Equity Research Report

June 1, 2023

CONSUMER: Lodging

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

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

13 Page Document

Reasons for this report

✓ Latest observations on forward-looking booking and pricing trends for US hotels and anecdotal learnings from industry contacts, including detail on the three main customer segments:

- Individual Business
- Group/convention
- Leisure

May/June RevPAR Monitor: Strong group continues, individual corp travel sluggish, summer leisure a mixed bag.

What's incremental?

In this report we discuss:

- **Latest observations on forward-looking booking and pricing trends for U.S. hotels and anecdotal learnings from industry contacts, including detail on the three main customer segments:**
  - **Group/convention**
  - **Individual Business**
  - **Leisure**
- **Stocks/picks**
  - **For C-corps: Hyatt (H, Buy)** remains our favorite name given strength in group and international leisure.
  - **For REITS: Ryman (RHP, Buy)** remains our favorite name due to in-house corporate group strength and self-help factors including the excellent condition of its properties.

Based upon our analysis of millions of future reservations for U.S. hotels from multiple "big data" sources and from conversations with hotel owner/manager contacts and executives at very large travel agencies, our latest rounds of "forward-looking checks" showed a mix of positives and negatives.

- **The most positive trend continues to be the recovery in Group travel.** We continue to see the recovery in Group occupancy as the greatest driver of 2023 RevPAR growth for U.S. hotels. Looking forward, we see occupancy for this segment on track to finish flat with 2019 by the end of year. This is an ongoing improvement from the -19% in January vs. January 2019 and -5% in April vs. April 2019. Room rates for this segment are being booked at up approx. low double-digits vs. the same time last year.
- **For the corporate individual business/transient segment, we see current booking volumes as lethargic and pricing growth is in-line with inflation.** Following the SVB/banking crises in March, we observed a modest slippage in booking volumes, though volumes have gained back some of this loss over the past two months though are still currently tracking down approx. 8% vs. comparable 2019 levels. Rates on new bookings are holding steady although unimpressively around +5% to 2019 levels.
- **The domestic leisure segment, especially for higher-end mountain and beach locations, is challenged this summer following three consecutive summers where these locations significantly outperformed.** On a y/y basis, we continue to see occupancy down in the teens percentages for higher-end resorts for the summer and room rates flat to up low-single digits. *Interestingly, given how deeply occupancy is tracking y/y, we have recently begun to so ADRs beginning to pullback.* To be clear, we do not believe such weakness is recession-related, rather following three summers where Americans vacationed domestically, we observe that they are heading internationally this summer, most noticeably for travel to Europe, the Caribbean, and Canada, (also aided by favorable FX rates for U.S. travelers). Additional pressure on U.S. resort/leisure hotels is coming from significant supply growth in short term rentals, the return of cruising as a value-priced vacation alternative, and the comparative value of vacation ownership taking some of the demand away from hotels.

SEE PAGE 12 FOR REQUIRED DISCLOSURE INFORMATION

- **All of these observations are analyzed and discussed in further detail in this report. For additional third-party insights, we will be hosting several meetings with private companies at the NYU International Hospitality Industry Investment Conference in early June. Please contact your Truist Securities salesperson for details.**

The lodging stocks: While there were puts and takes in our latest data checks and industry conversations, 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, which we see having several idiosyncratic catalysts.** Hyatt is a beneficiary of group strength primarily through its legacy portfolio but also to an extent 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. **Our conviction on H was strengthened after Hyatt's Investor Day and our tours** of three Apple Leisure Group properties in Mexico (see our post-Investor Day/tours wrap-up note).
  - We view Playa (PLYA, Buy) as a continued beneficiary of global leisure trends and excellent cash flow generation in a time when operating leverage works to the favor of all-inclusive Caribbean/Mexico hotel owners.

- **For the hotel REITS, our favorite name is RHP.** At 75% 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 benefitting from several "self-help" factors including having properties in better condition than some other big box comperables 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. RHP's 1Q23 earnings results and forward commentary further bolster our enthusiasm for our Buy-rating.
  - **We are cautious on U.S. resort hotel profitability especially at the full-service level given pressure on demand and increasing headwinds in higher-end leisure room rates.** While group strength may bridge some of the gaps, we remain cautious on the net impact to profitability. Names with high luxury leisure exposure especially following post-COVID acquisitions are Host (HST, Hold), and Sunstone (SHO, Hold). For greater detail on operating revenue/expense trends and labor considerations, please see our latest Hotel P&L Analyzer note.
  - We continue to be cautious on San Francisco in the near-term. With the exception of RHP, most Lodging REITS have mid-single-digit to double-digit EBITDA exposure to the Bay Area including resorts outside the City of San Francisco that are impacted by the Bay Area economy (e.g. Napa, Sonoma, Big Sur, and Sausalito). Although we view the recovery of leisure demand is encouraging and leading corporate and group travel, weakness in convention demand and the tech industry combined with soft Chinese inbound travel will challenge the opportunity for hoteliers to push room rates. We also view weakness in convention center forecasts (getting worse) as a bad sign for City of San Francisco hotels and the overflow markets to the south and north (Airport area and Marin County, respectively).

