



Lodging - US RevPAR -1.4% Y/Y Last Week; Clean comp with uninspiring results

Still not seeing a demand shock in US from virus (let's hope that continues)

What's Incremental To Our View

Overall U.S. RevPAR was -1.4% Y/Y for the week ending 2/22/2020, per STR, softer than the prior week's result of +1.2%. (2-year stacked RevPAR was -1.1% vs +4.7% in the prior week). Independent hotels (about 1/3rd of the data set) were -0.3% y/y. Luxury (+1.8%) was the strongest chain scale for branded hotels; Midscale was the weakest at -4.4%. Upscale (-2.3%) and Upper Midscale (-2.5%) underperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (-6.2% vs. -2.9% prior week) was softer than Transient (+2.8% vs. +5.4% prior week).

Last week was a fairly clean comp (ex-some residual benefit from the Valentine's Day calendar shift to Sunday leisure demand).

However, overall results were challenged with the only positive chain scale last week being Luxury. Occupancy and ADR weakness were evident from Upscale to Economy. Ex-Economy, we assume supply growth headwinds and macro demand weaknesses are a double whammy to RevPAR performance now.

On coronavirus: we continue to see no clear material demand shock-level impact to major inbound gateway markets. The weakness in San Francisco last week (RevPAR -21.8%) appears to be driven more by a tough group comp than a clear transient shock. However, the situation is certainly fluid and there may be a lag impact to U.S. demand both to domestic and international travel. Media attention is likely not additive as we approach the stronger demand periods in the Spring.

For the month of February, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, Hold], Hyatt [H, Hold], or Marriott [MAR, Hold] hotel) will finish +0-2% (unchanged from our prior estimate). We estimate that the overall industry will finish +1-3% (unchanged from our prior estimate). Please note that reported monthly results include hotels that are not in the weekly data set.

Last week's RevPAR details:

- **Luxury was the strongest chain scale:** Upscale and Upper Midscale underperformed by 410 bps and 430 bps, respectively: Luxury RevPAR (+1.8%), Upper Upscale (-1.2%), Upscale (-2.3%), Upper Midscale

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

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

Kevin Robinson
617-345-6544
kevin.robinson@suntrust.com

What's Inside

Weekly STR results and analysis

(-2.5%), Midscale (-4.4%), and Economy (-3.0%). Independent hotels (-0.3%) outperformed the headline U.S. RevPAR.

- **Within Upper Upscale & Luxury class hotels, Group underperformed Transient:** Transient segment (individual business and leisure travelers) RevPAR was +2.8% (vs. +5.4% last week) and Group segment RevPAR was -6.2% (vs. -2.9% last week).
- **Washington, D.C. was the strongest of the top five markets:** Boston (-7.5%), Chicago (+0.2%), Los Angeles (-4.1%), NYC (-3.8%), and Washington, D.C. (+2.2%).
- **Other relevant markets:**
 - **San Francisco was materially negative (the market has a tough 1Q20 y/y group comp):** RevPAR was -21.8% vs. -30.9% last week. Note that San Francisco Group RevPAR was -33.2% and Transient was -20.3%. We assume that both are related to a group y/y comp.
 - **Florida markets were up:** Miami (+5.1% vs. +2.8% last week); Orlando (+6.3% vs. -6.8% 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 could be gradual cuts to consensus estimates over the next year and 2021 same-store earnings will likely be lower than 2020's.

Not For Investment Purposes

Weekly RevPAR Summary

YoY % change in RevPAR													
U.S.	Upper			Upper			Inde- pendent	New	York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy							
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%
2/15/2020	1.2%	2.3%	2.5%	0.8%	-0.5%	-2.6%	-0.7%	2.1%	-1.2%	5.7%	0.7%	31.5%	12.1%
2/22/2020	-1.4%	1.8%	-1.2%	-2.3%	-2.5%	-4.4%	-3.0%	-0.3%	-3.8%	-7.5%	-4.1%	0.2%	2.2%

Clean comp; uninspiring

Luxury and Upper Upscale led the industry

DC and Chicago 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%	3.0%	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	York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy							
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%
2/15/2020	0.9%	1.0%	-0.1%	-0.7%	-0.2%	-0.2%	0.5%	2.7%	-0.5%	1.2%	0.4%	19.2%	4.5%
2/22/2020	0.7%	3.9%	1.4%	-0.9%	-0.4%	-0.8%	-0.4%	1.8%	-1.9%	-3.9%	-1.7%	3.0%	1.1%

