

## Lodging

Lodging: US RevPAR -40.6% Y/Y Last Week; Leisure-centric holiday week/TX weather impact

US -41% very similar to results of November and December 2020 holiday weeks

### What's Incremental To Our View

Overall U.S. RevPAR was -40.6% Y/Y for the week ending 2/20/2021, per STR, stronger than the prior week's result of -47.2%. (2-year stacked RevPAR was -42.4% vs. -46.4% in the prior week). Independent hotels (~ 1/3rd of the data set) were -32.2% y/y. Economy (-6.4%) was the relatively strongest chain scale for branded hotels; Upper Upscale was the weakest at -62.6%. Upscale (-46.4%) underperformed the industry average; Upper Midscale (-34.0%) outperformed. Within Upper Upscale & Luxury class hotels, Group (-83.5% vs. -83.8% prior week) was softer than Transient (-39.6% vs. -49.9% prior week).

### We note a number of puts/takes to last week's results that arguably helped results:

- Leisure-centric holiday week (President's Day week is not typically a heavy week for business and group travel, so not too much to lose due to COVID).
- Texas weather-related relocations. Dallas occupancy last week of 55.3% materially exceeds the running 28 day occupancy of 45.4%. Houston: 51.7% vs. 43.5%.
- We also noted unusual strength on Sunday night for Atlanta, Denver, and Philadelphia, all with y/y positive occupancy growth where Top 25 Markets were -15.1% in aggregate. Our assumption is that the weekend holiday contributed to unusual strength. For Atlanta to run 62% on Sunday, Denver at 56%, and Philadelphia at 57% compared to the week averages of 52%, 47%, and 44%, respectively seems one-time or holiday-related to us.

### Compared to the prior week (ended 02/13/21), sequential RevPAR trends were stronger vs. last week's results.

- Headline RevPAR was -40.6% vs. the running 28 day average of -47.1%.
- **Occupancy**: absolute occupancy of 48.1% was sequentially **stronger** than the prior week of 45.1%. Occupancy y/y change of -23.8% was sequentially **stronger** than the prior week of -29.0%.

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### What's Inside

Weekly STR results and analysis

- **ADR:** ADR y/y change of -22.1% was sequentially stronger than the prior week of -25.7%. (We do not consider sequential changes in absolute ADR material.) "Location" RevPAR Y/Y change was sequentially stronger vs. the prior week. We still do not see a material corporate demand rebound: Urban (-57.8% vs. -68.8% in the prior week), Suburban (-38.2% vs. -44.5%), Interstate (-16.3% vs. -22.2%), and Resort (-43.6% vs. -49.2%).
  - **Absolute occupancies were stronger vs. the prior week:** Urban: 40.3% vs. 38.3% in the prior week, Suburban: 51.0% vs. 48.6%, Interstate: 46.8% vs. 43.9%, and Resort: 48.9% vs. 43.9%.
- **Open/closed hotels:** Per STR 2.2% of the hotel supply is closed (vs. 2.2% last 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 4,000 bps and 2,760 bps, respectively: Luxury RevPAR (-49.9%), Upper Upscale (-62.6%), Upscale (-46.4%), Upper Midscale (-34.0%), Midscale (-20.2%), and Economy (-6.4%). Independent hotels (-32.2%) were stronger than the headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group underperformed Transient:** Transient segment (individual business and leisure travelers) RevPAR was -39.6% (vs. -49.9% last week) and Group segment RevPAR was -83.5% (vs. -83.8% last week).
  - Absolute Group occupancy remains very light despite the sequential improvement last week: 5.0% last week vs. 5.2% for the running 28 days.
- **Washington DC was the relatively strongest market of the top five markets:** Boston (-56.0%), Chicago (-57.3%), Los Angeles (-53.3%), NYC (-55.4%), and Washington, D.C. (-52.4%).
- **Other relevant markets:**
  - **San Francisco:** RevPAR was -68.8% vs. -78.8% last week.
  - **Florida market RevPAR:**
    - **Miami:** (-27.1% vs. -42.5% last week).
    - **Orlando:** (-65.5% vs. -68.8% last week).

**As far as stocks, we reiterate the companies relatively best positioned here in our coverage universe are the drive-to leisure-centric C-Corps CHH and WH and the timeshare companies, BXG, HGV, VAC, and TNL (formerly WYND).** WH, BXG, HGV, VAC, and TNL are the only names we believe we can still get material upside based on our 2023 estimates.