<u>**Group segment observations:**</u>

Our latest observations for the Group segment are similar to what we noted in our prior report in March: Group bookings rends remain relatively strong although more the case for corporate and social groups than convention/association demand. The latter is recovering but remaining quite varied by market and industry. We continue to view group demand recovery as the biggest driver of overall RevPAR growth going forward this year for U.S. hotels. Anecdotal conversations from corporate travel agencies continue to suggest demand largely returning to 2019 levels, with the year starting down approx. 15% vs. January 2019, and should be close to comparable 2019 by year-end 2023. Additional color from our recent conversations from corporate travel agency executives:

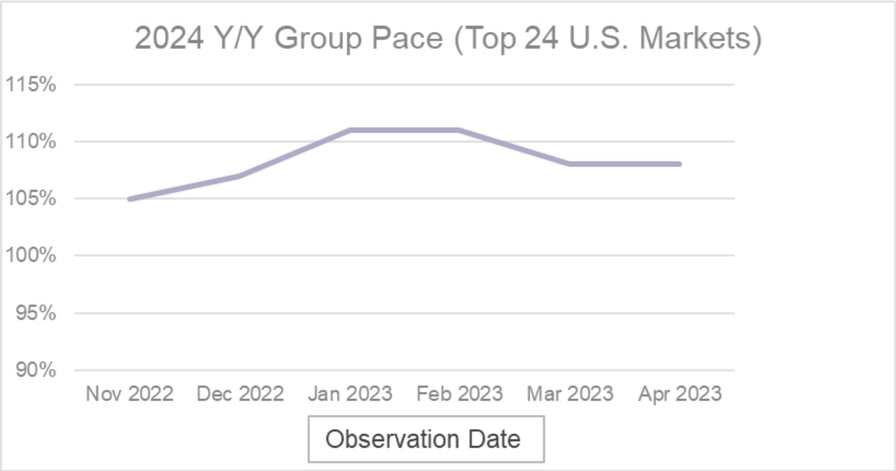
- There have been no material cancellations, though some continued corporate caution exists on the macro leading to narrow booking windows.
- Hotels are seeing better negotiating power today given limited supply growth of group hotels (~ +1% per year).
- Travel agencies have encouraged their clients to plan further ahead with longer lead times in order to secure desired meeting dates, venues, destinations, and in some cases better rates.

Group event pricing remains very strong per our corporate travel agency contacts although corporate customers remain hesitant to schedule some events more than a few months into the future given continued uncertainty on the macro. Corporate travel agencies estimate current Group ADR trends approximately +10% for the rest of the year vs. 2019. Group-oriented hotels are in an advantageous position for negotiating higher rates in a high operating cost growth environment; the negative is that if there is a severe macro downturn, hotels may have less cancellation or attrition revenue for financial support.

We are hearing anecdotally from hoteliers that group bookings for in-house and particularly smaller groups remain close to the date of arrival with only modest expansion of the booking window. As a consequence of this large number of "in-the-quarter-for-the-quarter" group bookings, hoteliers are likely going to have continued difficulty in 2H23 forecasting with granularity and why we can appreciate why some public REITS are not providing more than a quarter of forward guidance, if any.

Longer-term Group pace per Cvent data (see Exhibit 1) presents an encouraging picture on 2024 with fairly steady trends. Cvent sources approx. one-third of U.S. corporate group bookings.

Exhibit 1:



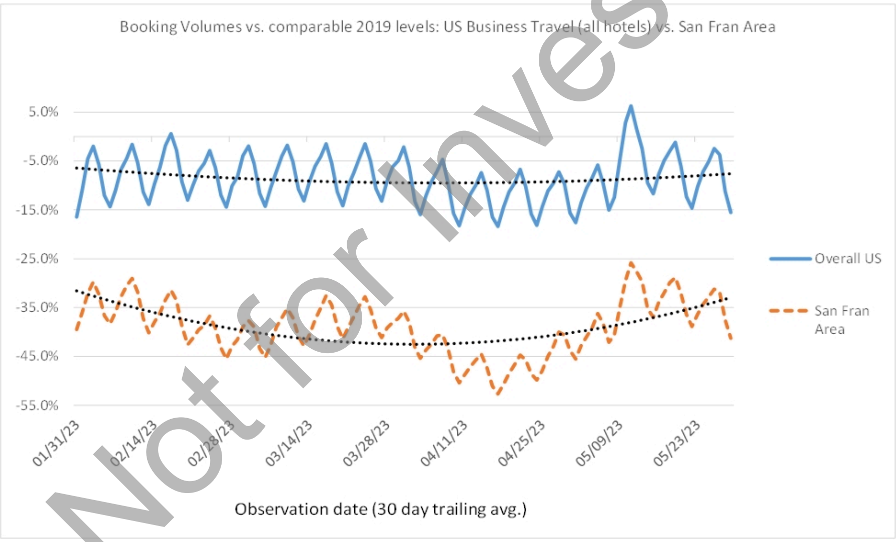
Source: Cvent, Truist Securities Research

Corporate (individual) business travel segment observations:

The best way we describe the current booking volumes is "lethargic". Over the last few months we saw booking volumes relative to 2019 levels shift slightly more negatively which we believe was a reaction around the time of the SVB crises. Our analysis suggests bookings declined a few points from the -5% to -8% range in late January to around -10% in April with modest recovery in May to around -8% (source: Tripbam). As we approach the summer months and a traditional slower demand season for individual business travel, we would be surprised to see any structurally material changes to booking patterns – or at least materially positive – especially given a choppier macro and some corporate travel budget constraints (e.g. financial services and technology industries).

