



Lodging -US RevPAR +1.9% Y/Y Last Week; Easy Easter/Passover holiday shift comp

Corporate group was extremely strong: Group RevPAR +45.0%.

What's Incremental To Our View

Overall U.S. RevPAR was +1.9% Y/Y for the week ending 4/6/2019, per STR, softer than the prior week's result of +5.1%. (2-year stacked RevPAR was +0.1% vs +6.1% in the prior week.) Independent hotels (about 1/3rd of the data set) were -2.5% y/y. Upper Upscale (+9.8%) was the strongest chain scale for branded hotels; Midscale was the weakest at -3.0%. Upper Midscale (+1.8%) performed similar to the industry average. Within Upper Upscale & Luxury class hotels, Group (+45.0% vs. +37.1% prior week) was stronger than Transient (-11.0% vs. -7.5% prior week) given the Easter calendar shift.

As we expected, last week's results showed very strong Group results due to the Easter calendar shift. We do not put as much focus into this week's headline results given that lower-rated independent hotels depressed the U.S. RevPAR headline. We believe transient leisure was weak given the comparison against Passover/Easter on the y/y comp; however, we believe corporate demand was strong, especially Group (RevPAR: +45.0%; Occupancy: +34.9%).

- We also saw skewed results in select leisure markets: Miami RevPAR was -18.0%, Orlando was -6.3%, and Oahu was -7.2%.
- Given the calendar shift fundamentals, Upper Upscale was strong at +9.8% whereas leisure focused chain scales underperformed (impacting in particularly the highest- and lowest-rated hotels).

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 should show a slightly stronger result.**

For the Easter Calendar Shift: We still believe the shift will likely be somewhat neutral to March and April. We believe the remaining major week for this shift (week ending 4/13/18) will be a 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**

SEE PAGE 7 FOR REQUIRED DISCLOSURE INFORMATION

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What's Inside

Weekly STR results and analysis

evidenced by the Houston trends in particular over the last few weeks, although Houston is still facing tough supply growth headwinds.

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 low single-digit negative (our prior estimate was "approximately flattish"). We estimate that the overall industry will finish approximately flattish (our prior estimate was +0-1%). 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 (unchanged from our prior estimate). We estimate that the overall industry will finish approximately +1-2% (unchanged from our prior estimate) 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 660 bps and 800 bps, respectively: Luxury RevPAR (-2.9%), Upper Upscale (+9.8%), Upscale (+3.2%), Upper Midscale (+1.8%), Midscale (-3.0%), and Economy (-1.2%). Independent hotels (-2.5%) underperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was stronger than Transient:** Transient segment (individual business and leisure travelers) RevPAR was -11.0% (vs. -7.5% last week) and Group segment RevPAR was +45.0% (vs. +37.1% last week).
- **Chicago (+22.8%) was the strongest of the top five markets:** Boston (-10.2%), LA (-2.3%), NYC (+4.4%), and DC (+16.7%).
- **Other relevant markets:**
 - **San Francisco was modestly positive (Moscone Convention Center expansion and renovation completed):** RevPAR was +2.0% vs. -7.6% last week.
 - **Texas results were mixed but Houston is overall improving (y/y hurricane comps in Houston):** Dallas RevPAR was +9.8% (vs. +16.7% last week). Houston RevPAR was -0.6% (vs. +8.3% last week).
 - **Hurricane-impacted markets in FL were down in part from the tough Easter calendar shift:** Miami (-18.0% vs. -6.7% last week); Orlando (-6.3% vs. -6.4% 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.	Upper		Upper		Inde-		New	York	Boston	LA	Chicago	DC
		Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent					
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%
4/6/2019	1.9%	-2.9%	9.8%	3.2%	1.8%	-3.0%	-1.2%	-2.5%	4.4%	-10.2%	-2.3%	22.8%	16.7%

