

Lodging

Lodging: US RevPAR +124.5% Y/Y Last Week; 2-yr -31.5% vs. -43.4% in prior week.

Warm weather leisure markets continue to out'shine' other Top 25 markets

What's Incremental To Our View

Overall U.S. RevPAR was +124.5% Y/Y for the week ending 3/20/2021, per STR, stronger than the prior week's result of -15.8%. Last week's result was up against a -69.5% comp in the comparable week in 2020 vs. and -32.8% in the prior week's results. On a 2-year run-rate, RevPAR was down 31.5% vs. down 43.4% in the prior week's 2-year run-rate.

- Luxury was +284.9% and -41.9% over 2 years, the relatively strongest chain scale y/y for branded hotels;
- Upper Upscale at +196.9% and -54.8% over 2 years;
- Upscale was +132.6% and -40.3% over 2 years, y/y outperformed the industry average;
- Upper Midscale was +103.5% and -24.3% over 2 years, y/y underperformed the industry average;
- Midscale was +70.2% and -11.7% over 2 years;
- Economy was the weakest at +49.7% and +1.0% over 2 years;
- Independent hotels (~ 1/3rd of the data set) were 143.4% y/y and -19.5% over 2 years; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +348.5% y/y vs. -59.5% prior week; over 2 years: -83.0% vs -83.6% prior week.
 - Transient: +260.5% y/y vs. -10.1% prior week; over 2 years: -25.7% vs -24.8% prior week.

While the 2-year result improved substantially week-over-week, by far the largest share of improvement was seen in warm weather markets such as LA, Miami, Oahu, and Texas whereas gains were less pronounced in markets such as Boston, DC, NYC, and SF. [Please see our recently published RevPAR monitor for more discussion on such trends.](#)

We continue to encourage our readership to let us know if there are any types of trends that may be of interest in this new normal (or if any stats that we removed should be re-added in the text).

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What's Inside

Weekly STR results and analysis

Last week's RevPAR details and sequential trends:

- Headline RevPAR was +124.5% vs. the running 28 day average of -16.1%.
- **Occupancy:** absolute occupancy of 58.9% was sequentially **stronger** than the prior week of 52.1%.
 - **Locations:**
 - Urban: 49.8% vs. 43.3% in the prior week;
 - Suburban: 61.4% vs. 55.6%;
 - Interstate: 59.1% vs. 52.0%;
 - Resort: 64.0% vs. 53.2%.
- **Open/closed hotels:** Per STR 2.3% of the hotel supply is closed (vs. 2.3% 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.
- **Absolute Group occupancy** remains very light despite the sequential improvement last week: 6.2% last week vs. 5.8% for the running 28 days.

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. CHH is rated Hold.

- 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).

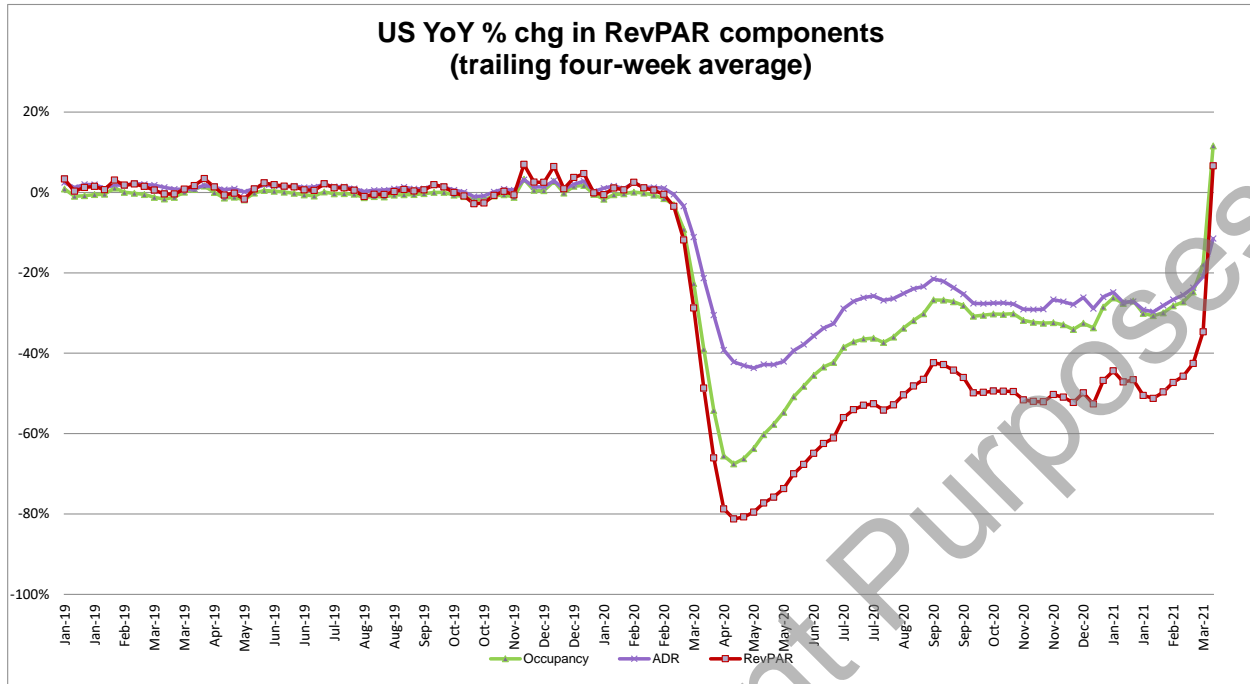
- Good news for the hotel REITS is that unlike the 2008-2009 downturn where many issued significant dilutive equity, that has not been the case (so far) this downturn. We believe such equity issuance was a major reason why most hotel REITS were never able to get back to their pre-2008 prices. However 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).

