# Lodging - US RevPAR +2.2% Y/Y Last Week; Clean comp; Group post-Easter catch-up

## A bit better result than recent trends but nothing too spectacular

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### What's Incremental To Our View

Overall U.S. RevPAR was +2.2% Y/Y for the week ending 5/18/2019, per STR, stronger than the prior week's result of +0.9%. (2-year stacked RevPAR was +5.4% vs +5.4% in the prior week.) Independent hotels (about 1/3rd of the data set) were +2.4% y/y. Upper Midscale (+2.3%) was the strongest chain scale for branded hotels; Upscale was the weakest at +1.0%. Midscale (+1.1%) underperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (+4.9% vs. +6.0% prior week) was stronger than Transient (-1.0% vs. -1.7% prior week).

**Last week was a relatively clean comp.** We noticed modestly stronger Group RevPAR (+4.9%) which could be partly driven from some catch-up following the extended Spring Break season in March and April. That being said, while overall results were a bit better than recent trends, there was nothing too spectacular about last week's results and in our view fairly reflective of a normal run-rate going forward (using +1.5% as a base RevPAR +/- 150 bps for a normal week).

Due to the hurricane comparisons from the 2017 storms, we anticipate continued choppiness of the data in some of the most impacted major markets (especially Houston). **We believe comps are "less hard", although Houston is still facing tough supply growth headwinds.**

**For the month of May, 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 +1.5-2.5%. We estimate that the overall industry will finish +1.5-2.5%.** Please note that reported monthly results include hotels that are not in the weekly data set.

**Last week's RevPAR details:**

- **Upper Midscale was the strongest chain scale.** Upscale underperformed by 130 bps: Luxury RevPAR (+1.4%), Upper Upscale (+1.7%), Upscale (+1.0%), Upper Midscale (+2.3%), Midscale (+1.1%), and Economy (+1.6%). Independent hotels (+2.4%) modestly outperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was stronger than Transient:** Transient segment (individual business and leisure travelers) RevPAR was -1.0% (vs. -1.7% last week) and Group segment RevPAR was +4.9% (vs. +6.0% last week).



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- **Boston (+11.5%) was the strongest of the top five markets:** Chicago (+4.7%), LA (+3.7%), NYC (-8.2%), and DC (+1.0%).
- **Other relevant markets:**
    - **San Francisco was slightly down (Moscone Convention Center expansion and renovation completed):** RevPAR was -1.0% vs. -1.3% last week.
    - **Texas results were mixed (y/y hurricane comps in Houston):** Dallas RevPAR was +1.5% (vs. -2.5% last week). Houston RevPAR was -2.1% (vs. +38.5% last week).
    - **Hurricane-impacted markets in FL were mixed:** Miami (-10.6% vs. -2.8% last week); Orlando (+5.5% vs. +1.8% 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.**

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## 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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% |
| 4/13/2019 | **6.9%** | 5.9% | 7.1% | 4.3% | 6.0% | 5.8% | 6.8% | 8.4% | 3.2% | 9.8% | 9.4% | 17.0% | 0.6% |
| 4/20/2019 | **-8.0%** | -1.9% | -13.7% | -12.0% | -11.6% | -10.4% | -4.8% | -1.1% | 6.2% | -4.4% | 2.1% | -26.3% | -30.1% |
| 4/27/2019 | **-2.9%** | -5.1% | -10.6% | -5.5% | -1.0% | 0.8% | 2.8% | 1.3% | -7.5% | -7.7% | -6.4% | -16.9% | -20.3% |
| 5/4/2019 | **3.6%** | 6.9% | 3.8% | 2.2% | 2.8% | -0.2% | 0.8% | 3.9% | -3.2% | 17.4% | 10.8% | 14.5% | 11.8% |
| 5/11/2019 | **0.9%** | 2.6% | 0.5% | 0.0% | 0.3% | -1.8% | -0.7% | 1.4% | -9.6% | 5.2% | 1.3% | -6.8% | 2.2% |
| 5/18/2019 | **2.2%** | 1.4% | 1.7% | 1.0% | 2.3% | 1.1% | 1.6% | 2.4% | -8.2% | 11.5% | 3.7% | 4.7% | 1.0% |
| 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% |
| 1Q19 | 1.5% | -0.7% | 1.2% | -0.5% | 0.4% | -0.1% | 1.9% | 3.1% | -7.1% | -2.1% | -1.7% | -4.5% | -2.4% |

