



Lodging - US RevPAR +0.0% Y/Y Last Week; Clean comp ex-Super Bowl

The "Perfect Storm" of holiday comps begins this week

What's Incremental To Our View

Overall U.S. RevPAR was +0.0% Y/Y for the week ending 2/8/2020, per STR, softer than the prior week's result of +4.0%. (2-year stacked RevPAR was +1.9% vs +6.5% in the prior week.) Independent hotels (about 1/3rd of the data set) were +1.7% y/y. Luxury (+2.1%) was the strongest chain scale for branded hotels; Midscale was the weakest at -3.1%. Upscale (+0.1%) slightly outperformed the industry average; Upper Midscale (-2.3%) underperformed. Within Upper Upscale & Luxury class hotels, Group (+3.0% vs. +3.4% prior week) was stronger than Transient (+0.6% vs. +6.7% prior week).

Outside of the final days' impact from the Super Bowl (Sunday RevPAR: +237.2% in Miami; -83.8% in Atlanta), last week was a clean comp week. Results by chain scale was a return to more run-rate normalcy in our view where Luxury relatively outperformed and the select/limited-service hotels underperformed in part due to varied levels of supply growth. Luxury and Independent outperformance (210 and 170 bps above the US average, respectively) was likely supported by the Super Bowl impact to Miami. Miami has more higher-rated Luxury and Independent hotels than Atlanta, particularly where Super Bowl visitors likely stayed.

- Ex-Super Bowl impact, RevPAR would have been negative last week. Last week's results are in our opinion more in-line with the run-rate for the US industry today -- flattish RevPAR. **As we have previously written, we disagree with some other sell-side views that viewed the December RevPAR pickup as indicative of a positive trend. Run-rate RevPAR continues to shift incrementally downward. Ex-Monday's RevPAR of +0.8%, RevPAR was negative for the workweek.**

The "Perfect Storm" of holiday comps begins this week with Valentine's Day. As we discussed in our earnings preview, Valentine's Day shifting to a Friday from a Thursday benefits corporate travel as *the mid-week is open for business*. Consequently, we anticipate next week will have a moderately easy comp based on the holiday calendar shift. Our link above highlights the many material calendar shifts to come over the remainder of the year.

While headline results are not great, we do not see any clear evidence of a demand shock from coronavirus. Los Angeles demand was soft for both Transient and Group (-2.0% occupancy for both segments) but not dramatically weak in our view. San Francisco had negative RevPAR (-14.5%); however, weakness appeared to be driven from Group (occupancy: -14.7%) as Transient RevPAR was up (+1.6%).

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What's Inside

Weekly STR results and analysis

Last week's RevPAR details:

- **Luxury was the strongest chain scale:** Upscale and Upper Midscale underperformed by 200 bps and 440 bps, respectively; Luxury RevPAR (+2.1%), Upper Upscale (+0.0%), Upscale (+0.1%), Upper Midscale (-2.3%), Midscale (-3.1%), and Economy (-1.4%). Independent hotels (+1.7%) outperformed the headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group outperformed Transient:** Transient segment (individual business and leisure travelers) RevPAR was +0.6% (vs. +6.7% last week) and Group segment RevPAR was +3.0% (vs. +3.4% last week).
- **Washington, D.C. was the strongest of the top five markets:** Boston (-4.0%), Chicago (-7.2%), Los Angeles (-4.2%), NYC (-0.1%), and Washington, D.C. (+4.6%).
- **Other relevant markets:**
 - **San Francisco was materially negative (the market has a tough 1Q20 y/y group comp):** RevPAR was -14.5% vs. -3.2% last week.
 - **Florida markets were up (Super Bowl impact for Miami):** Miami (+26.8% vs. +68.4% last week); Orlando (+6.8% vs. +8.1% last week). [For more insights on the Miami market following management meetings and hotel tours in early January, please click on the attached link.](#)

The lodging stocks: For the most part, we think it is difficult to get excited about lodging stocks in general but not much screams “pound-the-table short” either. We currently see more interesting stories in [Vacation Ownership \(Marriott Vacations \(VAC, Buy\), Wyndham Destinations \(WYND, Buy\), and Cruise lines \(Norwegian \(NCLH, Buy\) & Royal Caribbean \(RCL, Buy\)\)](#). For hotel REITS at the moment, the number one challenge is [costs growing faster than revenues](#). That said, the good news for the hotel REITS is that we do not see much risk for valuation multiples to significantly contract from current levels; however, we continue to believe there will be gradual cuts to consensus estimates over the next year and 2021 same-store earnings will likely be lower than 2020's.