- While a widely distributed vaccine will be a game changer, until that point our best guess for the return of the business traveler for RevPAR modeling purposes is not until at least 3Q21 (three months ago we said 2Q21). Until that time, we continue to envision large corporations being extremely cautious in sending their employees out to travel, unless it is for essential purposes. Along similar lines, we see large group events and meetings being significantly curtailed until a vaccine is widely available and even after that experiencing lower than normal attendance for at least the first year perhaps partly driven by lower T&E budgets, ROI on webinars, meeting planner reticence to book, etc.

**While the broader economy may have a U-shaped recovery, we believe hotel operating performance will take substantially longer to recover and be much choppier and vary by segmentation and geography.** Additionally, we believe work from home will have a short-to-medium impact on hotel demand, though the longer-term impact is still unknown. While some travel industry leaders, news reporters, and businesspeople have predicted that **35-50% of business travel will be permanently lost** our view is that it will be far less than 35-50% though it will not be zero either (Hospitality Net).

- Good news for the hotel REITS is that unlike the 2008-2009 downturn where many issued significant dilutive equity, that has not been the case (so far) this downturn. We believe such equity issuance was a major reason why most hotel REITS were never able to get back to their pre-2008 prices. However we do not see such a headwind today -- with the potential for some permanent incremental costs savings (+100-300bps) being the consensus range by some Lodging REITS, most hotel REITS have the potential to eventually get back to or possibly exceed their pre-Covid prices.

(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									New York	Boston	LA	Chicago	DC
	U.S.	Upper Luxury	Upper Upscale	Upper Upscale	Upper Midscale	Upper Midscale	Economy	Independent						
12/19/2020	-42.5%	-69.0%	-66.0%	-47.0%	-32.4%	-17.4%	-7.1%	-36.8%	-76.2%	-62.0%	-54.8%	-62.1%	-55.7%	
12/26/2020	-52.3%	-72.1%	-68.3%	-50.8%	-42.3%	-29.8%	-14.7%	-52.2%	-77.2%	-57.0%	-65.5%	-57.5%	-51.6%	
1/2/2021	-35.1%	-52.7%	-52.7%	-34.8%	-23.0%	-13.6%	-6.1%	-31.4%	-70.7%	-50.7%	-66.9%	-41.9%	-41.1%	
1/9/2021	-47.7%	-65.3%	-72.5%	-51.7%	-35.8%	-18.5%	-1.6%	-45.3%	-62.8%	-66.4%	-58.5%	-56.0%	-32.9%	
1/16/2021	-53.6%	-75.8%	-76.5%	-56.9%	-40.3%	-23.6%	-6.6%	-47.1%	-69.6%	-71.2%	-65.6%	-71.6%	-49.8%	
1/23/2021	-50.1%	-70.4%	-72.8%	-52.5%	-37.7%	-23.8%	-7.0%	-45.9%	-60.4%	-66.9%	-65.5%	-61.3%	-4.5%	
1/30/2021	-50.6%	-72.2%	-73.9%	-54.9%	-38.2%	-23.1%	-7.0%	-44.2%	-60.8%	-70.1%	-63.3%	-58.6%	-45.9%	
2/6/2021	-50.6%	-69.8%	-73.4%	-54.5%	-39.5%	-25.1%	-9.0%	-44.7%	-64.5%	-67.5%	-63.2%	-60.7%	-59.7%	
2/13/2021	-47.2%	-61.2%	-67.4%	-52.1%	-40.0%	-28.4%	-14.3%	-38.5%	-62.0%	-64.5%	-62.1%	-64.6%	-62.0%	
2/20/2021	-40.6%	-49.9%	-62.6%	-46.4%	-34.0%	-20.2%	-6.4%	-32.2%	-55.4%	-56.0%	-53.3%	-57.3%	-52.4%	

Leisure holiday weekend and TX weather helped demand

Economy and Midscale led the industry (on a relative basis)

DC and LA led the Top 5 markets (on a relative basis; all markets 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%	-89.2%	-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%
4Q20	-50.6%	-71.4%	-72.4%	-55.5%	-40.6%	-26.3%	-14.5%	-43.5%	-81.0%	-76.1%	-59.3%	-75.4%	-71.4%

