Lodging: US RevPAR +5.1% Y/Y Last Week; Easy Easter calendar shift comp

Group RevPAR (+37.1%) outperformed Transient (-7.5%) last week. 1Q soft overall

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What's Inside

Weekly STR results and analysis

What's Incremental To Our View

Overall U.S. RevPAR was +5.1% Y/Y for the week ending 3/30/2019, per STR, stronger than the prior week's result of +0.4%. (2-year stacked RevPAR was +6.1% vs +6.0% in the prior week.) Independent hotels (about 1/3rd of the data set) were +1.6% y/y. Upper Upscale (+9.2%) was the strongest chain scale for branded hotels; Luxury was the weakest at -8.9%. Midscale (+6.1%) and Upper Midscale (+9.0%) outperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (+37.1% vs. -8.0% prior week) was stronger than Transient (-7.5% vs. +1.5% prior week).

Last week's results were largely reflective of an easy holiday comp and was somewhat better than we expected, given the non-holiday week in 2019 vs. the Good Friday/Easter/Passover holidays that started on the weekend of March 30, 2018. The only chain scale that was negative was Luxury (-8.9%). As expected given the holiday shift, Group RevPAR was very strong at +37.1%. The group and business oriented chain scales outperformed, led by Upper Upscale (again as expected).

As a rule of thumb when analyzing the weekly data, if Group results are abnormally strong or weak, which they were last week, there is a holiday shift going on.

- **While calculated US full-service branded hotels finished flattish for 1Q, the overall will show a slightly stronger result.**

For the Easter Calendar Shift: We believe the shift will likely be somewhat neutral to March and April. The remaining weeks:

- Week ending 4/6/19: Easy group comp; and
- Week ending 4/13/18: Difficult group comp.

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 weeks. **We believe comps are starting to become "less hard" as evidenced by the Houston trends in particular over the last few weeks, although Houston is still facing tough supply growth headwinds.**

SEE PAGE 7 FOR REQUIRED DISCLOSURE INFORMATION

For the month of March, 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 flattish (our prior estimate was "approximately flattish to down low-single-digits"). We estimate that the overall industry will finish approximately +0-1% (our prior estimate was flat to -1% per our March RevPAR Monitor). Please note that reported monthly results include hotels that are not in the weekly data set.

For 1Q, we estimate that US full-service branded domestic hotels (the typical Hilton [HLT, Buy], Hyatt [H, Hold], or Marriott [MAR, Hold] hotel) will finish flattish. We estimate that the overall industry will finish approximately +1-2% (our prior estimate was +0.5-1.5%) due to relative outperformance by Economy and Independent/non-branded hotels. By comparison during 4Q18 earnings calls:

- **Hilton**: forecasted 2019 US RevPAR growth consistent with their system-wide guidance range (+1-3%) based on expected steady fundamentals and continued pricing increases.
- **Hyatt**: forecasted 1-3% global RevPAR growth (US not broken out).
- **Marriott**: 2019 North America RevPAR growth expectation remains at +1-3%.

Last week's RevPAR details:

- **Upper Upscale was the strongest chain scale.** Upscale and Upper Midscale underperformed by 170 bps and 20 bps, respectively: Luxury RevPAR (-8.9%), Upper Upscale (+9.2%), Upscale (+7.5%), Upper Midscale (+9.0%), Midscale (+6.1%), and Economy (+2.8%). Independent hotels (+1.6%) underperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was stronger than Transient given the holiday calendar shift:** Transient segment (individual business and leisure travelers) RevPAR was -7.5% (vs. +1.5% last week) and Group segment RevPAR was +37.1% (vs. -8.0% last week).
- **DC (+25.2%) was the strongest of the top five markets:** Boston (+9.3%), Chicago (-4.2%), LA (-6.0%), and NYC (-22.9%).
- **Other relevant markets:**
    - **San Francisco was down (Moscone Convention Center expansion and renovation completed):** RevPAR was -7.6% vs. +2.5% last week.
    - **Texas results were up (y/y hurricane comps in Houston):** Dallas RevPAR was +16.7% (vs. -12.7% last week). Houston RevPAR was +8.3% (vs. -14.8% last week).
    - **Hurricane-impacted markets in FL were down:** Miami (-6.7% vs. -17.4% last week); Orlando (-6.4% vs. +9.8% 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%
3/23/2019	**0.4%**	-3.6%	-1.0%	-1.8%	0.7%	0.3%	1.2%	2.5%	-2.5%	-6.8%	1.3%	-2.3%	-16.8%
3/30/2019	**5.1%**	-8.9%	9.2%	7.5%	9.0%	6.1%	2.8%	1.6%	-22.9%	9.3%	-6.0%	-4.2%	25.2%
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%