Weekly RevPAR Summary

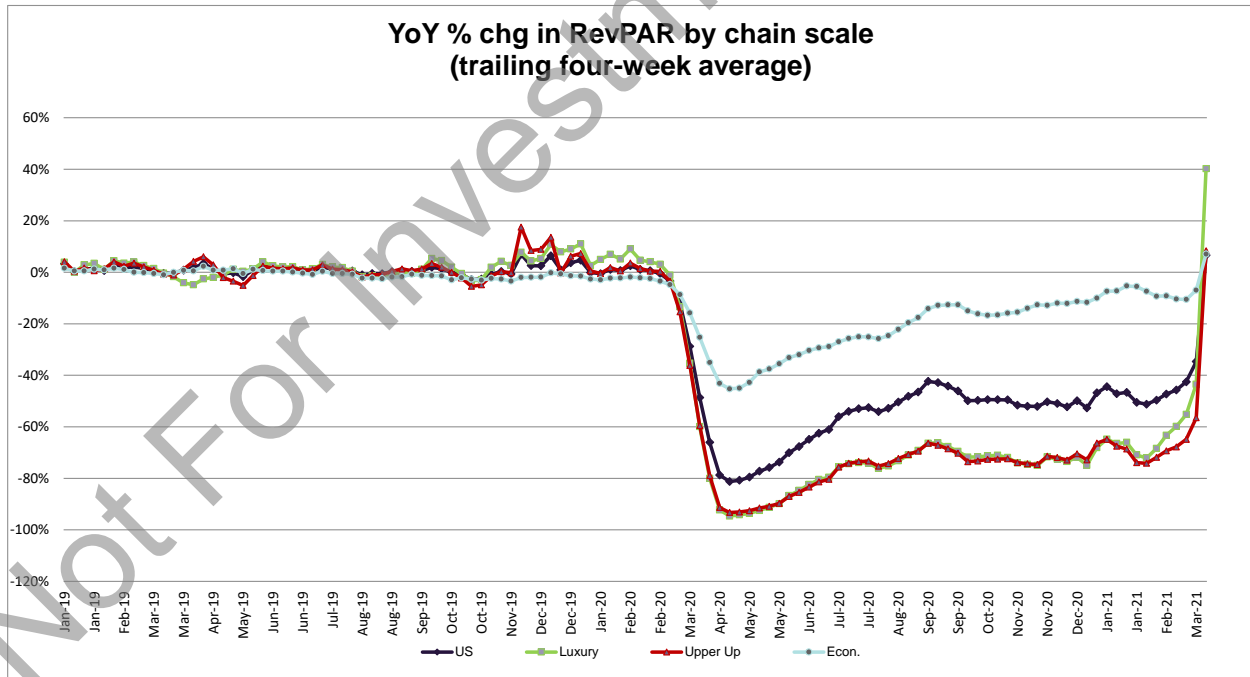
YoY % change in RevPAR														
U.S.	Upper			Upper			Inde- pendent	New York	Boston	LA	Chicago	DC		
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy								
12/19/2020	-42.5%	-69.0%	-66.0%	-47.0%	-32.4%	-17.4%	-7.1%	-36.8%	-76.2%	-62.0%	-54.8%	-62.1%	-55.7%	
12/26/2020	-52.3%	-72.1%	-68.3%	-50.8%	-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%	
2/27/2021	-44.5%	-58.6%	-67.8%	-49.7%	-34.8%	-23.6%	-11.9%	-35.4%	-60.0%	-72.9%	-55.2%	-56.4%	-69.1%	
3/6/2021	-37.9%	-51.1%	-61.7%	-43.2%	-29.8%	-20.3%	-9.7%	-28.4%	-58.6%	-70.9%	-50.9%	-55.1%	-69.2%	
3/13/2021	-15.8%	-14.3%	-34.0%	-21.5%	-12.5%	-7.1%	0.2%	-9.3%	-30.1%	-45.5%	-26.8%	-33.5%	-54.8%	
3/20/2021	124.5%	284.9%	196.9%	132.6%	103.5%	70.2%	49.7%	143.4%	141.4%	73.8%	106.8%	122.1%	71.9%	
2-year RevPAR sequential improvement				Luxury and Upper Upscale led the industry				NYC and Chicago led the Top 5 markets						
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	6.6%	6.9%	5.9%	2.2%	3.0%	3.8%	5.3%	3.8%	5.1%	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%	
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														
U.S.	Upper			Upper			Inde- pendent	New York	Boston	LA	Chicago	DC		
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy								
12/19/2020	-21.9%	-50.0%	-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%	-9.8%	3.3%	-24.8%	-27.7%	-33.2%	-38.2%	-25.9%	-15.1%	
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%	-28.7%	-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%	
