

Lodging

Lodging: US RevPAR +127.4% Y/Y Last Week; 2-yr -19.7% vs. prior -5.7%

2-yr slipped w/w despite Monday being Memorial Day. Noisy holiday comps.

Overall U.S. RevPAR was +127.4% Y/Y for the week ending 6/5/2021, per STR, softer than the prior week's result of +147.5%. Last week's RevPAR was up against a -65.0% comparable result in 2020 vs. -62.1% in the prior week's 2-year run-rate. On a 2-year run-rate, RevPAR was down 19.7% vs. down 5.7% in the prior week's 2-year run-rate and somewhat closer to the -27% to -33% range we saw throughout much of the springtime. Assuming continued pent-up leisure and a rising trickle of professional corporate demand today, it is possible that the -27% to -33% range vs. 2019 RevPAR is no longer applicable. The calendar shift of Memorial Day (5/31/21 vs. 5/25/20 and 5/27/19) also makes for noisy comparisons. Versus both 2019 and 2020 we view pent-up demand to travel for this year's holiday as particularly strong.

The strength in Memorial Day leisure continued into last Sunday's results with occupancy for the U.S. at 68.1% vs. 45.5% on Monday. Another climb-back in occupancy occurred at the end of last week with Friday and Saturday occupancy in the 70s.

For higher-rated hotels, midweek occupancy remains in the 30s/40s which suggests to us a continued very challenging demand environment for higher-rated corporate demand.

On a two-year comparison looking day-by-day over the full week, RevPAR change flipped positive for the limited-service branded hotels by last Friday night. Friday/Saturday RevPAR growth vs. 2019 was ~ +7-8% on Friday and Saturday nights for Economy and Midscale hotels.

For the month of May, we estimate that full-service branded domestic hotel RevPAR (the typical Hilton [HLT, Hold], Hyatt [H, Sell], or Marriott [MAR, Hold] hotel) will finish approximately +380-390% for Luxury, +305-315% for Upper Upscale, and +175-185% for Upscale full-service. We estimate that the overall industry will finish approximately +160%. Please note that reported monthly results include hotels that are not in the weekly data set.

- **On a two-year basis:** we estimate Luxury RevPAR approximately -30% to -40%, Upper Upscale -45% to -55%, Upscale -30% to -35%, and the overall industry -23%.

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What's Inside

Weekly STR results and analysis

Major RevPAR statistics presented below:

- Luxury was +296.2% and -29.1% over 2 years
- Upper Upscale at +235.4% and -45.2% over 2 years;
- Upscale was +134.0% and -30.8% over 2 years;
- Upper Midscale was +109.4% and -13.6% over 2 years;
- Midscale was +81.3% and -0.3% over 2 years;
- Economy was +49.8% and +5.7% over 2 years;
- Independent hotels (~ 1/3rd of the data set) were +133.4% y/y and -5.3% over 2 years; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +214.4% y/y vs. +255.0% prior week; over 2 years: -76.1% vs -67.4% prior week.
 - Transient: +523.1% y/y vs. +263.8% prior week; over 2 years: -7.8% vs +1.0% prior week.

Last week's RevPAR details and sequential trends:

- Headline RevPAR was +127.4% vs. the running 28-day average of +143.4%.
- **Occupancy:** absolute occupancy of 61.9% was vs. the running 28-day average of 60.7%.
- **Open/closed hotels:** Per STR, 1.7% of the hotel supply was closed (vs. 0.9% 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: 7.9% last week vs. 7.8% 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, RLJ for the value-play business traveler in the early corporate demand recovery, and the timeshare companies, HGV, VAC, and TNL (formerly WYND). WH, RLJ, HGV, VAC, and TNL are the only names we believe we can still get material upside based on our 2023 estimates, hence our Buy ratings. 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.

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.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
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%
3/27/2021	255.2%	1044.5%	511.9%	258.2%	229.1%	136.7%	82.3%	298.0%	218.1%	153.7%	217.5%	230.8%	136.5%
4/3/2021	287.6%	1065.2%	621.2%	286.8%	260.1%	153.7%	90.5%	337.7%	163.8%	189.6%	240.5%	225.6%	176.8%
4/10/2021	311.1%	978.0%	709.1%	314.8%	309.0%	187.9%	108.1%	345.6%	79.9%	193.0%	289.6%	188.3%	159.1%
4/17/2021	239.3%	687.8%	531.2%	254.4%	245.1%	147.4%	87.0%	255.1%	56.9%	149.1%	220.8%	165.7%	144.0%
4/24/2021	220.7%	589.1%	466.1%	235.1%	226.9%	132.3%	77.3%	236.1%	48.0%	167.7%	184.4%	136.9%	133.6%
5/1/2021	187.6%	498.9%	391.1%	204.7%	197.3%	115.0%	61.6%	194.0%	40.3%	138.3%	145.5%	126.7%	122.8%
5/8/2021	168.2%	462.1%	357.7%	191.9%	171.1%	101.8%	55.2%	168.6%	45.7%	163.0%	142.9%	137.7%	115.2%
5/15/2021	164.5%	449.7%	344.3%	186.6%	160.2%	100.1%	54.3%	164.1%	59.5%	179.7%	158.7%	150.4%	122.5%
5/22/2021	140.0%	336.3%	274.0%	162.8%	133.6%	84.1%	46.5%	135.3%	67.6%	210.9%	156.6%	154.0%	141.0%
5/29/2021	147.5%	296.4%	251.8%	162.5%	141.4%	99.9%	59.8%	143.9%	60.3%	220.8%	149.0%	161.7%	131.2%
6/5/2021	127.4%	296.2%	235.4%	134.0%	109.4%	81.3%	49.8%	133.4%	63.2%	177.0%	143.3%	146.3%	69.0%

