

CONSUMER: Lodging

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Reasons for this report

- ✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR +6.4% y/y last week, +11.8% vs. 2019. Easy comp from NYE calendar shift but softer group

Overall U.S. RevPAR was +6.4% y/y for the week ending 1/6/2024, per STR, above the prior week's result of -9.7%, and above the trailing 10-week average of +1.3%. Versus 2019, RevPAR was +11.8%, below the prior week's result of +20.8%, and below the trailing 10-week average of +15.0%.

Last week's results were positively impacted by the calendar shift of New Year's Eve, whereas New Year's Eve was not in comparable 2023 results in the prior week. Other factors for the weekly results include a shift of CES in 2024 to the following week of January (negative to Las Vegas results) and 1/2-1/6 being a stronger leisure week due to school vacations.

Tuesday (1/2) to Saturday (1/6) RevPAR was weak as many schools had an extra week of vacation this year, resulting in a higher mix of the relatively underperforming leisure customer as opposed to the outperforming group/convention customer.

Group RevPAR was down 6% y/y but Top 25 market results were highly variable -- some up over 50% y/y, some down over 50%. Corporate group demand was unsurprisingly light given the timing of New Year's but where we assume the calendar shift of the Consumer Electronics Show (CES) was particularly impactful given the very large convention to the nation's largest lodging market. Las Vegas RevPAR was down ~50% between Tuesday to Saturday. CES is occurring from 1/9 to 1/12 this year (Tuesday-Friday) versus 1/5 to 1/8 in 2023.

New Year's Eve (Sunday night) was unsurprisingly a very easy comp as the comparative y/y week did not include 12/31. Markets with over +100% RevPAR growth y/y on Sunday night:

- Chicago +159%
- Minneapolis 291%
- New Orleans 278% (Sugar Bowl took place on 12/31 in both 2022 and 2023). RevPAR y/y on Monday night was +599%.
- New York City 145%
- Philadelphia +108%
- Seattle +146%
- Washington DC: +111%

Major RevPAR statistics presented below:

- Luxury RevPAR: +19.4% y/y and +38.7% versus 2019;
- Upper Upscale RevPAR: +13.0% y/y and +1.1% versus 2019;
- Upscale RevPAR: +5.1% y/y and -3.2% versus 2019;
- Upper Midscale RevPAR: +1.8% y/y and +7.6% versus 2019;
- Midscale RevPAR: -0.9% y/y and +14.0% versus 2019;
- Economy RevPAR: -4.0% y/y and +18.0% versus 2019;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +4.4% y/y and +17.3% versus 2019; and
- Within Upper Upscale & Luxury class hotels:
 - Group: -5.7% y/y vs. -8.8% prior week; versus 2019: -46.8% vs -30.7% prior week.
 - Transient: +17.9% y/y vs. -9.2% prior week; versus 2019: +44.8% vs +21.3% prior week.
- Las Vegas RevPAR: -38.3% y/y and -42.7% versus 2019.
 - **As a caveat, we note that many large Strip casino hotel operators do not participate in STR's survey.**

Last week's RevPAR details and sequential trends (all comparable information on new STR methodology):

- **Headline RevPAR** was +6.4% y/y vs. the running 28-day average of -0.4% y/y.
- **Occupancy:** Absolute occupancy was 46.8% vs. 49.8% for the running 28-day average.
- **Absolute Group occupancy:** 9.4% last week vs. 7.8% 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