	YoY % change in ADR									New York	Boston	LA	Chicago	DC
	U.S.	Upper Luxury	Upper Upscale	Upper Upscale	Upper Midscale	Upper Midscale	Economy	Independent						
12/19/2020	-21.9%	-5.0%	-19.7%	-20.3%	-13.5%	-7.6%	-2.3%	-17.8%	-44.3%	-28.7%	-25.8%	-30.0%	-24.6%	
12/26/2020	-28.8%	-12.9%	-23.3%	-22.2%	-17.0%	-12.8%	-7.1%	-28.3%	-48.5%	-20.2%	-31.8%	-25.4%	-15.4%	
1/2/2021	-21.5%	-0.5%	-17.9%	-21.5%	-13.9%	-8.1%	-4.2%	-17.0%	-46.1%	-22.8%	-39.2%	-18.7%	-15.3%	
1/9/2021	-27.1%	8.7%	-26.8%	-23.7%	-15.5%	-7.9%	-2.6%	-27.4%	-30.0%	-32.9%	-33.0%	-27.0%	-11.9%	
1/16/2021	-31.9%	-16.1%	-34.5%	-28.3%	-19.0%	-10.4%	-4.6%	-27.3%	-35.9%	-36.2%	-36.5%	-37.3%	-25.6%	
1/23/2021	-28.1%	-9.1%	-29.8%	-25.1%	-17.0%	-9.6%	-3.3%	-24.8%	-27.7%	-33.2%	-38.2%	-29.6%	-6.6%	
1/30/2021	-29.8%	-13.0%	-32.4%	-28.2%	-18.5%	-10.0%	-4.2%	-25.3%	-28.0%	-37.8%	-37.7%	-29.7%	-27.5%	
2/6/2021	-29.0%	-8.3%	-29.9%	-27.3%	-18.9%	-10.8%	-4.8%	-24.8%	-31.9%	-36.0%	-37.7%	-29.6%	-33.5%	
2/13/2021	-25.7%	-3.3%	-25.4%	-26.4%	-19.2%	-12.3%	-7.7%	-19.7%	-31.0%	-32.0%	-36.8%	-34.7%	-33.2%	
2/20/2021	-22.1%	3.8%	-23.4%	-24.7%	-17.2%	-9.4%	-4.5%	-14.9%	-24.5%	-25.9%	-30.4%	-29.0%	-25.7%	