- **In greater San Francisco where many full-service REITS have material exposure, excluding RHP, the trend lines are similar to the national level**, **but at lower starting levels.** Regardless, the weakness in tech industry fundamentals continues to strike very negatively at bookings versus 2019 levels. San Francisco area booking volumes are now about 35% below comparable 2019 levels, an improvement from about 40% below comparable 2019 levels in late March/early April but below the -30% levels of late summer/ early fall 2022 and late January/early February 2023 (see exhibit 2 below).

Exhibit 2:

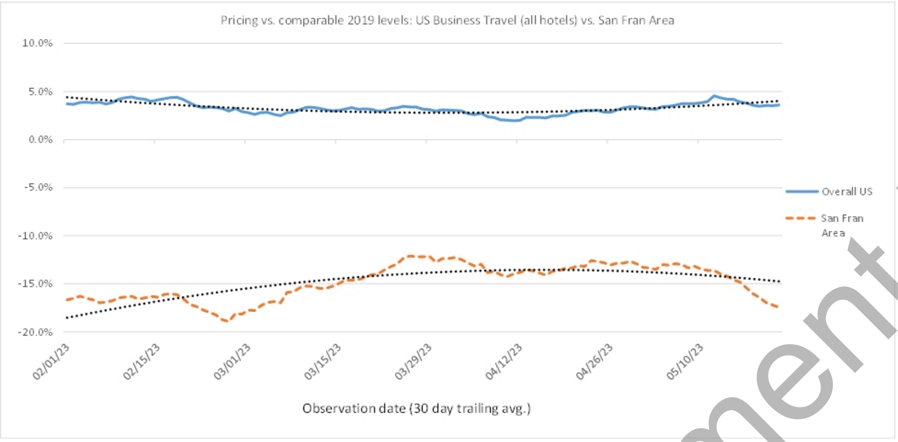


Source: Tripbam, Truist Securities Research

Pricing power for individual business travel is fairly steady for the U.S. but steady is not encouraging in this inflationary environment. We continue to see pricing on new bookings that remains around +5% vs. comparable 2019 levels.

- While national corporate room rates are holding steady, **San Francisco Area rates progressed from down 15-20% in February vs. February 2019 to down 10-15% in March/April vs. March/April 2019 and now to down 15%. This is a modest improvement** but not enough in our view to change our views about the deep challenges to this market that we have discussed several times in the last year. While we *eventually* expect this formerly world-class destination to recover in full, which is surprisingly not a consensus view right now, much of our near-to-mid-term cautiousness on San Francisco holds, largely consistent to our July 2022 live deep dive analysis on a 2026-ish (we previously said 2025-ish) market recovery, the corrective action we believe the city needs to take to improve travel demand, and the weakening trends in convention center citywides that also negatively hurt corporate travel pricing. **San Francisco continues to lag considerably on corporate room rates vs. 2019, at levels still roughly 20 points below the U.S. national aggregate Tripbam data.** We view local dynamics such as convention center performance and tech industry corporate travel demand as a contributing factor to ability for hoteliers to push higher business room rates. While we view individual business travel to San Francisco remaining very challenged, the greater volatility in room rates in the following graphic is likely more a reflection of normal city-specific dynamics such as when a large citywide convention is in town and the comps to 2019 (a very strong convention year).

Exhibit 3:



Source: Tripbam, Truist Securities Research

Anecdotally, we have heard of some tightening of corporate travel budgets in recent weeks including in the banking space; these recent changes are compounded by revised corporate travel policies since 2020 including greater use of remote work and sustainability considerations (Source: Morning Consult). We suspect financial services is not alone in this recent tightening of travel budgets although given industry-specific issues it is possible banking is following tech as an industry with greater sensitivity to travel spend due to industry-specific factors.

<u>Leisure segment observations:</u>

Our observations continue to show that global leisure demand remains very strong. However, booking patterns remain soft across U.S. leisure-centric hotels with y/y U.S. resort occupancy declines deeply negative for the summer and room rates seeing some slippage as hoteliers try to claw-back occupancy by sacrificing some pricing growth. We expect a robust global summer travel season although with hurdles: macroeconomic uncertainty, COVID ramp up in China, high airfares/high U.S. resort pricing/high other travel costs challenging consumer budgets, possible traveler frustration if there are major disruptions from cancelled flights like last summer, and in some cases changes to travel destination plans in part from the items noted above (Source: New York Times).

We are of the viewpoint that softness in U.S. resorts is primarily from the following factors as opposed to a real consumer slowdown/recession:

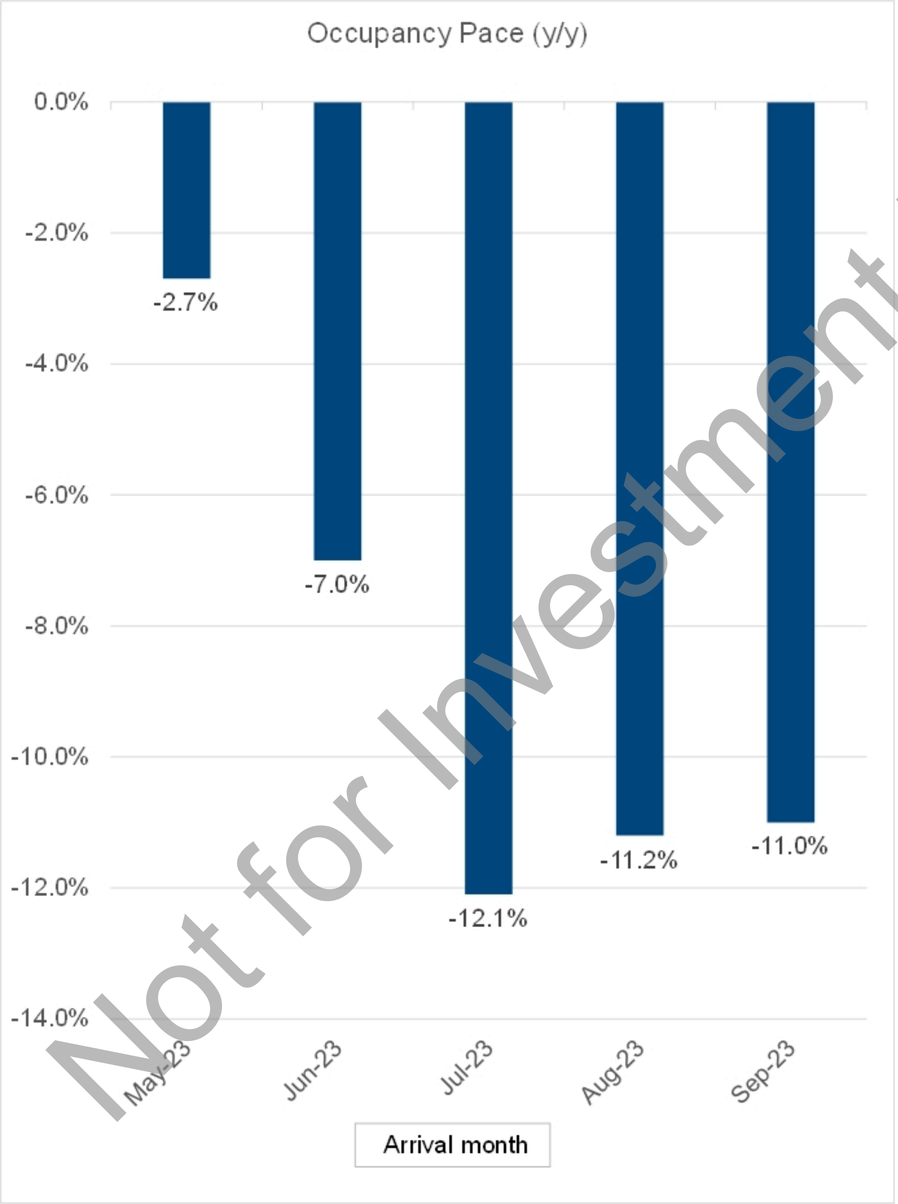
- Domestic resort hotels and Airbnb-type properties pushed rates very hard (maybe too hard) the past 2 years and we are now seeing consumer resistance to the high prices --and especially, as noted below, that consumers now have more travel choices.
- Travelers who stayed domestically the past several years are now going back to Europe, Canada, Caribbean, etc, as these locations were not really available (without hassle/covid hoops/risk) the past 2 years. The strong U.S. dollar is also supporting outbound international travel from the U.S.
- Cruise lines are open again for business and some demand is going to Alaskan and European cruises for the summer.
- Domestic value-priced travel alternatives that did not participate in the pricing run-up to the degree resort hotels and Airbnbs did, such as Timeshare, continue to do well.
- **COVID fears dissipating (for now, despite the China news headlines on a potential new outbreak) resulting in lower interest to outdoor areas with open spaces** such as national parks and mountain resorts.

- **Reduction of extreme spending without price ceilings, including less suite usage.** A few prominent companies have called out this topic as of late including Pebblebrook (PEB, Hold, Miller) in its latest monthly operations update suggesting that "leisure demand continues to be healthy [for its hotels] but with less exuberance than prior year when exuberance than prior year when demand for suites and other premium room upgrades were higher than historical norms." One private hotelier called 2022 the "champagne effect" (Source: HotelNewsNow).

To gauge the strength/weakness of higher-end U.S. leisure travel we look at future occupancy, rate, and RevPAR pace for hotels at western U.S. ski resorts, popular destinations for both summer and winter vacations (Source: DestiMetrics).

Our observations on forward occupancy for hotels at US ski resorts:
- **Y/y occupancy growth is tracking deeply negative for the summer months based on current forward data. Last minute demand pickups combined with reduced pricing (or not pushing room rates as hard) may help shore up weakness in occupancy.** *Assuming this trajectory continues, we continue to believe y/y occupancy for June-September will finish down mid to high single digits y/y for hotels at western U.S. ski resorts (which we also see as a negative read-through for upper-end U.S. resorts in general).*

