

CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR +3.2% y/y last week. Midweek got a bump from pull-forward group business from upcoming Easter week.

Overall U.S. RevPAR was +3.2% y/y for the week ending 3/23/2024, per STR, above the prior week's result of -3.5 y/y% and above the trailing 10-week average of +0.6%.

Monday through Wednesday demand was the strongest of the week with ~+6% to ~+7% RevPAR growth, a reversion from prior weeks, where weekend RevPAR growth was the high watermark. We believe there was a pull forward of group demand due to the Easter holiday.

Major RevPAR statistics presented below:

- Luxury RevPAR: +2.8% y/y
- Upper Upscale RevPAR: +5.4% y/y
- Upscale RevPAR: +3.6% y/y
- Upper Midscale RevPAR: +1.1% y/y
- Midscale RevPAR: -1.3% y/y
- Economy RevPAR: -4.4% y/y
- Independent hotels (~ 1/3rd of the data set) RevPAR: +2.2% y/y; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +11.8% y/y vs. +5.6% prior week;
 - Transient: +2.8% y/y vs. -7.5% prior week;
- Las Vegas RevPAR: +18.3% 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 +3.2% y/y vs. the running 28-day average of -0.3% y/y.
- **Occupancy:** Absolute occupancy was 65.3% vs. 64.4% for the running 28-day average.
- **Absolute Group occupancy:** 22.4% last week vs. 23.1% for the running 28 days.

The lodging stocks:

- **Of the lodging stocks our favorite name is now Wyndham (Buy) (previously Hyatt, which has had an extremely strong YTD performance).** WH has underperformed the hotel C-corps since the initial news about the proposed merger with Choice Hotels (Hold) last spring. While the proposed merger has ended and investors can once again value WH as a standalone entity going forward, we view WH stock as considerably undervalued. We can also point to an 8-K released by WH on 3/11 in advance of CHH's decision to stop the merger pursuit where WH provided "pillars for standalone growth" representative of \$26 stock price upside by the end of 2025 (their \$102 stock price assumption) driven by: 1) continuing a 6% plus historical EBITDA growth, 2) expected \$650M of FCF generation over the next two years, and 3) ability to deploy \$400M of additional leverage capacity based on a net leverage target of 3.5x (substantial cash returns to shareholders as has been the case for years). Additionally and distinctly from the \$26 upside, WH also views an additional \$22 upside per share driven by EBITDA growth that is anticipated to be in the 7-10% range and a re-rating on the multiple (1.0x is worth \$10/share in WH's calculation).
- **For the hotel REITS, our favorite name is RHP (Buy).** At 80% of its business coming from groups/conventions, RHP has the greatest exposure to this customer segment and has no hotels located in the especially tech-heavy San Francisco