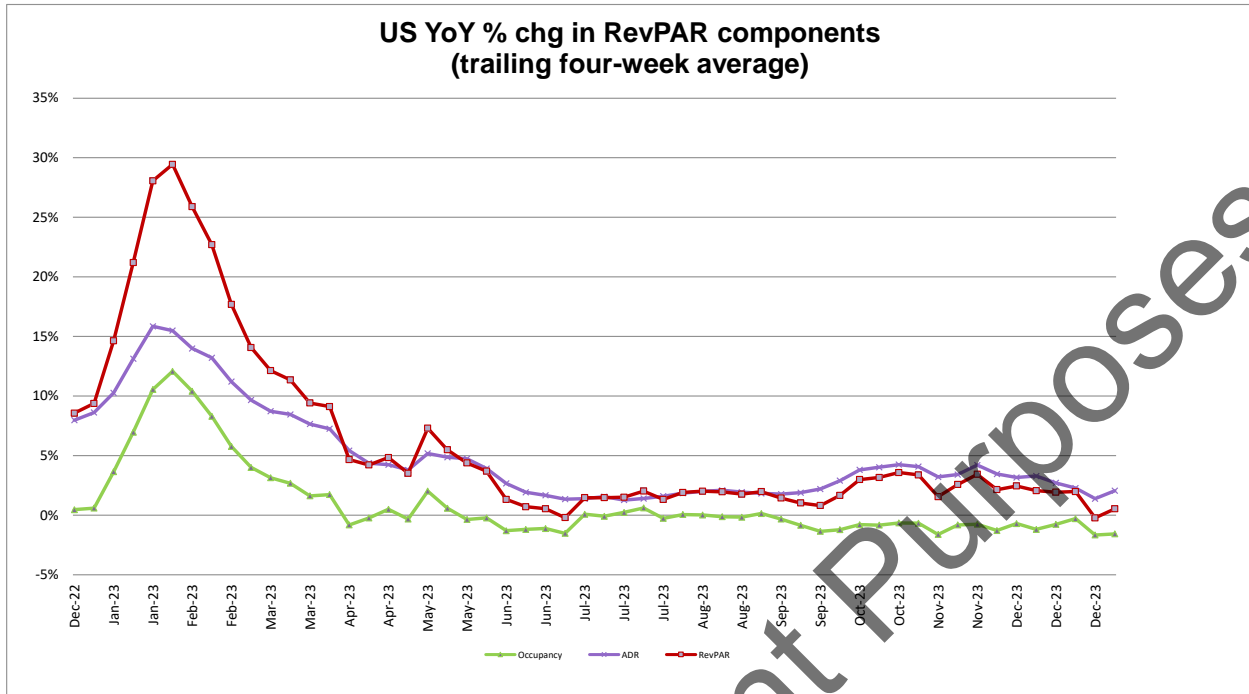
YoY % change in RevPAR															
U.S.	Upper Upscale				Upper Midscale				Economy	Independent	New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Upscale	Midscale	Midscale	Midscale	Midscale							
10/14/2023	0.8%	-7.0%	2.0%	1.8%	0.5%	-1.0%	-3.2%	1.4%	7.3%	18.5%	1.6%	2.3%	-14.8%		
10/21/2023	2.9%	-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%		
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%	-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%		
NYE shift drove strong Y/Y results															
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%	6.8%	27.7%	141.2%	172.1%	51.0%	109.5%	145.7%		
3Q22	16.6%	27.7%	36.8%	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%	11.6%	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%		
Luxury and Upper Upscale led the industry															
NYC and Chicago led the Top 5 markets															