Easy Easter calendar shift (y/y)

Upper Upscale and Upper Midscale led the industry

DC and Boston led the Top 5 markets

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%
3/23/2019	**0.2%**	-0.8%	0.8%	0.1%	1.0%	-0.3%	-0.1%	0.4%	-3.9%	-3.3%	-0.7%	-2.0%	-9.1%
3/30/2019	**0.9%**	-6.4%	4.6%	2.0%	2.4%	0.7%	0.5%	-0.8%	-16.4%	5.5%	-3.9%	-2.1%	19.7%
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%
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%

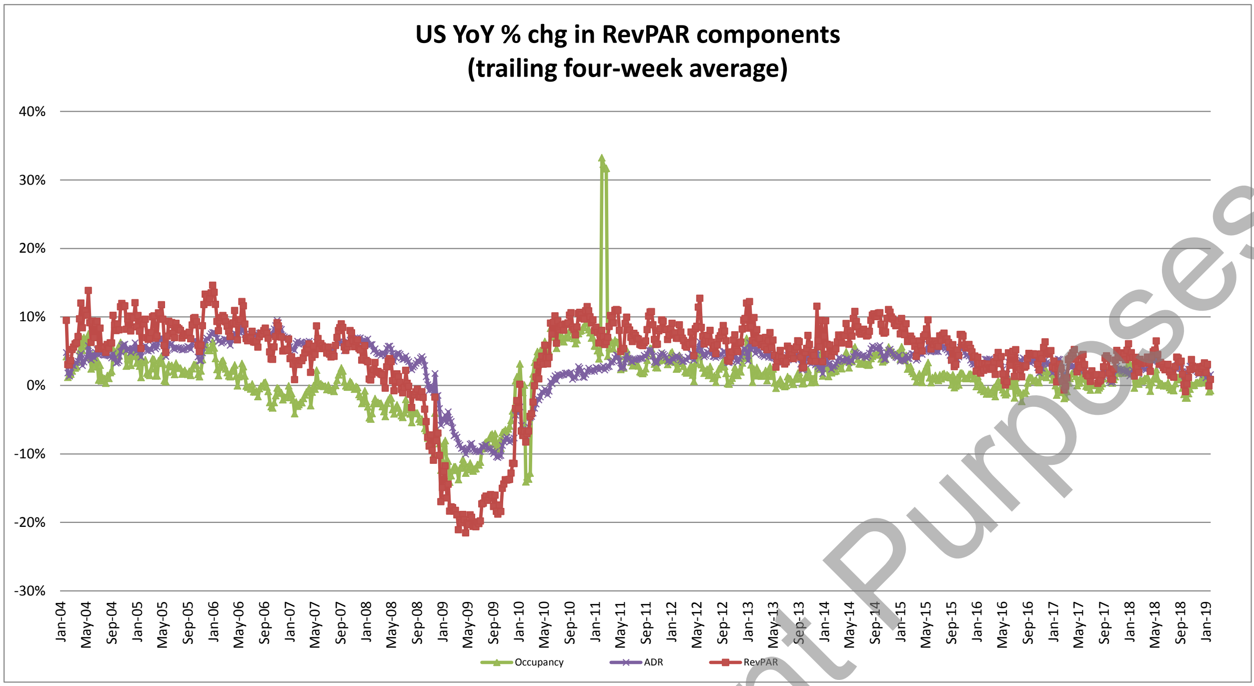
YoY % change in Occupancy

	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%
3/23/2019	**0.2%**	-2.9%	-1.8%	-1.9%	-0.3%	0.6%	1.4%	2.1%	1.5%	-3.6%	2.0%	-0.3%	-8.5%
3/30/2019	**4.2%**	-2.6%	4.5%	5.4%	6.5%	5.4%	2.3%	2.4%	-7.8%	3.7%	-2.2%	-2.1%	4.6%
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