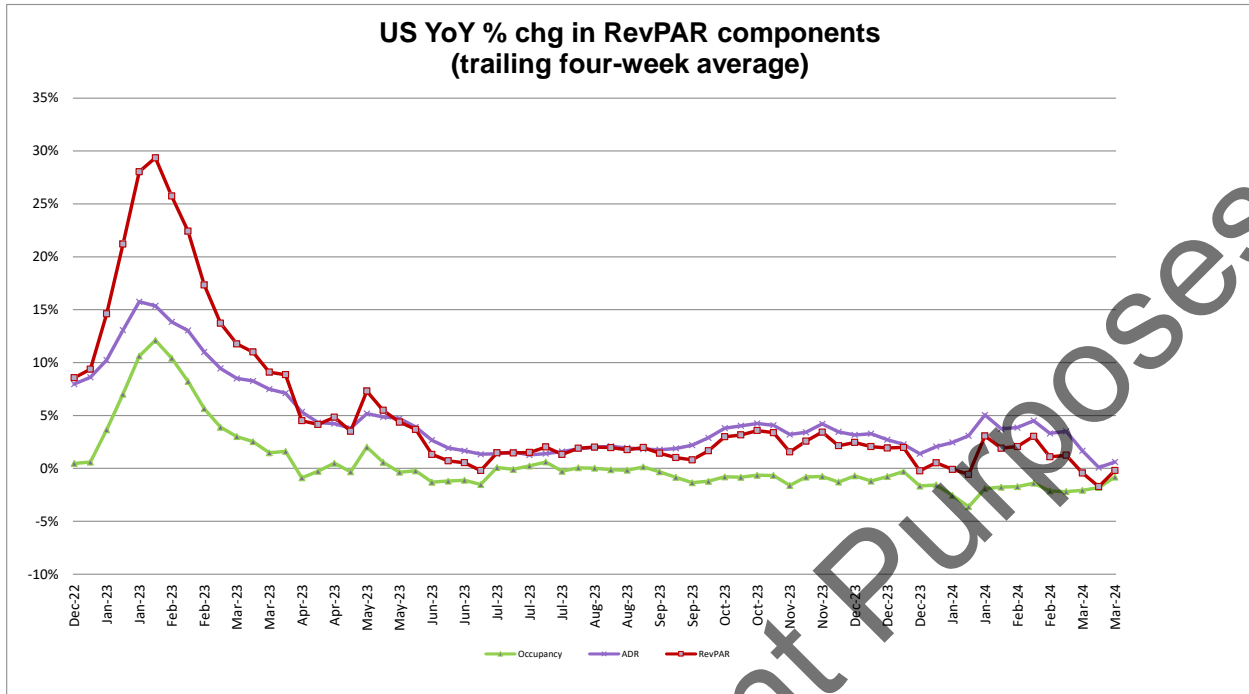
area. We add that RHP's hotels are likely benefiting from several "self-help" factors including having properties in better condition than some other big box comparables and convention centers as well as what has proven to be a smart strategy of maintaining their property-level salesforce during the heart of the pandemic.

