

Lodging

Lodging: US RevPAR -51.8% Y/Y Last Week; Clean comp and overall a bit worse w/w

We've said it before. Leisure travel has in fact not replaced business demand.

What's Incremental To Our View

Overall U.S. RevPAR was -51.8% Y/Y for the week ending 10/24/2020, per STR, softer than the prior week's result of -50.3%. (2-year stacked RevPAR was -51.9% vs. -51.0% in the prior week). Independent hotels (~ 1/3rd of the data set) were -43.5% y/y. Economy (-15.4%) was the relatively strongest chain scale for branded hotels; Upper Upscale was the weakest at -74.1%. Upscale (-56.6%) underperformed the industry average; Upper Midscale (-41.2%) outperformed. Within Upper Upscale & Luxury class hotels, Group (-88.5% vs. -88.0% prior week) was softer than Transient (-58.1% vs. -55.4% prior week).

Last week's results were fairly straightforward to us as there are no holiday shifts and just generally deteriorating trends across the lodging space. Rising virus cases may be a factor. Corporate demand remains very light especially for select- and full-service hotels. Midweek RevPARs for higher-rated hotels are in the low to mid -80s%. Economy hotels continue to significantly outperform all other chain scales due to a high leisure customer mix.

Despite some prognostication from others of leisure demand replacing lost corporate demand, there are now many weeks of data suggesting such a switchover has largely not occurred nor do we expect to ever occur. We hold dim views to any industry or analyst commentary suggesting such a massive and economically irrational switch (how many Americans can afford to spend weeks WFH at a hotel? Not many and most corporations would not pay for such an expense.)

For the month of October, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, Hold], Hyatt [H, Sell], or Marriott [MAR, Hold] hotel) will finish approximately -67% to -73% for Luxury/Upper Upscale full-service and -52% to -57% for Upscale full-service. We estimate that the overall industry will finish approximately -48% to -52%. Please note that reported monthly results include hotels that are not in the weekly data set.

- We assume an easier y/y Halloween comp this year (2019 on a Thursday; 2020 on a Saturday).

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What's Inside

Weekly STR results and analysis

Compared to the prior week (ended 10/17), sequential RevPAR trends were sequentially softer vs. last week's results.

- Headline RevPAR was -51.8% vs. the running 28 day average of -49.5%.
- RevPAR for the weeks ended March 14 through October 17, 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/-54.6/-56.0/-54.8/-51.1/-49.4/-46.1/-46.1/-44.5/-32.8/-48.1/-51.6/-51.7/-48.1/-47.5/-50.3%, respectively.
- **Occupancy:** absolute occupancy of 48.0% was sequentially **softer** than the prior week of 50.1%. Occupancy y/y change of -31.7% is sequentially **softer** than the prior week of -30.7%.
- **ADR:** ADR y/y change of -29.4% was sequentially **softer** than the prior week of -28.3%. (We do not consider sequential changes in absolute ADR material.)
- **"Location" RevPAR Y/Y change sequentially softer (ex-Interstate) vs. the prior week. We still do not see a material corporate demand rebound:** Urban (-74.5% vs. -73.9% in the prior week), Suburban (-47.3% vs. -45.4%), Interstate (-20.7% vs. -21.9%), and Resort (-50.3% vs. -47.7%).
 - **Absolute occupancies softer vs. the prior week:** Urban: 38.0% vs. 39.3% in the prior week, Suburban: 50.8% vs. 52.4%, Interstate: 52.5% vs. 54.5%, and Resort: 42.1% vs. 45.4%.
- **Open/closed hotels:** Per STR 3.6% of the hotel supply is closed (vs. 3.5% in the prior week.).
- Please note there are many hotels that suspended operations/closed and they are not included in the comparisons. Implications are that the headline statistics likely overstate the actual performance of the overall industry.