2/27/2021	-25.2%	-3.8%	-28.4%	-27.3%	-18.8%	-10.6%	-5.6%	-17.3%	-27.4%	-40.9%	-31.5%	-26.6%	-39.8%	
3/6/2021	-21.9%	0.0%	-25.2%	-24.5%	-17.1%	-9.8%	-5.1%	-14.0%	-31.6%	-40.8%	-29.6%	-28.1%	-42.7%	
3/13/2021	-14.5%	-0.8%	-20.5%	-21.3%	-13.5%	-6.2%	-2.2%	-8.7%	-27.6%	-34.3%	-22.4%	-23.1%	-39.4%	
3/20/2021	15.8%	-7.5%	-5.8%	-8.1%	0.0%	6.7%	9.7%	31.0%	-19.5%	-17.6%	1.6%	5.4%	-7.1%	
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%	2.4%	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%	1.9%	1.2%	1.3%	1.2%	1.9%	4.2%	1.9%	1.3%	6.7%	4.8%	
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%	-0.9%	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%	-2.8%	-8.6%	-8.2%	-2.7%	-2.6%	-6.8%	
2Q20	-37.1%	-22.0%	-34.0%	-30.0%	-23.1%	-17.1%	-14.6%	-14.8%	-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														
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12/19/2020	-26.4%	-67.3%	-57.7%	-39.5%	-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%	-68.9%	-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%	-58.3%	-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%	
2/27/2021	-25.8%	-57.0%	-55.0%	-30.9%	-19.8%	-14.5%	-6.7%	-21.9%	-44.9%	-54.2%	-34.7%	-40.6%	-48.7%	
3/6/2021	-20.5%	-51.0%	-48.7%	-24.8%	-15.2%	-11.6%	-4.8%	-16.8%	-39.5%	-50.9%	-30.2%	-37.6%	-46.2%	
3/13/2021	-1.4%	-13.6%	-17.0%	-0.4%	1.1%	-1.0%	2.4%	-0.7%	-3.5%	-17.0%	-5.7%	-13.6%	-25.5%	
3/20/2021	93.8%	316.3%	215.1%	153.2%	103.6%	59.5%	36.5%	85.8%	199.8%	111.0%	103.7%	110.6%	85.0%	
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%		