Not for Investment Purposes

Weekly RevPAR Summary

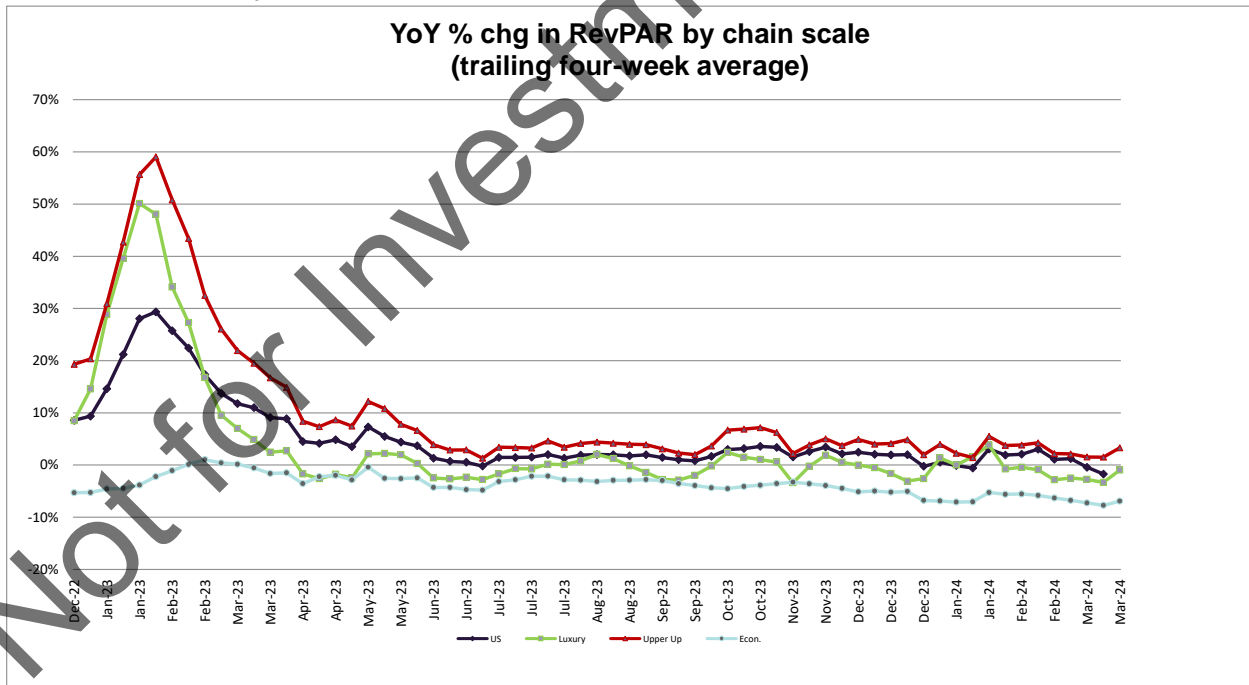
YoY % change in RevPAR													
U.S.	Luxury	Upper Upscale		Upper Midscale		Economy	Inde- pendent	New York	Boston	LA	Chicago	DC	
11/17/2023	4.9%	5.6%	6.6%	6.5%	2.6%	-1.9%	-4.3%	3.9%	15.7%	18.2%	2.7%	11.5%	16.9%
11/18/2023	6.3%	6.3%	8.6%	5.5%	2.5%	-1.8%	-4.4%	10.0%	12.5%	22.8%	-6.8%	4.8%	19.0%
11/25/2023	-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%	-0.8%	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%
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%	-9.7%	-8.4%	-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%
2/10/2024	3.9%	2.3%	2.5%	-0.6%	-2.5%	-6.0%	-6.0%	17.3%	11.5%	12.5%	-2.4%	1.6%	-1.2%
2/17/2024	1.6%	-3.4%	2.0%	-0.6%	-2.5%	-5.4%	-8.2%	8.6%	4.9%	30.6%	-10.5%	-4.4%	6.0%
2/24/2024	-2.9%	-6.6%	-1.7%	-2.6%	-3.5%	-6.0%	-7.6%	-2.8%	0.4%	4.4%	-13.5%	0.4%	6.0%
3/2/2024	2.4%	2.4%	5.7%	2.7%	-0.4%	-4.1%	-7.2%	2.1%	5.3%	4.1%	1.7%	-5.4%	-1.4%
3/9/2024	-2.8%	-3.4%	0.2%	-0.7%	-2.7%	-5.9%	-8.0%	-7.4%	4.6%	9.3%	-4.3%	-8.6%	14.5%
3/16/2024	-3.5%	-5.7%	1.9%	0.4%	-1.8%	-4.8%	-8.1%	-11.6%	10.1%	1.0%	4.0%	8.5%	11.3%
3/23/2024	3.2%	2.8%	5.4%	3.6%	1.1%	-1.3%	-4.4%	2.2%	11.6%	11.5%	-0.7%	-12.0%	14.5%
Strong midweek with pull-forward group business from upcoming Easter Week													
Upper Upscale and Upscale 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%	0.0%	-1.7%	2.4%	1.6%	2.4%	2.4%	2.4%	-1.8%	4.5%	1.8%	-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	19.6%	27.7%	31.7%	20.5%	11.7%	5.1%	1.4%	11.3%	67.4%	9.8%	21.3%	54.6%	81.7%
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%	11.8%
4Q23	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		Upper Midscale		Economy	Inde- pendent	New York	Boston	LA	Chicago	DC	
11/17/2023	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%	4.8%	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%	1.3%	-1.4%	0.1%	1.8%
12/30/2023	-2.8%	-8.3%	-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%	11.6%	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%	-12.4%	6.1%	2.1%
1/20/2024	1.6%	-2.3%	1.4%	1.9%	1.0%	-0.9%	-0.9%	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%	-0.8%	21.2%	3.2%
2/3/2024	1.9%	-3.6%	1.4%	2.5%	1.1%	-0.6%	-2.8%	1.4%	6.3%	4.7%	-0.1%	2.7%	5.5%
2/10/2024	6.8%	-4.1%	1.9%	1.0%	1.5%	-1.6%	-2.4%	21.9%	5.2%	5.4%	-0.9%	1.1%	0.2%
2/17/2024	4.2%	-4.0%	1.4%	1.1%	0.6%	-1.1%	-2.7%	12.8%	3.0%	4.0%	-6.3%	-0.5%	3.3%
2/24/2024	0.3%	-5.2%	-0.4%	-0.4%	-0.4%	-1.5%	-2.9%	2.0%	1.7%	5.8%	8.1%	2.3%	4.6%
3/2/2024	2.7%	-1.8%	2.3%	1.4%	0.5%	-1.2%	-3.8%	3.9%	0.6%	0.7%	2.3%	-3.5%	-3.7%