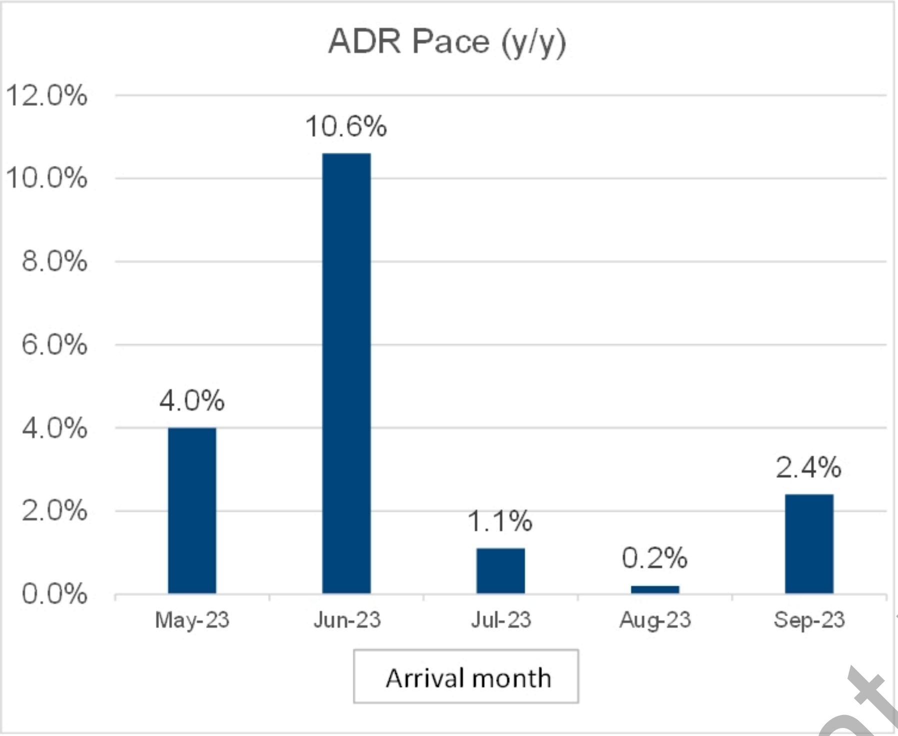
Exhibit 4:



Source: DestiMetrics, Truist Securities Research

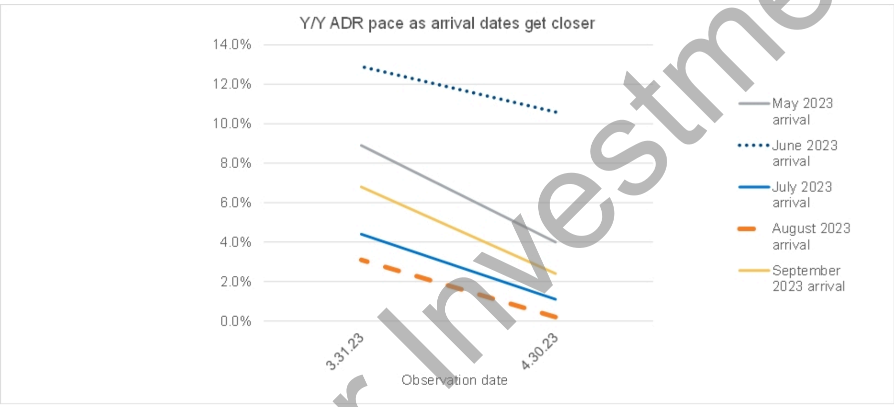
Our observations on forward ADR for hotels at western US ski resorts:
- We see pricing growth remaining well ahead of 2019 levels although only slightly up y/y and with pricing decelerating as arrival dates get closer. **ADR growth has now slipped to flattish-to-slightly up y/y for Summer from up mid-single-digits observed in March.** We view the focus of hoteliers trying to improve the deeply challenged occupancy by taking down price growth:

Exhibit 5:



Source: DestiMetrics, Truist Securities Research

Exhibit 6:

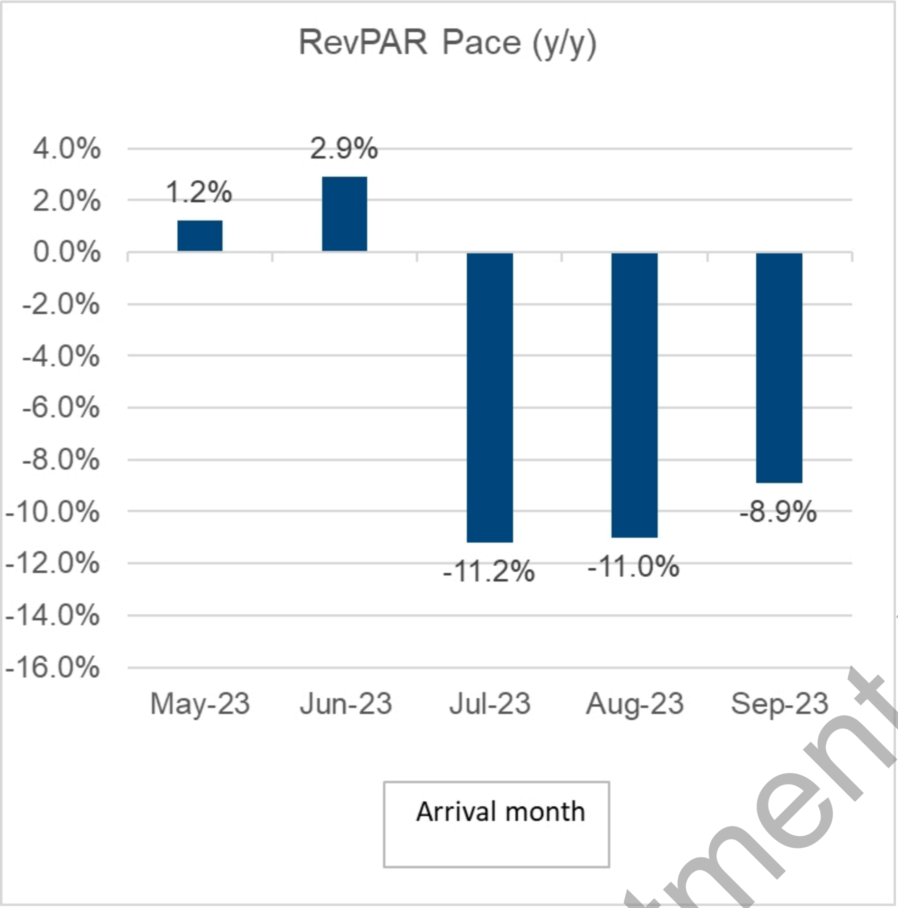


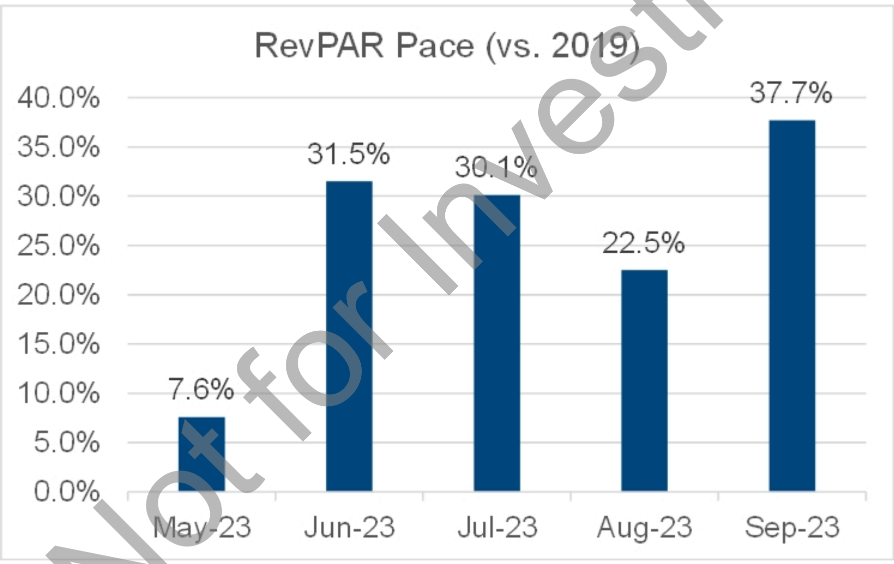
Source: DestiMetrics, Truist Securities Research

Putting the above occupancy and ADR observations together, our observations on how forward RevPAR at western US ski resorts is tracking:

- With deeply negative y/y occupancy declines combined with ADR growth flattish to slightly up, RevPAR looks challenged into the summer on a y/y basis. While RevPAR vs. 2019 remains well ahead, as hoteliers face rising operating costs from several dynamics (see our linked Hotel P&L Analyzer note for detail), profit margins will likely be down for many resorts in Summer 2023.

Exhibit 7:



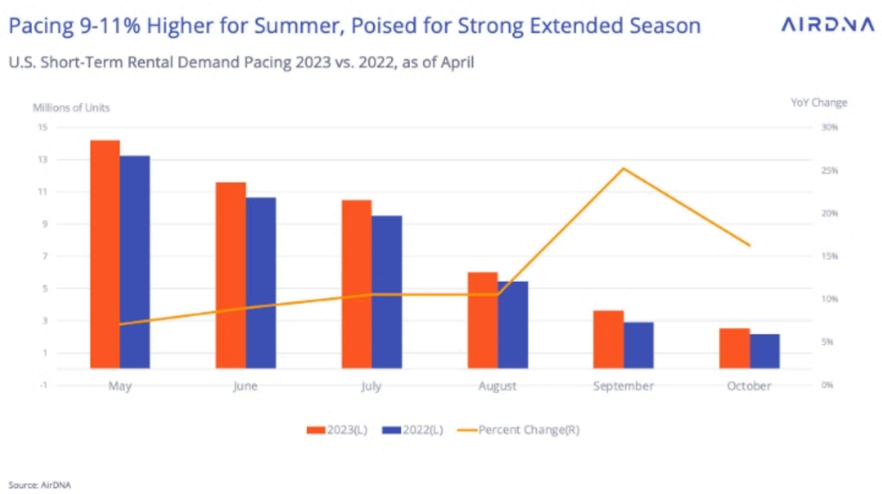


Source: DestiMetrics, Truist Securities Research

Next, we review mass-market leisure through short-term rental (STR) data both given our research coverage of Airbnb (ABNB, Hold), short term rental's negative impact on hotel occupancy and to an extent room rates, and as an indicator for general hotel leisure travel trends.

On the demand front, data from Airdna suggests demand pacing roughly 10 points higher y/y for summer STRs, similar to levels earlier this year. In an April update published recently, Airdna noted "strong indicators that the 2023 summer travel season will be the biggest yet for the STR market." That said, given the tremendous amount of new STR supply coming on, that demand is being diluted amongst more properties, resulting in same-store occupancy being negative y/y.