Clean comp; Some group rebound post Easter

Upper Midscale and Upper Upscale led the industry

Boston and Chicago led the Top 5 markets

**YoY % change in ADR**

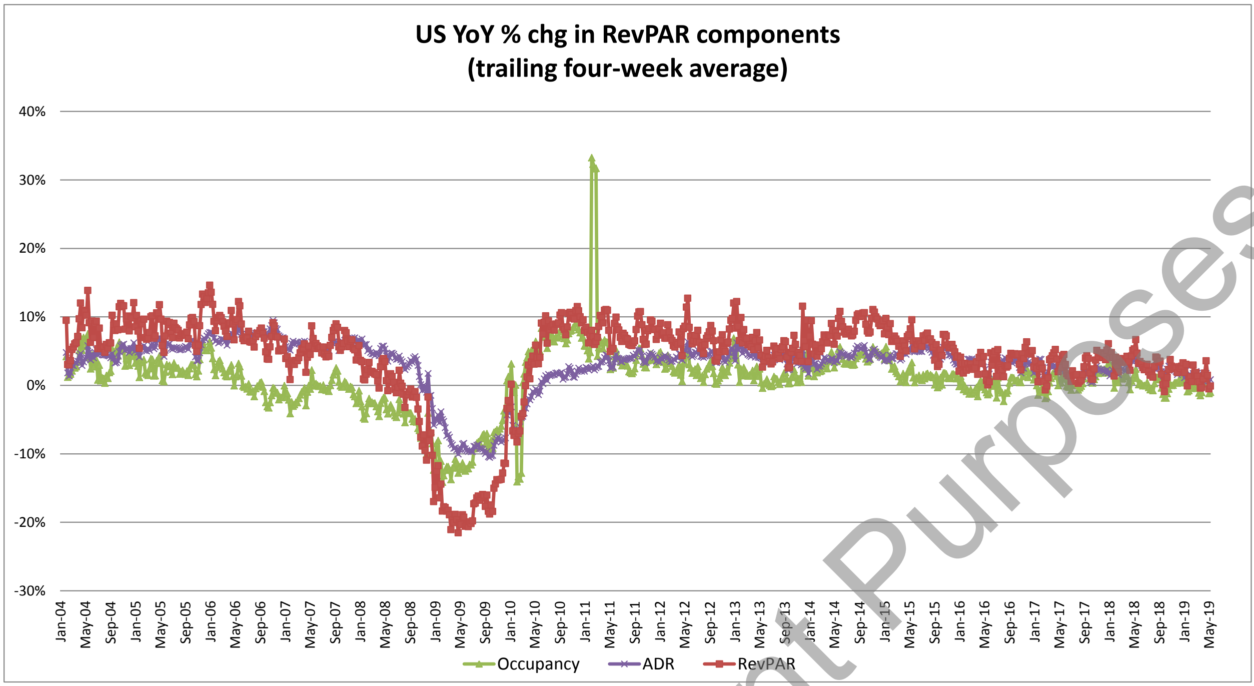
| | U.S. | Luxury | Upper Upscale | Upscale | Upper Midscale | Midscale | Economy | Inde-pendent | New York | Boston | LA | Chicago | DC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3/23/2019 | **0.2%** | -0.8% | 0.8% | 0.1% | 1.0% | -0.3% | -0.1% | 0.4% | -3.9% | -3.3% | -0.7% | -2.0% | -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% |
| 4/13/2019 | **4.4%** | 6.1% | 5.0% | 3.7% | 4.2% | 3.0% | 3.1% | 4.6% | 0.0% | 6.2% | 4.1% | 7.9% | 0.2% |
| 4/20/2019 | **-1.9%** | 4.5% | -5.6% | -3.1% | -2.9% | -2.9% | -2.2% | 1.5% | 4.7% | 2.5% | -0.9% | -16.9% | -19.4% |
| 4/27/2019 | **-1.4%** | 0.9% | -4.5% | -2.1% | 0.5% | 0.4% | 0.8% | 0.9% | -3.9% | -5.8% | -4.4% | -12.6% | -13.2% |
| 5/4/2019 | **2.3%** | 4.7% | 2.5% | 0.8% | 1.7% | 0.1% | 0.6% | 2.3% | -0.8% | 8.5% | 5.9% | 7.1% | 8.0% |
| 5/11/2019 | **1.2%** | 1.9% | 1.3% | 0.5% | 0.7% | -0.4% | -0.2% | 1.4% | -4.9% | -0.2% | 1.8% | -7.7% | 3.2% |
| 5/18/2019 | **1.4%** | 1.1% | 1.3% | 0.8% | 1.8% | 0.4% | 1.0% | 1.2% | -6.1% | 7.2% | 2.6% | 0.5% | 1.5% |
| 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% |
| 1Q19 | 1.1% | 2.2% | 2.5% | 1.0% | 0.8% | -0.2% | -0.3% | 1.0% | -3.8% | 0.7% | -1.0% | -2.4% | 1.5% |