3/9/2024	-0.6%	-3.9%	-0.8%	0.0%	-0.4%	-2.0%	-4.5%	-3.0%	1.8%	3.8%	-0.9%	-5.1%	8.5%
3/16/2024	-2.1%	-6.7%	-0.3%	0.4%	-0.2%	-1.9%	-4.7%	-8.3%	6.7%	0.9%	0.4%	2.9%	6.5%
3/23/2024	2.5%	-1.3%	2.6%	2.0%	0.8%	-0.8%	-3.2%	2.6%	7.1%	4.7%	-1.7%	-11.6%	7.6%
1Q19	1.1%	2.2%	2.5%	1.0%	0.8%	-0.2%	-0.3%	1.9%	-3.4%	0.7%	-1.0%	-2.4%	1.5%
2Q19	1.2%	2.5%	1.4%	0.6%	0.7%	-0.2%	0.6%	1.2%	-1.0%	3.2%	0.8%	-1.7%	0.2%
3Q19	0.8%	1.5%	1.3%	0.2%	-0.1%	-0.5%	-1.6%	-1.9%	0.9%	-0.2%	-2.8%	4.0%	4.0%
4Q19	0.7%	2.4%	0.6%	-0.4%	-0.3%	-1.0%	-1.0%	1.9%	-8.9%	-5.5%	0.3%	-2.2%	3.9%
1Q20	-0.6%	1.6%	-1.4%	-2.9%	-3.1%	-3.8%	-3.8%	-1.9%	-8.6%	-4.2%	-2.7%	-2.6%	-6.8%
2Q20	-37.1%	-22.0%	-34.0%	-30.0%	-23.1%	-17.1%	-14.6%	-34.6%	-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%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%	-23.0%	-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%	0.5%	11.1%	-28.3%	-32.7%	-29.7%	-2.6%	-31.7%
2Q21	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%
3Q21	36.2%	31.8%	35.0%	29.7%	28.3%	23.5%	21.1%	32.8%	64.2%	57.7%	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%	84.9%	41.6%
1Q22	37.5%	21.0%	39.7%	34.1%	27.3%	20.6%	17.5%	34.0%	52.2%	50.5%	61.8%	41.1%	31.7%
2Q22	26.2%	14.3%	29.0%	27.1%	18.8%	14.6%	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%	9.1%	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%
4Q23	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		Upper Midscale		Economy	Inde- pendent	New York	Boston	LA	Chicago	DC	
11/17/2023	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%	1.9%	-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%	0.0%	0.3%
12/2/2023	-1.6%	0.6%	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	0.5%	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	-7.1%	0.8%	6.1%	4.0%	-8.2%	-7.8%	-8.4%	-7.5%	1.4%	-1.7%	0.0%	-6.8%	-6.1%
1/6/2024	-9.7%	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	-2.3%	-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%
2/10/2024	-2.7%	1.8%	0.6%	-1.6%	-3.9%	-5.0%	-3.7%	-3.7%	6.0%	6.7%	-1.6%	0.5%	-1.4%
2/17/2024	-2.5%	0.6%	0.6%	-1.7%	-3.0%	-4.4%	-3.6%	-3.7%	1.8%	14.6%	-4.5%	-3.9%	2.6%
2/24/2024	-3.3%	-1.5%	-1.3%	-2.2%	-3.1%	-4.4%	-4.9%	-4.7%	-1.2%	2.6%	-8.8%	-1.9%	1.3%
3/2/2024	-8.5%	4.3%	3.3%	1.3%	-0.9%	-2.7%	-3.6%	-1.7%	4.8%	3.4%	-0.3%	-2.0%	1.5%
3/9/2024	-2.2%	0.4%	1.0%	-0.8%	-2.2%	-3.9%	-3.6%	-4.5%	2.7%	5.2%	-3.5%	-3.7%	5.6%
3/16/2024	-1.4%	1.1%	2.2%	-0.1%	-1.5%	-3.0%	-3.5%	-3.6%	3.2%	0.1%	3.6%	5.4%	4.5%
3/23/2024	0.7%	4.2%	2.7%	1.5%	0.3%	-0.5%	-1.2%	-0.3%	4.2%	6.5%	1.1%	-0.5%	6.4%
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%		