RevPAR Component Trends



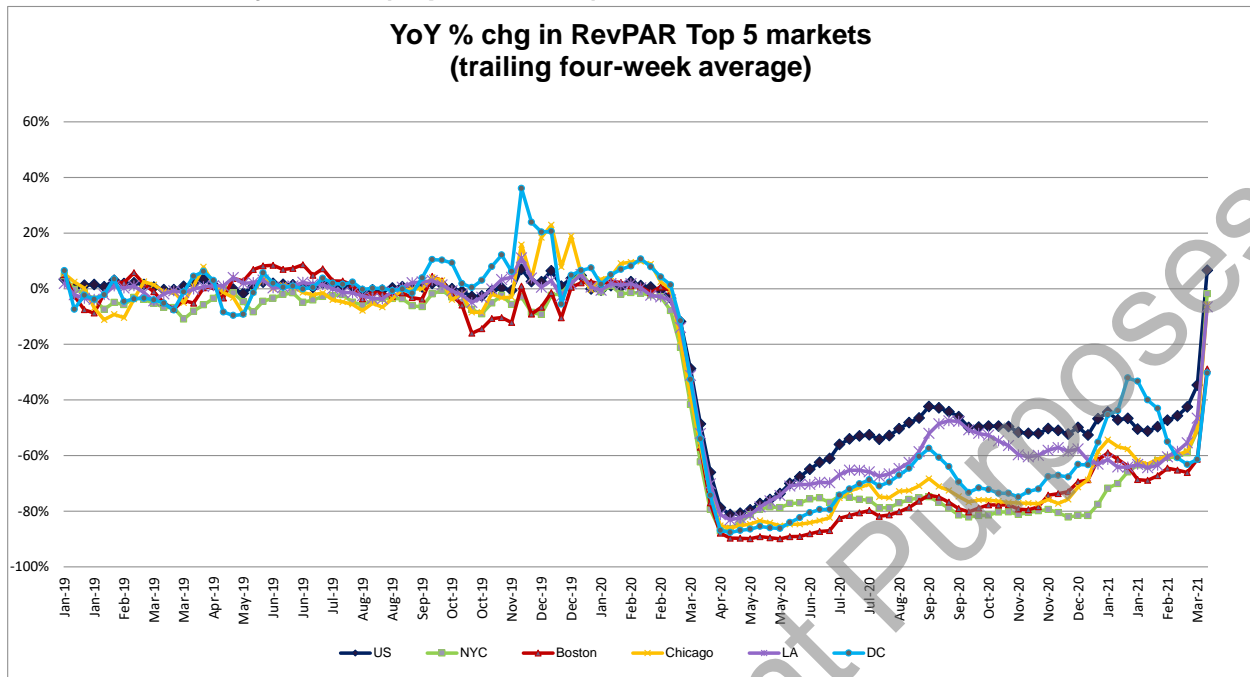
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



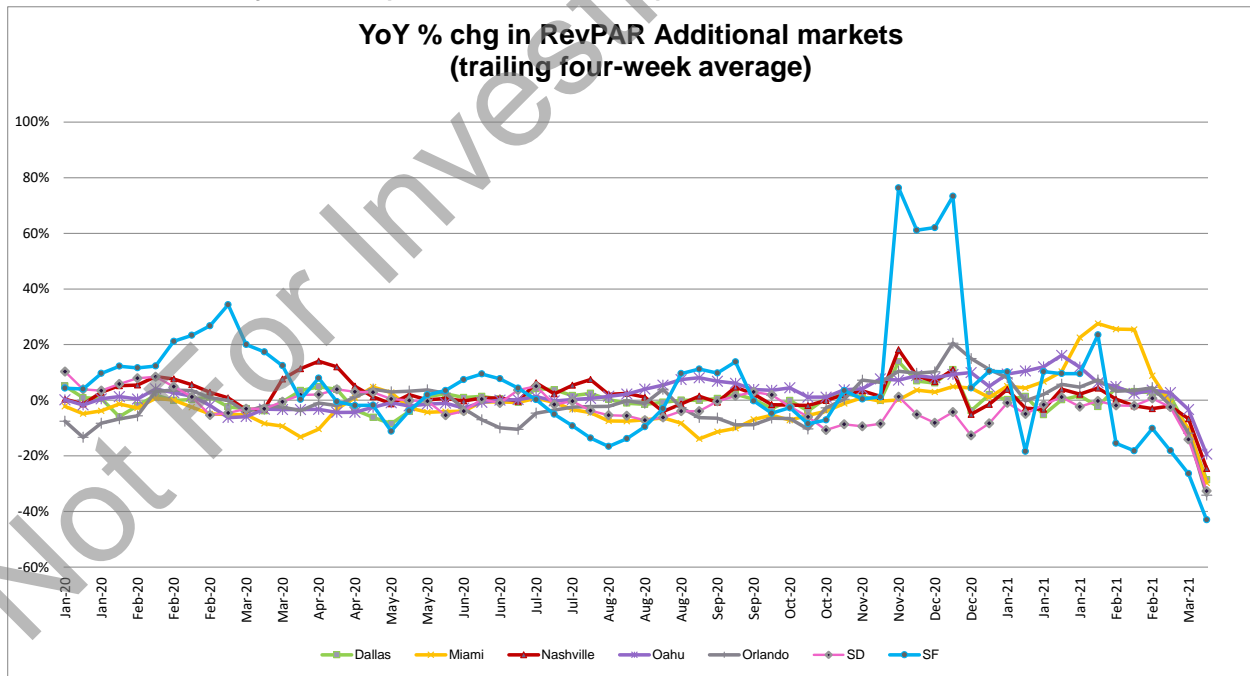
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