**YoY % change in Occupancy**

| | U.S. | Luxury | Upper Upscale | Upscale | Upper Midscale | Midscale | Economy | Inde-pendent | New York | Boston | LA | Chicago | DC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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% |
| 4/13/2019 | **2.4%** | -0.2% | 2.0% | 0.6% | 1.7% | 2.7% | 3.6% | 3.6% | 3.2% | 3.5% | 5.1% | 8.5% | 0.4% |
| 4/20/2019 | **-6.2%** | -6.1% | -8.5% | -9.3% | -9.0% | -7.8% | -2.6% | -2.6% | 1.4% | -2.0% | 3.0% | -11.3% | -13.3% |
| 4/27/2019 | **-1.4%** | -6.0% | -6.3% | -3.5% | -1.6% | 0.4% | 2.0% | 0.4% | -3.7% | -2.1% | -2.1% | -4.9% | -8.1% |
| 5/4/2019 | **1.2%** | 2.1% | 1.3% | 1.4% | 1.1% | -0.3% | 0.2% | 1.6% | -2.4% | 8.2% | 4.7% | 6.9% | 3.5% |
| 5/11/2019 | **-0.3%** | 0.7% | -0.9% | -0.5% | -0.4% | -1.4% | -0.5% | 0.0% | -5.0% | 5.4% | -0.5% | 1.0% | -1.0% |
| 5/18/2019 | **0.8%** | 0.3% | 0.4% | 0.2% | 0.5% | 0.6% | 0.6% | 1.2% | -2.3% | 4.0% | 1.1% | 4.2% | -0.5% |
| 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% |
| 1Q19 | 0.4% | -2.8% | -1.3% | -1.4% | -0.5% | 0.0% | 2.3% | 2.1% | -3.5% | -2.8% | -0.7% | -2.2% | -3.8% |