RevPAR Component Trends



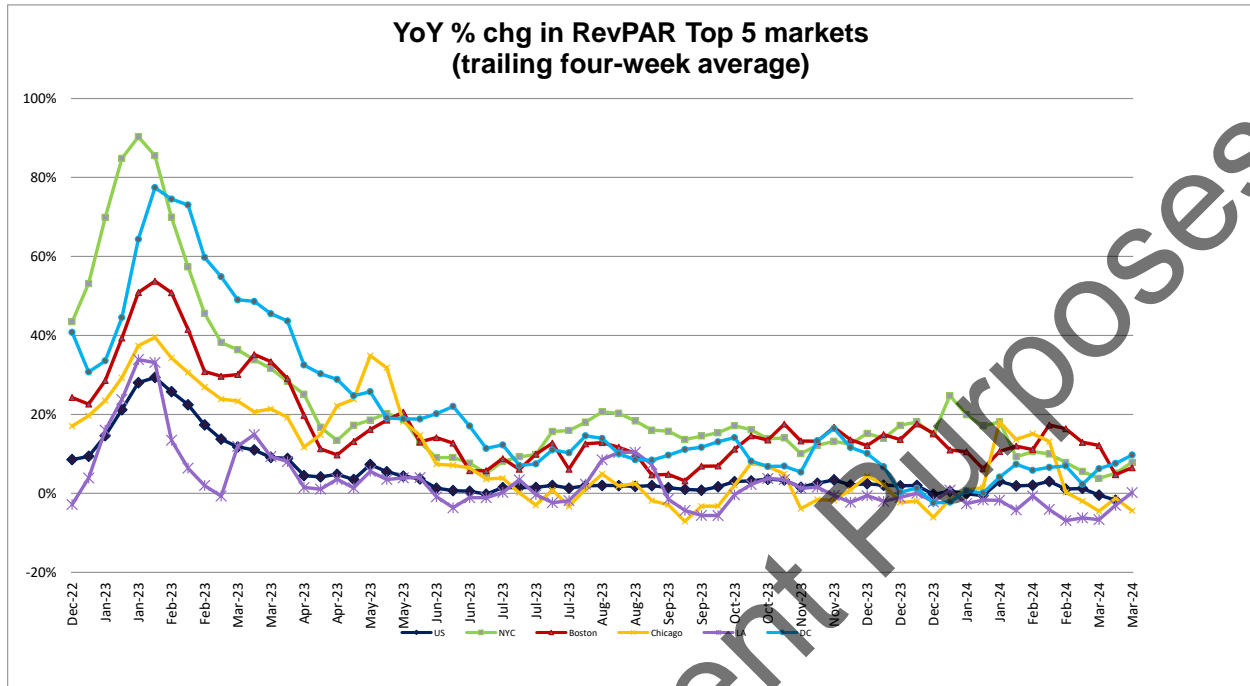
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