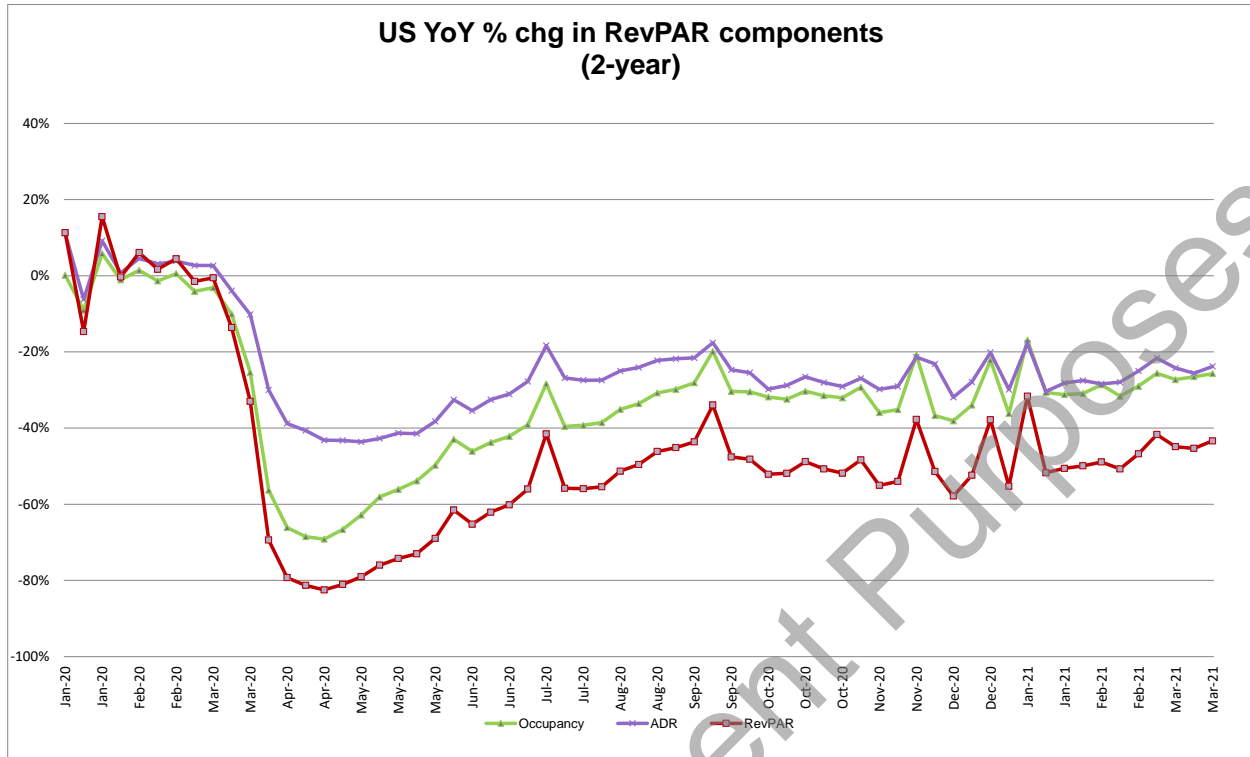
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