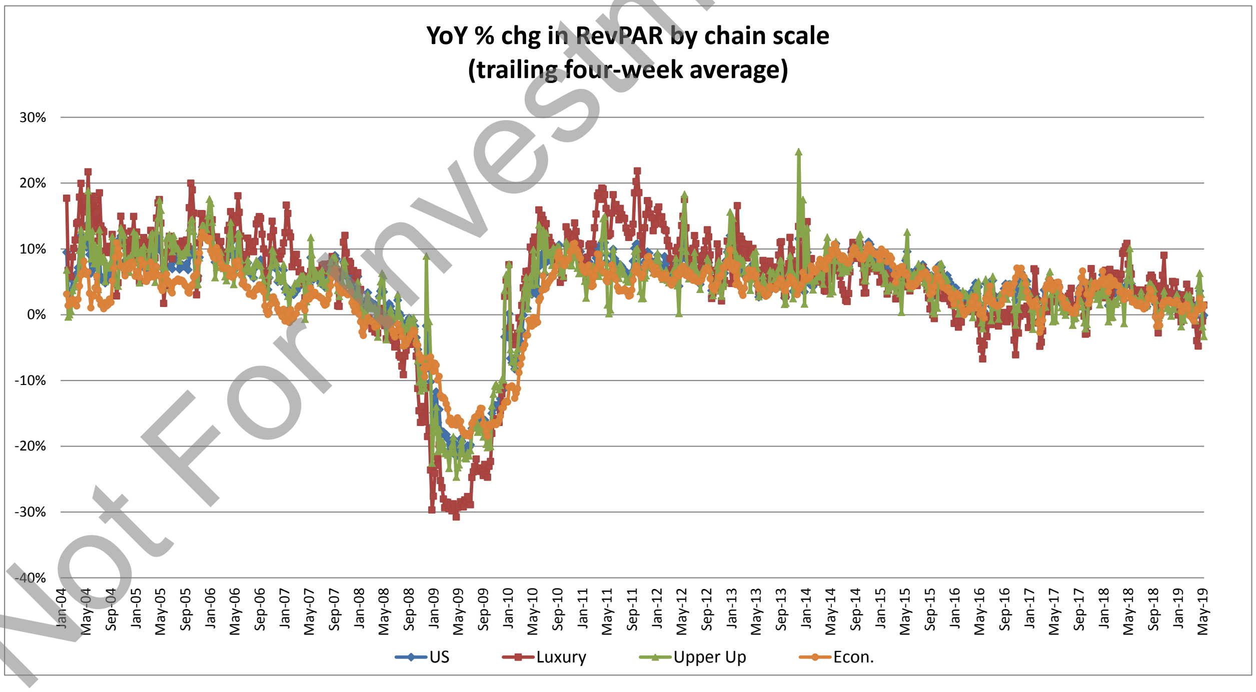
Source: STR data, STRH research

## RevPAR Component Trends



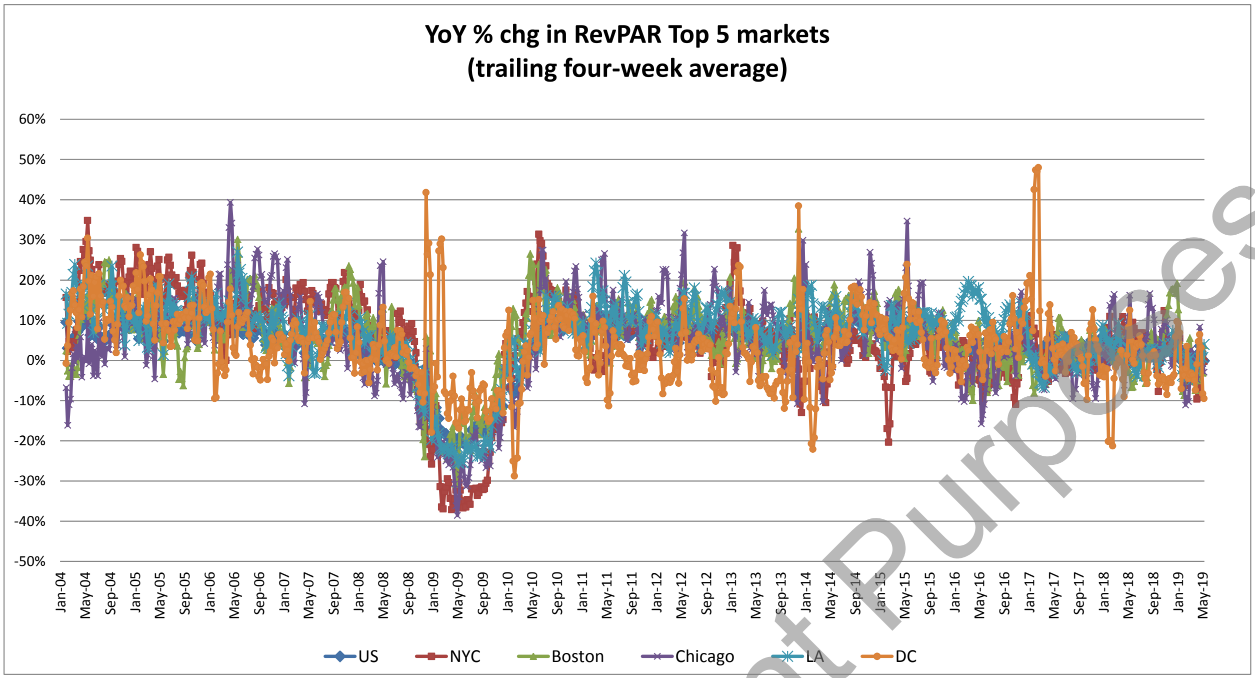

Source: STR data, STRH research

## RevPAR Trends by Chain Scale




Source: STR data, STRH research

## RevPAR Trends by Market




Source: STR data, STRH research

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## Price Target/Risks Summary

