



Lodging - US RevPAR +2.8% Y/Y Last Week; Fairly clean comp ex-hurricane markets

U.S. branded hotels ~ +1.5% about as expected (low occupancy holiday week)

What's Incremental To Our View

Overall U.S. RevPAR was +2.8% Y/Y for the week ending 11/24/2018, per STR, slightly lower than the prior week's result of +3.1%. (2-year stacked RevPAR was +6.7% vs. +5.7% in the prior week.) Independent hotels (about 1/3rd of the data set) were +5.4% y/y. Luxury (+5.5%) was the strongest chain scale for branded hotels; Upscale was the weakest at -0.5%. Upper Midscale (+1.4%) underperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (+4.7% vs. +1.8% prior week) was stronger than Transient (+2.3% vs. +4.6% prior week).

On the low occupancy Thanksgiving week, results were largely as expected last week with U.S. branded hotels ~ +1.5%. While Group RevPAR was moderately strong at +4.7%, Upper Upscale was relatively soft at +0.8% given the holiday week and light business travel. We believe some group demand may be driven by SMERFE (non corporate) groups. Transient leisure appears to once again be the strongest segment given Luxury and Independent outperformance. Day of week RevPAR was relatively consistent most of the week (~ +2-3.5%).

Due to the hurricane comparisons, we anticipate continued choppiness of the data for at least the next few weeks followed by a continued harder comp for the 2017 hurricane markets for the next several months.

For the month of November, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, Buy], Hyatt [H, Hold], or Marriott [MAR, Hold] hotel) will finish at approximately +0-1%. We estimate that the overall industry will finish approximately +1-2%. Please note that reported monthly results include hotels that are not in the weekly data set.

RevPAR details:

- **Luxury was the strongest chain scale.** Upper Midscale and Upscale underperformed by 410 bps and 330 bps, respectively: Luxury RevPAR (+5.5%), Upper Upscale (+0.8%), Upscale (-0.5%), Upper Midscale (+1.4%), Midscale (+2.2%), and Economy (+2.1%). Independent hotels (+5.4%) outperformed headline U.S. RevPAR.

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What's Inside

Weekly STR results and analysis

- **Within Upper Upscale & Luxury class hotels, Group was stronger than Transient:** Transient segment (individual business and leisure travelers) RevPAR was +2.3% (vs. +4.6% last week) and Group segment RevPAR was +4.7% (vs. +1.8% last week).
- **Boston (+14.6%) was the strongest of the top five markets:** Chicago (-0.2%), LA (+7.2%), NYC (+4.9%), and DC (-3.9%).
- **Other relevant markets:**
 - **San Francisco was very negative:** RevPAR was -12.7% vs. +5.8% last week.
 - **Texas results were down (y/y hurricane comps):** Dallas RevPAR was -3.9% (vs. +1.2% last week). Houston RevPAR was -30.8% (vs. -23.3% last week).
 - **Hurricane-impacted markets in FL were mixed:** Miami (+1.0% vs. -2.2% last week); Orlando (-1.5% vs. +3.8% last week).

The stocks: We continue to favor C-Corps over hotel REITs (we favored hotel REITs for the first half of this year). **In an environment of low RevPAR growth combined with gradually increasing wages/margin pressures, returns for hotel owners is a major headwind to EBITDA growth.** Hotel stocks, but especially hotel REIT stocks, typically work best when there is a spark to RevPAR growth and at this moment we are not seeing such a spark like we did earlier in the year. **We are more favorable on other sectors at the moment, namely cruise lines.**

- For the C-Corps, HLT (Buy) and [Playa Hotels](#) (PLYA, Buy) are among some of our favorites and for the hotel REITs, given its opportunities for self-help margin improvement, we prefer Buy-rated Park Hotels & Resorts (PK, Buy). For the rest of the hotel REITs, following the first half outperformance, we struggle to derive any material upside potential to the stocks even when running pro-forma targets with 5% higher EBITDA and giving valuation multiple expansion.
- The (relatively) good news for the hotel REITs is that historically 10 (or less) years into an economic cycle these were stocks that "crashed & burned". At this juncture in our RevPAR intelligence there is nothing to suggest a late cycle "crash & burn" scenario is on the horizon over the next year. Additionally for the hotel REITs, we do not see dividend cuts on the horizon and for 2019 many are heavily exposed to what will likely be the strongest market in the country (San Francisco).