Exhibit 8:



Source: Airdna

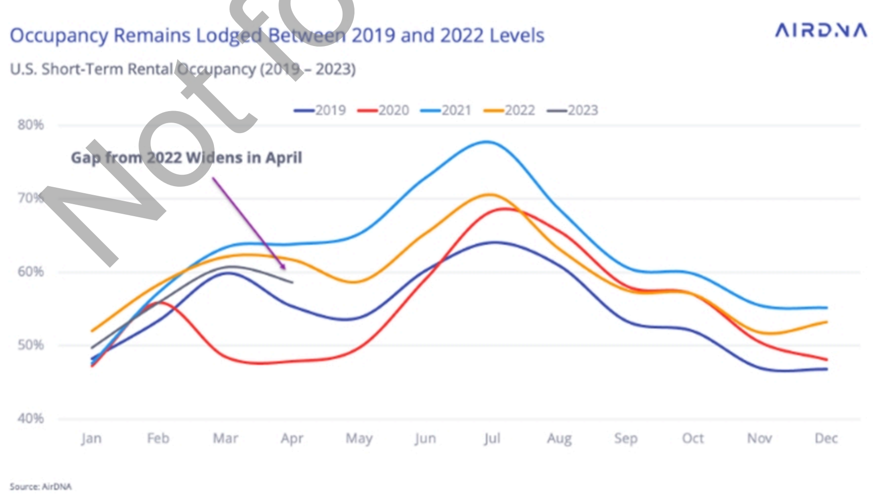
STR supply is pressuring occupancy. We believe one of the pressures on hotel occupancy for the leisure segment is coming from substantial new supply from Airbnb and other short term rentals. Overall U.S. STR supply was up approx. 19% y/y in April per Airdna data. Specifically for Destination Resort-Coastal and Mountains/Lake properties, supply was up approx. 11% and 18% y/y, respectively.

Exhibit 9:

Source: Airdna

Subsequently, while overall STR demand is up y/y, occupancy is down y/y as that demand is being diluted amongst more properties for rent:

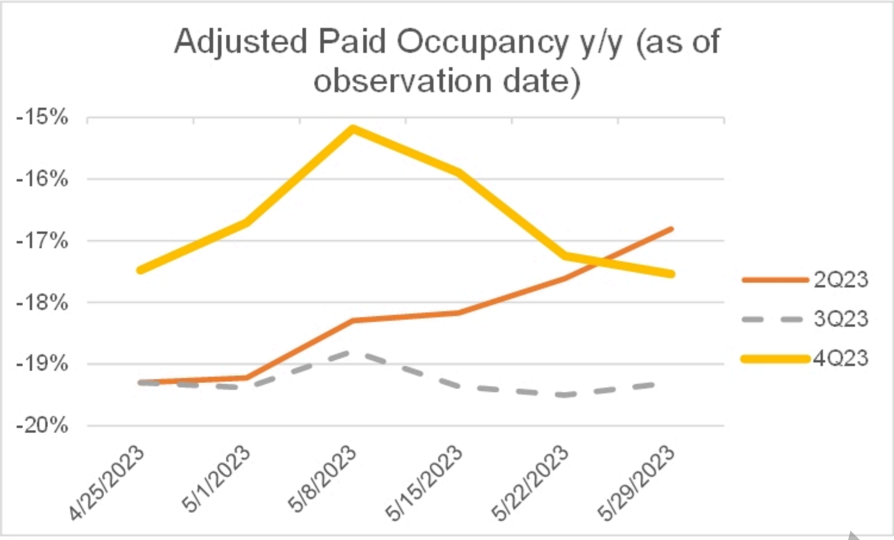
Exhibit 10:



Source: Airdna

Finally, we wrap our leisure discussion with analysis from Key Data. Our data set tracks bookings and pricing on thousands of U.S. condos and resorts and we view Key Data having about six months of forward visibility. In our review of Key Data, we see ADR up low-single digits but occupancy on the books extremely soft. Additionally, not dissimilar to our observations on western U.S. ski resort hotels, we have begun to see decelerating trends in ADR, likely driven by substantial pressure on occupancy.

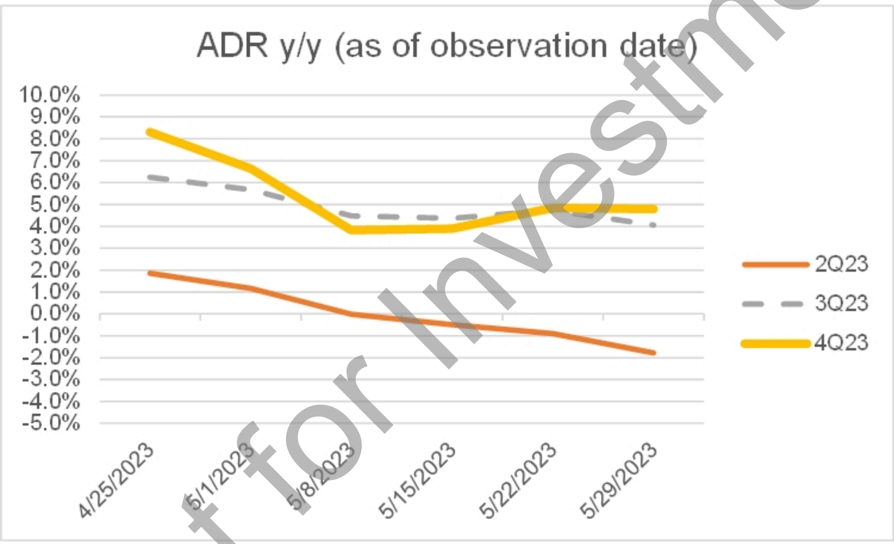
Exhibit 11:



Source: Key Data, Truist Securities Research

- For ADR, the ADR progression is shifting downward closer to the arrival date (especially 2Q as a better gauge than 4Q). ADR is running flattish to up mid-single digits y/y.