Memorial Day calendar shift hit to 2-year trend

Luxury and Upper Upscale led the industry

Boston 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	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%	-74.8%	-83.7%	-83.7%
3Q20	-48.5%	-72.0%	-71.8%	-65.2%	-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%
1Q21	-27.7%	-42.7%	-54.4%	-34.3%	-17.4%	-5.9%	4.1%	-18.0%	-48.4%	-56.7%	-45.3%	-45.0%	-43.5%

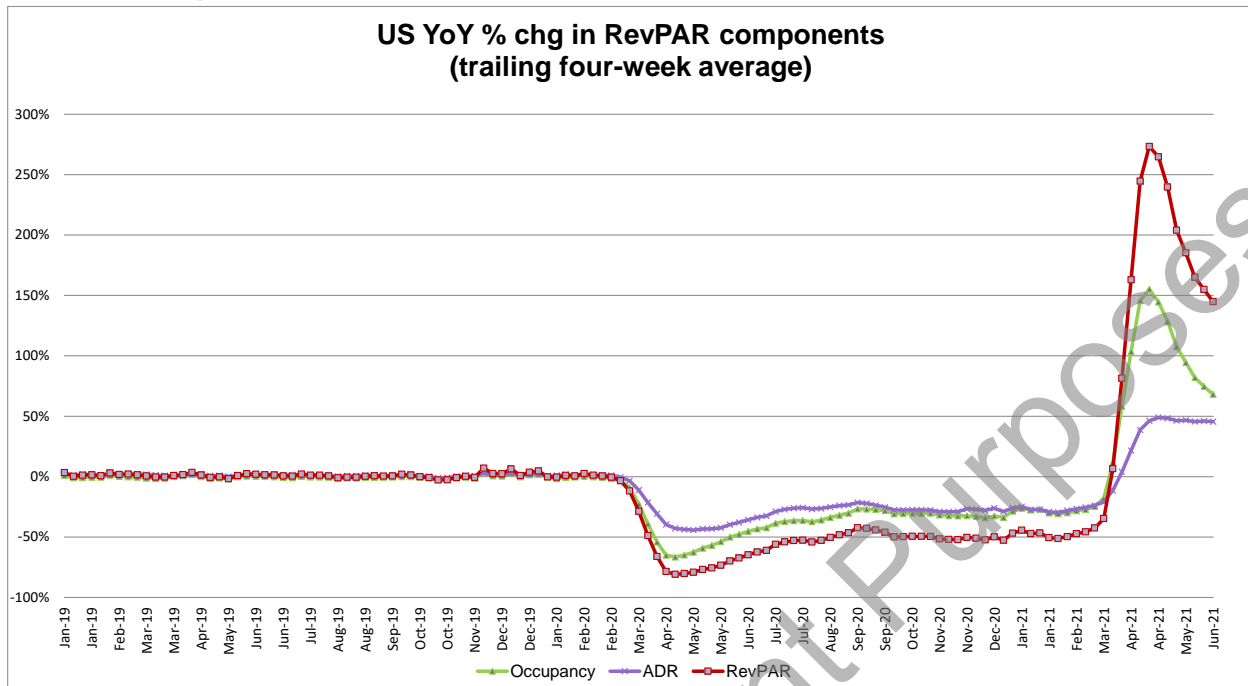
YoY % change in ADR													
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
3/20/2021	15.8%	-7.5%	-5.8%	-8.1%	0.0%	6.7%	9.7%	31.0%	-19.5%	-17.6%	1.5%	5.4%	-7.1%
3/27/2021	36.2%	28.5%	18.3%	-0.5%	8.4%	13.5%	14.6%	61.4%	-10.4%	-8.0%	12.3%	20.9%	1.0%
4/3/2021	49.0%	48.6%	30.5%	6.2%	12.8%	16.8%	18.6%	80.2%	2.3%	3.5%	22.3%	28.3%	11.7%
4/10/2021	53.6%	42.6%	40.7%	13.3%	19.3%	20.9%	20.6%	80.1%	14.0%	12.0%	34.9%	31.3%	13.4%
4/17/2021	46.0%	28.7%	36.5%	12.9%	18.9%	18.3%	18.6%	66.4%	15.4%	15.5%	32.4%	30.6%	14.8%
4/24/2021	47.2%	26.4%	38.4%	16.3%	21.7%	18.9%	18.5%	66.8%	21.4%	21.8%	35.9%	29.7%	17.6%
5/1/2021	46.3%	31.1%	40.8%	18.5%	23.3%	19.3%	16.9%	62.7%	23.3%	27.6%	36.8%	31.7%	19.0%
5/8/2021	46.0%	36.4%	41.8%	22.1%	24.1%	18.9%	16.3%	58.3%	34.0%	40.9%	43.5%	40.6%	24.3%
5/15/2021	47.2%	40.7%	42.8%	24.7%	25.6%	20.3%	17.2%	57.9%	36.5%	46.4%	47.0%	44.5%	28.3%
5/22/2021	42.9%	34.6%	36.7%	24.2%	23.9%	17.6%	15.5%	50.3%	42.6%	54.4%	47.6%	46.8%	34.8%
5/29/2021	47.9%	41.7%	36.4%	28.3%	29.0%	24.9%	22.1%	56.3%	39.8%	54.7%	47.1%	52.3%	30.6%
6/5/2021	44.1%	41.4%	33.2%	25.5%	26.6%	24.4%	20.2%	53.3%	41.2%	45.4%	44.8%	46.6%	11.7%