Weekly RevPAR Summary

YoY % change in RevPAR													
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
9/22/2018	-2.3%	-7.4%	-3.5%	-2.4%	-2.8%	-1.6%	0.0%	-1.7%	-18.7%	0.9%	-0.1%	3.5%	-6.2%
9/29/2018	9.1%	26.5%	10.6%	6.9%	3.4%	2.5%	3.5%	10.3%	31.3%	6.4%	9.5%	19.3%	7.6%
10/6/2018	1.5%	5.9%	1.6%	0.1%	-1.5%	-0.9%	0.7%	2.6%	11.7%	7.2%	-3.4%	3.3%	-0.7%
10/13/2018	0.8%	-1.2%	-0.2%	-0.4%	-0.4%	1.5%	1.4%	2.1%	3.4%	6.5%	3.2%	3.0%	-17.0%
10/20/2018	3.6%	4.8%	2.5%	2.2%	1.7%	2.9%	2.0%	5.3%	3.0%	8.8%	7.3%	11.6%	-9.2%
10/27/2018	5.2%	6.4%	4.4%	3.2%	3.0%	3.3%	3.8%	7.7%	5.9%	11.6%	1.6%	21.7%	0.3%
11/3/2018	-0.1%	-2.1%	-2.6%	-3.8%	-0.5%	1.7%	1.4%	3.3%	-0.4%	18.6%	-3.1%	-0.1%	-8.3%
11/10/2018	1.6%	2.2%	-0.4%	-0.4%	0.2%	3.0%	1.3%	4.0%	2.9%	15.7%	3.7%	-9.6%	-1.5%
11/17/2018	3.1%	7.2%	1.3%	0.0%	0.0%	1.7%	2.2%	7.0%	7.7%	21.5%	8.9%	4.8%	-8.4%
11/24/2018	2.8%	5.5%	0.8%	-0.5%	1.4%	2.2%	2.1%	5.4%	4.9%	14.6%	7.2%	-0.2%	-3.9%