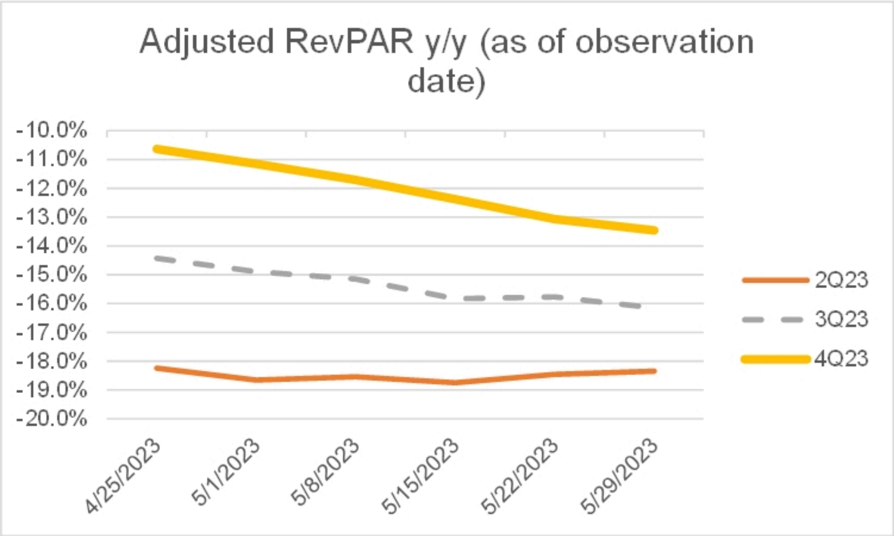
Exhibit 12:



Source: Key Data, Truist Securities Research

- Combining the above for RevPAR, trends suggest low double-digit y/y declines driven by reduced occupancy.

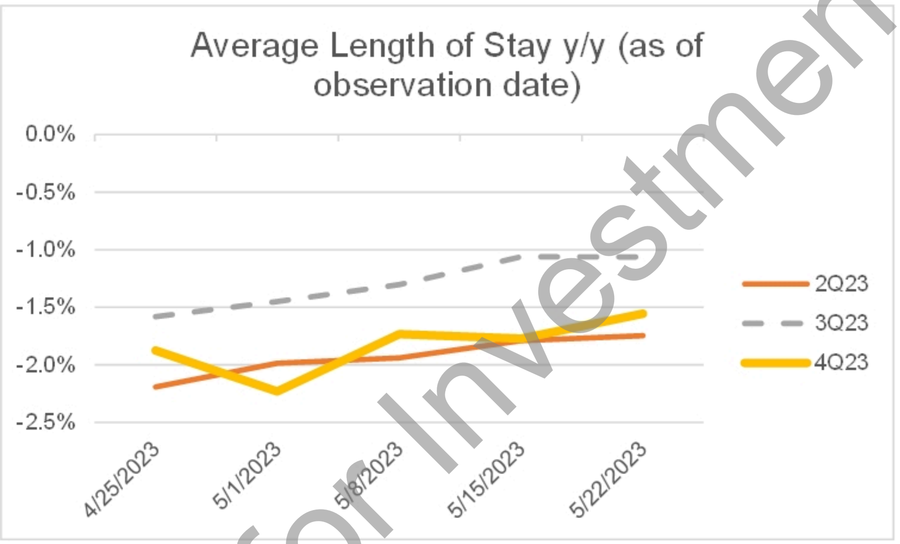
Exhibit 13:



Source: Key Data, Truist Securities Research

- **We also analyze length of stay from Key Data.** We are not terribly surprised to see length of stay compress in 2023 versus 2022 with less remote work combined with the higher cost of travel. That said, the average length of stay is modestly down y/y suggesting still a healthy degree of work/leisure flexibility for longer vacations.

Exhibit 14:



Source: Key Data, Truist Securities Research

Exhibit 15:

Segmentation By Company

Lodging REITS	Transient Corporate*	Transient Leisure	Group
DRH	35%	35%	30%
HST	40%	25%	35%
PEB	35%	40%	25%
PK	35%	35%	30%
RHP	5%	25%	70%
RLJ	55%	25%	20%
SHO	35%	30%	35%

C-corps	Transient Corporate*	Transient Leisure	Group
CHH	45%	45%	10%
H	20%	50%	30%
HLT	50%	20%	30%
MAR	50%	30%	20%
WH	30%	70%	less than 1%

Experiential Leisure	Transient Corporate	Transient Leisure	Group
MTN	0%	95%	5%
PLYA**	0%	90%	10%

Cruise Lines	Transient Corporate	Transient Leisure	Group
CCL	0%	100%	0%
NCLH	0%	100%	0%
RCL	0%	100%	0%

Vacation Ownership	Transient Corporate	Transient Leisure	Group
BVH	0%	100%	0%
HGV	0%	100%	0%
TNL	0%	100%	0%
VAC	0%	100%	0%

Source: Company reports, Truist Securities Research

Companies Mentioned in This Note

Airbnb, Inc. (ABNB, $109.77, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, $107.48, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, $16.60, Hold, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, $13.56, Hold, Gregory Miller)
Playa Hotels & Resorts N.V. (PLYA, $8.89, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, $91.73, Buy, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, $9.87, Hold, 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.

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 06/01/2023):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	**Count**	**Percent**	**Rating**	**Count**	**Percent**
Buy	469	64.69%	Buy	73	15.57%
Hold	250	34.48%	Hold	34	13.60%
Sell	6	0.83%	Sell	1	16.67%

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

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