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%	3.7%	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%	1.8%	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%	-8.4%	-16.1%	-47.7%	-47.3%	-31.6%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%	-29.0%	-26.2%	-17.8%	-10.4%	-5.9%	-20.9%	-54.1%	-45.5%	-29.2%	-44.8%	-40.7%
1Q21	-19.6%	3.4%	-23.4%	-23.0%	-14.2%	-6.3%	-1.5%	-12.1%	-28.3%	-32.7%	-29.7%	-25.7%	-27.9%

YoY % change in Occupancy													
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
3/20/2021	93.9%	316.3%	215.1%	153.2%	103.6%	59.5%	36.5%	85.8%	199.8%	111.0%	103.7%	110.6%	85.0%
3/27/2021	160.8%	790.8%	417.3%	260.0%	203.5%	108.5%	59.1%	146.6%	255.2%	175.8%	182.8%	173.5%	134.3%
4/3/2021	160.2%	684.1%	452.5%	264.2%	219.3%	117.3%	60.6%	143.0%	157.9%	179.7%	178.5%	153.8%	147.9%
4/10/2021	167.6%	655.7%	475.2%	266.1%	242.9%	138.2%	72.5%	147.4%	57.9%	161.6%	188.8%	119.6%	128.5%
4/17/2021	132.3%	512.2%	362.6%	213.8%	190.2%	109.1%	57.6%	113.4%	36.0%	115.6%	142.2%	103.5%	112.5%
4/24/2021	117.9%	445.3%	308.1%	188.1%	168.5%	95.3%	49.6%	101.5%	21.9%	119.9%	109.2%	82.7%	98.6%
5/1/2021	96.6%	356.9%	248.9%	157.2%	141.1%	80.3%	38.3%	80.7%	13.8%	86.7%	79.4%	72.1%	87.2%
5/8/2021	83.7%	312.1%	222.9%	139.1%	118.4%	69.7%	33.4%	69.7%	8.8%	86.7%	69.3%	69.1%	73.2%
5/15/2021	79.8%	290.6%	211.2%	129.8%	107.1%	66.3%	31.7%	67.2%	16.8%	91.0%	76.0%	73.3%	73.3%
5/22/2021	67.9%	224.2%	175.6%	111.5%	88.6%	56.6%	26.8%	56.6%	17.5%	101.4%	73.9%	70.7%	78.7%
5/29/2021	67.4%	179.7%	158.0%	104.6%	87.1%	60.0%	30.9%	56.1%	14.7%	107.4%	69.3%	71.8%	77.0%
6/5/2021	57.8%	180.1%	151.8%	86.4%	65.3%	45.7%	24.6%	52.3%	15.6%	90.6%	68.0%	65.8%	51.4%