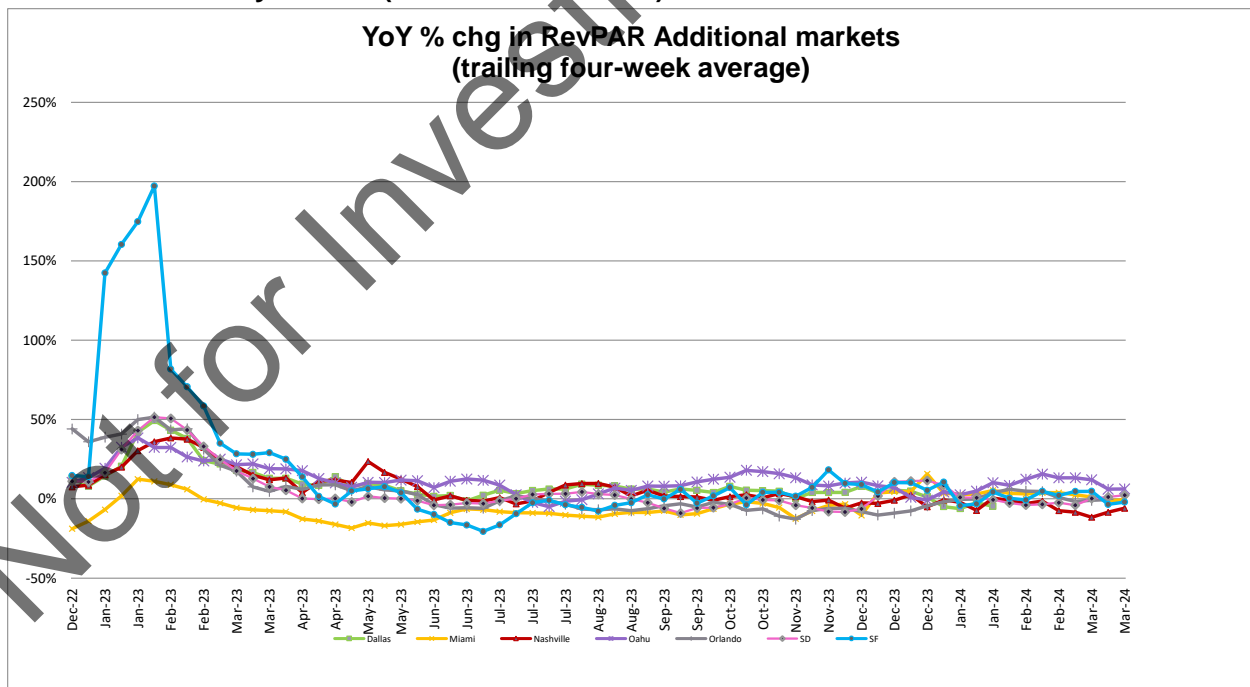
Source: STR data, Truist Securities research

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/Risk Summary

Lodging	TKR	Price 3/26/24	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
						2024E EBITDA (\$M)**	2025E EBITDA (\$M)**	2024E EBITDA (\$M)**	2025E EBITDA (\$M)**		
Choice Hotels	CHH	\$125.26	Hold	\$146	17%	\$567	\$584	\$590	\$609	14.0X	Upside risk: conservative growth of new brands; market share gains. Downside risk: slowdown in development opportunities; market share losses.
DiamondRock Hospitality	DRH	\$9.41	Hold	\$11	17%	\$275	\$282	\$275	\$282	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	\$213.04	Hold	\$199	-7%	\$3,264	\$3,619	\$3,356	\$3,715	16.8X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. 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
Hilton Grand Vacations	HGV	\$47.40	Buy	\$70	48%	\$1,238	\$1,321	\$1,171	\$1,255	8.8X	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. Solid up-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.
Host Hotels & Resorts	HST	\$20.27	Hold	\$24	18%	\$1,636	\$1,664	\$1,636	\$1,664	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
Hyatt Hotels	H	\$159.32	Buy	\$172	8%	\$1,303	\$1,334	\$1,225	\$1,334	15.1X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession. Downside risk: weak recovery of international travel during the valuation period especially China, macro demand shock impact to major resort assets, labor issues.
Marriott International	MAR	\$252.18	Hold	\$263	4%	\$4,587	\$5,024	\$4,988	\$4,988	16.7X	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.
Marriott Vacations	VAC	\$101.00	Buy	\$159	58%	\$765	\$765	\$765	\$765	11.0X	Upside risk: demand shocks, hurricanes, reduced airift, new supply, country-specific risks (emerging market portfolio)
Park Hotels & Resorts	PK	\$17.52	Buy	\$21	20%	\$641	\$658	\$658	\$682	12.0X	Upside risk: Slower than expected recovery of corporate business travel post-COVID; scope/timing and/or upside from repositionings underwhelms investor expectations
Pebblebrook Hotel Trust***	PEB	\$15.35	Hold	\$16	4%	\$339	\$352	\$351	\$365	13.5X	Upside risk: Group demand slower than expected. Property-specific risks given a small portfolio.
Playa Hotels & Resorts	PLYA	\$9.57	Buy	\$14	46%	\$253	\$258	\$266	\$271	10.5X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements. SHO buys hotels at accretive terms and quickly adds incremental EBITDA during the valuation period. Downside risk: Lodging recovery takes longer than expected, labor issues, weak recovery of international travel to gateway markets, natural disaster risk. Montage/Four Seasons EBITDA stabilizes well lower than expected.
RLJ Lodging Trust***	RLJ	\$11.60	Buy	\$14	21%	\$358	\$369	\$384	\$395	11.5X	Upside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Ryman Hospitality Properties	RHP	\$114.00	Buy	\$135	18%	\$738	\$806	\$766	\$837	13.0X	Upside risk: Slower than expected recovery of corporate business travel post-COVID; scope/timing and/or upside from repositionings underwhelms investor expectations
Sunstone Hotel Investors	SHO	\$10.92	Hold	\$13	19%	\$237	\$242	\$248	\$253	13.5X	Upside risk: Slower than expected recovery of corporate business travel post-COVID; scope/timing and/or upside from repositionings underwhelms investor expectations
Vail Resorts, Inc.	MTN	\$218.72	Buy	\$265	21%	\$869	\$954	\$873	\$964	13.0X	Upside risk: Slower than expected recovery of corporate business travel post-COVID; scope/timing and/or upside from repositionings underwhelms investor expectations
Travel + Leisure Co.	TNL	\$47.43	Buy	\$65	38%	\$927	\$967	\$927	\$963	0.0X	Upside risk: Slower than expected recovery of corporate business travel post-COVID; scope/timing and/or upside from repositionings underwhelms investor expectations
Wyndham Hotels & Resorts	WH	\$75.62	Buy	\$105	39%	\$644	\$708	\$693	\$753	15.0X	Upside risk: Slower than expected recovery of corporate business travel post-COVID; scope/timing and/or upside from repositionings underwhelms investor expectations

