



## Lodging: US RevPAR -0.3% Y/Y Last Week; Clean comp; Occupancy decel continues

San Fran is the good news: QTD RevPAR ~ +20% y/y

### What's Incremental To Our View

Overall U.S. RevPAR was -0.3% Y/Y for the week ending 3/16/2019, per STR, relatively stronger than the prior week's result of -1.7%. (2-year stacked RevPAR was +3.7% vs +1.5% in the prior week.) Independent hotels (about 1/3rd of the data set) were +0.2% y/y. Upper Midscale and Economy (-0.2%) were the strongest chain scales for branded hotels; Luxury was the weakest at -3.8%. Midscale (-0.7%) also underperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (-1.7% vs. -7.0% prior week) was similar to Transient (-1.5% vs. +0.6% prior week).

**In what has become a recent trend, RevPAR results have softened more measurably in part from the impact of supply growth (and in some markets a continued hard comp from the 2017 hurricanes but we see the hurricane headwind increasingly dissipating).** All the chain scales were negative on occupancy except Economy (which was negative on rate). Luxury was a particular underperformer this week (see below for detail) whereas Upper Midscale was unusually one of the relatively strongest chain scales (albeit flattish on RevPAR). We would not consider the chain scale relative out/underperformance to be a trend reversal given strong supply growth in Upper Midscale **(the trends are still by and large better news for the C-corps who benefit from supply growth vs. the REITs that own hotels in particular in the select/focused-service space)**. We do not see the macro supply growth headwinds dissipating anytime soon.

**One piece of good news continues to be San Francisco.** The impact from the Moscone Convention Center's renovation and expansion has presented strong QTD RevPAR results. We estimate San Francisco is ~ +20% RevPAR QTD and much of that is rate driven which will flow very nicely to margins.

Due to the hurricane comparisons from the 2017 storms, we anticipate continued choppiness of the data in some of the most impacted major markets (Miami, Orlando, and Houston) and a generally difficult comp for these areas for the next several months.

### RevPAR details:

- **Upper Midscale and Economy were the "strongest" chain scales.** Upscale underperformed by 120 bps: Luxury RevPAR (-3.8%), Upper Upscale (-0.3%), Upscale (-1.4%), Upper Midscale (-0.2%), Midscale (-0.7%), and Economy (-0.2%). Independent hotels (+0.2%) outperformed headline U.S. RevPAR.

C. Patrick Scholes  
212-319-3915  
patrick.scholes@suntrust.com

Brian Hollenden, CFA  
212-303-1742  
brian.hollenden@suntrust.com

Gregory J. Miller  
212-303-4198  
gregory.j.miller@suntrust.com

### What's Inside

Weekly STR results and analysis

- **Within Upper Upscale & Luxury class hotels, Group was basically in-line with Transient:** Transient segment (individual business and leisure travelers) RevPAR was -1.5% (vs. +0.6% last week) and Group segment RevPAR was -1.7% (vs. -7.0% last week).
- **LA (+5.6%) was the strongest of the top five markets:** Boston (-12.6%), Chicago (-10.8%), NYC (-5.9%), and DC (-6.5%).
- **Other relevant markets:**
  - **San Francisco was up (Moscone Convention Center expansion and renovation completed):** RevPAR was +4.8% vs. +50.1% last week.
  - **Texas results were up -- Houston too! (y/y hurricane comps in Houston):** Dallas RevPAR was +0.9% (vs. -7.3% last week). Houston RevPAR was +1.2% (vs. -13.2% last week).
  - **Hurricane-impacted markets in FL were down:** Miami (-6.0% vs. -2.6% last week); Orlando (-4.6% vs. -0.4% last week).

**The stocks:** We continue to favor C-Corps over hotel REITs (we favored hotel REITs for the first half of 2018). 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 2018. **We are more favorable on other sectors at the moment, namely cruise lines.**