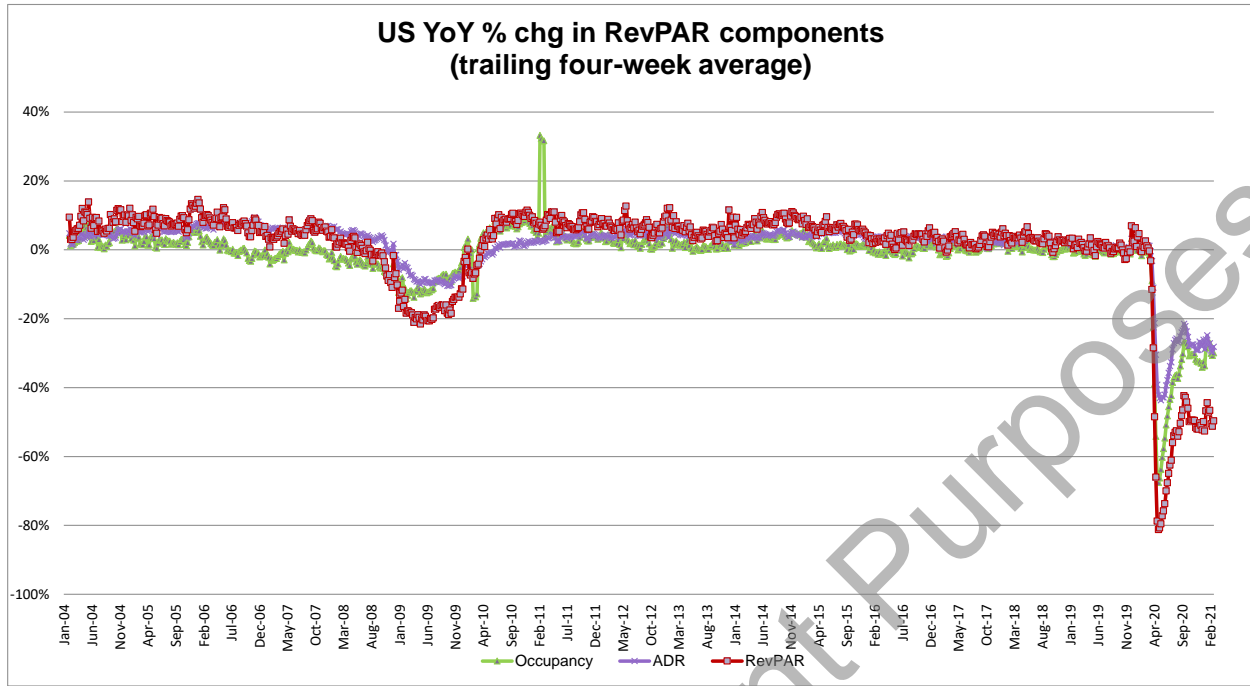
1Q18	2.5%	4.5%	1.0%	1.7%	2.0%	3.0%	4.0%	3.1%	3.5%	-1.0%	4.0%	1.4%	-9.4%
2Q18	2.9%	3.5%	2.9%	2.4%	2.1%	2.6%	2.7%	3.1%	3.7%	-0.1%	2.1%	3.3%	2.4%
3Q18	2.1%	3.3%	2.4%	1.8%	1.2%	1.3%	1.2%	1.9%	1.2%	1.9%	1.1%	6.7%	-0.8%
4Q18	2.0%	3.7%	2.2%	1.6%	1.1%	0.9%	0.6%	2.9%	3.4%	5.6%	1.4%	2.2%	-2.1%
1Q19	1.1%	2.2%	2.5%	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%	-2.3%	-3.8%	-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%
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-20.9%	-54.1%	-45.5%	-29.2%	-44.8%	-40.7%

	YoY % change in Occupancy									New York	Boston	LA	Chicago	DC
	U.S.	Upper Luxury	Upper Upscale	Upper Upscale	Upper Midscale	Upper Midscale	Economy	Independent						
12/19/2020	-26.4%	-67.3%	-57.7%	-33.5%	-21.8%	-10.7%	-4.9%	-23.1%	-57.3%	-46.7%	-39.1%	-45.9%	-41.3%	
12/26/2020	-33.0%	-68.0%	-58.7%	-36.7%	-30.5%	-19.5%	-8.2%	-33.4%	-55.7%	-46.1%	-49.4%	-43.0%	-42.8%	
1/2/2021	-17.2%	-52.4%	-42.4%	-16.9%	-10.6%	-6.0%	-2.1%	-17.3%	-45.7%	-36.1%	-45.6%	-28.5%	-30.4%	
1/9/2021	-28.3%	-68.1%	-62.5%	-36.7%	-24.0%	-11.4%	1.1%	-24.6%	-46.9%	-49.8%	-38.0%	-39.8%	-23.8%	
1/16/2021	-31.8%	-71.2%	-64.1%	-39.9%	-26.3%	-14.7%	-2.0%	-27.2%	-52.5%	-54.8%	-45.9%	-54.7%	-32.5%	
1/23/2021	-30.6%	-67.5%	-61.2%	-36.6%	-24.9%	-15.8%	-3.8%	-28.1%	-45.2%	-50.5%	-44.2%	-45.1%	2.2%	
1/30/2021	-29.6%	-68.0%	-61.3%	-37.2%	-24.1%	-14.6%	-3.0%	-25.3%	-45.6%	-52.0%	-41.0%	-41.1%	-25.4%	
2/6/2021	-30.5%	-67.1%	-62.1%	-37.5%	-25.3%	-16.1%	-4.4%	-26.4%	-47.9%	-49.2%	-40.9%	-44.2%	-39.5%	
2/13/2021	-29.0%	-59.8%	-56.3%	-35.0%	-25.8%	-18.4%	-7.1%	-23.5%	-44.9%	-47.8%	-40.0%	-45.7%	-43.2%	
2/20/2021	-23.8%	-51.7%	-51.2%	-28.8%	-20.3%	-11.9%	-1.9%	-20.4%	-41.0%	-40.6%	-32.9%	-39.9%	-36.0%	

