels & Resorts	HST	\$19.47	Hold	\$21	8%	\$1,498	\$1,624	\$1,540	\$1,498	\$1,624	\$1,540	12.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. 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.
Hyatt Hotels	H	\$129.49	Buy	\$143	10%	\$1,004	\$1,105	\$1,221	\$908	\$1,009	\$1,124	14.2X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Marriott International	MAR	\$244.76	Hold	\$233	-5%	\$3,546	\$4,230	\$4,677	\$3,853	\$4,599	\$5,033	16.7X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Marriott Vacations	VAC	\$83.36	Buy	\$149	79%	\$966	\$755	\$760	\$966	\$755	\$760	11.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Park Hotels & Resorts	PK	\$15.25	Buy	\$20	31%	\$589	\$633	\$620	\$606	\$652	\$644	12.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Pebblebrook Hotel Trust***	PEB	\$15.12	Hold	\$16	6%	\$345	\$338	\$334	\$357	\$350	\$347	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	\$8.48	Buy	\$13	53%	\$231	\$251	\$256	\$243	\$264	\$269	10.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
RLJ Lodging Trust***	RLJ	\$11.61	Buy	\$14	21%	\$315	\$343	\$351	\$337	\$367	\$375	11.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Ryman Hospitality Properties	RHP	\$114.31	Buy	\$134	17%	\$536	\$662	\$746	\$556	\$689	\$777	13.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Sunstone Hotel Investors	SHO	\$10.73	Hold	\$12	12%	\$223	\$249	\$222	\$234	\$260	\$234	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	\$221.45	Buy	\$290	31%	\$833	\$847	\$946	\$833	\$847	\$946	13.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Travel + Leisure Co.	TNL	\$40.62	Buy	\$59	46%	\$859	\$906	\$956	\$859	\$906	\$956	8.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.
Wyndham Hotels & Resorts	WH	\$78.70	Buy	\$94	19%	\$618	\$619	\$682	\$651	\$657	\$693	15.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: M&A story fades and multiples revert to historical levels.

\* 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

Not for Investment

## Companies Mentioned in This Note

**Bluegreen Vacations Holding Corporation** (BVH, \$75.00, NA, )  
**Choice Hotels International, Inc.** (CHH, \$120.99, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$9.20, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$129.49, Buy, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$42.09, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$194.62, Hold, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$19.47, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$244.76, Hold, C. Patrick Scholes)  
**Vail Resorts, Inc.** (MTN, \$221.45, Buy, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$15.12, Hold, Gregory Miller)  
**Park Hotels & Resorts Inc.** (PK, \$15.25, Buy, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$8.48, Buy, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$114.31, Buy, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$11.61, Buy, Gregory Miller)  
**Sunstone Hotel Investors, Inc.** (SHO, \$10.73, Hold, C. Patrick Scholes)  
**Travel + Leisure Co.** (TNL, \$40.62, Buy, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$83.36, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$78.70, Buy, C. Patrick Scholes)

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