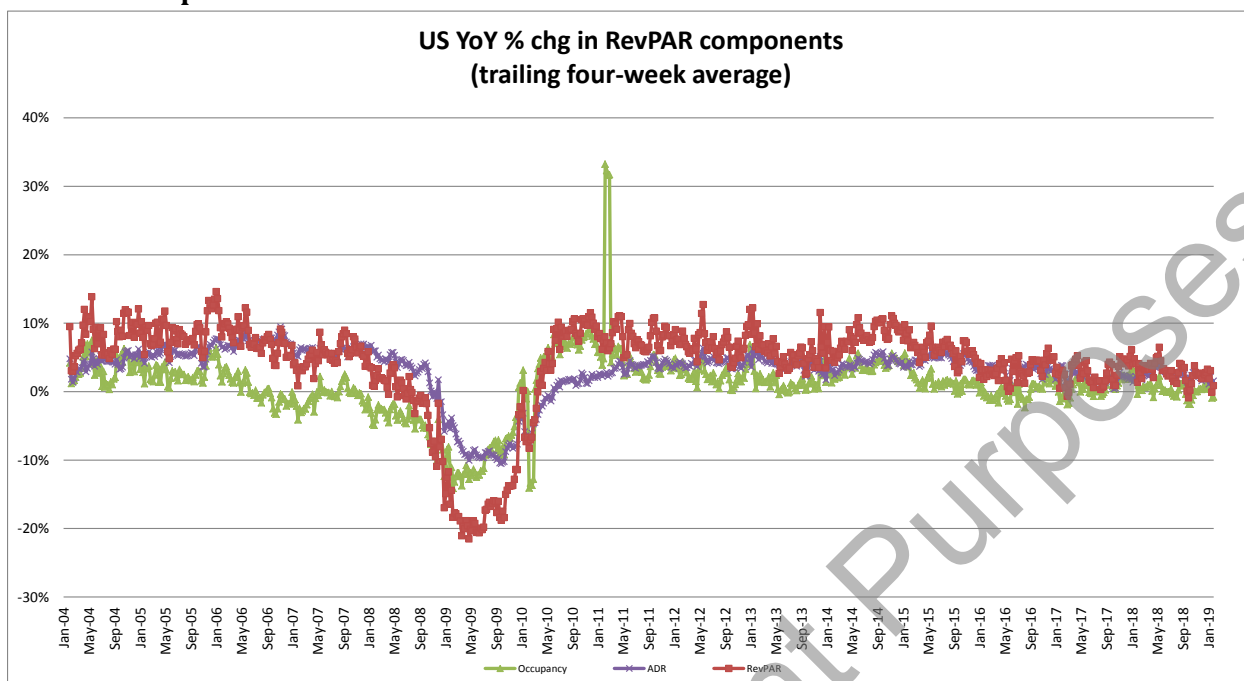


## Weekly RevPAR Summary

YoY % change in RevPAR													
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
12/29/2018	-2.3%	-4.7%	-4.0%	-3.7%	-2.0%	-2.0%	-1.3%	-0.8%	-5.3%	-7.0%	-5.2%	-0.3%	-4.2%
1/5/2019	5.2%	13.6%	0.0%	-3.2%	-2.2%	-0.6%	1.3%	15.9%	10.2%	-15.3%	-0.8%	3.5%	-9.1%
1/12/2019	-8.0%	-8.6%	-9.4%	-11.8%	-7.9%	-6.1%	-1.8%	-6.9%	-11.7%	-12.3%	-7.3%	-5.5%	-26.3%
1/19/2019	8.5%	7.3%	11.7%	6.7%	6.7%	4.5%	3.7%	9.6%	3.2%	4.1%	-1.6%	4.2%	30.7%
1/26/2019	-0.9%	-0.3%	-5.8%	-4.7%	-1.4%	-0.5%	1.8%	4.3%	-12.9%	-11.3%	-6.4%	-29.2%	-10.6%
2/2/2019	2.4%	6.4%	4.6%	-0.2%	-0.6%	-1.3%	0.1%	3.4%	-3.6%	13.0%	5.7%	-13.9%	-2.4%
2/9/2019	1.7%	5.0%	1.5%	-1.6%	-0.4%	-1.0%	0.6%	4.3%	-2.6%	4.2%	4.9%	3.1%	-3.6%
2/16/2019	3.4%	2.7%	5.7%	2.8%	3.8%	0.9%	1.3%	1.9%	-0.8%	2.7%	-4.8%	-0.9%	-1.7%
2/23/2019	0.0%	0.3%	0.0%	-2.7%	-1.8%	-3.6%	-2.7%	2.8%	-2.2%	2.2%	-3.6%	-2.8%	-6.9%
3/2/2019	0.3%	0.7%	0.2%	-1.3%	0.0%	-1.0%	-0.4%	0.6%	-5.9%	-3.5%	-3.7%	11.4%	-0.5%
3/9/2019	-1.7%	0.4%	-2.5%	-3.9%	-2.4%	-2.8%	-0.6%	-0.7%	-7.3%	-6.7%	-6.8%	-1.9%	-5.8%
3/16/2019	-0.3%	-3.8%	-0.3%	-1.4%	-0.2%	-0.7%	-0.2%	0.2%	-5.9%	-12.6%	5.6%	-10.8%	-6.5%
Clean comp; occupancy deceleration continues			Upper Midscale and Economy "led" the industry						LA and NYC led the Top 5 markets				
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%
4Q18	2.4%	3.0%	1.1%	0.0%	0.5%	1.3%	2.9%	4.9%	3.5%	12.2%	3.0%	2.8%	-3.4%
YoY % change in ADR													
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
12/29/2018	-0.5%	0.1%	-0.8%	-0.2%	-0.1%	0.2%	-0.5%	-0.4%	-3.9%	-1.2%	-4.3%	-0.7%	1.6%
1/5/2019	5.6%	14.3%	3.5%	2.0%	0.9%	0.8%	0.7%	9.9%	10.2%	-3.6%	0.5%	1.0%	-0.9%
1/12/2019	-2.3%	1.6%	0.5%	-2.5%	-1.8%	-1.7%	-1.2%	-3.2%	-3.0%	-1.7%	-1.3%	-1.1%	-7.9%
1/19/2019	3.4%	3.0%	3.9%	2.5%	2.3%	1.2%	0.8%	3.6%	2.4%	1.5%	0.1%	0.0%	11.0%
1/26/2019	-0.3%	5.1%	-0.9%	-1.4%	-0.3%	-0.6%	-0.5%	1.7%	-6.7%	-4.0%	-3.7%	-15.6%	-4.3%