YoY % change in ADR															
U.S.	Upper Upscale				Upper Midscale				Economy	Independent	New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Upscale	Midscale	Midscale	Midscale	Midscale							
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%	10.6%		
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%	2.0%	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%	13.3%	-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%	38.6%	5.3%	2.7%	11.5%	2.5%		
1Q19	1.1%	2.2%	2.5%	1.0%	0.8%	-0.2%	-0.3%	1.0%	-3.8%	0.7%	-1.0%	-2.4%	1.5%		
2Q19	1.2%	2.5%	1.4%	0.6%	0.7%	-0.2%	0.6%	1.7%	-1.0%	3.2%	0.8%	-1.7%	0.2%		
3Q19	0.8%	1.5%	1.3%	0.2%	-0.1%	-0.5%	-0.5%	1.6%	1.9%	0.9%	-0.2%	-2.8%	4.0%		
4Q19	0.7%	2.4%	0.6%	-0.4%	-0.3%	-1.0%	-1.0%	0.9%	3.7%	-5.5%	0.3%	-2.2%	3.9%		
1Q20	-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%		
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%	-36.1%	-47.7%	-47.3%	-31.6%	-43.2%	-34.5%		
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.5%	-28.6%	-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%	33.5%	38.0%	42.5%	46.1%	23.1%		
3Q21	36.2%	31.8%	35.0%	29.7%	28.3%	23.6%	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%	64.9%	41.6%		
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	28.2%	14.3%	29.0%	27.1%	19.9%	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%	5.5%	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%	6.1%	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.	Upper Upscale				Upper Midscale				Economy	Independent	New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Upscale	Midscale	Midscale	Midscale	Midscale							
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%	3.9%	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%	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%	9.7%	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%	14.1%	-1.3%	1.2%	1.6%	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%	0.0%	21.5%	0.6%	1.1%	3.3%	3.3%		
12/30/2023	-7.1%	0.6%	-6.1%	-6.0%	-8.2%	-7.8%	-8.4%	-7.5%	1.4%	-1.7%	0.0%	-6.6%	-6.1%		
1/6/2024	-0.7%	12.6%	5.9%	-0.4%	-2.2%	-2.0%	-3.7%	-2.2%	12.3%	6.8%	5.9%	8.7%	1.4%		
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	-0.8%	-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%	56.7%	13.7%	36.3%	53.0%		
3Q22	4.5%	19.7%	21.3%	8.1%	2.9%	-2.3%	-4.0%	2.2%	26.3%	23.0%	5.9%	18.1%	23.2%		
4Q22	3.8%	12.4%	15.5%	6.0%	2.7%	-1.1%	-2.9%	1.9%	17.8%	12.7%	7.6%	14.2%	19.8%		
1Q23	5.9%	18.3%	19.8%	8.5%	4.9%	0.1%	-2.0%	3.6%	29.3%	16.8%	7.5%	13.6%	25.9%		
2Q23	-0.7%	-1.0%	2.6%	1.4%	0.3%	-2.0%	-4.6%	-2.7%	3.3%	6.1%	-1.3%	3.3%	5.1%		
3Q23	-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%		

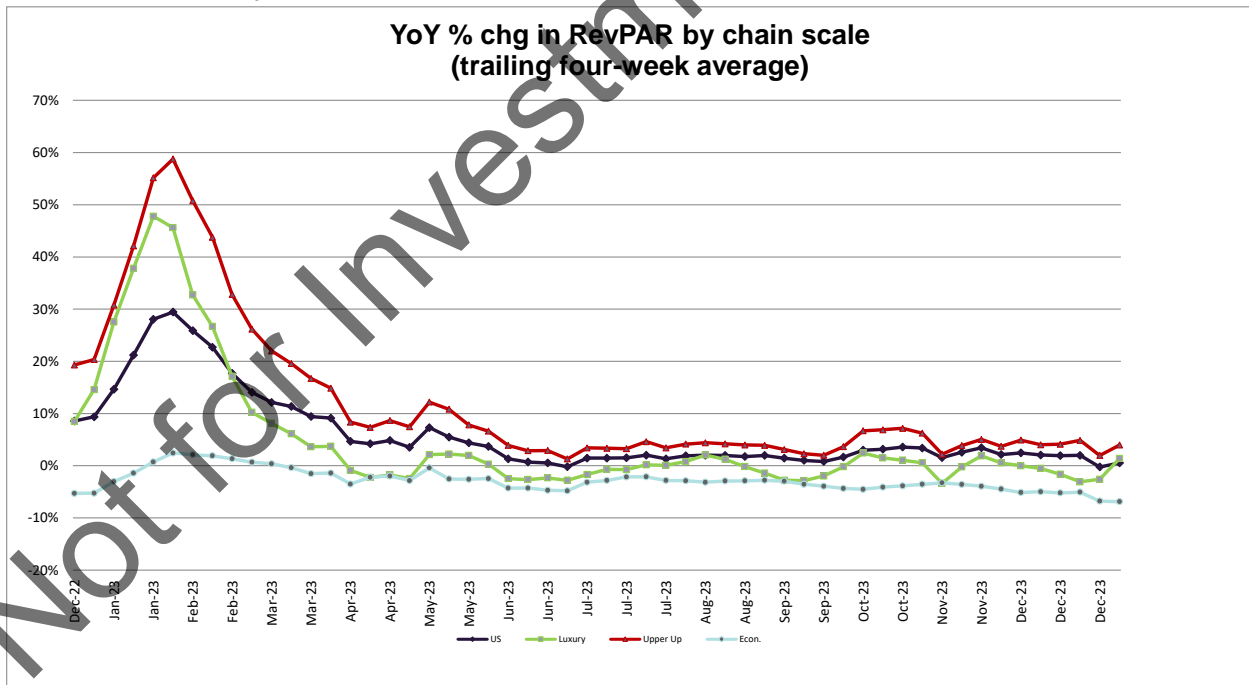
Source: STR data, Truist Securities research