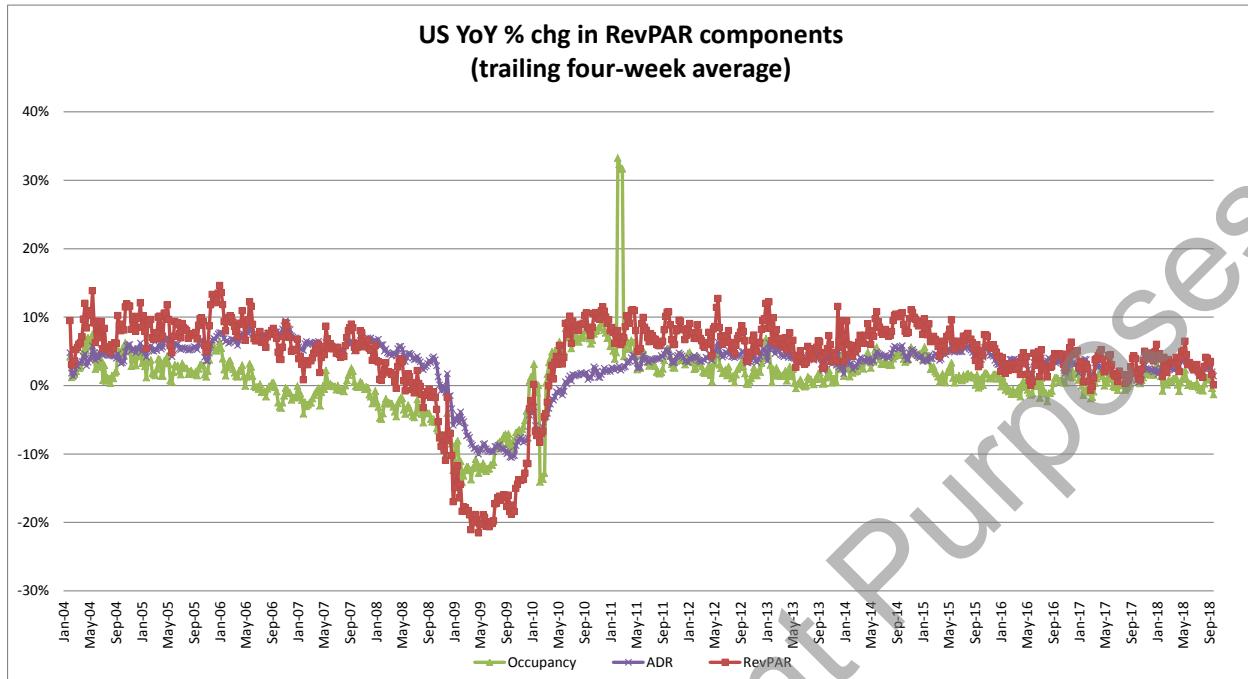
Generally clean comp ex-hurricane markets				Luxury and Midscale led the industry					Boston and LA led the Top 5 markets				
1Q15	8.0%	6.3%	6.0%	7.0%	8.5%	8.8%	9.2%	8.9%	-4.3%	13.8%	7.7%	11.4%	6.3%
2Q15	6.5%	5.5%	5.4%	5.9%	6.3%	6.6%	6.7%	7.1%	-1.8%	7.1%	7.4%	11.0%	11.7%
3Q15	5.9%	4.4%	4.0%	5.7%	5.7%	6.4%	6.1%	6.8%	0.6%	7.1%	11.1%	5.1%	0.3%
4Q15	4.8%	2.7%	3.8%	4.2%	4.9%	3.7%	4.4%	5.9%	-2.0%	5.3%	8.3%	1.4%	2.1%
1Q16	2.7%	1.6%	1.9%	2.2%	2.0%	0.0%	1.8%	4.0%	-1.2%	-3.0%	16.6%	-4.8%	3.1%
2Q16	3.5%	0.8%	2.9%	3.1%	3.2%	3.2%	3.0%	4.2%	-4.5%	1.5%	11.1%	-1.0%	3.5%
3Q16	3.3%	1.5%	2.5%	2.0%	1.8%	2.5%	3.0%	5.1%	-2.5%	-0.5%	9.3%	1.2%	5.5%
4Q16	3.2%	1.9%	0.6%	1.2%	2.2%	3.9%	4.4%	5.1%	0.9%	-1.6%	6.9%	3.3%	8.0%
1Q17	3.4%	2.1%	3.0%	1.0%	2.4%	3.5%	2.6%	5.2%	-1.3%	-1.1%	-2.5%	1.5%	16.1%
2Q17	2.7%	2.3%	0.6%	0.6%	1.2%	2.4%	3.7%	5.1%	0.2%	4.4%	3.6%	0.8%	0.8%
3Q17	1.9%	0.5%	-0.7%	0.7%	1.8%	3.5%	2.9%	3.1%	-0.9%	-0.2%	-1.2%	-5.0%	-0.6%
4Q17	4.2%	4.5%	3.2%	3.8%	3.9%	3.7%	3.7%	4.1%	0.8%	3.7%	4.2%	-2.5%	2.2%
1Q18	3.5%	6.6%	0.9%	2.2%	3.0%	3.8%	5.3%	3.8%	7.1%	2.6%	2.7%	5.8%	-11.0%
2Q18	4.0%	4.9%	3.4%	2.8%	3.0%	4.1%	3.1%	4.6%	4.2%	-1.2%	0.6%	4.0%	3.1%
3Q18	1.7%	3.3%	1.9%	0.8%	-0.5%	0.1%	1.8%	2.2%	0.7%	2.8%	1.3%	7.5%	-3.4%