Last week's RevPAR details:

- **Economy was the relatively strongest chain scale:** Upscale and Upper Midscale underperformed by 4,120 bps and 2,580 bps, respectively: Luxury RevPAR (-73.8%), Upper Upscale (-74.1%), Upscale (-56.6%), Upper Midscale (-41.2%), Midscale (-26.9%), and Economy (-15.4%). Independent hotels (-43.5%) outperformed the headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group underperformed Transient:** Transient segment (individual business and leisure travelers) RevPAR was -58.1% (vs. -55.4% last week) and Group segment RevPAR was -88.5% (vs. -88.0% last week).
 - Absolute Group occupancy remains limited: 4.8% last week vs. 5.0% for the running 28 days.
- **Los Angeles was the relatively strongest market of the top five markets:** Boston (-80.5%), Chicago (-79.0%), Los Angeles (-60.4%), NYC (-81.2%), and Washington, D.C. (-77.2%).
- **Other relevant markets:**
 - **San Francisco:** RevPAR was -78.6% vs. -78.7% last week.
 - **Florida market RevPAR:**
 - **Miami:** (-57.0% vs. -53.9% last week).
 - **Orlando:** (-71.4% vs. -72.2% last week).

The lodging stocks: We expect continued investor disappointment over the next several quarters. The primary driver of our negative stance is our belief in a slower than originally anticipated US RevPAR recovery, with urban business and group-centric hotels unfortunately being in the cross-hairs of the worst of the pain.

- **The good news is that leisure travel, especially drive-to leisure, has shown some green shoots over the past four months.** For the public companies, we reiterate the companies best relatively positioned here in our coverage universe for drive-to leisure are CHH (Hold) and WH (Buy) (we prefer WH over CHH due to a more attractive comparable valuation) and for the timeshare companies (Hold-rated BXG and Buy-rated HGV, VAC, and WYND). To be clear, like for the business and group-centric hotels, we think the next year will still be very challenging for these companies. *That said, in our view, they are relatively better positioned as to not be in the direct cross-hairs of the industry's greatest areas of pain.*

(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.)