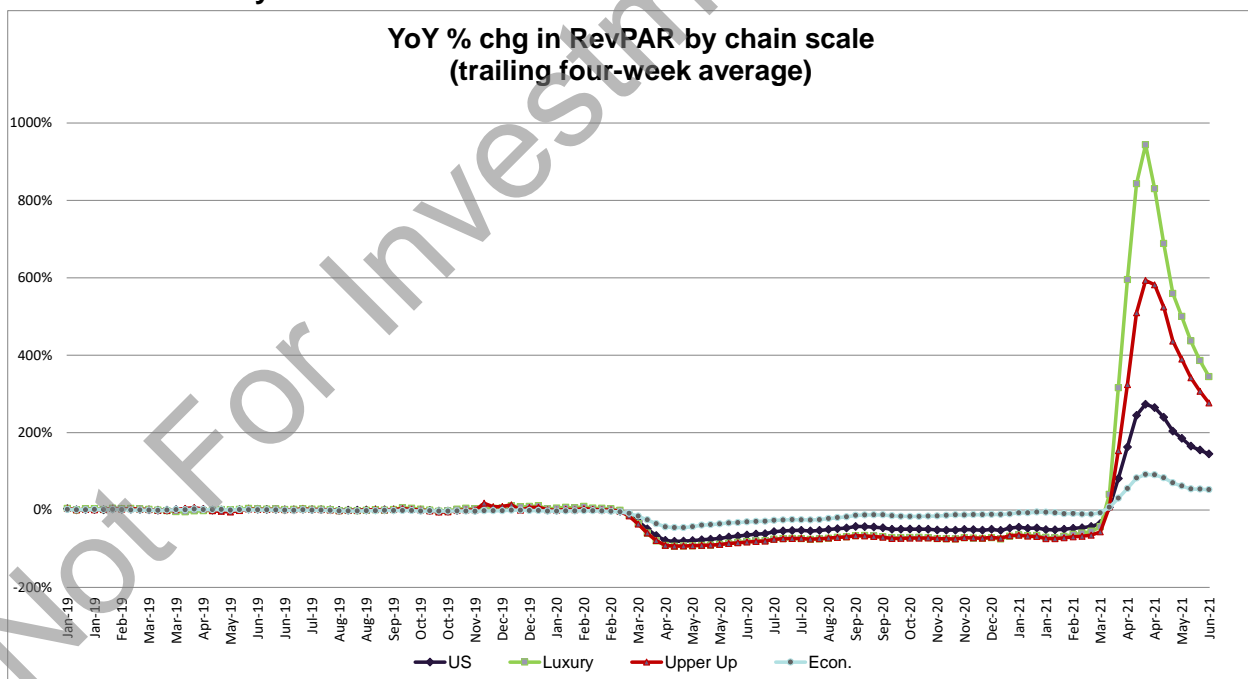
1Q17	0.9%	-0.2%	0.6%	-0.3%	0.7%	1.6%	0.2%	1.6%	1.0%	-1.1%	-2.4%	-0.2%	2.2%
2Q17	0.5%	0.1%	-0.6%	-1.1%	-0.3%	0.4%	1.4%	1.6%	1.7%	0.3%	0.8%	-0.7%	-1.2%
3Q17	0.5%	-0.9%	-0.9%	-0.1%	0.6%	1.6%	0.5%	0.9%	1.1%	-1.0%	-2.9%	-2.7%	-0.5%
4Q17	1.8%	2.2%	1.3%	2.0%	2.1%	1.2%	0.3%	2.0%	1.0%	2.8%	-0.3%	-0.5%	-0.2%
1Q18	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%
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%
1Q21	-10.1%	-44.6%	-40.5%	-14.7%	-3.8%	0.5%	5.6%	-6.7%	-28.0%	-35.6%	-22.2%	-26.0%	-21.6%

RevPAR Component Trends



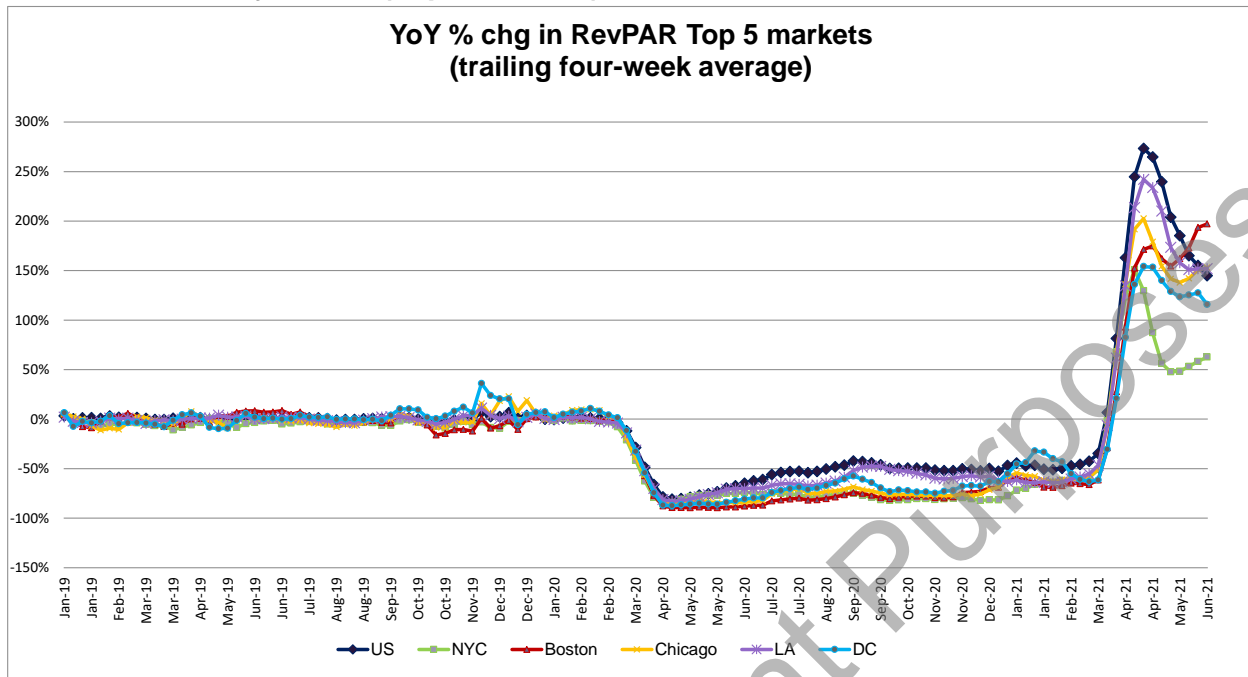
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