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%
4Q20	-32.1%	-67.8%	-61.2%	-39.1%	-27.8%	-17.8%	-9.1%	-28.5%	-58.7%	-56.2%	-42.5%	-55.5%	-51.7%

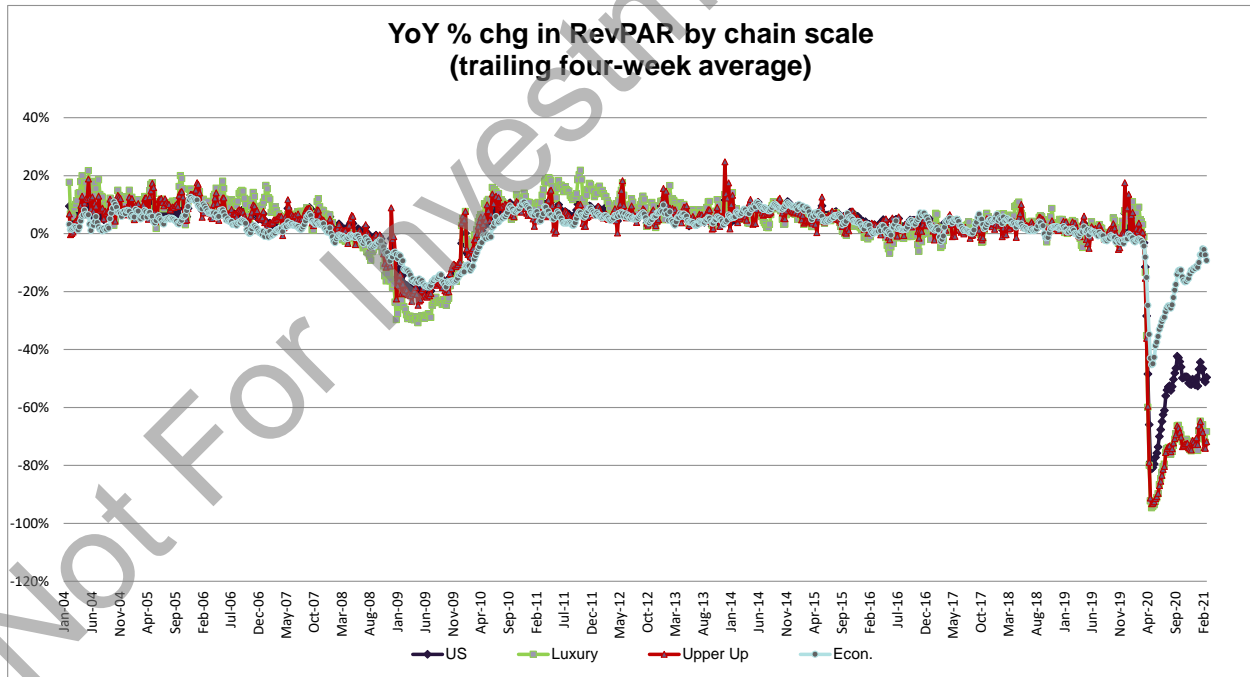
Source: STR data, Truist Securities research