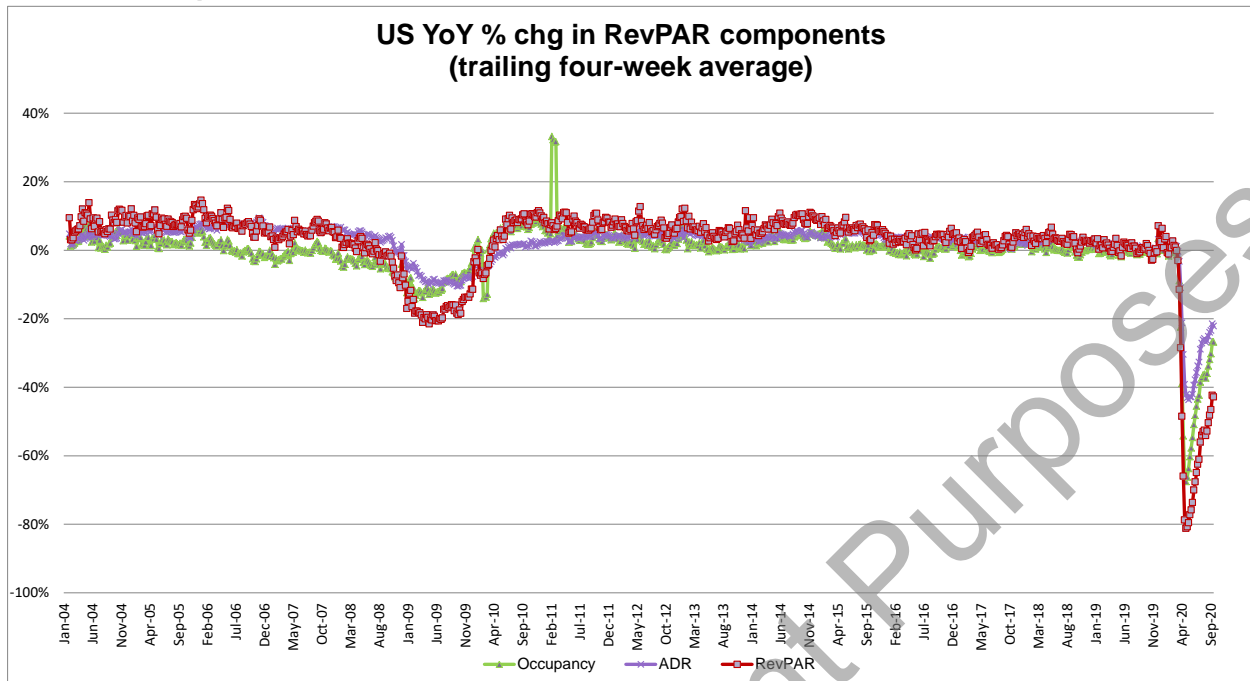
Not For Investment Purposes

Weekly RevPAR Summary

YoY % change in RevPAR													
	U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
9/12/2020	-48.1%	-68.9%	-72.0%	-55.9%	-41.3%	-25.7%	-12.6%	-36.5%	-80.7%	-80.9%	-47.0%	-78.9%	-76.7%
9/19/2020	-51.6%	-73.9%	-75.2%	-57.3%	-41.9%	-28.0%	-15.7%	-43.1%	-83.2%	-82.7%	-54.1%	-78.6%	-75.7%
9/26/2020	-51.7%	-74.9%	-74.6%	-57.4%	-41.3%	-27.6%	-15.9%	-43.4%	-85.5%	-80.3%	-52.2%	-77.2%	-71.8%
10/3/2020	-48.1%	-69.4%	-72.4%	-53.7%	-38.5%	-26.1%	-15.6%	-39.5%	-79.1%	-77.1%	-49.8%	-72.4%	-68.8%
10/10/2020	-47.5%	-68.6%	-70.8%	-53.2%	-38.7%	-26.2%	-17.4%	-38.4%	-78.7%	-75.4%	-52.0%	-76.0%	-70.1%
10/17/2020	-50.3%	-72.3%	-72.7%	-55.6%	-39.8%	-27.0%	-17.8%	-41.8%	-82.3%	-78.1%	-56.9%	-78.5%	-78.1%
10/24/2020	-51.8%	-73.8%	-74.1%	-56.6%	-41.2%	-26.9%	-15.4%	-43.5%	-81.2%	-80.5%	-60.4%	-79.0%	-77.2%
Clean comp; simply worse fundamentals		Economy and Midscale led the industry (on a relative basis)						LA and DC led the Top 5 markets (on a relative basis; all markets extremely negative)					
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%
2Q20	-69.9%	-86.8%	-86.7%	-74.8%	-65.4%	-51.3%	-35.0%	-65.2%	-76.9%	-88.2%	-74.5%	-83.7%	-83.7%
3Q20	-48.5%	-72.0%	-71.8%	-55.2%	-41.7%	-29.7%	-19.0%	-39.0%	-77.6%	-79.1%	-58.4%	-73.4%	-68.0%
YoY % change in ADR													
	U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
9/12/2020	-25.5%	-16.4%	-30.8%	-27.2%	-17.2%	-8.8%	-5.2%	-17.3%	-53.6%	-52.0%	-24.1%	-51.2%	-46.5%
9/19/2020	-28.9%	-21.5%	-33.7%	-28.9%	-18.8%	-10.4%	-7.1%	-22.6%	-57.6%	-54.7%	-27.9%	-49.4%	-45.9%
9/26/2020	-29.6%	-26.1%	-34.2%	-29.5%	-19.0%	-10.4%	-7.1%	-23.2%	-64.0%	-52.4%	-25.4%	-48.7%	-43.8%
10/3/2020	-26.3%	-14.6%	-30.8%	-26.6%	-17.7%	-10.2%	-6.2%	-19.5%	-52.6%	-48.6%	-23.9%	-43.0%	-40.2%
10/10/2020	-25.9%	-16.9%	-29.8%	-26.8%	-18.0%	-10.6%	-7.3%	-18.9%	-51.0%	-48.1%	-24.2%	-46.7%	-39.5%
10/17/2020	-28.3%	-22.2%	-33.1%	-28.8%	-18.7%	-10.3%	-7.2%	-21.1%	-57.2%	-51.6%	-28.1%	-50.7%	-52.1%
10/24/2020	-29.4%	-21.4%	-33.9%	-29.3%	-19.1%	-10.1%	-6.1%	-22.7%	-55.9%	-54.7%	-31.6%	-50.7%	-49.5%
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%
2Q20	-37.1%	-22.0%	-34.0%	-30.0%	-23.1%	-17.1%	-14.6%	-34.8%	-52.3%	-56.9%	-40.5%	-53.7%	-48.8%
3Q20	-24.1%	-12.6%	-25.6%	-24.2%	-17.3%	-11.6%	-9.4%	-16.1%	-47.7%	-47.3%	-31.6%	-43.2%	-34.5%
YoY % change in Occupancy													
	U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
9/12/2020	-30.2%	-62.7%	-59.5%	-39.4%	-29.1%	-18.5%	-7.8%	-23.3%	-58.4%	-60.3%	-30.2%	-56.8%	-56.4%
9/19/2020	-31.9%	-66.8%	-62.5%	-40.0%	-28.4%	-19.7%	-9.3%	-26.5%	-60.3%	-61.8%	-36.4%	-57.7%	-55.1%
9/26/2020	-31.5%	-66.0%	-61.4%	-39.6%	-27.6%	-19.2%	-9.5%	-26.3%	-59.6%	-58.7%	-35.9%	-55.4%	-49.9%
10/3/2020	-29.6%	-64.2%	-60.2%	-36.9%	-25.3%	-17.7%	-10.0%	-24.8%	-55.9%	-55.5%	-34.0%	-51.5%	-47.9%
10/10/2020	-29.2%	-62.2%	-58.4%	-36.1%	-25.3%	-17.5%	-11.0%	-24.0%	-56.6%	-52.6%	-36.6%	-54.9%	-50.5%
10/17/2020	-30.7%	-64.4%	-59.2%	-37.6%	-26.0%	-18.6%	-11.5%	-26.2%	-58.8%	-54.8%	-40.0%	-56.4%	-54.4%
10/24/2020	-31.7%	-66.7%	-60.9%	-38.6%	-27.3%	-18.6%	-9.9%	-26.9%	-57.2%	-57.0%	-42.1%	-57.4%	-54.7%
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%
2Q20	-52.1%	-83.0%	-79.8%	-64.0%	-55.1%	-41.3%	-23.9%	-46.6%	-51.5%	-72.7%	-57.1%	-64.7%	-68.2%
3Q20	-32.2%	-68.0%	-62.2%	-40.9%	-29.5%	-20.5%	-10.6%	-27.3%	-57.3%	-60.3%	-39.1%	-53.1%	-51.2%