Weekly RevPAR Summary

YoY % change in RevPAR													
U.S.	Upper			Upper			Inde- pendent	New					
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy			York	Boston	LA	Chicago	DC
12/21/2019	7.8%	9.3%	13.9%	10.7%	7.2%	2.7%	1.2%	4.6%	8.5%	11.1%	9.9%	15.2%	26.4%
12/28/2019	-7.4%	-6.3%	-6.7%	-6.7%	-7.1%	-9.1%	-4.6%	-8.0%	-11.1%	-3.4%	-5.2%	0.2%	-0.1%
1/4/2020	4.3%	12.1%	5.9%	1.1%	-0.4%	-2.2%	-1.6%	7.7%	8.9%	1.9%	5.3%	-5.2%	2.9%
1/11/2020	-7.7%	-13.5%	-12.3%	-7.3%	-5.2%	-5.2%	-3.4%	-5.7%	-2.4%	1.8%	-8.4%	-9.6%	-0.3%
1/18/2020	6.4%	18.5%	10.9%	3.9%	1.8%	-1.5%	0.1%	6.6%	-0.7%	7.2%	5.1%	29.8%	2.1%
1/25/2020	0.3%	4.6%	2.6%	-0.2%	-1.5%	-3.2%	-2.1%	0.0%	-1.2%	0.5%	5.2%	3.7%	13.6%
2/1/2020	4.0%	7.4%	1.7%	4.0%	1.9%	-1.2%	-0.9%	8.3%	-2.0%	-0.1%	5.2%	13.8%	12.7%
2/8/2020	0.0%	2.1%	0.0%	0.1%	-2.3%	-3.1%	-1.4%	1.7%	-0.1%	-4.0%	-4.2%	-7.2%	4.6%