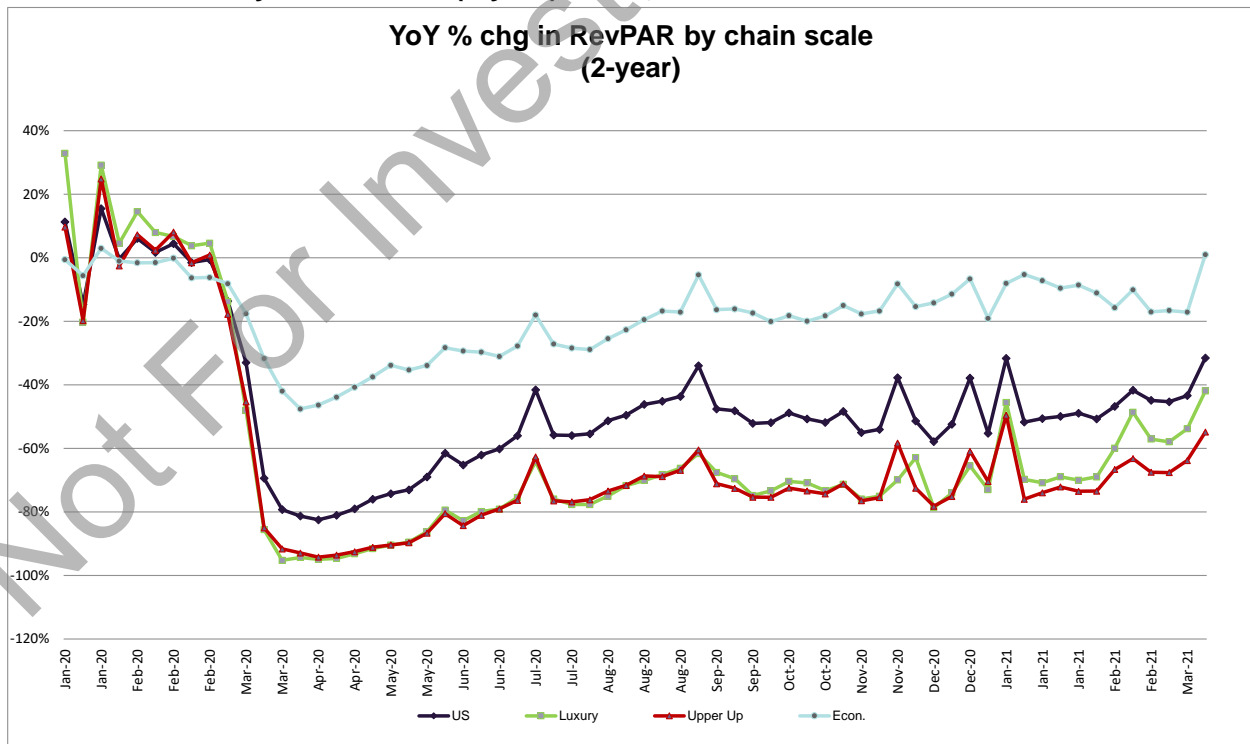
Source: STR data, Truist Securities research

RevPAR Component Trends (2-year)