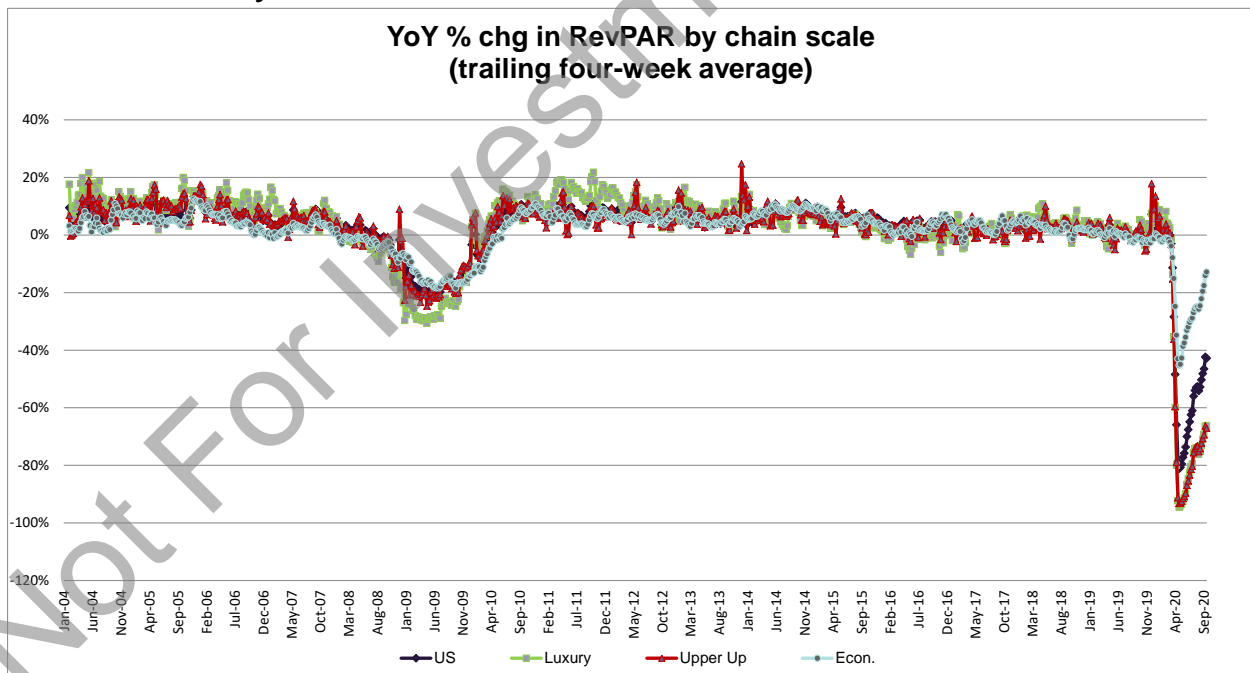
Source: STR data, Truist Securities research