	YoY % change in ADR												
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
9/22/2018	0.0%	-3.3%	-0.1%	0.5%	0.6%	0.8%	0.5%	0.0%	-15.8%	0.3%	0.7%	3.7%	-1.7%
9/29/2018	7.3%	18.1%	8.1%	5.3%	3.5%	2.3%	2.6%	7.7%	25.5%	3.5%	5.6%	10.4%	4.0%
10/6/2018	2.4%	4.7%	1.9%	1.7%	1.1%	0.9%	0.6%	2.9%	7.5%	3.0%	-1.1%	2.3%	-0.6%
10/13/2018	1.6%	1.0%	1.8%	1.5%	1.2%	1.0%	0.7%	2.3%	2.9%	3.8%	3.6%	3.9%	-12.5%
10/20/2018	3.2%	5.0%	3.2%	2.9%	2.2%	1.8%	1.1%	4.0%	2.9%	4.0%	4.6%	8.1%	-6.5%
10/27/2018	4.0%	5.2%	4.9%	3.2%	2.5%	1.6%	2.0%	5.1%	4.3%	8.3%	1.2%	14.1%	-1.2%
11/3/2018	0.7%	0.2%	0.3%	-0.8%	1.0%	1.2%	0.9%	2.3%	-0.9%	9.2%	-1.6%	0.8%	-3.8%
11/10/2018	1.0%	2.2%	0.5%	0.4%	0.4%	1.6%	0.5%	1.6%	2.5%	4.9%	2.6%	-2.9%	-2.1%
11/17/2018	2.5%	6.7%	2.8%	1.7%	0.9%	1.0%	0.4%	3.6%	5.4%	10.8%	5.2%	3.3%	-4.0%
11/24/2018	2.1%	7.6%	2.1%	1.7%	1.3%	0.8%	0.3%	2.5%	5.1%	7.4%	4.3%	0.3%	0.3%
1Q15	4.7%	5.8%	4.7%	5.2%	4.7%	4.7%	5.5%	4.7%	-4.1%	7.3%	6.5%	7.1%	1.7%
2Q15	4.8%	4.9%	4.8%	5.3%	4.6%	4.3%	5.4%	4.6%	-1.5%	6.8%	7.1%	9.2%	7.9%
3Q15	4.5%	3.7%	3.6%	5.2%	4.4%	4.6%	5.0%	4.6%	0.3%	7.4%	9.6%	5.3%	-0.1%
4Q15	3.6%	2.3%	3.0%	3.9%	3.5%	3.0%	4.2%	3.8%	-2.3%	3.9%	6.1%	2.3%	1.0%
1Q16	3.2%	1.9%	2.7%	3.2%	2.6%	1.7%	3.3%	3.7%	-3.1%	1.4%	11.3%	-1.9%	1.1%
2Q16	2.9%	1.5%	2.2%	2.9%	2.8%	2.7%	3.4%	3.0%	-3.1%	3.3%	9.4%	0.3%	2.1%
3Q16	3.4%	1.5%	2.5%	2.7%	2.4%	3.1%	3.6%	4.4%	-2.7%	2.3%	7.5%	1.9%	3.5%
4Q16	2.6%	2.1%	1.4%	2.2%	2.0%	2.2%	3.2%	3.8%	-1.2%	1.3%	5.8%	3.9%	4.1%
1Q17	2.5%	2.3%	2.4%	1.3%	1.6%	1.8%	2.4%	3.5%	-2.2%	0.0%	-0.2%	1.7%	13.6%
2Q17	2.2%	2.2%	1.2%	1.7%	1.5%	2.1%	2.3%	3.5%	-1.5%	4.1%	2.8%	1.5%	2.0%
3Q17	1.4%	1.4%	0.2%	0.8%	1.2%	1.9%	2.4%	2.2%	-2.0%	0.8%	1.8%	-2.4%	0.0%
4Q17	2.4%	2.2%	1.9%	1.8%	1.8%	2.5%	3.4%	2.1%	-0.2%	0.8%	4.6%	-2.0%	2.4%
1Q18	2.5%	4.5%	1.0%	1.7%	2.0%	3.0%	4.0%	3.1%	3.5%	-1.0%	4.0%	1.4%	-9.4%
2Q18	2.9%	3.5%	2.9%	2.4%	2.1%	2.6%	2.7%	3.1%	3.7%	-0.1%	2.1%	3.3%	2.4%
3Q18	2.1%	3.3%	2.4%	1.8%	1.2%	1.3%	1.2%	1.9%	1.2%	1.9%	1.1%	6.7%	-0.8%