RevPAR Component Trends



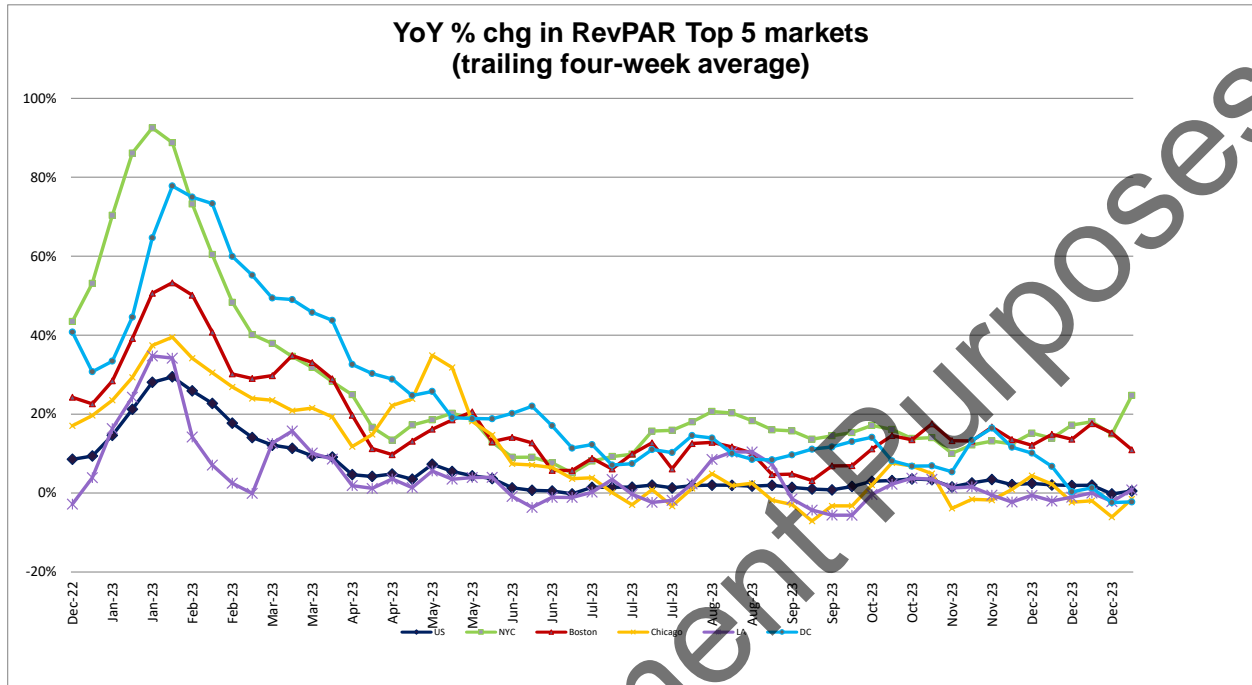
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