Clean comp ex-Super Bowl impact

Luxury and Upscale led the industry

DC and New York led the Top 5 markets

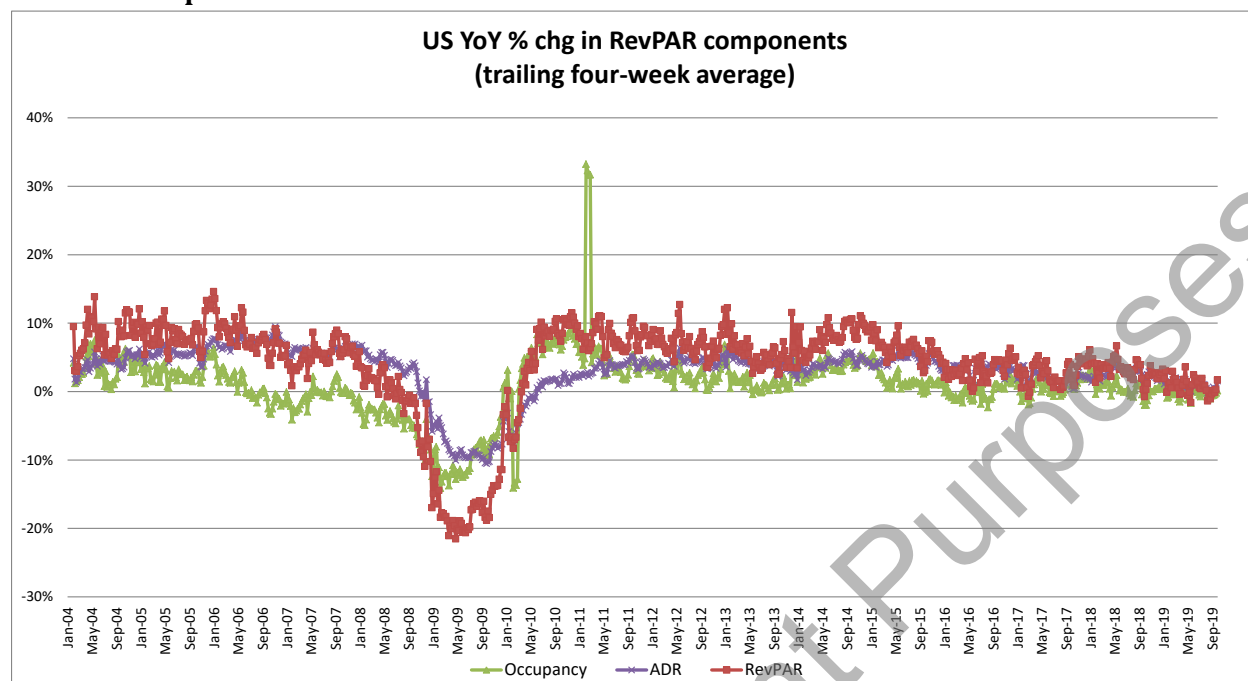
1Q16	2.7%	1.6%	1.9%	2.2%	2.0%	0.0%	1.8%	4.0%	-1.2%	-3.0%	16.6%	-4.8%	3.1%
2Q16	3.5%	0.8%	2.9%	3.1%	3.2%	3.2%	3.0%	4.2%	-4.5%	1.5%	11.1%	-1.0%	3.5%
3Q16	3.3%	1.5%	2.5%	2.0%	1.8%	2.5%	3.0%	5.1%	-2.5%	-0.5%	9.3%	1.2%	5.5%
4Q16	3.2%	1.9%	0.6%	1.2%	2.2%	3.9%	4.4%	5.1%	0.9%	-1.6%	6.9%	3.3%	8.0%
1Q17	3.4%	2.1%	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%
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%
2Q19	1.1%	1.1%	0.5%	-0.4%	0.0%	-0.7%	1.7%	2.4%	-1.8%	4.5%	1.6%	-0.1%	-1.5%
3Q19	0.7%	1.3%	1.1%	-0.5%	-0.1%	-1.0%	-0.9%	1.6%	-2.2%	-0.4%	-0.2%	-2.2%	4.5%
4Q19	0.7%	3.6%	1.0%	-0.6%	-1.0%	-2.7%	-1.5%	2.3%	-4.1%	-11.6%	1.1%	-0.7%	5.2%

YoY % change in ADR													
U.S.	Upper			Upper			Inde- pendent	New					
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy			York	Boston	LA	Chicago	DC
12/21/2019	1.8%	-4.2%	1.6%	1.6%	1.5%	-0.2%	-0.7%	1.0%	3.4%	-1.1%	2.8%	3.8%	8.9%
12/28/2019	-2.6%	-4.3%	-1.5%	-3.2%	-1.6%	-2.3%	-1.8%	-2.6%	-10.2%	-2.7%	-3.6%	-0.1%	-0.1%
1/4/2020	4.0%	5.5%	3.8%	1.2%	0.7%	-0.4%	-0.3%	6.0%	1.8%	-1.8%	2.3%	-0.9%	-1.8%
1/11/2020	-4.7%	-11.1%	-8.6%	-3.7%	-2.1%	-1.2%	-2.0%	-2.7%	-2.5%	-0.4%	-4.0%	-3.5%	-2.2%
1/18/2020	5.2%	13.6%	7.7%	2.0%	1.3%	0.4%	-0.2%	6.3%	-1.7%	2.1%	0.4%	10.8%	0.5%
1/25/2020	0.6%	1.6%	1.0%	-0.1%	-0.6%	-0.8%	-1.7%	0.9%	-1.2%	-1.8%	4.8%	1.7%	1.0%
2/1/2020	2.2%	4.0%	-0.1%	0.6%	0.1%	-0.5%	-0.6%	6.4%	-2.4%	1.4%	1.1%	4.5%	2.9%
2/8/2020	1.5%	3.0%	0.9%	0.8%	0.1%	-0.5%	-0.7%	3.6%	-1.3%	0.0%	-1.4%	-1.0%	0.7%
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%
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%
2Q19	1.2%	2.5%	1.4%	0.6%	0.7%	-0.2%	0.6%	1.7%	-1.0%	3.2%	0.8%	-1.7%	0.2%
3Q19	0.8%	1.5%	1.3%	0.2%	-0.1%	-0.5%	-0.5%	1.6%	-1.9%	0.9%	-0.2%	-2.8%	4.0%
4Q19	0.7%	2.4%	0.6%	-0.4%	-0.3%	-1.0%	-1.0%	1.9%	-3.7%	-5.5%	0.3%	-2.2%	3.9%