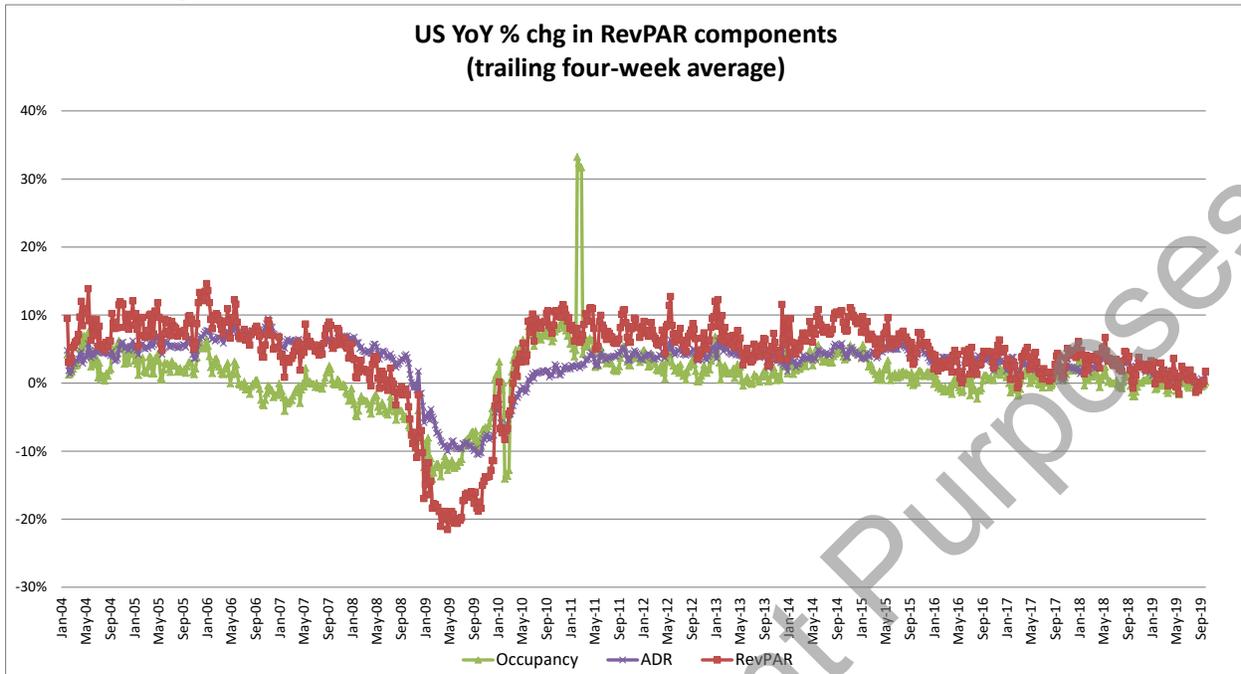
1Q16	3.2%	1.9%	2.7%	3.2%	2.6%	1.7%	3.3%	3.7%	-3.1%	1.4%	11.3%	-1.9%	1.1%
2Q16	2.9%	1.5%	2.2%	2.9%	2.8%	2.7%	3.4%	3.0%	-3.1%	3.3%	9.4%	0.5%	2.1%
3Q16	3.4%	1.5%	2.5%	2.7%	2.4%	3.1%	3.6%	4.4%	-2.7%	2.3%	7.5%	1.9%	3.5%
4Q16	2.6%	2.1%	1.4%	2.2%	2.0%	2.2%	3.2%	3.8%	-1.2%	1.3%	5.8%	3.9%	4.1%
1Q17	2.5%	2.3%	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%	2.9%	-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	York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy							
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%
2/15/2020	0.2%	1.3%	2.6%	1.6%	-0.3%	-2.4%	-1.2%	-0.6%	-0.7%	4.5%	0.3%	10.3%	7.3%
2/22/2020	-2.1%	-2.0%	-2.6%	-1.4%	-2.1%	-3.6%	-2.6%	-2.0%	-2.0%	-3.7%	-2.4%	-2.8%	1.1%

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%	-0.2%	-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%