Easy Easter calendar shift (y/y) -
Group +45.0%

Upper Upscale and Upscale led the industry

Chicago and DC the Top 5 markets

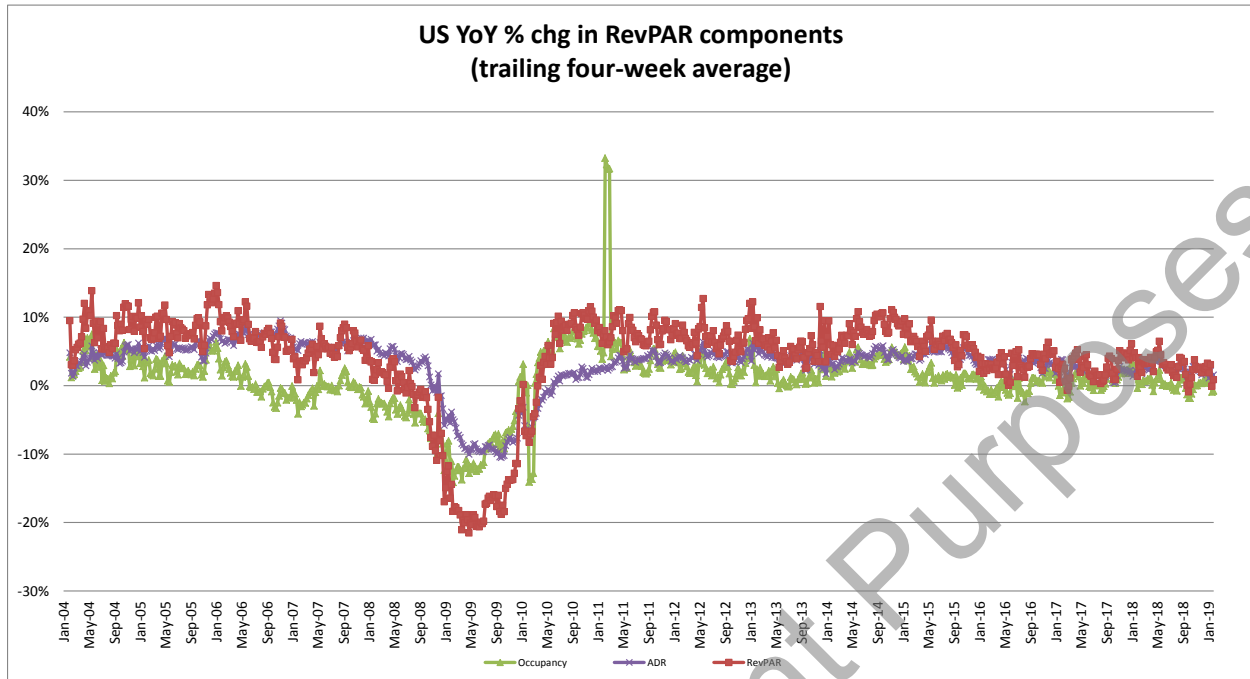
1Q16	2.7%	1.6%	1.9%	2.2%	2.0%	0.0%	1.8%	4.0%	-1.2%	-3.0%	16.6%	-4.8%	3.1%
2Q16	3.5%	0.8%	2.9%	3.1%	3.2%	3.2%	3.0%	4.2%	-4.5%	1.5%	11.1%	-1.0%	3.5%
3Q16	3.3%	1.5%	2.5%	2.0%	1.8%	2.5%	3.0%	5.1%	-2.5%	-0.5%	9.3%	1.2%	5.5%
4Q16	3.2%	1.9%	0.6%	1.2%	2.2%	3.9%	4.4%	5.1%	0.9%	-1.6%	6.9%	3.3%	8.0%
1Q17	3.4%	2.1%	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.	Upper		Upper		Inde-		New					
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	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%
4/6/2019	1.5%	-3.1%	5.5%	2.1%	1.7%	-1.9%	-0.8%	-1.5%	1.8%	2.9%	-2.7%	10.7%	11.9%
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%	1.8%	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												
		Upper		Upper		Inde-		New					
	U.S.	Luxury	Upscale	Midscale	Midscale	Economy	pendent	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%	-8.9%	-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%
4/6/2019	0.4%	0.2%	4.0%	1.1%	0.1%	-1.1%	-0.3%	-1.1%	2.5%	-7.5%	0.4%	11.0%	4.3%
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%