* 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

WH: Valuation and Risks

Our price target of \$105 for WH is based on a 15.0x target EV/EBITDA multiple (in line with portfolio quality/RevPAR relative to peers) of our 2025 EBITDA estimate.

Risks to our rating and price target: Slowdown in development opportunities. Macro demand/pipeline headwinds.

RHP: Valuation and Risks

Our price target of \$135 for RHP is derived by applying a 13.0x target EV/EBITDA multiple to our estimate for 2025 lodging EBITDA and a 16.0x multiple to our Opry/attractions estimate. We view the multiple assignments as appropriate for the quality and unique nature of the portfolios (slight premium to REIT peer average of ~12.0-12.5x on Hospitality).

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

Companies Mentioned in This Note

- Choice Hotels International, Inc.** (CHH, \$125.26, Hold, C. Patrick Scholes)
- DiamondRock Hospitality Company** (DRH, \$9.41, Hold, C. Patrick Scholes)
- Hyatt Hotels Corporation** (H, \$159.32, Buy, C. Patrick Scholes)
- Hilton Grand Vacations Inc.** (HGV, \$47.40, Buy, C. Patrick Scholes)
- Hilton Worldwide Holdings Inc.** (HLT, \$213.04, Hold, C. Patrick Scholes)
- Host Hotels & Resorts, Inc.** (HST, \$20.27, Hold, C. Patrick Scholes)
- Marriott International, Inc.** (MAR, \$252.18, Hold, C. Patrick Scholes)
- Vail Resorts, Inc.** (MTN, \$218.72, Buy, C. Patrick Scholes)
- Pebblebrook Hotel Trust** (PEB, \$15.35, Hold, Gregory Miller)
- Park Hotels & Resorts Inc.** (PK, \$17.52, Buy, C. Patrick Scholes)
- Playa Hotels & Resorts N.V.** (PLYA, \$9.57, Buy, C. Patrick Scholes)
- Ryman Hospitality Properties, Inc.** (RHP, \$114.00, Buy, C. Patrick Scholes)
- RLJ Lodging Trust** (RLJ, \$11.60, Buy, Gregory Miller)
- Sunstone Hotel Investors, Inc.** (SHO, \$10.92, Hold, C. Patrick Scholes)
- Travel + Leisure Co.** (TNL, \$47.43, Buy, C. Patrick Scholes)
- Marriott Vacations Worldwide Corporation** (VAC, \$101.00, Buy, C. Patrick Scholes)
- Wyndham Hotels & Resorts, Inc.** (WH, \$75.62, Buy, C. Patrick Scholes)