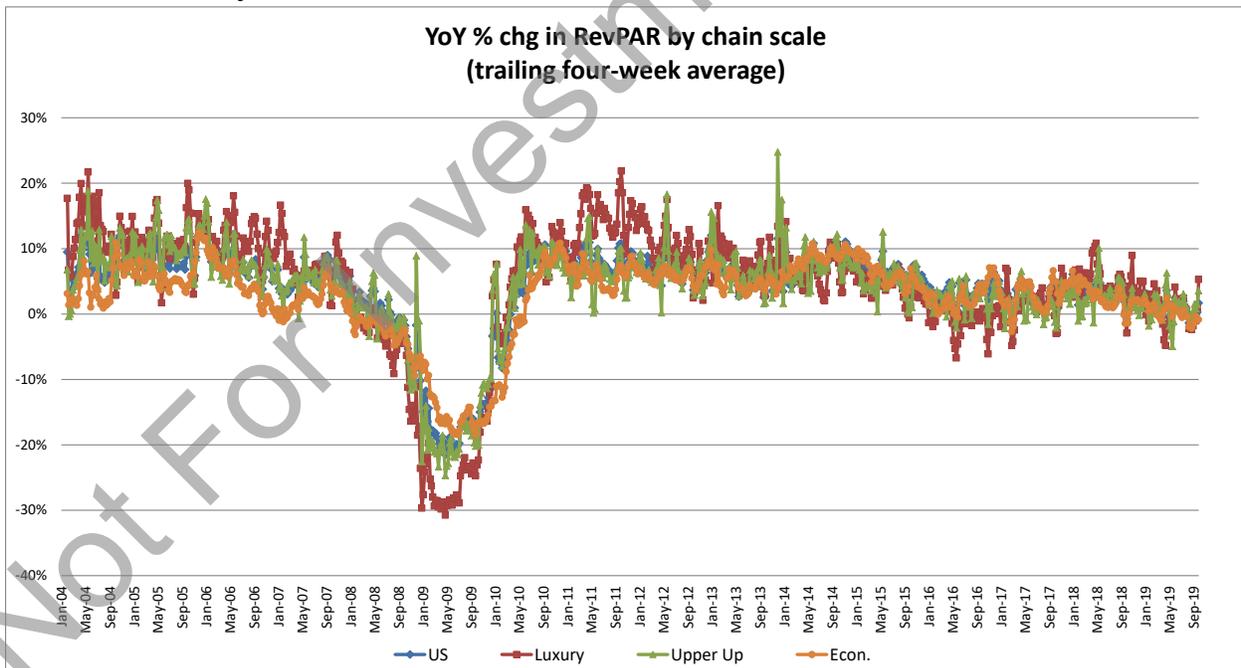
Source: STR data, STRH research

RevPAR Component Trends



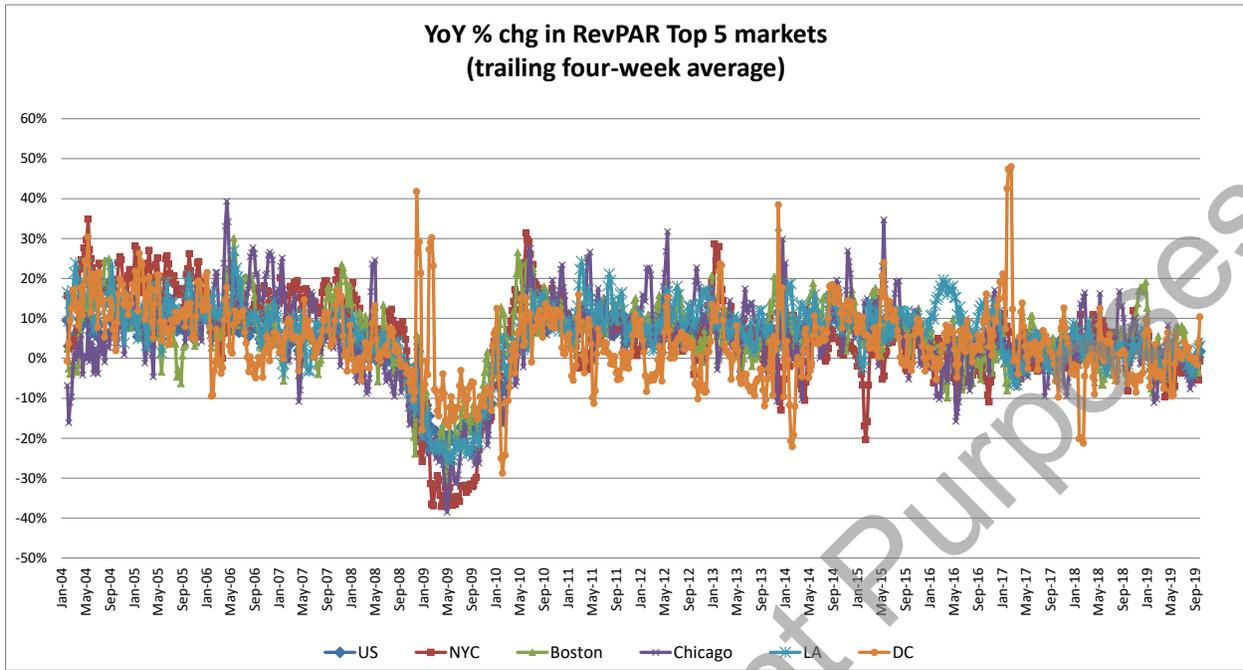
Source: STR data, STRH research

RevPAR Trends by Chain Scale



Source: STR data, STRH research

RevPAR Trends by Market



Source: STR data, STRH research

Not For Investment Purposes

Price Target/Risks Summary

Lodging	TKR	Price 2/25/20	Rating	PT*	% upside down- side	2020E Valuation EBITDA (\$M)**	2020E As Reported EBITDA (\$M)*	Target EV/EBITDA Multiple	Risks
Choice Hotels	CHH	\$98.15	Hold	\$91	-7%	\$381	\$381	14.0X	Upside risk: conservative guidance. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$9.58	Hold	\$9	-6%	\$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	\$15.39	Hold	\$18	17%	\$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	\$80.15	Hold	\$83	4%	\$699	\$735	13.3X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$8.64	Hold	\$11	26%	\$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	\$29.21	Buy	\$42	44%	\$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	\$98.88	Hold	\$107	8%	\$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.
Marriott International	MAR	\$124.08	Hold	\$128	3%	\$3,445	\$3,759	14.9X	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 U.S. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	\$103.02	Buy	\$146	41%	\$813	\$847	11.0X	Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	\$20.77	Buy	\$27	30%	\$842	\$858	12.0X	Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs.
Pebblebrook Hotel Trust***	PEB	\$22.56	Hold	\$23	2%	\$445	\$445	13.5X	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	\$6.65	Buy	\$10	50%	\$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	\$14.66	Sell	\$15	2%	\$391	\$402	11.0X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion. Upside risk: recovering group demand better than expected, better margin recovery.
Ryman Hospitality Properties	RHP	\$79.04	Hold	\$82	4%	\$541	\$527	12.6X	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	\$11.99	Hold	\$12	0%	\$292	\$292	11.5X	Downside risk: Weaker than expected demand trends following capital investment projects.
Vail Resorts, Inc.	MTN	\$230.74	Buy	\$270	17%	\$807	\$807	15.0X	Downside risk: Economic conditions, competition for vacation and ski dollars, stagnant skier visitation, an aging customer, and climate change.