2/2/2019	2.3%	7.2%	4.5%	1.2%	0.5%	-1.1%	-0.8%	2.2%	-1.9%	6.0%	4.7%	-5.4%	-0.7%
2/9/2019	1.5%	4.5%	2.3%	0.5%	0.4%	-0.3%	-0.6%	1.9%	-0.5%	2.5%	4.7%	0.4%	1.0%
2/16/2019	2.7%	3.9%	5.1%	2.8%	2.6%	0.2%	-0.2%	1.6%	0.5%	1.9%	-5.0%	-0.9%	0.7%
2/23/2019	1.7%	3.1%	1.6%	0.2%	0.9%	-0.5%	-1.2%	3.1%	-1.1%	2.1%	-0.5%	-1.2%	-1.3%
3/2/2019	1.3%	2.7%	2.0%	1.1%	1.3%	-0.1%	-0.4%	1.0%	-2.3%	1.2%	-1.9%	6.0%	5.1%
3/9/2019	0.8%	3.6%	1.5%	-0.1%	0.8%	-0.4%	-0.7%	1.0%	-4.4%	2.0%	-2.9%	-1.1%	2.7%
3/16/2019	0.6%	1.2%	1.8%	0.3%	1.0%	0.1%	-0.7%	0.4%	-3.7%	-4.0%	2.3%	-5.4%	-1.6%
1Q16	3.2%	1.9%	2.7%	3.2%	2.8%	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%
4Q18	2.0%	3.7%	2.2%	1.6%	1.1%	0.9%	0.6%	2.9%	3.4%	5.6%	1.4%	2.2%	-2.1%
YoY % change in Occupancy													
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
12/29/2018	-1.8%	-4.9%	-3.2%	-3.5%	-1.8%	-2.2%	-0.8%	-0.4%	-1.5%	-5.9%	-0.9%	0.4%	-5.7%
1/5/2019	-0.4%	-0.6%	-3.3%	-5.1%	-3.1%	-1.4%	0.6%	5.4%	0.0%	-12.1%	-1.3%	2.5%	-8.3%
1/12/2019	-5.9%	-10.0%	-9.9%	-9.5%	-6.3%	-4.5%	-0.6%	-3.9%	-9.0%	-10.7%	-6.1%	-4.4%	-20.0%
1/19/2019	5.0%	4.2%	7.6%	4.1%	4.4%	3.2%	2.8%	5.8%	0.8%	2.6%	-1.7%	4.1%	17.8%
1/26/2019	-0.6%	-5.1%	-4.9%	-3.3%	-1.2%	0.1%	2.3%	2.5%	-6.6%	-7.6%	-2.9%	-16.1%	-6.6%
2/2/2019	0.1%	-0.8%	0.1%	-1.3%	-1.1%	-0.2%	0.9%	1.2%	-1.7%	6.6%	1.0%	-9.1%	-1.7%
2/9/2019	0.2%	0.4%	-0.8%	-2.1%	-0.8%	-0.6%	1.2%	2.4%	-2.1%	1.7%	0.2%	2.7%	-4.6%
2/16/2019	0.7%	-1.2%	0.5%	0.0%	1.1%	0.7%	1.4%	0.3%	-1.2%	0.8%	0.1%	0.1%	-2.4%
2/23/2019	-1.7%	-2.7%	-1.6%	-2.9%	-2.7%	-3.2%	-1.5%	-0.2%	-1.2%	0.1%	-3.1%	-1.6%	-5.6%
3/2/2019	-1.0%	-2.0%	-1.8%	-2.3%	-1.3%	-0.9%	0.0%	-0.4%	-3.7%	-4.7%	-1.8%	5.1%	-5.4%
3/9/2019	-2.4%	-3.1%	-4.0%	-3.9%	-3.2%	-2.4%	0.1%	-1.7%	-3.1%	-8.6%	-4.1%	-0.8%	-8.2%
3/16/2019	-0.9%	-4.9%	-2.1%	-1.7%	-1.2%	-0.8%	0.4%	-0.2%	-2.2%	-9.0%	3.3%	-5.8%	-4.9%
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%
4Q18	0.4%	-0.7%	-1.1%	-1.6%	-0.6%	0.4%	2.3%	1.9%	0.1%	6.3%	1.6%	0.6%	-1.3%