YoY % change in Occupancy													
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
9/22/2018	-2.3%	-4.2%	-3.4%	-2.6%	-3.3%	-2.4%	-0.5%	-1.7%	-3.4%	0.6%	-0.8%	-0.1%	-4.5%
9/29/2018	1.7%	7.1%	2.4%	1.6%	-0.1%	0.2%	0.8%	2.4%	4.7%	2.9%	3.8%	8.1%	3.5%
10/6/2018	-0.9%	1.1%	-0.4%	-1.6%	-2.6%	-1.7%	0.2%	-0.3%	3.8%	4.1%	-2.3%	0.9%	-0.2%
10/13/2018	-0.7%	-2.2%	-2.0%	-1.8%	-1.6%	0.5%	0.7%	-0.2%	0.5%	2.6%	-0.4%	-0.8%	-5.1%
10/20/2018	0.4%	-0.1%	-0.7%	-0.6%	-0.5%	1.0%	0.9%	1.2%	0.1%	4.6%	2.6%	3.3%	-2.8%
10/27/2018	1.2%	1.2%	-0.5%	0.1%	0.4%	1.6%	1.7%	2.5%	1.5%	3.0%	0.4%	6.7%	1.5%
11/3/2018	-0.7%	-2.2%	-2.8%	-3.0%	-1.4%	0.6%	0.5%	0.9%	-99.0%	-98.9%	-99.0%	-99.0%	-99.0%
11/10/2018	0.7%	0.0%	-0.9%	-0.8%	-0.2%	1.3%	0.8%	2.4%	0.4%	10.3%	1.1%	-6.9%	0.7%
11/17/2018	0.6%	0.4%	-1.5%	-1.7%	-0.9%	0.7%	1.8%	3.3%	2.3%	9.7%	3.6%	1.5%	-4.7%
11/24/2018	0.7%	-2.0%	-1.2%	-2.1%	0.1%	1.4%	1.8%	2.8%	-0.2%	6.7%	2.8%	-0.6%	-4.2%
1Q15	3.1%	0.5%	1.3%	1.7%	3.6%	3.9%	3.5%	4.0%	-0.2%	6.1%	1.1%	4.0%	4.6%
2Q15	1.6%	0.6%	0.5%	0.6%	1.7%	2.2%	1.3%	2.3%	-0.3%	0.3%	0.3%	1.7%	3.5%
3Q15	1.4%	0.6%	0.4%	0.5%	1.3%	1.8%	1.0%	2.1%	0.2%	-0.3%	1.3%	-0.1%	0.4%
4Q15	1.2%	0.4%	0.8%	0.2%	1.3%	0.6%	0.2%	2.1%	0.3%	1.4%	2.0%	-0.9%	1.1%
1Q16	-0.5%	-0.3%	-0.8%	-0.9%	-0.6%	-1.7%	-1.5%	0.3%	2.0%	-4.3%	4.7%	-3.0%	2.0%
2Q16	0.6%	-0.7%	0.7%	0.2%	0.4%	0.5%	-0.4%	1.2%	-1.4%	-1.7%	1.5%	-1.4%	1.3%
3Q16	0.0%	0.0%	-0.1%	-0.6%	-0.6%	-0.6%	-0.6%	0.7%	0.3%	-2.8%	1.7%	-0.7%	1.9%
4Q16	0.6%	-0.2%	-0.8%	-1.0%	0.2%	1.7%	1.2%	1.2%	2.2%	-2.8%	1.0%	-0.5%	3.7%
1Q17	0.9%	-0.2%	0.6%	-0.3%	0.7%	1.6%	0.2%	1.6%	1.0%	-1.1%	-2.4%	-0.2%	2.2%
2Q17	0.5%	0.1%	-0.6%	-1.1%	-0.3%	0.4%	1.4%	1.6%	1.7%	0.3%	0.8%	-0.7%	-1.2%
3Q17	0.5%	-0.9%	-0.9%	-0.1%	0.6%	1.6%	0.5%	0.9%	1.1%	-1.0%	-2.9%	-2.7%	-0.5%
4Q17	1.8%	2.2%	1.3%	2.0%	2.1%	1.2%	0.3%	2.0%	1.0%	2.8%	-0.3%	-0.5%	-0.2%
1Q18	0.9%	2.1%	0.0%	0.5%	1.1%	0.9%	1.3%	0.7%	3.5%	3.7%	-1.3%	4.4%	-1.8%
2Q18	1.1%	1.3%	0.5%	0.4%	0.9%	1.5%	0.4%	1.5%	0.5%	-1.1%	-1.4%	0.7%	0.7%
3Q18	-0.4%	0.0%	-0.5%	-1.0%	-1.7%	-1.1%	0.5%	0.3%	-0.5%	0.9%	0.2%	0.7%	-2.6%

