



Lodging: US RevPAR -54.6% Y/Y Last Week; Big slide as last week did not benefit from a holiday

Also possible travel slowdown related to spike in COVID-19 cases.

What's Incremental To Our View

Overall U.S. RevPAR was -54.6% Y/Y for the week ending 7/11/2020, per STR, softer than the prior week's result of -44.8%. (2-year stacked RevPAR was -57.2% vs. -38.9% in the prior week). Independent hotels (~1/3rd of the data set) were -47.0% y/y. Economy (-24.8%) was the relatively strongest chain scale for branded hotels; Upper Upscale was the weakest at -75.7%. Upscale (-61.4%) underperformed the industry average; Upper Midscale (-48.8%) outperformed. Within Upper Upscale & Luxury class hotels, Group (-91.4% vs. -85.9% prior week) was softer than Transient (-61.8% vs. -53.4% prior week).

Similar to the week ending 7/4, last week's STR data incorporates the impact of Independence Day. The shift of the holiday to a Saturday in 2020 from a Thursday in 2019 (for both years, the holiday was in the prior week's results) adds considerable noise to the y/y comparison. However, we were not surprised to see week-over-week sequential RevPAR softer than the prior week given the holiday shift.

- Additionally, we view the continuation of work from home and pent-up leisure demand over holiday weekends like Memorial Day and Independence Day this year making y/y comparisons even harder to evaluate. We view the data for the following weeks of July through most of August (until the impact of Hurricane Dorian) a moderately cleaner y/y comparison.
- We remind investors: there are many hotels that suspended operations/closed and they are not included in the comparisons. Implications are that the headline statistics overstate the actual performance of the overall industry.

Compared to the prior week (ended 7/4), sequential RevPAR trends were softer than last week's results.

- Headline RevPAR was -54.6% vs. the running 28 day average of -54.4%.
- RevPAR for the weeks ended March 14th through July 4th, 2020 were -32.5/-69.5/-80.3/-81.6/-83.6/-79.4/-78.4/-76.8/-74.4/-73.6/-69.9/-62.1/-65.0/-62.6/-60.3/-56.5/-44.8% respectively.
- **Occupancy:** absolute occupancy of 45.9% was sequentially **similar** than the prior week of 45.6%. Occupancy y/y change of -38.0% is sequentially **softer** the prior week of -30.2%.

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What's Inside

Weekly STR results and analysis

- **ADR:** ADR y/y change of -26.8% was sequentially **softer** than the prior week of -20.9%. (We do not consider sequential changes in absolute ADR material.)
- **"Location" RevPAR Y/Y change sequentially softer. We still do not see a material corporate demand rebound:** Urban (-74.8% vs. -64.7% in the prior week), Suburban (-52.9% vs. -39.4%), Interstate (-34.8% vs. -26.3%), and Resort (-49.7% vs. -45.1%).
 - **Absolute occupancies mixed:** Urban: 32.9% vs. 33.7% in the prior week, Suburban: 48.2% vs. 47.0%, Interstate: 51.3% vs. 49.6%, and Resort: 43.0% vs. 46.4%.
- **Open/closed hotels:** Per STR 6.6% of the hotel supply is closed (vs. 6.8% in the prior week.). The trend is consistent to what we would expect given hotels reopening pre-Independence Day.

Last week's RevPAR details:

- **Economy was the relatively strongest chain scale:** Upscale and Upper Midscale underperformed by 3,660 bps and 2,400 bps, respectively: Luxury RevPAR (-75.6%), Upper Upscale (-75.7%), Upscale (-61.4%), Upper Midscale (-48.8%), Midscale (-36.4%), and Economy (-24.8%). Independent hotels (-47.0%) outperformed the headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group underperformed Transient:** Transient segment (individual business and leisure travelers) RevPAR was -61.8% (vs. -53.4% last week) and Group segment RevPAR was -91.4% (vs. -85.9% last week).
 - Absolute Group occupancy remains near zero and does not seem to be improving: 2.8% last week vs. 2.6% for the running 28 days.
- **Los Angeles was the relatively strongest market of the top five markets:** Boston (-82.9%), Chicago (-73.6%), Los Angeles (-67.2%), NYC (-77.7%), and Washington, D.C. (-71.0%).
- **Other relevant markets:**
 - **San Francisco:** RevPAR was -80.0% vs. -66.3% last week.
 - **COVID-19 "watch" markets (RevPAR):**
 - **Dallas:** -63.1% vs. -46.4% last week. Absolute occupancy 39.0% vs. 38.5% last week.
 - **Houston:** -59.8% vs. -46.9% last week. Absolute occupancy 36.8% vs. 36.2% last week.
 - **Phoenix:** -36.0% vs. -18.5% last week. Absolute occupancy 42.4% vs. 44.1% last week.
 - Note: Weekly changes for resort locations (more impactful to Phoenix) may add noise to the sequential comparisons.
 - **Florida market RevPAR:**
 - **Miami:** (-71.9% vs. -65.0% last week)
 - **Orlando:** (-70.9% vs. -68.9% last week). Note: [Walt Disney World theme parks have reopened](#) (Disney). Covered companies with material exposure near the theme parks include: HST, PK, RHP, RLJ, and WH. Other C-corps have large resorts in the area but relative exposure impact is lower (MAR, HLT, and H). **We would view spiking cases following theme park reopenings potentially very problematic for Orlando hotels.**

Picking lodging stocks at the moment: A real conundrum as our eyes tell us one thing but our analyst instincts tell us another:

- On one hand forward RevPAR trends for corporate and group/convention business for the rest of the year can best be described as "awful." **What we can physically see (hard data that has good predictability for the rest of the year) at the moment is not encouraging for the typical REIT-owned hotel and would under "normal conditions" prompt us to downgrade many names to "Sell".**
- On the other hand, if one *believes* and has *faith* that 2021 and 2022 will be RevPAR recovery years, which we do, and subsequently values these stocks on 2022 estimates, then many look moderately attractive. To this we add that companies have the balance sheets to ride out 2020, a throw-away year.

As it relates to stock picking for the moment, we continue to look most favorably on hotels and resorts that are best positioned to the drive-to leisure customer today (WH, WYND, and VAC).

- For the public companies, we reiterate the companies best positioned here in our coverage universe to drive-to leisure are CHH and WH (we prefer WH over CHH due to a more attractive comparable valuation) and for the timeshare companies (BXG, HGV, VAC, WYND). **We find one of the most telling signals this year as it relates to the resiliency of the timeshare business model is that WYND is the only company in our greater coverage universe to have not cut its dividend; to us that really says something.**
- Besides improvements in drive-to leisure travel today, there are indications of strong pent-up demand for future travel.

(Our ratings and price targets generally represent our recommendations and forecasts based on a 12 to 18 month outlook. We acknowledge that near term uncertainty and volatility could affect financial inputs to our targets, and the likely multiples the market may pay for those metrics.)