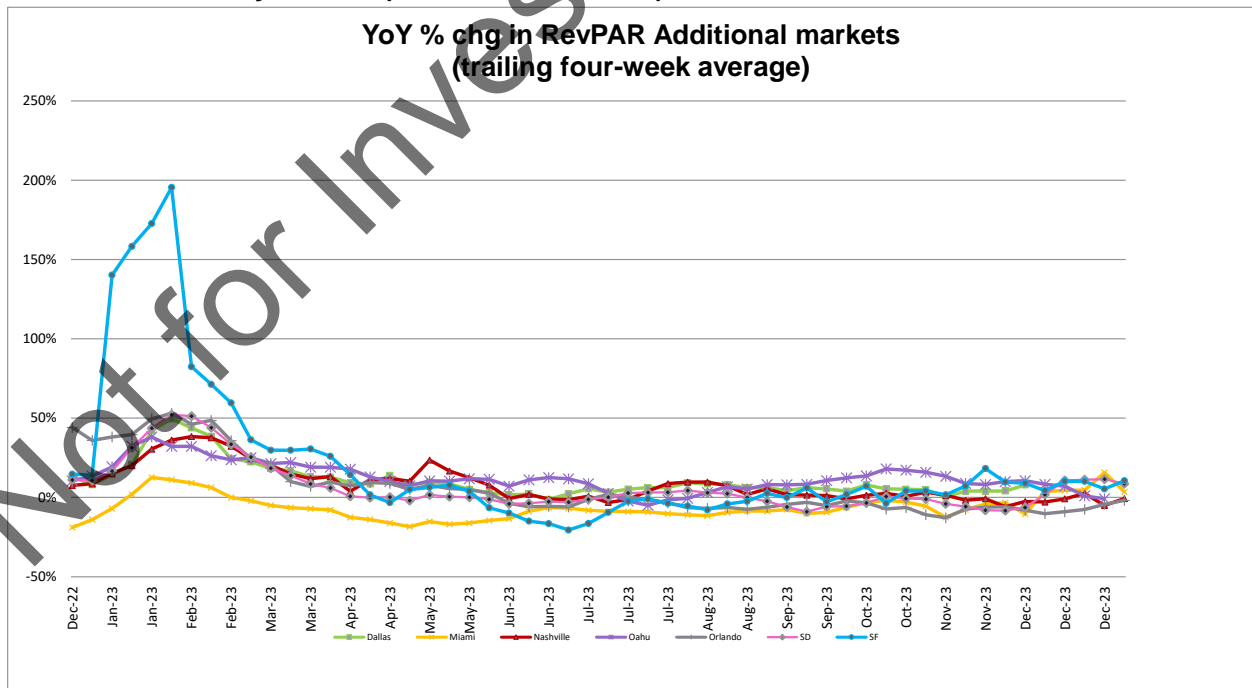
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



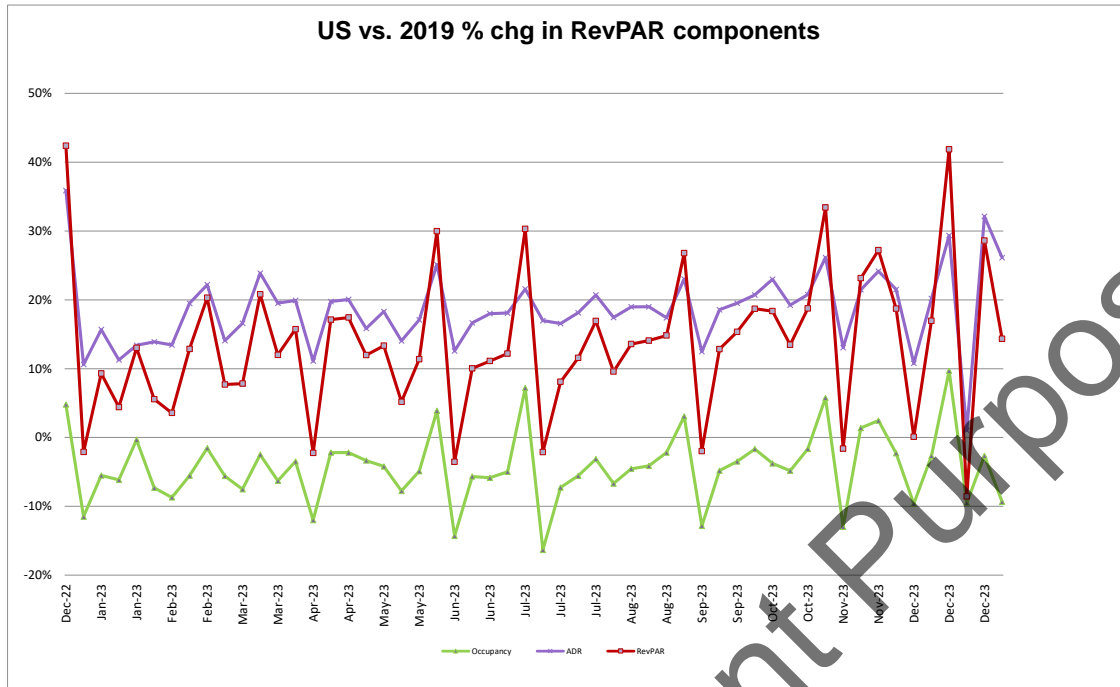
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