YoY % change in Occupancy													
U.S.	Upper			Upper			Inde- pendent	New					
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy			York	Boston	LA	Chicago	DC
12/21/2019	5.9%	14.1%	12.1%	9.0%	5.6%	2.9%	1.9%	3.6%	4.9%	12.3%	6.9%	11.0%	16.0%
12/28/2019	-4.9%	-2.0%	-5.3%	-3.6%	-5.6%	-7.0%	-2.8%	-5.5%	-1.0%	-0.7%	-1.6%	0.3%	-0.1%
1/4/2020	0.3%	6.3%	2.0%	-0.2%	-1.0%	-1.8%	-1.3%	1.6%	7.0%	3.8%	3.0%	-4.3%	4.8%
1/11/2020	-3.1%	-2.8%	-4.0%	-3.8%	-3.2%	-4.0%	-1.5%	-3.1%	0.2%	2.3%	-4.6%	-6.3%	1.9%
1/18/2020	1.1%	4.3%	2.9%	1.9%	0.5%	-1.9%	0.3%	0.3%	1.0%	4.9%	4.7%	17.1%	1.6%
1/25/2020	-0.3%	3.0%	1.6%	-0.1%	-0.9%	-2.4%	-0.4%	-0.9%	0.0%	2.4%	0.3%	2.0%	12.4%
2/1/2020	1.7%	3.2%	1.8%	3.3%	1.8%	-0.7%	-0.3%	1.8%	0.5%	-1.5%	4.1%	8.9%	9.5%
2/8/2020	-1.4%	-0.9%	-0.9%	-0.7%	-2.4%	-2.6%	-0.7%	-1.8%	1.2%	-4.0%	-2.9%	-6.2%	3.8%
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%
2Q19	-0.1%	-1.4%	-0.9%	-1.0%	-0.7%	-0.6%	1.1%	0.7%	-0.7%	1.3%	0.8%	1.7%	-1.7%
3Q19	-0.1%	-0.2%	-0.2%	-0.7%	0.0%	-0.5%	-0.4%	0.0%	-0.3%	-1.4%	0.1%	0.6%	0.4%
4Q19	-0.1%	1.2%	0.4%	-0.2%	-0.8%	-1.7%	-0.4%	0.4%	-0.4%	-6.5%	0.8%	1.5%	1.3%