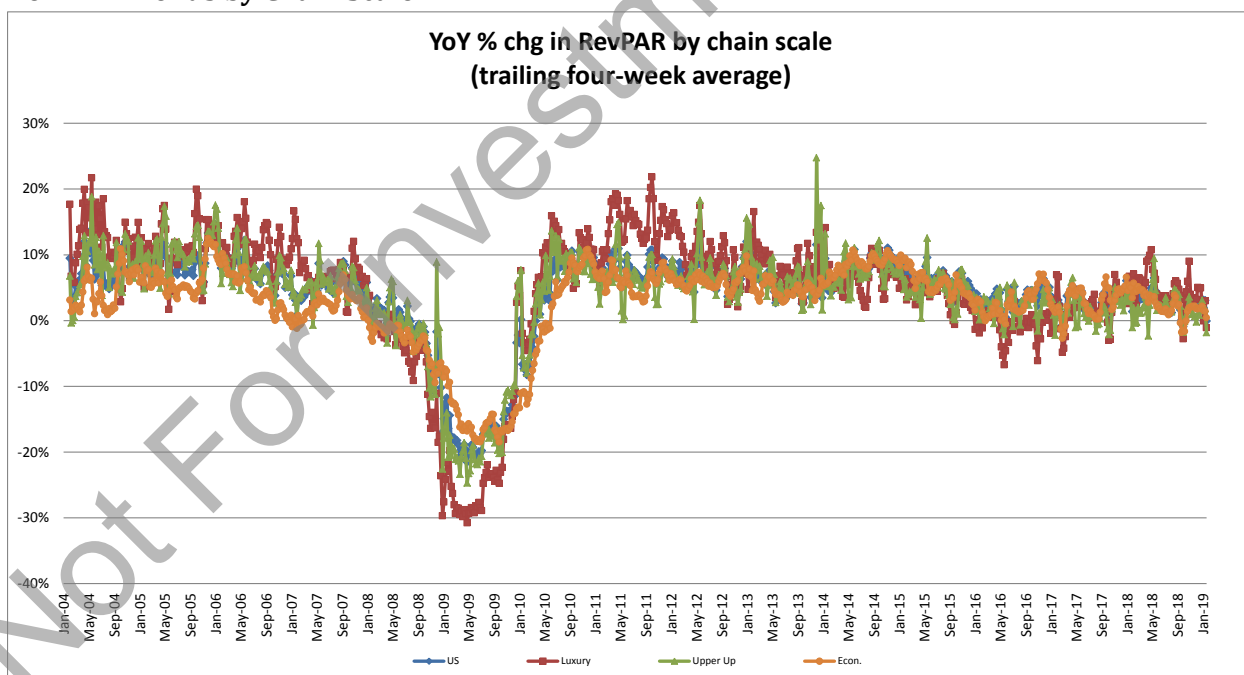
Source: STR data, STRH research

## RevPAR Component Trends



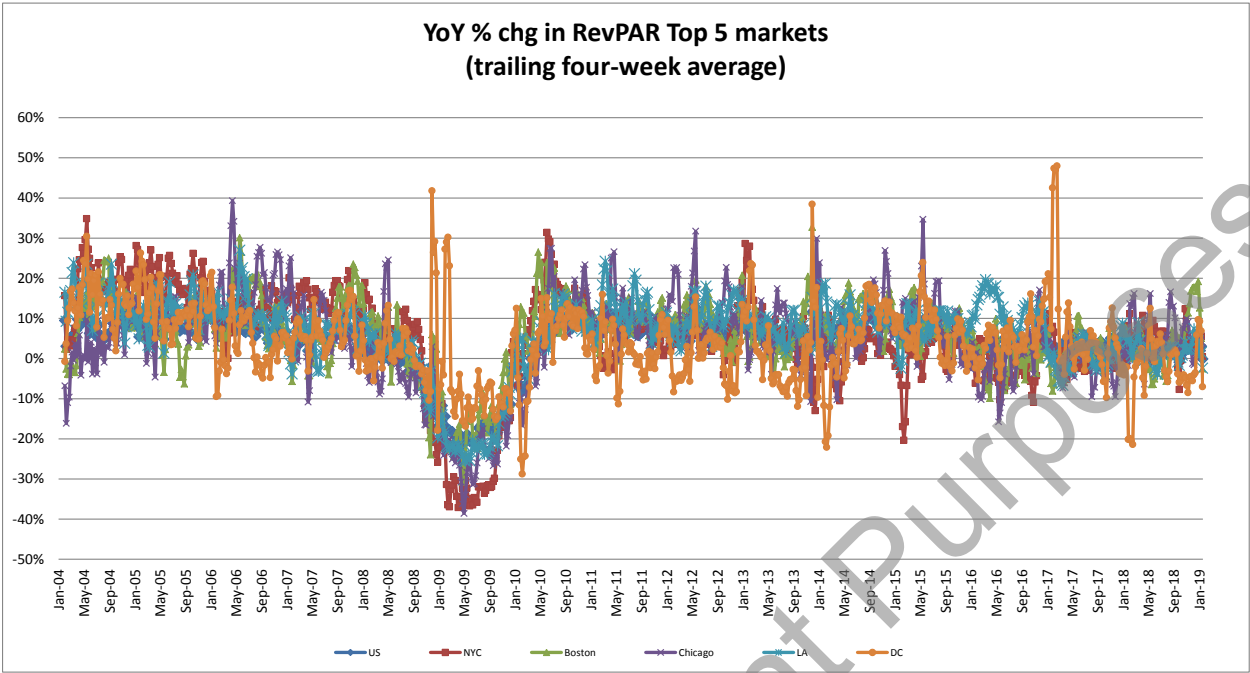
Source: STR data, STRH research

## RevPAR Trends by Chain Scale



Source: STR data, STRH research

RevPAR Trends by Market



Source: STR data, STRH research

Not For Investment Purposes

## Price Target/Risks Summary

Lodging	TKR	Price 3/19/19	Rating	PT*	% upside down- side	2020E Valuation EBITDA (\$M)* **	2020E As Reported EBITDA (\$M)*	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	\$28.76	Hold	\$26	-10%	\$182	\$182	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	\$77.91	Hold	\$87	12%	\$385	\$385	14.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$10.66	Hold	\$11	3%	\$264	\$264	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	\$19.09	Hold	\$22	15%	\$1,523	\$1,523	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	\$72.55	Hold	\$82	13%	\$808	\$845	13.1X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$16.09	Hold	\$16	-1%	\$144	\$144	7.8X	Upside risk: Accelerating tour flow, FCF generation and declining consumer defaults. Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	\$31.58	Buy	\$51	61%	\$462	\$505	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	\$85.70	Buy	\$99	16%	\$2,346	\$2,435	14.8X	Downside risk: slowing pipeline
Marriott International	MAR	\$125.75	Hold	\$137	9%	\$3,548	\$3,877	14.8X	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: 2020 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	\$95.59	Buy	\$149	56%	\$758	\$885	11.1X	Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	\$31.33	Buy	\$34	9%	\$765	\$780	12.6X	Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs.
Playa Hotels & Resorts	PLYA	\$8.17	Buy	\$13	59%	\$218	\$223	11.5X	Downside risk: demand shock, hurricanes, inability to complete 2021 growth initiatives, country-specific risks (emerging market portfolio)
RLJ Lodging Trust	RLJ	\$18.06	Hold	\$20	11%	\$492	\$504	11.6X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion. Downside risk: Significant supply growth, struggle to source deals/lower leverage, macroeconomic challenges/demand shocks.
Ryman Hospitality Properties	RHP	\$82.73	Hold	\$76	-8%	\$533	\$515	12.2X	Upside risk: recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	\$14.45	Hold	\$15	4%	\$314	\$314	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	\$41.29	Buy	\$72	74%	\$1,032	\$1,051	9.2X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	\$51.52	Buy	\$67	30%	\$642	\$664	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 2020 EBITDA

\*\* Valuation EBITDA excludes select items for specific companies including stock-based compensation.