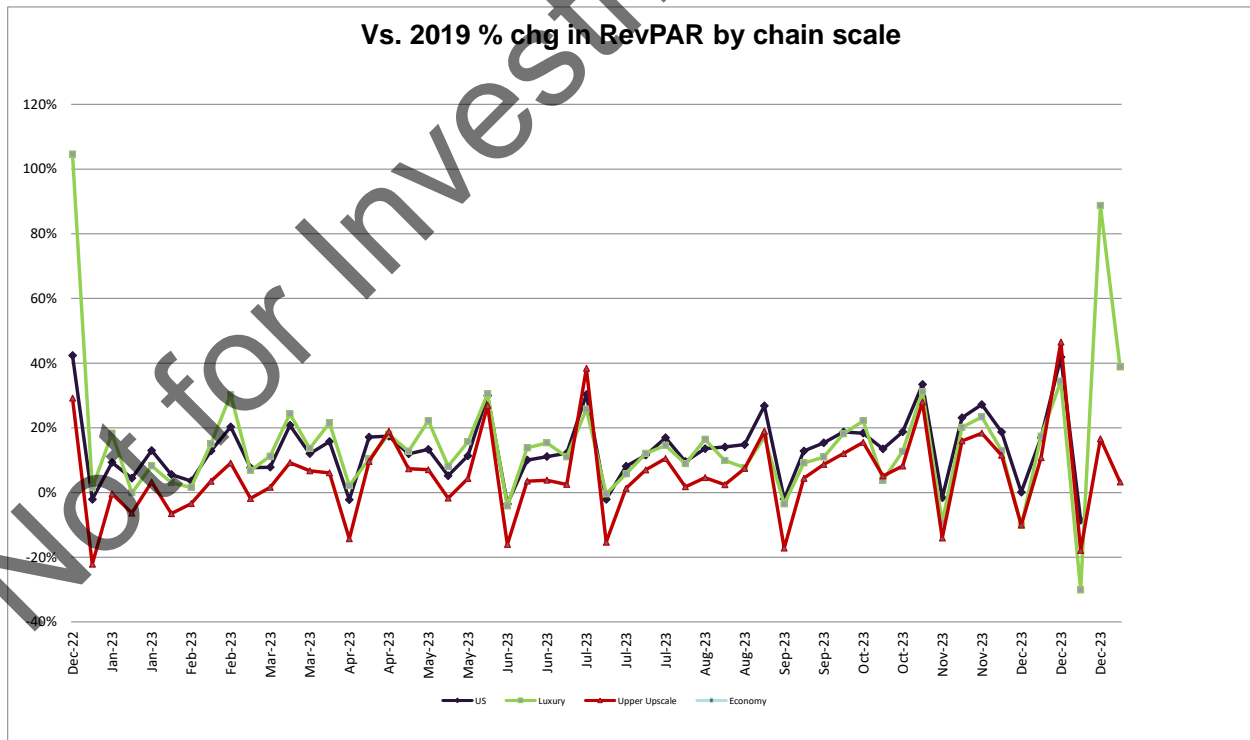
Source: STR data, Truist Securities research