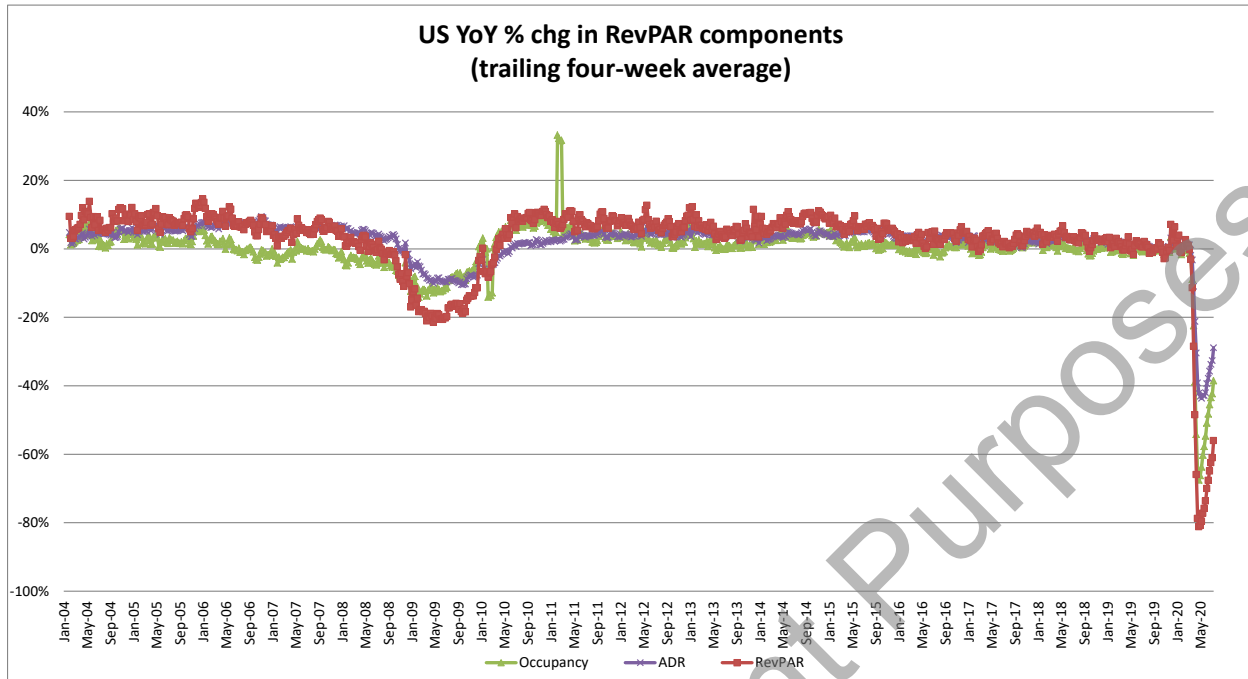
Not For Investment Purposes

Weekly RevPAR Summary

YoY % change in RevPAR													
	U.S.	Luxury	Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
5/16/2020	-73.6%	-89.7%	-89.8%	-78.2%	-69.8%	-55.4%	-36.3%	-69.5%	-80.5%	-90.9%	-73.6%	-85.9%	-87.0%
5/23/2020	-69.9%	-87.0%	-87.2%	-75.1%	-65.2%	-51.1%	-34.4%	-65.4%	-78.9%	-89.7%	-71.5%	-85.1%	-85.5%
5/30/2020	-62.1%	-79.4%	-80.7%	-66.8%	-57.2%	-44.9%	-28.4%	-58.0%	-71.8%	-86.6%	-64.6%	-82.8%	-78.3%
6/6/2020	-65.0%	-82.7%	-84.2%	-70.7%	-58.8%	-45.2%	-28.8%	-59.7%	-77.0%	-89.2%	-71.8%	-84.9%	-78.4%
6/13/2020	-62.6%	-80.4%	-81.6%	-68.5%	-56.4%	-43.4%	-29.9%	-56.3%	-74.9%	-87.0%	-73.7%	-83.8%	-79.8%
6/20/2020	-60.3%	-79.3%	-79.1%	-66.5%	-54.4%	-42.4%	-30.3%	-53.2%	-77.3%	-86.4%	-68.4%	-82.1%	-81.2%
6/27/2020	-56.5%	-76.1%	-76.5%	-63.3%	-50.0%	-37.8%	-26.5%	-48.7%	-78.3%	-85.4%	-65.2%	-78.7%	-77.9%
7/4/2020	-44.8%	-66.4%	-65.2%	-48.2%	-37.3%	-28.4%	-21.3%	-40.6%	-67.2%	-71.6%	-60.2%	-56.8%	-58.0%
7/11/2020	-54.6%	-75.6%	-75.7%	-61.4%	-48.8%	-36.4%	-24.8%	-47.0%	-77.7%	-82.9%	-67.2%	-73.6%	-71.0%
<div>Tougher sequential result due to holiday shift</div> <div>Economy and Midscale led the industry (on a relative basis)</div> <div>LA and DC led the Top 5 markets (on a relative basis; all markets extremely negative)</div>													
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%
1Q20	-19.3%	-21.4%	-23.1%	-20.8%	-19.1%	-16.8%	-11.2%	-16.7%	-28.0%	-24.5%	-19.3%	-21.0%	-23.2%
YoY % change in ADR													
	U.S.	Luxury	Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
5/16/2020	-42.4%	-27.6%	-44.0%	-35.1%	-27.8%	-19.8%	-16.8%	-41.4%	-59.4%	-64.6%	-41.8%	-57.4%	-55.8%
5/23/2020	-39.7%	-27.7%	-39.4%	-33.5%	-25.9%	-18.3%	-16.5%	-38.5%	-56.9%	-62.1%	-39.8%	-56.8%	-52.6%
5/30/2020	-33.3%	-16.5%	-30.1%	-27.0%	-21.3%	-16.0%	-13.2%	-32.3%	-48.3%	-55.2%	-34.4%	-58.0%	-41.9%