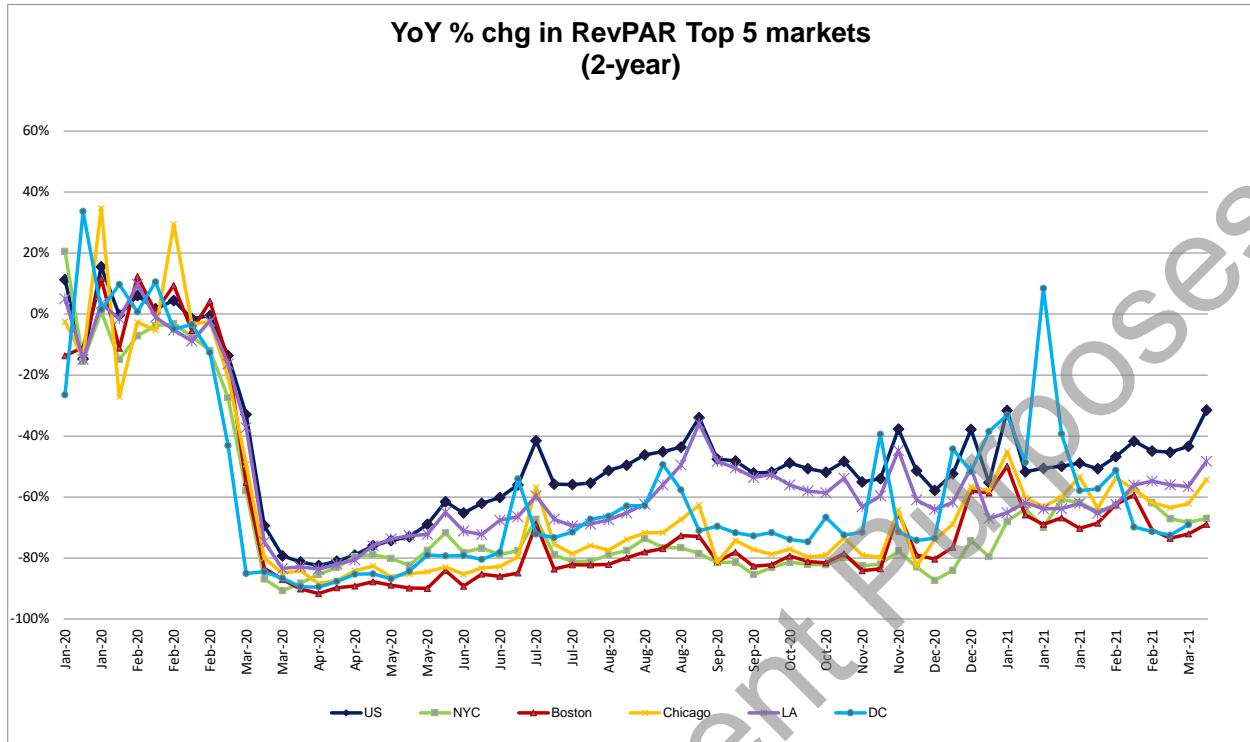
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (2-year)



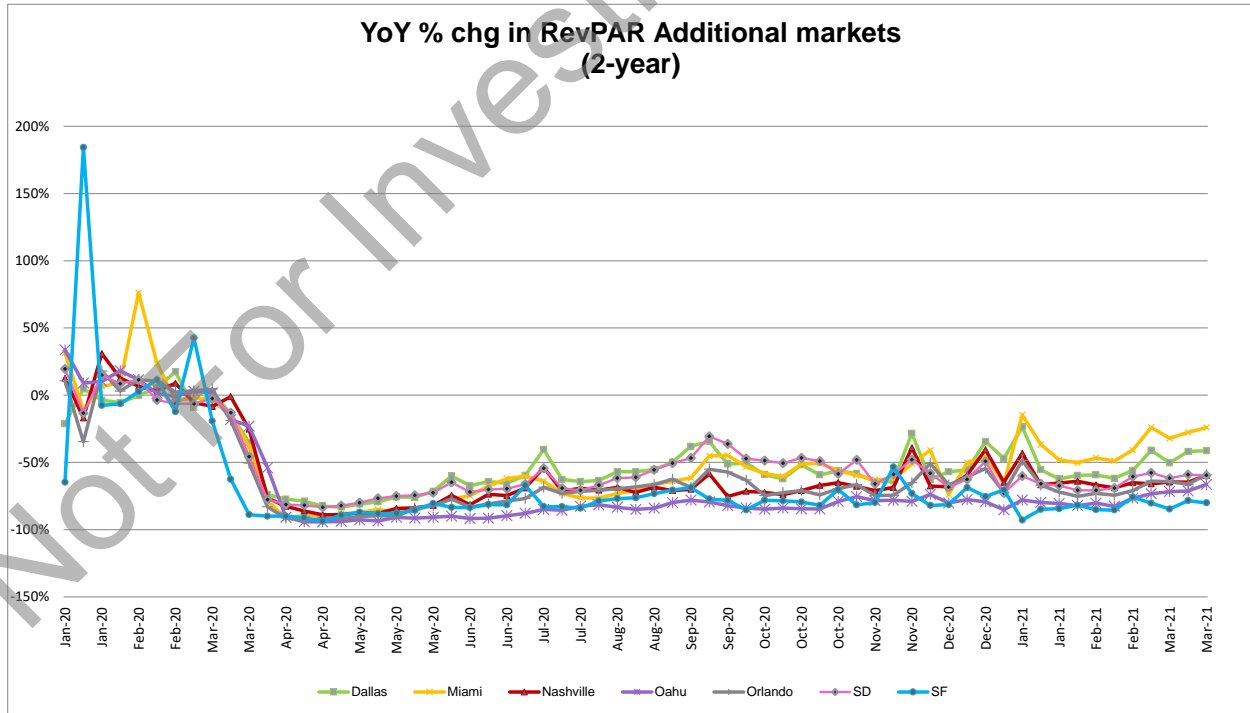
Source: STR data, Truist Securities research