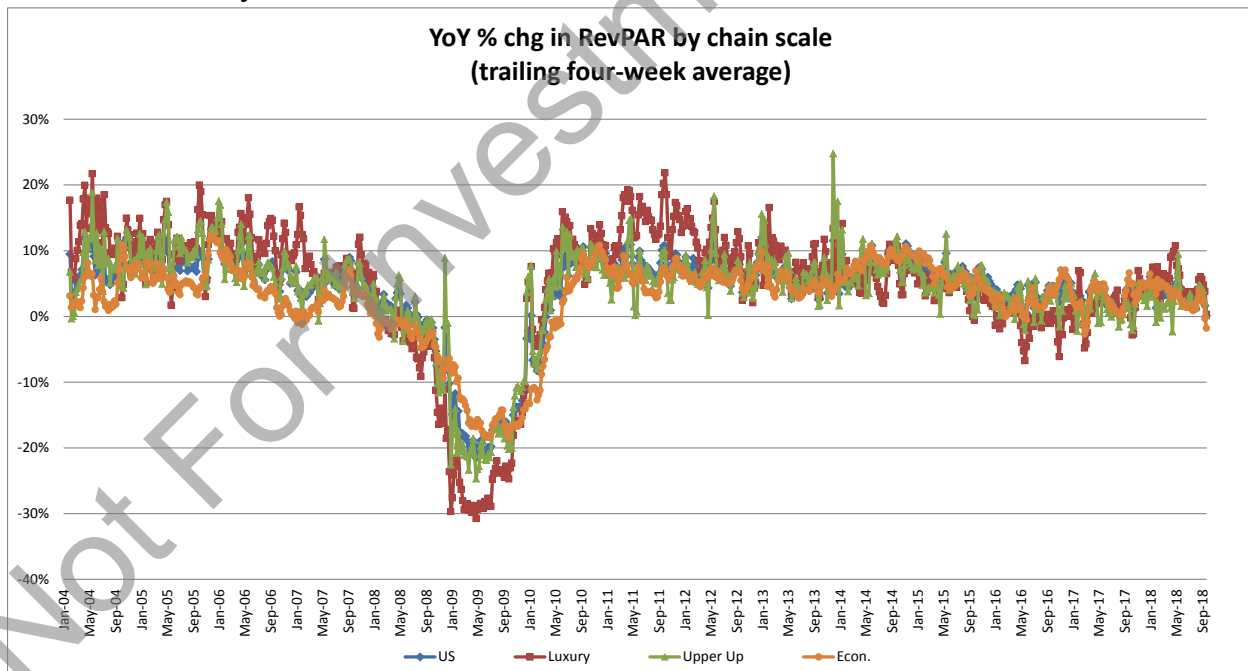
Source: STR data, STRH research

RevPAR Component Trends

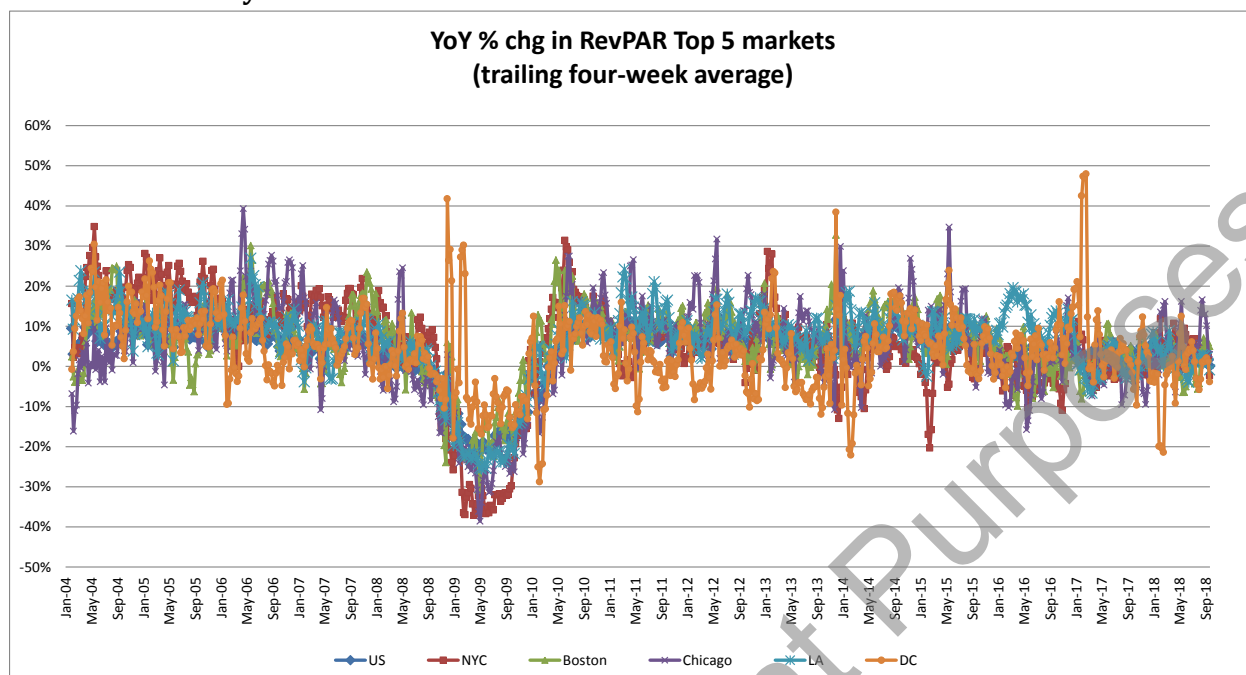


Source: STR data, STRH research

RevPAR Trends by Chain Scale



Source: STR data, STRH research

RevPAR Trends by Market

Source: STR data, STRH research

Price Target/Risks Summary

Lodging	TKR	Price 11/27/18	Rating	PT*	% upside down- side	2019E EBITDA (\$M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	\$29.02	Hold	\$27	-7%	\$187	12.0X	Upside risk: improvement in NY and Chicago markets Downside risk: softening of RevPAR trends in Boston or SF. Slowdown in real estate lending.
Choice Hotels	CHH	\$77.15	Hold	\$80	4%	\$363	14.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$10.55	Hold	\$11	4%	\$258	12.0X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: company unable to locate properties to buy.
Host Hotels & Resorts	HST	\$19.15	Hold	\$21	10%	\$1,498	12.5X	Upside risk: the company increases dividends by more than expected; NYC outperforms or is sold down at attractive multiples. Downside risk: Group underperforms. NYC hotels underperform and asset sales do not happen.
Hyatt Hotels	H	\$70.69	Hold	\$78	10%	\$797	13.3X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$14.08	Hold	\$18	28%	\$161	8.1X	Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	\$31.16	Buy	\$46	48%	\$476	11.4X	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	HLT	\$75.17	Buy	\$88	17%	\$2,267	14.9X	Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
LaSalle Hotel Properties	LHO	\$32.99	Hold	\$32	-3%	\$323	12.5X	Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.