Wyndham Destinations	WYND	\$42.96	Buy	\$76	77%	\$1,030	\$1,049	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	\$53.40	Buy	\$66	24%	\$602	\$628	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, \$8.64, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$98.15, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$9.58, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$85.79, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$29.21, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$98.88, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$15.39, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$124.08, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$230.74, Buy, C. Patrick Scholes)
Norwegian Cruise Line Holdings Ltd. (NCLH, \$39.31, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$22.56, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$20.77, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$6.65, Buy, C. Patrick Scholes)
Royal Caribbean Cruises Ltd. (RCL, \$89.55, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$79.04, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$14.66, Sell, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$11.99, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$103.02, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$53.40, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, \$42.96, 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.

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.

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.

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

SunTrust Robinson Humphrey ratings distribution (as of 02/26/2020):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	Count	Percent	Rating	Count	Percent
Buy	421	61.73%	Buy	137	32.54%
Hold	253	37.10%	Hold	59	23.32%
Sell	8	1.17%	Sell	1	12.50%

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.

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 Truist Financial Corporation. SunTrust Robinson Humphrey, Inc. is owned by Truist Financial Corporation and affiliated with SunTrust Investment Services, Inc. and BB&T Securities, LLC. Despite this affiliation, securities recommended, offered, sold by, or held at SunTrust Robinson Humphrey, Inc., SunTrust Investment Services, Inc. or BB&T Securities, LLC (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Truist Bank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. Truist 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. Truist and SunTrust Robinson Humphrey are service marks of Truist Financial Corporation.

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

© SunTrust Robinson Humphrey, Inc. 2020. All rights reserved. Reproduction or quotation in whole or part without permission is forbidden.

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