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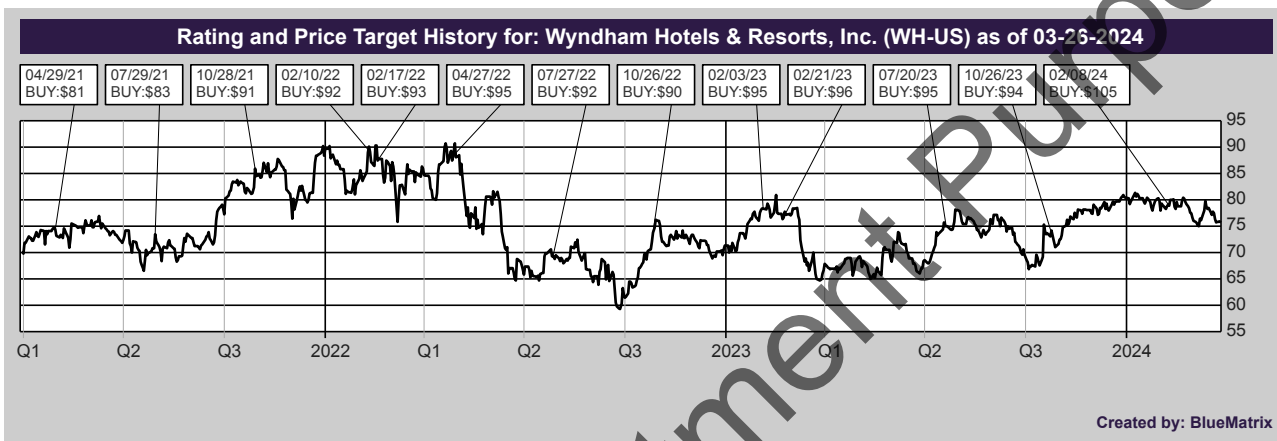
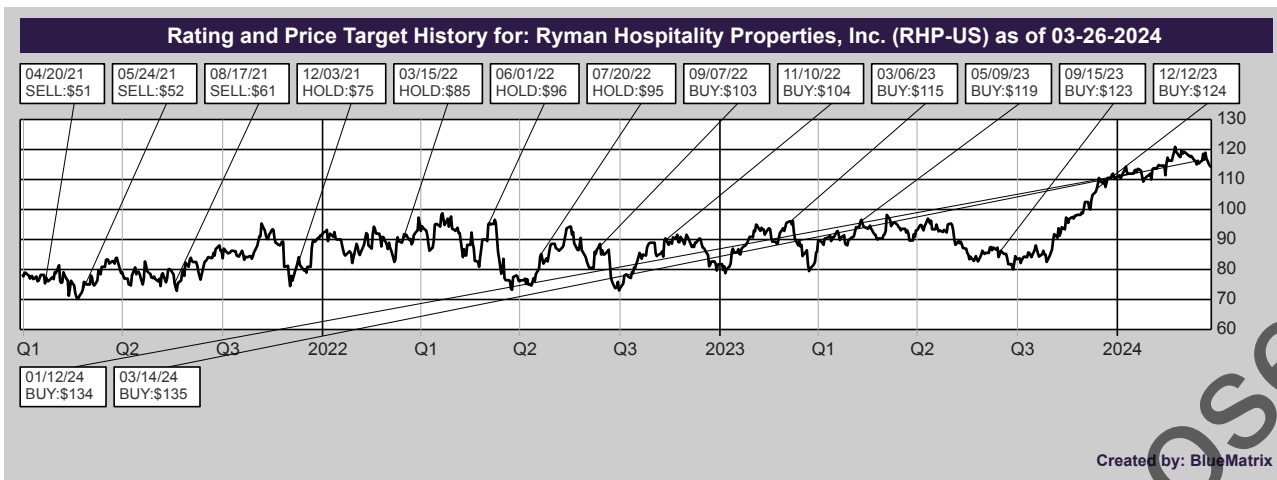
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