Source: FactSet, STRH research

## Companies Mentioned in This Note

**Bluegreen Vacations Corporation** (BXG, \$16.09, Hold, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$77.91, Hold, C. Patrick Scholes)  
**Chesapeake Lodging Trust** (CHSP, \$28.76, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$10.66, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$72.55, Hold, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$31.58, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$85.70, Buy, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$19.09, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$125.75, Hold, C. Patrick Scholes)  
**Park Hotels & Resorts Inc.** (PK, \$31.33, Buy, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$8.17, Buy, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$82.73, Hold, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$18.06, Hold, C. Patrick Scholes)  
**Sunstone Hotel Investors, Inc.** (SHO, \$14.45, Hold, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$95.59, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$51.52, Buy, C. Patrick Scholes)  
**Wyndham Destinations, Inc.** (WYND, \$41.29, 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.

## 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 SunTrust Robinson Humphrey. Please see our disclosures page for more complete information at <https://suntrust.bluematrix.com/sellside/Disclosures.action>.

## STRH Ratings System for Equity Securities

### Dissemination of Research

SunTrust Robinson Humphrey (STRH) 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://suntrustlibrary.bluematrix.com/client/library.jsp>



Please email the Research Department at <mailto:STRHEquityResearchDepartment@suntrust.com> or contact your STRH sales representative.

**The rating system effective as of Oct. 7, 2016:**

**STRH Rating System for Equity Securities**

SunTrust Robinson Humphrey (STRH) 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)** – STRH does not have an investment rating or opinion on the stock

**Coverage Suspended (CS)** – indicates that STRH's rating and/or target price have been temporarily suspended due to applicable regulations and/or STRH Management discretion. The previously published rating and target price should not be relied upon

STRH 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 STRH 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

**The prior rating system until Oct. 7, 2016:**

3 designations based on total returns\* within a 12-month period\*\*

· 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



SunTrust Robinson Humphrey ratings distribution (as of 03/20/2019):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	Count	Percent	Rating	Count	Percent
Buy	464	64.00%	Buy	110	23.71%
Hold	258	35.59%	Hold	33	12.79%
Sell	3	0.41%	Sell	1	33.33%

## 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. SunTrust Robinson Humphrey, 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. The information herein is for persons residing in the United States only and is not intended for any person in any other jurisdiction.

SunTrust Robinson Humphrey, Inc.'s research is 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.

SunTrust Robinson Humphrey, Inc. is a registered broker-dealer and a member of FINRA and SIPC. It is a service mark of SunTrust Banks, Inc. SunTrust Robinson Humphrey, Inc. is owned by SunTrust Banks, Inc. ("SunTrust") and affiliated with SunTrust Investment Services, Inc. Despite this affiliation, securities recommended, offered, sold by, or held at SunTrust Robinson Humphrey, Inc. and at SunTrust 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 SunTrust Bank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. SunTrust 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://suntrust.bluematrix.com/sellside/Disclosures.action>

Please visit the STRH equity research library for current reports and the analyst roster with contact information, Link (password protected): [STRH RESEARCH LIBRARY](#)

SunTrust Robinson Humphrey, Inc., member FINRA and SIPC. SunTrust and SunTrust Robinson Humphrey are service marks of SunTrust Banks, Inc.

If you no longer wish to receive this type of communication, please request removal by sending an email to [STRHEquityResearchDepartment@SunTrust.com](mailto:STRHEquityResearchDepartment@SunTrust.com)

© SunTrust Robinson Humphrey, Inc. 2019. All rights reserved. Reproduction or quotation in whole or part without permission is forbidden.

**ADDITIONAL INFORMATION IS AVAILABLE** at our website, [www.suntrustrh.com](http://www.suntrustrh.com), or by writing to: SunTrust Robinson Humphrey, Research Department, 3333 Peachtree Road N.E., Atlanta, GA 30326-1070