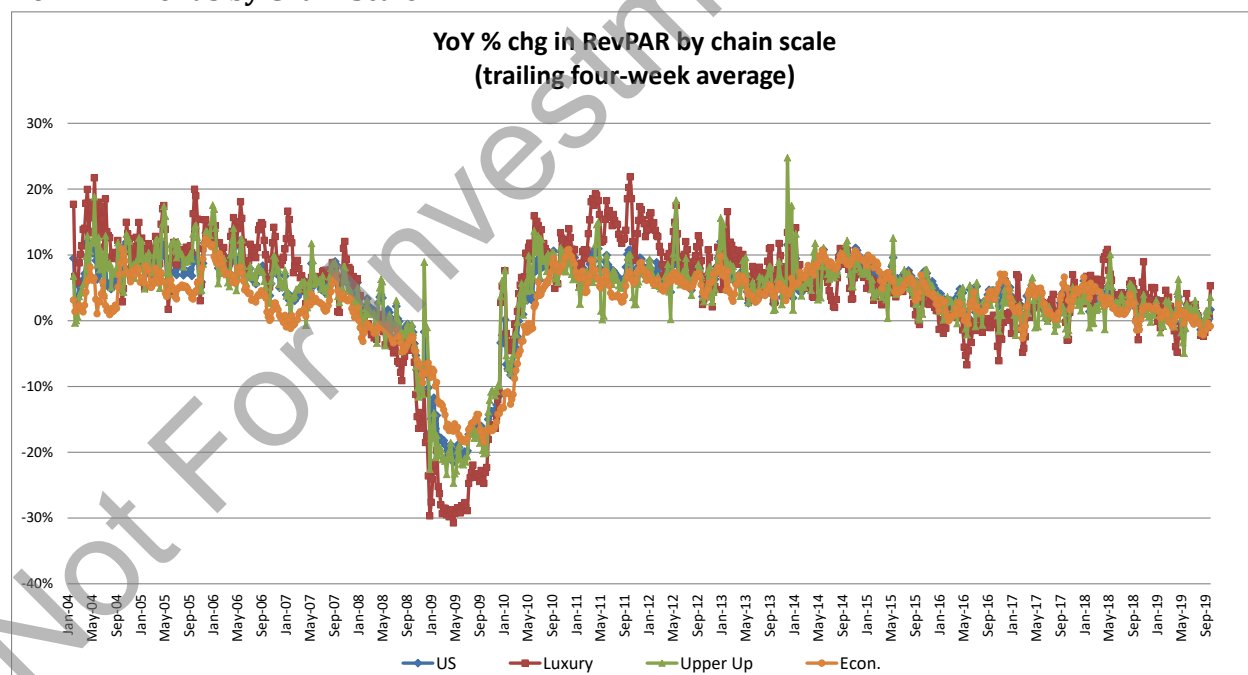
Source: STR data, STRH research

RevPAR Component Trends



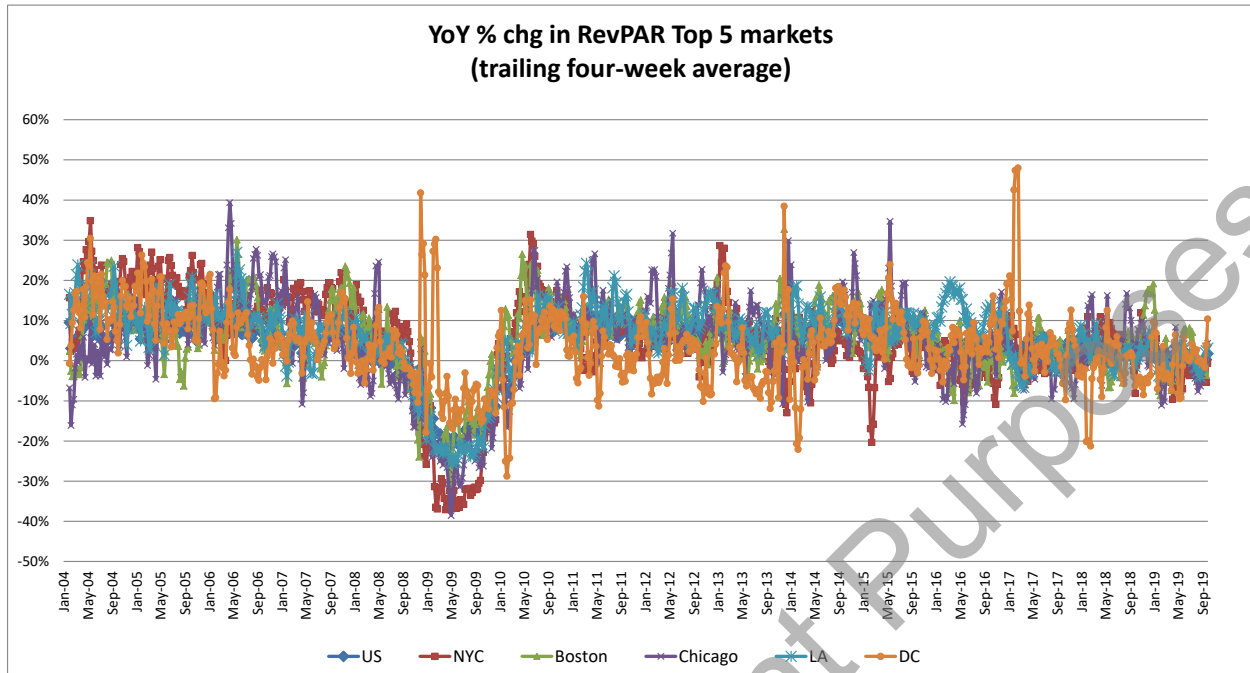
Source: STR data, STRH research

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 2/11/20	Rating	PT*	% upside down- side	2020E Valuation EBITDA (\$M)* **	2020E As Reported EBITDA (\$M)*	Target EV/EBITDA Multiple	Risks
Choice Hotels	CHH	\$103.46	Hold	\$86	-17%	\$393	\$393	14.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$10.18	Hold	\$9	-12%	\$244	\$244	11.5X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: company unable to locate properties to buy.
Host Hotels & Resorts	HST	\$16.93	Hold	\$18	6%	\$1,328	\$1,328	12.0X	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	\$88.48	Hold	\$84	-5%	\$721	\$755	13.2X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$9.33	Hold	\$11	17%	\$106	\$106	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	\$32.00	Buy	\$42	32%	\$412	\$439	11.0X	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	\$112.94	Hold	\$107	-5%	\$2,286	\$2,406	14.8X	Upside risk: Macro lodging trends improve beyond expectations. Downside risk: slowing pipeline. 2020 is a recession year in the U.S. 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.
Marriott International	MAR	\$147.19	Hold	\$128	-13%	\$3,445	\$3,759	14.9X	Downside Risk: 2020 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	\$122.57	Buy	\$146	19%	\$813	\$847	11.0X	Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	\$23.79	Buy	\$27	13%	\$842	\$858	12.0X	Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs.
Pebblebrook Hotel Trust***	PEB	\$25.13	Hold	\$26	3%	\$462	\$462	14.0X	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	\$7.20	Buy	\$10	39%	\$173	\$180	11.5X	Downside risk: demand shock, hurricanes, inability to complete 2021 growth initiatives. country-specific risks (emerging market portfolio)
RLJ Lodging Trust***	RLJ	\$16.19	Sell	\$15	-7%	\$391	\$402	11.0X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion.