RevPAR Component Trends



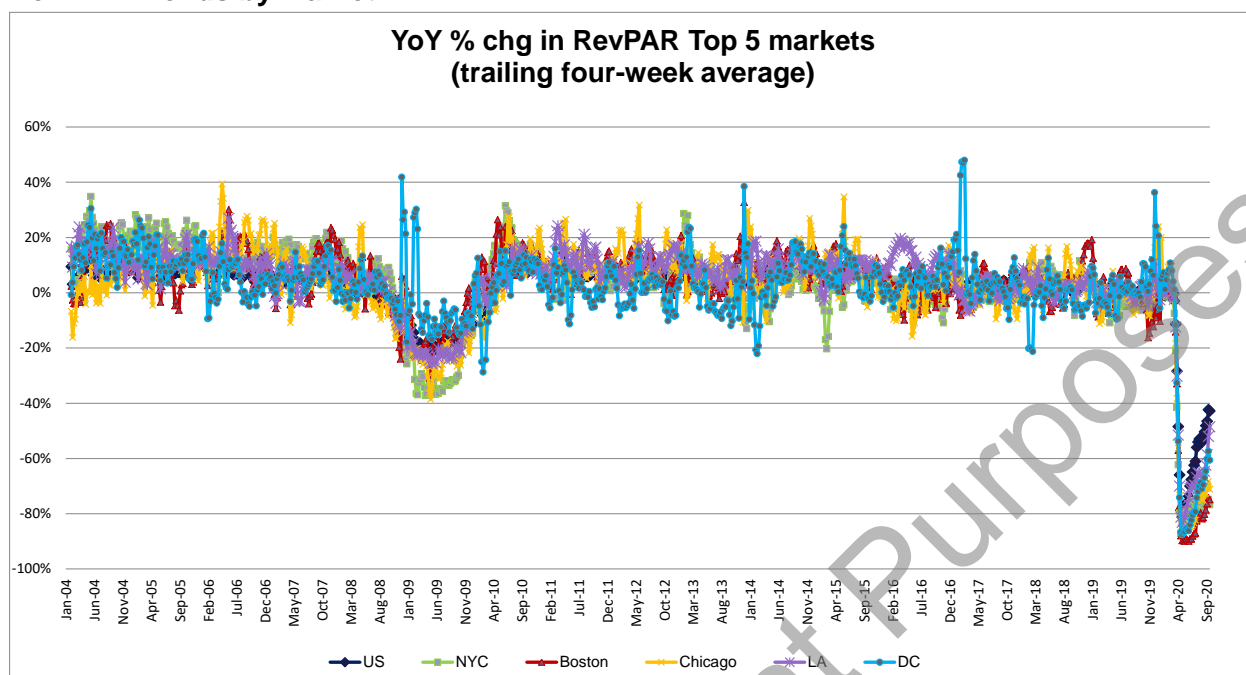
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