### RevPAR Component Trends



Source: STR data, Truist Securities research

### RevPAR Trends by Chain Scale



Source: STR data, Truist Securities research



## Price Target/Risks Summary

Lodging	TKR	Price 2/23/21	Rating	PT*	% upside/ down- side	2021E Valuation EBITDA (\$M)* **	2022E Valuation EBITDA (\$M)* **	2023E Valuation EBITDA (\$M)* **	2021E As Reported/ Consensus EBITDA (\$M)*	2022E As Reported/ Consensus EBITDA (\$M)*	2023E As Reported/ Consensus 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	\$7.50	Buy	\$9	21%	\$95	\$108	\$118	\$95	\$108	\$118	6.5X	Downside risk: controlled company issues, limited capfloat, loan defaults, and macroeconomic risk. Upside risk: conservative growth of new brands.
Choice Hotels	CHH	\$109.03	Hold	\$90	-17%	\$314	\$374	\$428	\$322	\$382	\$436	14.0X	Downside risk: slowdown in development opportunities. 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.
DiamondRock Hospitality	DRH	\$9.81	Sell	\$6	-39%	\$18	\$151	\$209	\$18	\$151	\$209	12.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession.
Hilton	HLT	\$121.95	Hold	\$98	-20%	\$1,342	\$2,016	\$2,402	\$1,416	\$2,100	\$2,502	14.8X	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. Upside risk: faster demand improvement in corporate travel than expected.
Hilton Grand Vacations	HGV	\$38.95	Buy	\$36	-9%	\$238	\$371	\$448	\$271	\$405	\$484	9.4X	Dispositions at higher multiple than expected (incl. NYC). 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.
Host Hotels & Resorts	HST	\$16.59	Sell	\$14	-16%	-\$165	\$677	\$1,207	-\$165	\$677	\$1,207	12.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Disposition of owned hotels at attractive pricing.
Hyatt Hotels	H	\$86.42	Sell	\$59	-32%	\$14	\$473	\$640	\$39	\$501	\$671	13.6X	Downside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Disposition of owned hotels at attractive pricing.
Marriott International	MAR	\$149.55	Hold	\$119	-20%	\$1,405	\$2,548	\$3,251	\$1,717	\$2,870	\$3,587	14.9X	Downside risk: slowing pipeline. Deep 2022 recession.
Marriott Vacations	VAC	\$164.69	Buy	\$151	-9%	\$589	\$728	\$816	\$629	\$772	\$860	9.5X	Downside risk: M&A (loyalty fees) and multiples revert to historical levels. Upside risk: faster demand improvement in corporate travel than expected.
Park Hotels & Resorts	PK	\$21.78	Sell	\$14	-36%	\$7	\$434	\$674	\$19	\$446	\$686	12.5X	Dispositions at higher multiple than expected. CHSP revenue and asset management strategies lead to faster than expected EBITDA gains. Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets.
Pebblebrook Hotel Trust***	PEB	\$22.70	Hold	\$18	-21%	\$7	\$230	\$386	\$7	\$230	\$386	14.5X	Downside Risk: Incremental EBITDA from major CapEx investments take longer than anticipated, resulting in multiple contraction. Very slow recovery in San Francisco.
Playa Hotels & Resorts	PLYA	\$7.24	Hold	\$4	-45%	\$26	\$144	\$179	\$34	\$152	\$187	10.0X	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	\$15.74	Hold	\$13	-17%	\$16	\$263	\$357	\$28	\$276	\$369	12.5X	Upside risk: RevPAR reaccelerates faster than expected, leading to estimate revisions and multiple expansion. Wyndham hotels are repositioned earlier in the 2022/2023 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	\$80.01	Sell	\$47	-41%	\$57	\$278	\$403	\$80	\$282	\$389	13.0X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery.
Sunstone Hotel Investors	SHO	\$13.05	Sell	\$10	-23%	-\$11	\$167	\$247	-\$3	\$177	\$255	12.0X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements.
Vail Resorts, Inc.	MTN	\$303.51	Hold	\$246	-19%	\$400	\$792	na	\$400	\$792	na	15.0X	Upside risk: Enhanced economic conditions, ski resort supply, increased revenues due to quick distribution of COVID-19 vaccine. Downside risk: prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Travel + Leisure Co.	TNL	\$58.15	Buy	\$62	6%	\$706	\$837	\$932	\$706	\$837	\$932	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	\$65.21	Buy	\$68	4%	\$432	\$567	\$656	\$460	\$589	\$680	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@trui.com

Source: FactSet, Truist Securities research

Not For Investment



## Companies Mentioned in This Note

**Bluegreen Vacations Corporation** (BXG, \$7.50, Buy, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$109.03, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$9.81, Sell, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$86.42, Sell, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$38.95, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$121.95, Hold, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$16.59, Sell, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$149.55, Hold, C. Patrick Scholes)  
**Vail Resorts, Inc.** (MTN, \$303.51, Hold, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$22.70, Hold, Gregory Miller)  
**Park Hotels & Resorts Inc.** (PK, \$21.78, Sell, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$7.24, Hold, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$80.01, Sell, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$15.74, Hold, Gregory Miller)  
**Sunstone Hotel Investors, Inc.** (SHO, \$13.05, Sell, C. Patrick Scholes)  
**Travel + Leisure Co.** (TNL, \$58.15, Buy, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$164.69, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$65.21, Buy, C. Patrick Scholes)

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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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