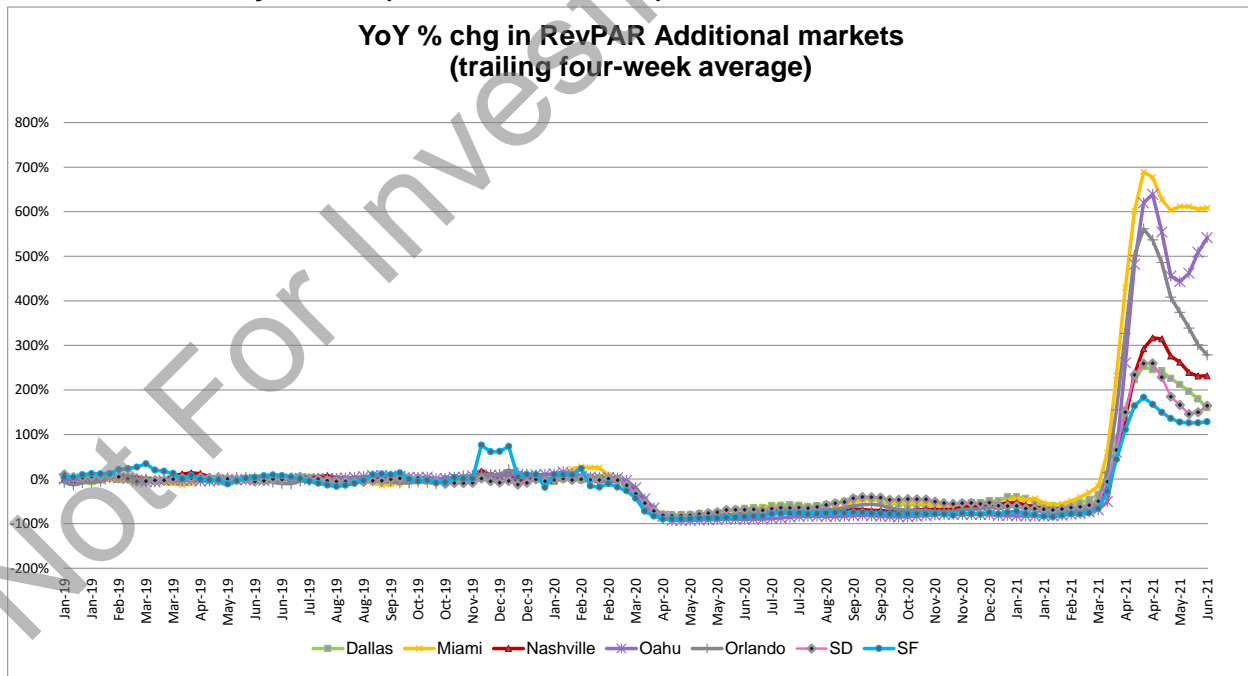
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)