6/6/2020	-35.9%	-22.6%	-34.9%	-31.0%	-22.9%	-16.6%	-13.1%	-33.5%	-56.0%	-60.9%	-40.3%	-59.4%	-42.9%
6/13/2020	-33.9%	-20.5%	-32.9%	-30.0%	-22.3%	-16.7%	-13.9%	-30.4%	-7.5%	-15.0%	11.4%	-66.9%	-21.5%
6/20/2020	-31.7%	-18.8%	-29.8%	-28.8%	-21.9%	-16.1%	-13.8%	-27.0%	-52.7%	-55.7%	-38.1%	-53.6%	-48.5%
6/27/2020	-29.0%	-14.0%	-26.9%	-26.9%	-19.6%	-14.0%	-12.0%	-23.7%	-52.3%	-54.1%	-35.6%	-49.0%	-44.9%
7/4/2020	-20.9%	-5.1%	-12.3%	-15.7%	-13.2%	-11.9%	-11.0%	-18.4%	-31.6%	-34.4%	-30.9%	-24.9%	-22.2%
7/11/2020	-26.8%	-12.4%	-25.1%	-24.4%	-18.4%	-13.2%	-11.6%	-21.5%	-46.2%	-49.4%	-38.4%	-42.1%	-35.6%
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%
1Q20	-4.0%	1.6%	-1.4%	-2.9%	-3.1%	-3.8%	-3.8%	-2.3%	-8.6%	-6.2%	-2.7%	-2.6%	-6.8%
YoY % change in Occupancy													
	U.S.	Luxury	Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
5/16/2020	-54.1%	-85.7%	-81.9%	-66.3%	-58.1%	-44.3%	-23.5%	-47.9%	-52.1%	-74.4%	-54.8%	-66.9%	-70.5%
5/23/2020	-50.2%	-82.0%	-78.8%	-62.5%	-53.0%	-40.2%	-21.5%	-43.7%	-50.9%	-72.9%	-52.7%	-65.5%	-69.5%
5/30/2020	-43.2%	-75.4%	-72.3%	-54.5%	-45.6%	-34.4%	-17.4%	-38.0%	-45.5%	-70.0%	-46.1%	-59.0%	-62.7%
6/6/2020	-45.3%	-77.7%	-75.7%	-57.5%	-46.6%	-34.3%	-18.1%	-39.4%	-47.7%	-72.4%	-52.7%	-62.7%	-62.3%
6/13/2020	-43.4%	-75.3%	-72.6%	-55.1%	-43.8%	-32.0%	-18.6%	-37.2%	-68.4%	-68.2%	-54.8%	-69.7%	-46.1%
6/20/2020	-41.8%	-74.4%	-70.3%	-53.0%	-41.6%	-31.3%	-19.1%	-35.9%	-52.0%	-69.3%	-49.0%	-61.3%	-63.5%
6/27/2020	-38.7%	-72.1%	-67.9%	-49.8%	-37.9%	-27.7%	-16.5%	-32.8%	-54.6%	-68.1%	-45.9%	-58.2%	-59.9%
7/4/2020	-30.2%	-64.6%	-60.3%	-38.6%	-27.7%	-18.7%	-11.6%	-27.2%	-52.0%	-56.7%	-42.5%	-42.5%	-46.0%
7/11/2020	-38.0%	-72.2%	-67.5%	-49.0%	-37.2%	-26.7%	-14.9%	-32.4%	-58.5%	-66.2%	-46.8%	-54.4%	-54.9%
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%
1Q20	-15.9%	-22.6%	-21.9%	-18.4%	-16.5%	-13.6%	-7.7%	-14.8%	-21.3%	-19.5%	-17.1%	-18.8%	-17.6%