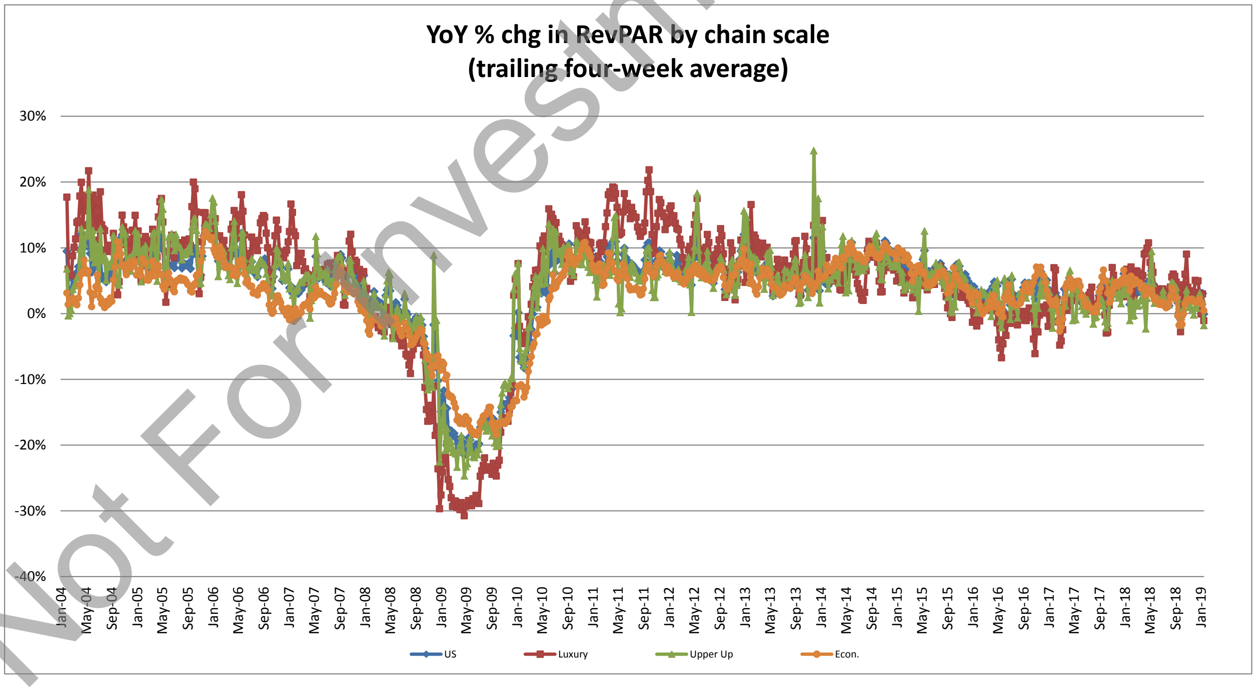
SunTrust Robinson Humphrey

RevPAR Component Trends



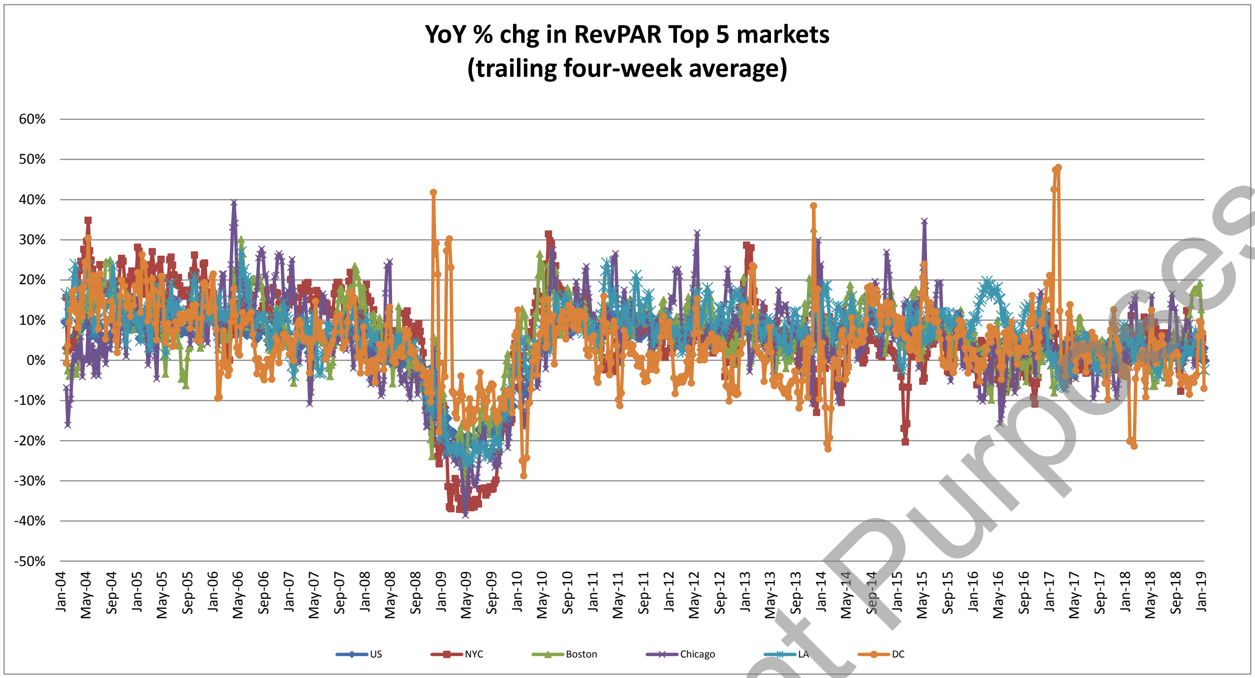
Source: STR data, STRH research

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 4/2/19	Rating	PT*	% upside down-side	2020E Valuation EBITDA ($M)* **	2020E As Reported EBITDA ($M)*	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	$28.50	Hold	$26	-9%	$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	$79.07	Hold	$87	10%	$385	$385	14.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	$10.94	Hold	$11	1%	$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	$19.44	Hold	$22	13%	$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	$74.65	Hold	$82	10%	$808	$845	13.1X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	$15.35	Hold	$16	4%	$144	$144	7.8X	Upside risk: Accelerating tour flow, FCF generation and decliining consumer defaults. Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	$31.88	Buy	$51	60%	$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	$85.04	Buy	$99	16%	$2,346	$2,435	14.8X	Downside risk: slowing pipeline
Marriott International	MAR	$128.50	Hold	$137	7%	$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	$97.26	Buy	$149	53%	$758	$885	11.1X	Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	$32.32	Buy	$34	5%	$765	$780	12.6X	Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs.
Playa Hotels & Resorts	PLYA	$7.55	Buy	$13	72%	$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	$17.91	Hold	$20	12%	$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	$83.31	Hold	$76	-9%	$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	$14.75	Hold	$15	2%	$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	$41.10	Buy	$72	75%	$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	$50.37	Buy	$67	33%	$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, $15.35, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, $79.07, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, $28.50, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, $10.94, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, $74.65, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, $31.88, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, $85.04, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, $19.44, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, $128.50, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, $32.32, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, $7.55, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, $83.31, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, $17.91, Hold, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, $14.75, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, $97.26, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, $50.37, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, $41.10, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, $31.63, NC)

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
D = Drop Coverage
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T = Transfer Coverage

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· Reduce – total return ≤ 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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Sell	3	0.41%	Sell	1	33.33%

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