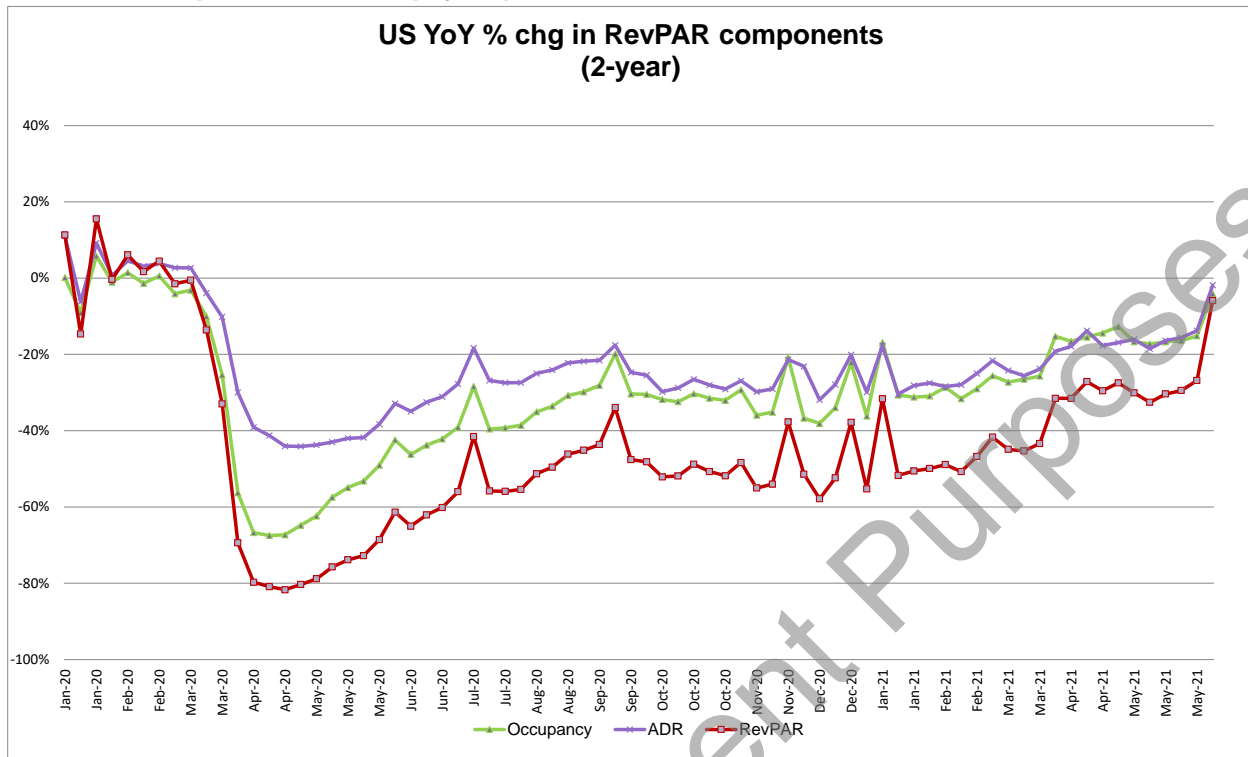


Source: STR data, Truist Securities research

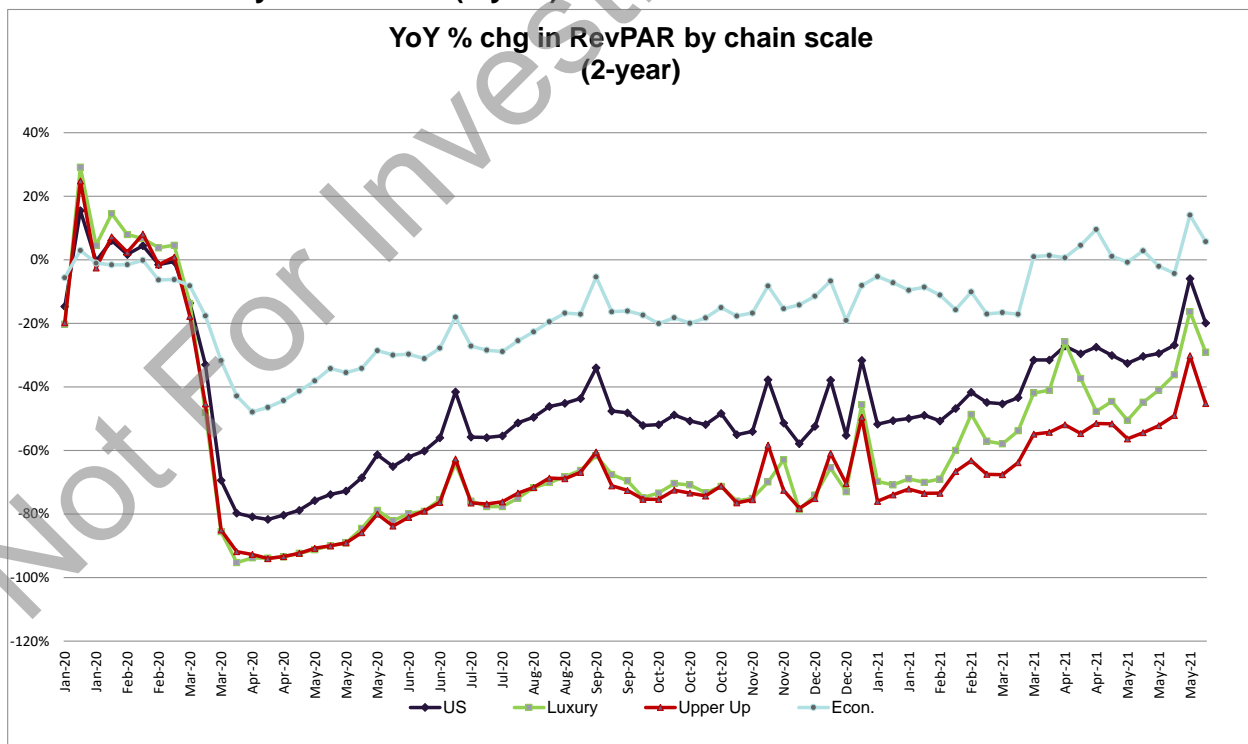
RevPAR Trends by Market (Additional markets)