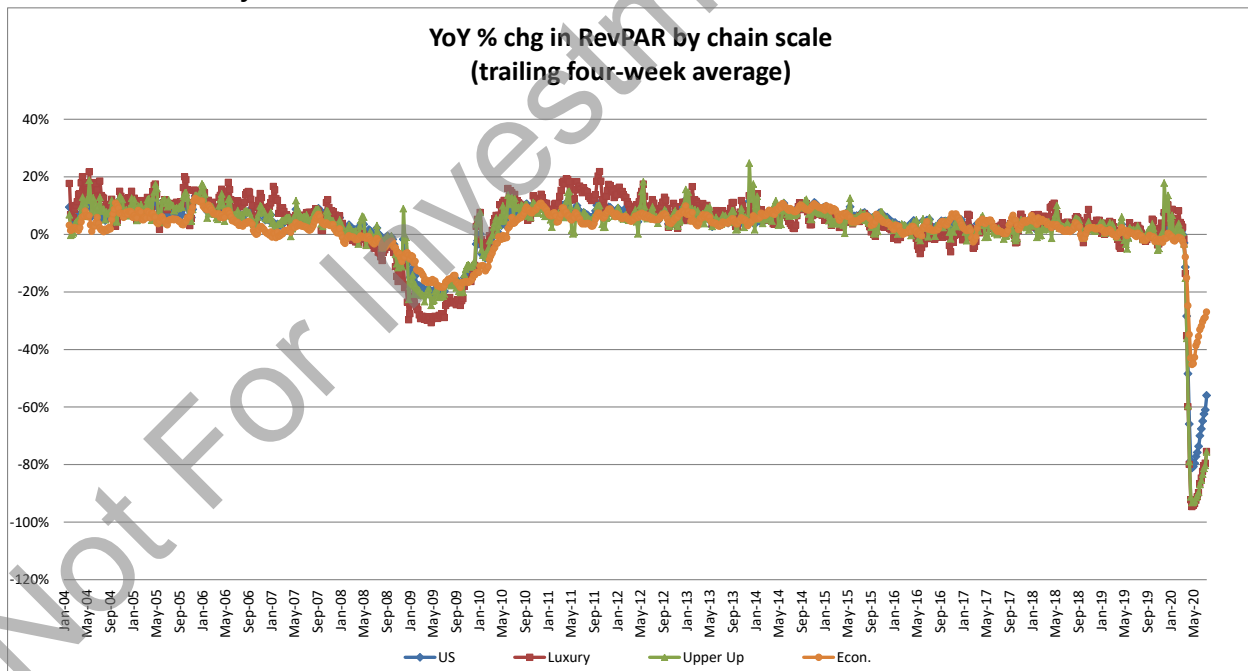
Source: STR data, STRH research

RevPAR Component Trends



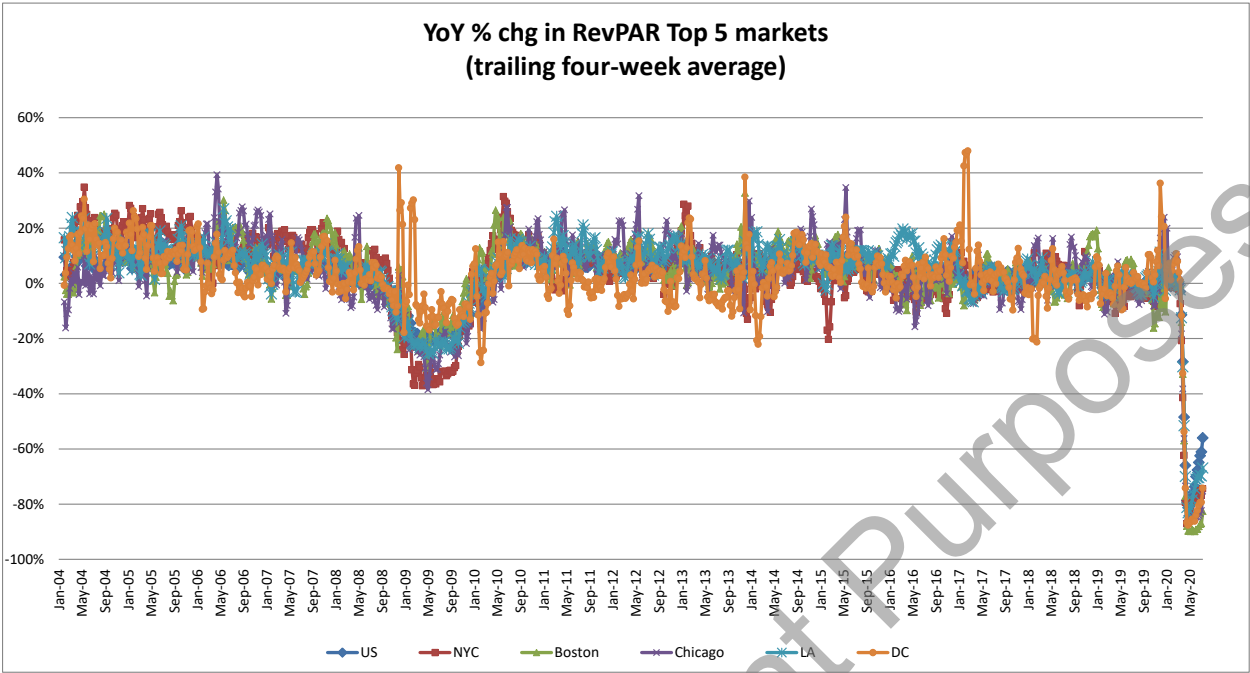
Source: STR data, STRH research

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 7/14/20	Rating	PT*	% upside down- side	2021E Valuation EBITDA (\$M)* **	2021E As Reported EBITDA (\$M)*	Target EV/EBITDA Multiple	Risks Note: COVID-19 represents a material risk to our entire coverage especially related to the length/severity of the demand shock.
Choice Hotels	CHH	\$81.40	Hold	\$67	-18%	\$336	\$336	13.0X	Upside risk: conservative growth of new brands. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$5.03	Hold	\$4	-20%	\$147	\$148	11.5X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: leisure hotels struggle more than expected in 2020.
Host Hotels & Resorts	HST	\$10.61	Hold	\$9	-15%	\$776	\$776	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	\$49.28	Hold	\$49	-1%	\$488	\$516	12.7X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$5.17	Hold	\$5	6%	\$73	\$73	6.3X	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	\$20.77	Buy	\$23	10%	\$318	\$334	9.3X	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	\$73.51	Hold	\$66	-10%	\$1,796	\$1,877	13.9X	Upside risk: Macro lodging trends improve beyond expectations. Downside risk: slowing pipeline. Deep 2021 recession.
Marriott International	MAR	\$87.12	Hold	\$86	-1%	\$2,571	\$2,794	14.0X	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. Slowing pipeline. Downside Risk: 2021 is a deep recession year in the U.S. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	\$84.91	Buy	\$114	34%	\$690	\$0	9.5X	Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	\$9.00	Buy	\$10	11%	\$526	\$538	12.0X	Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs.
Pebblebrook Hotel Trust***	PEB	\$11.16	Hold	\$9	-19%	\$292	\$292	13.25X	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. Very slow recovery in San Francisco.
Playa Hotels & Resorts	PLYA	\$3.50	Hold	\$2	-43%	\$136	\$142	9.5X	Upside risk: quicker recovery post-COVID, Cap Cana group strength/rate growth in the D.R. Downside risk: demand shock, hurricanes, slow ramp up of Cap Cana, country-specific risks (emerging market portfolio)
RLJ Lodging Trust***	RLJ	\$8.28	Sell	\$7	-15%	\$270	\$282	11.5X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion.
Ryman Hospitality Properties	RHP	\$30.02	Hold	\$30	0%	\$316	\$322	12.5X	Upside risk: recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	\$7.49	Hold	\$7	-7%	\$197	\$197	11.5X	Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in various hotels post-2020 renovations. Downside risk: Weaker than expected demand trends following capital investment projects.
Vail Resorts, Inc.****	MTN	\$178.44	Buy	\$233	31%	\$811	\$811	14.5X	Downside risk: Economic conditions, competition for vacation and ski dollars, stagnant skier visitation, an aging customer, and climate change.
Wyndham Destinations	WYND	\$29.06	Buy	\$39	33%	\$771	\$799	7.3X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	\$42.68	Buy	\$45	5%	\$512	\$528	12.0X	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, \$5.17, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$81.40, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$5.03, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$49.28, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$20.77, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$73.51, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$10.61, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$87.12, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$178.44, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$11.16, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$9.00, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$3.50, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$30.02, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$8.28, Sell, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$7.49, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$84.91, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$42.68, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, \$29.06, Buy, C. Patrick Scholes)

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