RevPAR Trends by Market (2-year) (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (2-year) (Additional markets)



Source: STR data, Truist Securities research

Price Target/Risks Summary

Lodging	TKR	Price 3/23/21	Rating	PT*	% upside/downside	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	\$9.81	Buy	\$11	16%	\$88	\$111	\$127	\$88	\$111	\$127	7.5X	Downside risk: controlled company issues, limited cap/float, loan defaults, and macroeconomic risk. Upside risk: conservative growth of new brands.
Choice Hotels	CHH	\$103.78	Hold	\$90	-13%	\$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. Leidigle hotels hold/improve on RevPAR and margins despite the challenging macro.
DiamondRock Hospitality	DRH	\$10.01	Sell	\$8	-20%	\$2	\$126	\$251	\$2	\$126	\$251	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	\$118.90	Hold	\$98	-18%	\$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.
Hilton Grand Vacations	HGV	\$36.61	Buy	\$48	31%	\$219	\$407	\$487	\$262	\$428	\$509	10.1X	Upside risk: faster demand improvement in corporate travel than expected. Dispositions at higher multiple than expected (incl. NYC).
Host Hotels & Resorts	HST	\$16.86	Sell	\$14	-17%	-\$165	\$677	\$1,207	-\$165	\$677	\$1,207	12.5X	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.
Hyatt Hotels	H	\$79.81	Sell	\$59	-26%	\$14	\$473	\$640	\$39	\$501	\$671	13.6X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Disposition of owned hotels at attractive pricing. Downside risk: slowing pipeline. Deep 2022 recession.
Marriott International	MAR	\$142.42	Hold	\$119	-16%	\$1,405	\$2,548	\$3,251	\$1,717	\$2,870	\$3,587	14.9X	Downside risk: M&A story fades and multiples revert to historical levels.
Marriott Vacations	VAC	\$168.72	Buy	\$184	9%	\$540	\$830	\$905	\$580	\$874	\$949	10.4X	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.
Park Hotels & Resorts	PK	\$20.71	Sell	\$18	-13%	-\$40	\$419	\$763	\$0	\$0	\$0	12.5X	Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets. Downside Risks: Incremental EBITDA from major CapEx investments take longer than anticipated, contributing to multiple contraction. Very slow recovery in San Francisco.
Pebblesbrook Hotel Trust***	PEB	\$23.63	Hold	\$21	-11%	-\$4	\$235	\$409	-\$4	\$235	\$409	14.5X	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).
Playa Hotels & Resorts	PLYA	\$7.25	Hold	\$5	-31%	-\$11	\$124	\$191	-\$1	\$133	\$200	10.0X	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.
RLJ Lodging Trust***	RLJ	\$15.18	Hold	\$13	-14%	\$16	\$263	\$357	\$28	\$276	\$369	12.5X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery.
Ryman Hospitality Properties	RHP	\$76.70	Sell	\$50	-35%	\$59	\$278	\$422	\$82	\$282	\$415	13.0X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements.
Sunstone Hotel Investors	SHO	\$12.24	Sell	\$10	-18%	-\$11	\$167	\$247	-\$3	\$177	\$255	12.0X	Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Vail Resorts, Inc.	MTN	\$299.28	Hold	\$292	-3%	\$521	\$807	\$934	\$521	\$807	\$934	15.0X	Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.
Travel + Leisure Co.	TNL	\$59.98	Buy	\$74	23%	\$712	\$855	\$954	\$712	\$855	\$954	8.5X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	\$66.73	Buy	\$68	2%	\$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

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Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, \$9.81, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$103.78, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$10.01, Sell, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$79.81, Sell, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$36.61, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$118.90, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$16.86, Sell, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$142.42, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$299.28, Hold, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$23.63, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$20.71, Sell, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$7.25, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$76.70, Sell, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$15.18, Hold, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$12.24, Sell, C. Patrick Scholes)
Travel + Leisure Co. (TNL, \$59.98, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$168.72, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$66.73, Buy, C. Patrick Scholes)

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