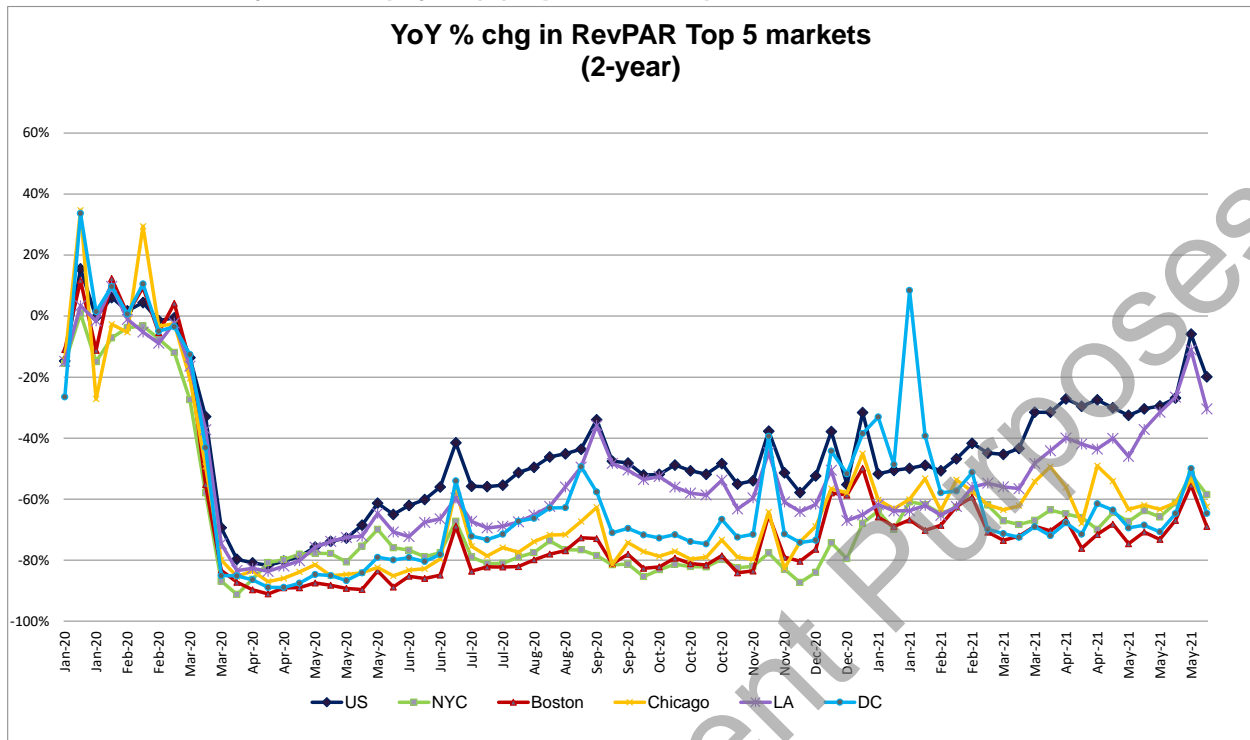
Source: STR data, Truist Securities research

RevPAR Component Trends (2-year)

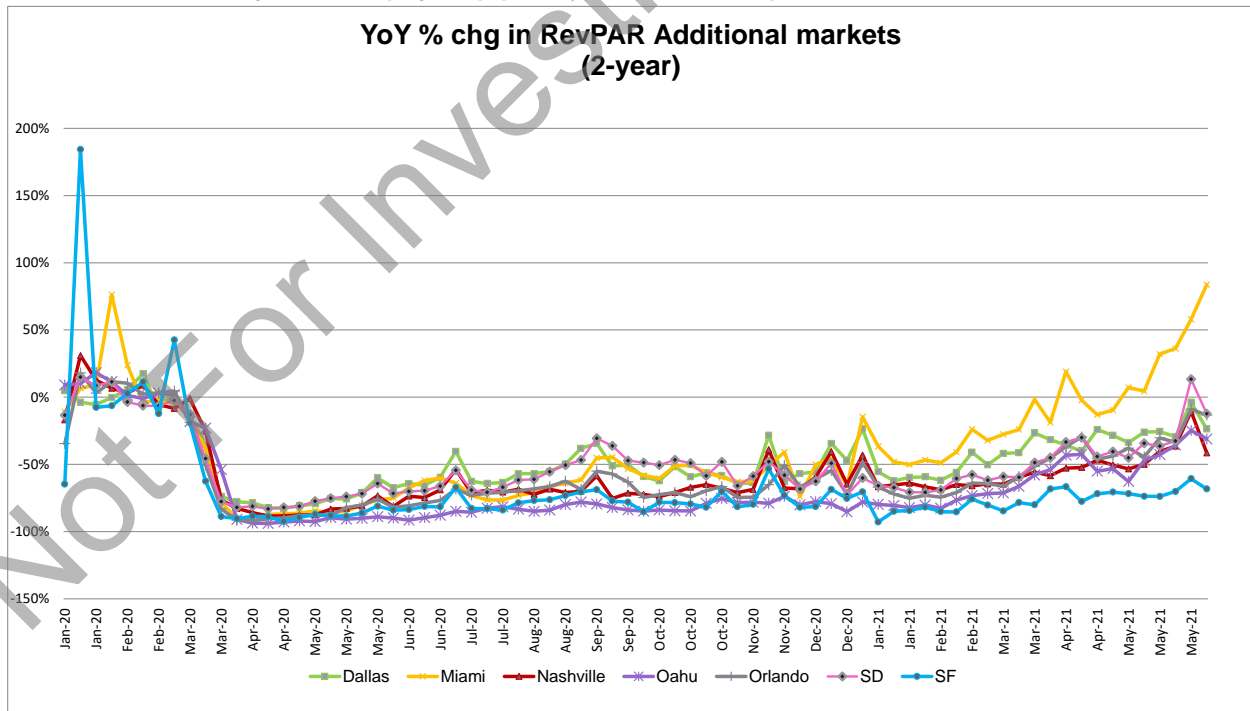
Source: STR data, Truist Securities research