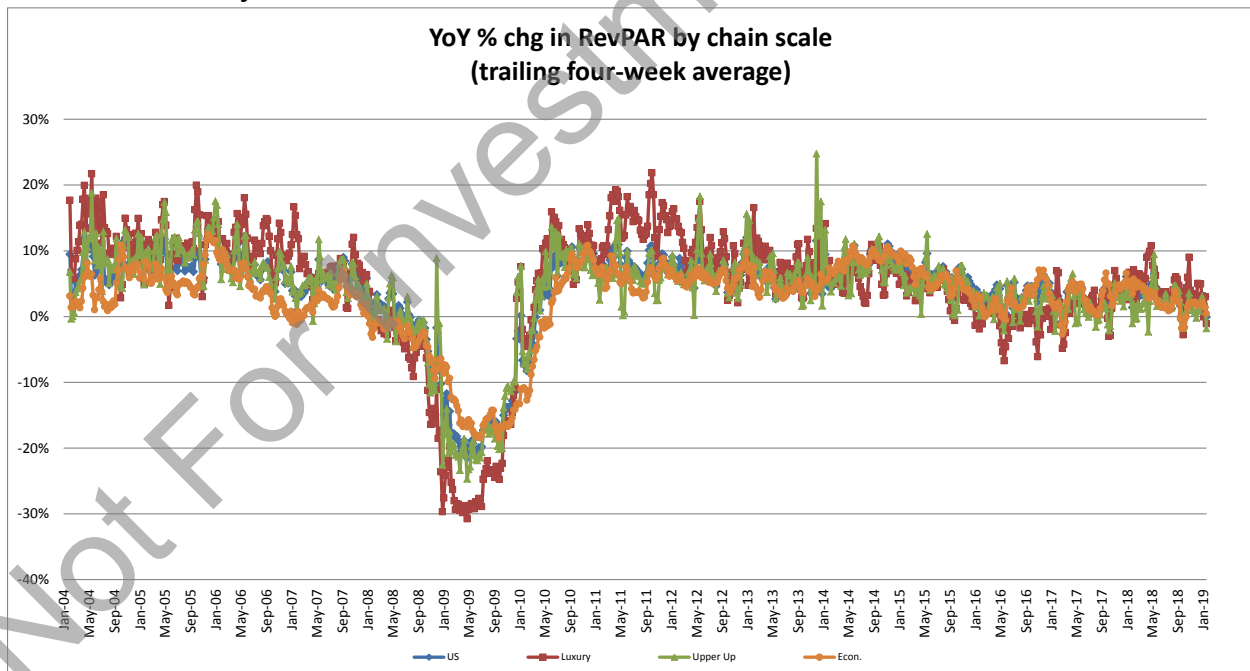
Source: STR data, STRH research

RevPAR Component Trends

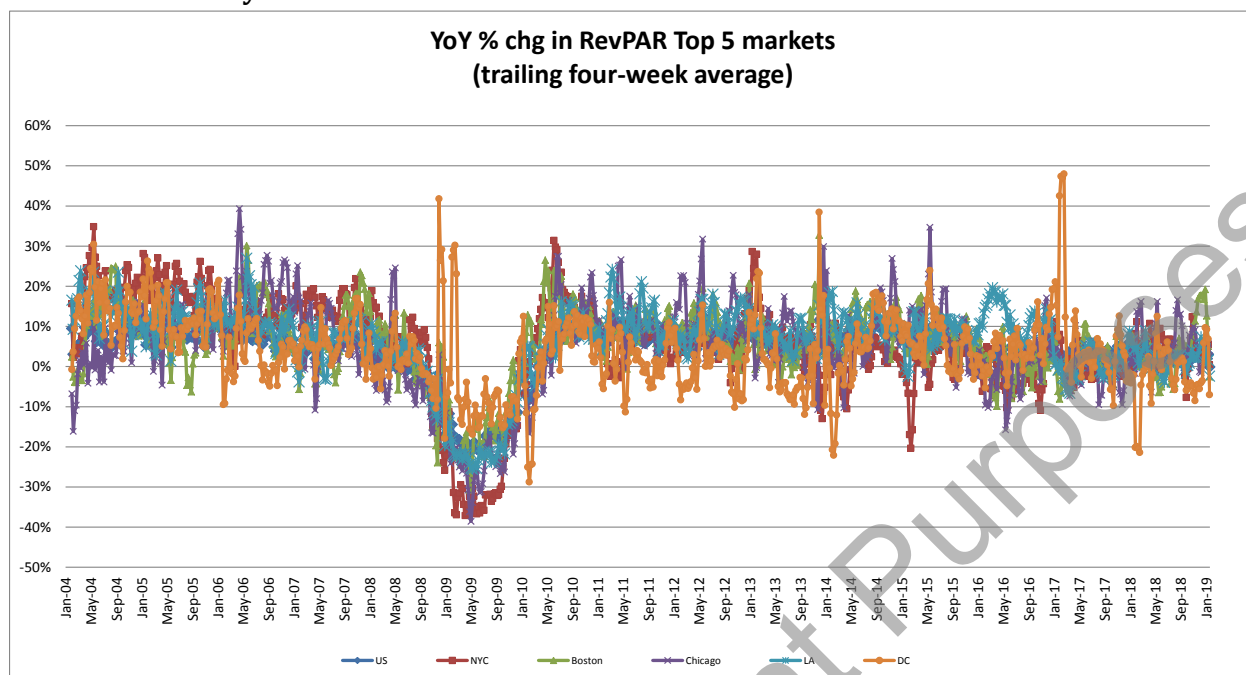


Source: STR data, STRH research

RevPAR Trends by Chain Scale



Source: STR data, STRH research

RevPAR Trends by Market

Source: STR data, STRH research

Price Target/Risks Summary

Lodging	TKR	Price 4/9/19	Rating	PT*	% upside down- side	2020E Valuation EBITDA (\$M)* **	2020E As Reported EBITDA (\$M)*	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	\$28.28	Hold	\$26	-8%	\$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	\$80.24	Hold	\$87	8%	\$385	\$385	14.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$10.79	Hold	\$11	2%	\$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	\$18.95	Hold	\$22	16%	\$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	\$75.67	Hold	\$82	8%	\$808	\$845	13.1X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$15.47	Hold	\$16	3%	\$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	\$32.21	Buy	\$51	58%	\$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	\$87.10	Buy	\$99	14%	\$2,346	\$2,435	14.8X	Downside risk: slowing pipeline 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 International	MAR	\$132.65	Hold	\$137	3%	\$3,548	\$3,877	14.8X	Downside risk: M&A story fades and multiples revert to historical levels
Marriott Vacations	VAC	\$99.04	Buy	\$149	51%	\$758	\$885	11.1X	Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs.
Park Hotels & Resorts	PK	\$31.31	Buy	\$34	9%	\$765	\$780	12.6X	Downside risk: demand shock, hurricanes, inability to complete 2021 growth initiatives, country-specific risks (emerging market portfolio)
Playa Hotels & Resorts	PLYA	\$7.53	Buy	\$13	73%	\$218	\$223	11.5X	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.
RLJ Lodging Trust	RLJ	\$18.24	Hold	\$20	10%	\$492	\$504	11.6X	Upside risk: recovering group demand better than expected, better margin recovery.
Ryman Hospitality Properties	RHP	\$82.18	Hold	\$76	-8%	\$533	\$515	12.2X	Downside risk: booking issues stickier than expected. Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in Orlando and Boston Park Plaza post-meeting space expansions.
Sunstone Hotel Investors	SHO	\$14.45	Hold	\$15	4%	\$314	\$314	12.0X	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	\$52.63	Buy	\$67	27%	\$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, \$15.47, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$80.24, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, \$28.28, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$10.79, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$75.67, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$32.21, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$87.10, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$18.95, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$132.65, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, \$31.31, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$7.53, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$82.18, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$18.24, Hold, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, \$14.45, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$99.04, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$52.63, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, \$41.29, Buy, C. Patrick Scholes)

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Not Rated (NR) – STRH does not have an investment rating or opinion on the stock

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H = Hold

S = Sell

D = Drop Coverage

CS = Coverage Suspended

NR = Not Rated

I = Initiate Coverage

T = Transfer Coverage

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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

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Sell	3	0.41%	Sell	1	33.33%

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