| Lodging | TKR | Price 5/21/19 | Rating | PT* | % upside down-side | 2020E Valuation EBITDA ($M)* ** | 2020E As Reported EBITDA ($M)* | Target EV/EBITDA Multiple | Risks |
|---|---|---|---|---|---|---|---|---|---|
| Chesapeake Lodging Trust | CHSP | $30.48 | Hold | $30 | -2% | $181 | $181 | 13.4X | 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 | $84.18 | Hold | $86 | 2% | $380 | $380 | 14.0X | Upside risk: conservative guidance. Downside risk: slowdown in development opportunities. |
| DiamondRock Hospitality | DRH | $10.75 | Hold | $11 | 2% | $267 | $268 | 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 | $19.18 | Hold | $22 | 15% | $1,540 | $1,540 | 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 | $76.56 | Hold | $82 | 7% | $802 | $839 | 13.2X | Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility. |
| Bluegreen Vacations Corporation | BXG | $15.08 | Hold | $16 | 6% | $146 | $146 | 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 | $27.00 | Buy | $51 | 89% | $433 | $488 | 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 | $92.11 | Buy | $101 | 10% | $2,382 | $32 | 14.8X | Downside risk: slowing pipeline |
| Marriott International | MAR | $129.43 | Hold | $135 | 4% | $3,548 | $0 | 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 | $96.74 | Buy | $147 | 52% | $748 | $880 | 11.2X | Downside risk: M&A story fades and multiples revert to historical levels |
| Park Hotels & Resorts | PK | $30.56 | Buy | $34 | 11% | $765 | $780 | 12.6X | Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs. |
| Pebblebrook Hotel Trust*** | PEB | $30.65 | Hold | $34 | 11% | $489 | $489 | 14.5X | Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets. Downside Risks: Planned asset sales do not materialize as expected and/or at lower-than-expected pricing. Incremental EBITDA from major CapEx investments take longer than anticipated, resulting in multiple contraction. |
| Playa Hotels & Resorts | PLYA | $8.69 | Buy | $13 | 50% | $213 | $224 | 11.5X | Downside risk: demand shock, hurricanes, inability to complete 2021 growth initiatives, country-specific risks (emerging market portfolio) |
| RLJ Lodging Trust | RLJ | $18.69 | Hold | $19 | 2% | $488 | $501 | 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. |
| Ryman Hospitality Properties | RHP | $85.94 | Hold | $81 | -6% | $536 | $521 | 12.6X | Upside risk:recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected. |
| Sunstone Hotel Investors | SHO | $14.33 | Hold | $15 | 5% | $316 | $316 | 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. |
| Vail Resorts, Inc. | MTN | $218.41 | Buy | $242 | 11% | $767 | $767 | 15.0X | Downside risk: Economic conditions, competition for vacation and ski dollars, stagnant skier visitation, an aging customer, and climate change. |
| Wyndham Destinations | WYND | $43.80 | Buy | $74 | 69% | $1,028 | $1,047 | 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 | $55.13 | Buy | $68 | 23% | $644 | $666 | 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.*
**** Covered by Gregory J. Miller*

Source: FactSet, STRH research

## Companies Mentioned in This Note

**Bluegreen Vacations Corporation** (BXG, $15.08, Hold, C. Patrick Scholes)
**Choice Hotels International, Inc.** (CHH, $84.18, Hold, C. Patrick Scholes)
**Chesapeake Lodging Trust** (CHSP, $30.48, Hold, C. Patrick Scholes)
**DiamondRock Hospitality Company** (DRH, $10.75, Hold, C. Patrick Scholes)
**Hyatt Hotels Corporation** (H, $76.56, Hold, C. Patrick Scholes)
**Hilton Grand Vacations Inc.** (HGV, $27.00, Buy, C. Patrick Scholes)
**Hilton Worldwide Holdings Inc.** (HLT, $92.11, Buy, C. Patrick Scholes)
**Host Hotels & Resorts, Inc.** (HST, $19.18, Hold, C. Patrick Scholes)
**Marriott International, Inc.** (MAR, $129.43, Hold, C. Patrick Scholes)
**Vail Resorts, Inc.** (MTN, $218.41, Buy, C. Patrick Scholes)
**Pebblebrook Hotel Trust** (PEB, $30.65, Hold, Gregory Miller)
**Park Hotels & Resorts Inc.** (PK, $30.56, Buy, C. Patrick Scholes)
**Playa Hotels & Resorts N.V.** (PLYA, $8.69, Buy, C. Patrick Scholes)
**Ryman Hospitality Properties, Inc.** (RHP, $85.94, Hold, C. Patrick Scholes)
**RLJ Lodging Trust** (RLJ, $18.69, Hold, C. Patrick Scholes)
**Sunstone Hotel Investors, Inc.** (SHO, $14.33, Hold, C. Patrick Scholes)
**Marriott Vacations Worldwide Corporation** (VAC, $96.74, Buy, C. Patrick Scholes)
**Wyndham Hotels & Resorts, Inc.** (WH, $53.86, Buy, C. Patrick Scholes)
**Wyndham Destinations, Inc.** (WYND, $43.80, 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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3 designations based on total returns* within a 12-month period**
· Buy – total return ≥ 15% (10% for low-Beta securities)***
· 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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|---|---|---|---|---|---|
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| Hold | 237 | 36.02% | Hold | 33 | 13.92% |
| Sell | 3 | 0.46% | Sell | 1 | 33.33% |

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