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 6/8/21	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.
Choice Hotels	CHH	\$122.75	Hold	\$107	-13%	\$333	\$402	\$474	\$337	\$410	\$482	15.0X	Upside risk: conservative growth of new brands. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$10.68	Sell	\$8	-25%	\$32	\$137	\$222	\$33	\$138	\$222	12.0X	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.
Hilton	HLT	\$127.84	Hold	\$117	-8%	\$1,260	\$2,245	\$2,627	\$1,352	\$2,343	\$2,744	15.9X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession.
Hilton Grand Vacations	HGV	\$46.45	Buy	\$53	13%	\$272	\$419	\$533	\$294	\$442	\$557	10.1X	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.
Host Hotels & Resorts	HST	\$18.10	Sell	\$15	-17%	\$143	\$747	\$1,284	\$143	\$747	\$1,284	12.5X	Upside risk: faster demand improvement in corporate travel than expected. Dispositions at higher multiple than expected (incl. NYC).
Hyatt Hotels	H	\$82.79	Sell	\$67	-19%	\$95	\$498	\$672	\$135	\$541	\$720	13.5X	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.
Marriott International	MAR	\$145.72	Hold	\$133	-9%	\$1,445	\$2,729	\$3,383	\$203	\$209	\$220	14.9X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Disposition of owned hotels at attractive pricing.
Marriott Vacations	VAC	\$174.64	Buy	\$190	9%	\$577	\$844	\$940	\$609	\$884	\$984	10.4X	Downside risk: slowing pipeline. Deep 2022 recession. Downside risk: M&A story fades and multiples revert to historical levels.
Park Hotels & Resorts	PK	\$22.15	Sell	\$18	-19%	-\$21	\$387	\$738	-\$6	\$403	\$754	12.6X	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	\$24.16	Hold	\$21	-13%	\$9	\$227	\$401	\$9	\$227	\$401	14.5X	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.
Playa Hotels & Resorts	PLYA	\$7.57	Hold	\$6	-21%	\$27	\$172	\$205	\$40	\$185	\$218	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	\$16.44	Buy	\$19	16%	\$22	\$286	\$424	\$34	\$298	\$436	13.0X	Downside risk: Slower than expected recovery of corporate business travel post-COVID, scapellato and/or upside from repositionings underwhelms investor expectations; labor costs are not reduced either due to increased wages/benefits or inability to cut costs post-tech improvements.
Ryman Hospitality Properties	RHP	\$79.66	Sell	\$52	-35%	\$49	\$297	\$438	\$75	\$324	\$466	13.0X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery.
Sunstone Hotel Investors	SHO	\$13.34	Sell	\$10	-25%	\$12	\$196	\$273	\$21	\$206	\$281	12.0X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements.
Vail Resorts, Inc.	MTN	\$326.35	Hold	\$308	-6%	\$557	\$827	\$918	\$557	\$827	\$918	16.0X	Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Travel + Leisure Co.	TNL	\$64.65	Buy	\$76	17%	\$722	\$885	\$977	\$722	\$885	\$977	8.5X	Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.
Wyndham Hotels & Resorts	WH	\$76.88	Buy	\$81	5%	\$459	\$615	\$711	\$486	\$644	\$743	14.0X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.

* 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

Choice Hotels International, Inc. (CHH, \$122.75, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$10.68, Sell, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$82.79, Sell, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$46.45, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$127.84, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$18.10, Sell, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$145.72, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$326.35, Hold, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$24.16, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$22.15, Sell, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$7.57, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$79.66, Sell, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$16.44, Buy, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$13.34, Sell, C. Patrick Scholes)
Travel + Leisure Co. (TNL, \$64.65, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$174.64, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$76.88, Buy, C. Patrick Scholes)

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