Ryman Hospitality Properties	RHP	\$88.33	Hold	\$82	-7%	\$541	\$527	12.6X	Upside risk: recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	\$13.34	Hold	\$14	5%	\$304	\$304	11.5X	Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in Orlando and Boston Park Plaza post-meeting space expansions.
Vail Resorts, Inc.	MTN	\$244.84	Buy	\$270	10%	\$807	\$807	15.0X	Downside risk: Weaker than expected demand trends following capital investment projects.
Wyndham Destinations	WYND	\$48.67	Buy	\$76	56%	\$1,030	\$1,049	9.2X	Downside risk: Economic conditions, competition for vacation and ski dollars, stagnant skier visitation, an aging customer, and climate change.
Wyndham Hotels & Resorts	WH	\$59.33	Buy	\$67	13%	\$632	\$654	13.0X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off. 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, \$9.33, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$103.46, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$10.18, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$88.48, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$32.00, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$112.94, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$16.93, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$147.19, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$244.84, Buy, C. Patrick Scholes)
Norwegian Cruise Line Holdings Ltd. (NCLH, \$52.49, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$25.13, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$23.79, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$7.20, Buy, C. Patrick Scholes)
Royal Caribbean Cruises Ltd. (RCL, \$113.06, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$88.33, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$16.19, Sell, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$13.34, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$122.57, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$59.33, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, \$48.67, Buy, C. Patrick Scholes)

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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.

I, Gregory J. Miller, 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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