RevPAR Component Trends



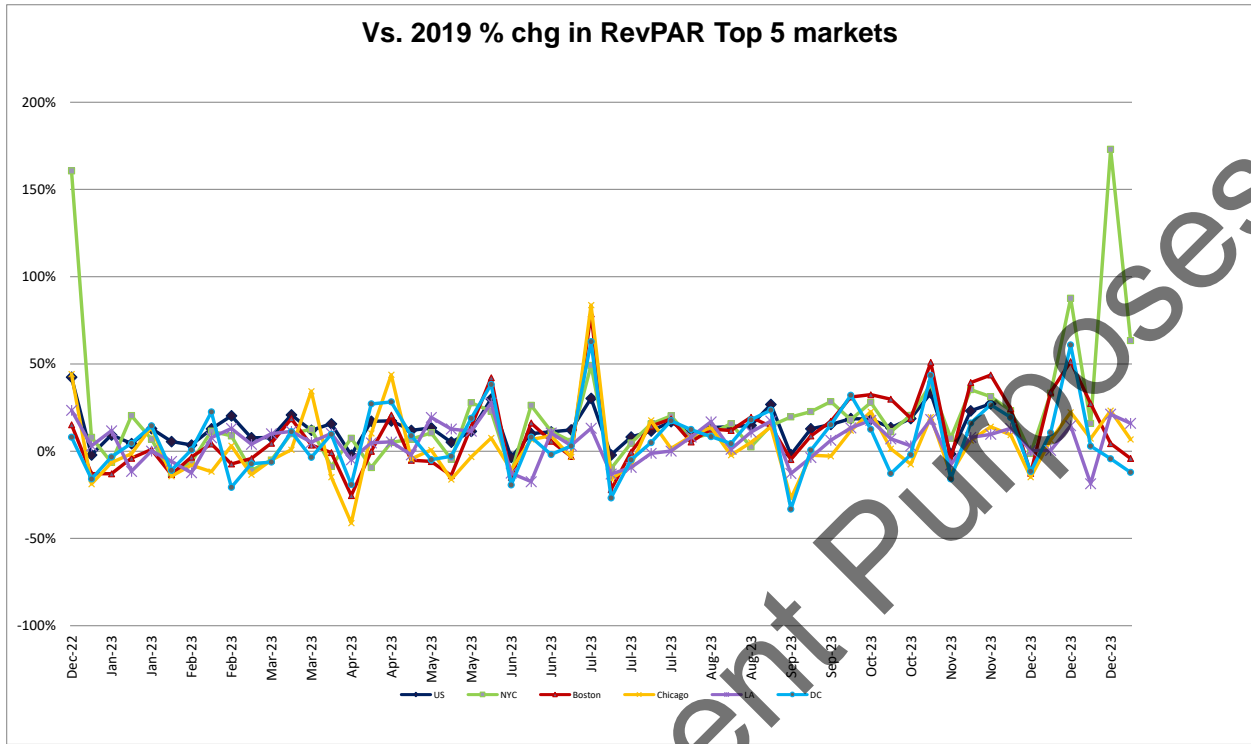
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



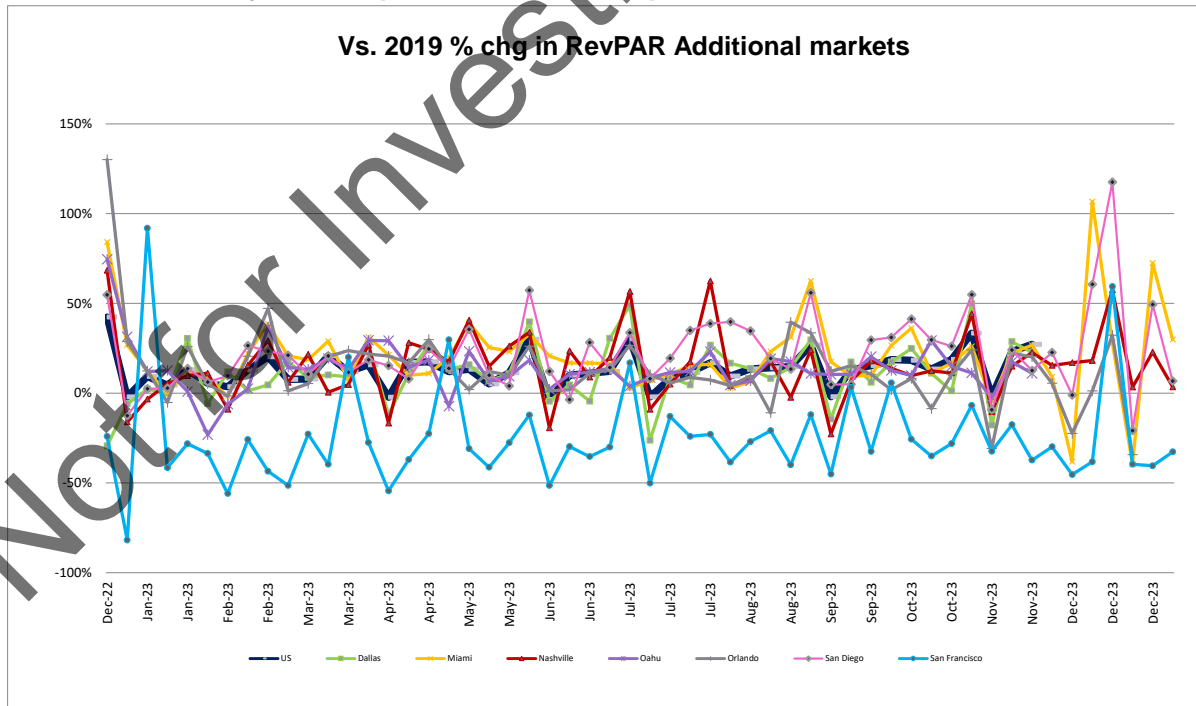
Source: STR data, Truist Securities research