Marriott International	MAR	\$119.97	Hold	\$125	4%	\$0	14.9X	Upside Risk: Significant U.S. macroeconomic improvement results in large recovery in transient corporate demand (and consequential >400 bps RevPAR improvement). Owned assets sell for premium prices relative to MAR expectations. Downside Risk: 2018 is a recession year in the U.S. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	\$77.96	Buy	\$130	66%	\$741	11.2X	Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	\$30.38	Buy	\$34	12%	\$779	12.5X	Downside risk: Significant supply growth and macroeconomic challenges/shocks.
Playa Hotels & Resorts	PLYA	\$7.58	Buy	\$14	85%	\$182	11.5X	Downside risk: demand shock, hurricanes, inability to complete 2021 growth initiatives, country-specific risks (emerging market portfolio) Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion.
RLJ Lodging Trust	RLJ	\$20.09	Hold	\$21	5%	\$518	11.5X	Downside risk: Significant supply growth, struggle to source deals/lower leverage, macroeconomic challenges/demand shocks.
Ryman Hospitality Properties	RHP	\$75.39	Hold	\$76	1%	\$461	12.3X	Upside risk: recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	\$15.33	Hold	\$15	-2%	\$320	12.0X	Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in Orlando and Boston Park Plaza post-meeting space expansions. Downside risk: Weaker than expected demand trends following capital investment projects.
Wyndham Destinations	WYND	\$41.69	Buy	\$62	49%	\$1,003	9.3X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	\$48.83	Buy	\$66	35%	\$657	13.0X	Downside risk: Slowdown in development opportunities. La Quinta synergies below expectations.
* All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2019 EBITDA								

Source: FactSet, STRH research

Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, \$14.08, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$77.15, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, \$29.02, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$10.55, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$70.69, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$31.16, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$75.17, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$19.15, Hold, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, \$32.99, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$119.97, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, \$30.38, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$7.58, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$75.39, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$20.09, Hold, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, \$15.33, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$77.96, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$48.83, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, \$41.69, Buy, C. Patrick Scholes)

Analyst Certification

I, C. Patrick Scholes, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

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S = Sell

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· Buy – total return $\geq$ 15% (10% for low-Beta securities)***

· Reduce – total return $\leq$ negative 10% (5% for low Beta securities)

· Neutral – total return is within the bounds above

· NR – NOT RATED, STRH does not provide equity research coverage

· CS – Coverage Suspended

*Total return (price appreciation + dividends); **Price targets are within a 12-month period, unless otherwise noted; ***Low Beta defined as securities with an average Beta of 0.8 or less, using Bloomberg's 5-year average

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