Source: STR data, Truist Securities research

RevPAR Trends by Market



Source: STR data, Truist Securities research

Price Target/Risks Summary

Lodging	TKR	Price 10/27/20	Rating	PT*	% upside down- side	2021E Valuation EBITDA (\$M)* **	2022E Valuation EBITDA (\$M)* **	2021E As Reported EBITDA (\$M)*	2022E 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.
Bluegreen Vacations	BXG	\$5.01	Hold	\$6	24%	\$95	\$111	\$95	\$111	6.1X	Upside risk: Accelerating tour flow, FCF generation and declining consumer defaults. Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.
Choice Hotels	CHH	\$86.25	Hold	\$84	-3%	\$329	\$376	\$329	\$376	14.0X	Upside risk: conservative growth of new brands. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$4.95	Sell	\$4	-19%	\$51	\$161	\$51	\$162	11.5X	Upside risk: faster demand improvement in corporate travel than expected. Brand changes (e.g. Vail) lead to material EBITDA improvement. Leisure hotels hold/improve on RevPAR and margins despite the challenging macro. Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession.
Hilton	HLT	\$87.67	Hold	\$79	-10%	\$1,539	\$1,980	\$1,637	\$2,062	14.9X	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 Grand Vacations	HGV	\$22.21	Buy	\$26	17%	\$262	\$349	\$278	\$365	9.3X	Upside risk: faster demand improvement in corporate travel than expected.
Host Hotels & Resorts	HST	\$10.86	Sell	\$8	-26%	\$242	\$802	\$242	\$802	12.0X	Dispositions at higher multiple than expected (incl. WYC).
Hyatt Hotels	H	\$54.55	Sell	\$42	-23%	\$119	\$485	\$145	\$514	13.4X	Upside risk: Transient and group trends outperform expectations, particularly for owned hotels. Material disposition of owned hotels. Faster than expected improvement in net rooms growth.
Marriott International	MAR	\$93.46	Hold	\$94	1%	\$1,939	\$2,604	\$2,160	\$2,831	14.8X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Disposition of owned hotels at attractive pricing.
Marriott Vacations	VAC	\$97.25	Buy	\$120	23%	\$576	\$687	\$604	\$715	9.5X	Downside risk: slowing pipeline. Deep 2022 recession.
Park Hotels & Resorts	PK	\$9.94	Sell	\$7	-30%	\$174	\$518	\$186	\$530	12.0X	Downside risk: M&A story fades and multiples revert to historical levels. Upside risk: faster demand improvement in corporate travel than expected. Dispositions at higher multiple than expected. CHSP revenue and asset management strategies lead to faster than expected EBITDA gains.
Pebblebrook Hotel Trust***	PEB	\$12.89	Hold	\$10	-22%	\$130	\$322	\$130	\$322	13.0X	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. Very slow recovery in San Francisco.
Playa Hotels & Resorts	PLYA	\$4.20	Hold	\$2	-52%	\$92	\$148	\$103	\$159	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	\$8.24	Hold	\$8	-3%	\$105	\$297	\$117	\$309	11.5X	Upside risk: RevPAR reaccelerates faster than expected, leading to estimate revisions and multiple expansion. Wyndham hotels are repositioned earlier in the 2022 valuation period and incremental EBITDA is more material than our expectations. Downside risk: Lower customer demand/operational inefficiencies for select-service hotels.
Ryman Hospitality Properties	RHP	\$40.05	Sell	\$23	-43%	\$127	\$296	\$155	\$325	12.0X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery.
Sunstone Hotel Investors	SHO	\$7.64	Sell	\$6	-21%	\$111	\$194	\$111	\$194	11.5X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements.
Vail Resorts, Inc.	MTN	\$241.41	Buy	\$243	1%	\$765	\$765	\$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	\$33.58	Buy	\$42	24%	\$681	\$738	\$709	\$766	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	\$47.89	Buy	\$51	6%	\$414	\$535	\$434	\$557	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 - gregory.j.miller@truist.com

Source: FactSet, Truist Securities research

Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, \$5.01, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$86.25, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$4.95, Sell, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$54.55, Sell, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$22.21, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$87.67, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$10.86, Sell, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$93.46, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$241.41, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$12.89, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$9.94, Sell, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$4.20, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$40.05, Sell, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$8.24, Hold, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$7.64, Sell, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$97.25, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$47.89, Buy, C. Patrick Scholes)
Wyndham Destinations, Inc. (WYND, \$33.58, 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.

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