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

Price Target/Risks Summary

Lodging	TKR	Price 1/9/24	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)**		
Bluegreen Vacations	BVH	\$74.93	Hold	\$75	0%	\$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	\$115.54	Hold	\$140	21%	\$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 losses.
DiamondRock Hospitality	DRH	\$9.39	Hold	\$10	6%	\$281	\$271	\$267	\$281	\$271	\$267	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	\$181.65	Hold	\$175	-4%	\$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	\$40.80	Buy	\$66	61%	\$1,049	\$1,004	\$1,066	\$1,049	\$1,004	\$1,066	9.2X	Upside risk: Disruption in a major market (HGV more concentrated than peers), issues with Japanese customer (HGV more sensitive than peers), difficulty sourcing additional fees for new investment deals.
Host Hotels & Resorts	HST	\$19.84	Hold	\$21	6%	\$1,498	\$1,624	\$1,541	\$1,498	\$1,624	\$1,541	12.0X	Upside risk: faster demand improvement in corporate/companion travel than expected. Dispositions at higher multiples than expected/longer than expected performance by luxury leisure resorts on both pipeline 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 leisure resort assets, labor issues.
Hyatt Hotels	H	\$128.57	Buy	\$143	11%	\$1,004	\$1,105	\$1,226	\$908	\$1,009	\$1,130	14.2X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Marriott International	MAR	\$226.48	Hold	\$233	3%	\$3,546	\$4,230	\$4,682	\$3,853	\$4,599	\$5,037	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	\$86.60	Buy	\$149	72%	\$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.
Park Hotels & Resorts	PK	\$16.11	Buy	\$20	24%	\$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.
Pebblebrook Hotel Trust***	PEB	\$15.67	Hold	\$15	-4%	\$345	\$335	\$357	\$357	\$347	\$370	13.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Playa Hotels & Resorts	PLYA	\$8.42	Buy	\$13	54%	\$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.
RLJ Lodging Trust***	RLJ	\$11.55	Buy	\$14	21%	\$315	\$343	\$350	\$337	\$367	\$374	11.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Ryman Hospitality Properties	RHP	\$112.10	Buy	\$124	11%	\$536	\$662	\$746	\$556	\$688	\$777	13.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Sunstone Hotel Investors	SHO	\$10.86	Hold	\$12	10%	\$223	\$249	\$222	\$234	\$260	\$234	13.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Vail Resorts, Inc.	MTN	\$211.43	Buy	\$290	37%	\$833	\$847	\$946	\$863	\$847	\$946	13.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Travel + Leisure Co.	TNL	\$39.39	Buy	\$59	51%	\$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.
Wyndham Hotels & Resorts	WH	\$80.61	Buy	\$94	17%	\$618	\$623	\$686	\$651	\$661	\$697	15.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.

* 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 Purposes

Companies Mentioned in This Note

Bluegreen Vacations Holding Corporation (BVH, \$74.93, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$115.54, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$9.39, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$128.57, Buy, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$40.80, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$181.65, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$19.84, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$226.48, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$211.43, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$15.67, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$16.11, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$8.42, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$112.10, Buy, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$11.55, Buy, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$10.86, Hold, C. Patrick Scholes)
Travel + Leisure Co. (TNL, \$39.39, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$86.60, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$80.61, Buy, C. Patrick Scholes)

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