

Lodging

Lodging: US RevPAR +110.0% Y/Y Last Week; 2yr -4.2% vs. prior -7.1%

Good news: Delta variant impact not obvious in recent results though future TBD

What's Incremental To Our View

Overall U.S. RevPAR was +110.0% Y/Y for the week ending 7/24/2021, per STR, slightly better than the prior week's result of +108.7%. Last week's RevPAR was up against a -54.8% comparable result in 2020 vs. -56.0% in the prior week's 2-year run-rate. *On a 2-year run-rate, RevPAR was -4.2% vs. -7.1% in the prior week's 2-year run-rate.*

We do not see any material negative demand impact from the Delta variant rising nationwide and for a good example LA ran 78% occupancy last week vs. 75% over the last 28 days. That said, it may still be possible a headwind is forthcoming to all customer segments.

If we were in a non-leisure period, we think the Delta variant impact would be more evident in higher-rated travel, especially Group. However, we think much of the group demand remains social in orientation and we suspect many weddings are not being cancelled for the Delta variant after being postponed last year. **Where we have greater reservations are on the corporate travel side, particularly large group events.** As a good example, we have heard from multiple sources of light attendance at the ALIS lodging conference in LA this week with many last-minute cancellations (ALIS is one of the two big lodging conferences of the year, normally in January but pushed to July, and if was not for earnings we would be in attendance). It is very understandable to see cancellations given a rising health risk and mask requirements in LA County, but obviously **not a great sign for the near-term recovery of large group/live event demand.**

Major RevPAR statistics presented below:

- Luxury RevPAR: +274.9% y/y and -9.5% over 2 years
- Upper Upscale RevPAR: +211.5% y/y and -24.1% over 2 years;
- Upscale RevPAR: +119.4% y/y and -13.9% over 2 years;
- Upper Midscale RevPAR: +95.6% y/y and -0.2% over 2 years;
- Midscale RevPAR +73.7% y/y and +8.0% over 2 years;
- Economy RevPAR: +51.4% y/y and +10.8% over 2 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +97.5% y/y and +6.6% over 2 years; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +329.9% y/y vs. +342.2% prior week; over 2 years: -47.6% vs -53.8% prior week.

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What's Inside

Weekly STR results and analysis

- Transient: +160.4% y/y vs. +159.0% prior week; over 2 years: +1.0% vs -0.5% prior week.

Last week's RevPAR details and sequential trends:

- Headline RevPAR was +110.0% vs. the running 28-day average of +103.9%.
- **Occupancy:** absolute occupancy was 71.4% vs. the running 28-day average of 68.7%.
- **Open/closed hotels:** Per STR, 1.4% of the hotel supply was closed (vs. 1.4% 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 light** and driven in our view partly from summer leisure group such as wedding demand: 13.2% last week vs. 11.0% 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 is a game changer, our best guess for the return of the business traveler for RevPAR modeling purposes is not until at least 3Q21. That said, 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, we think 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							
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%
6/12/2021	121.5%	263.4%	209.5%	131.7%	107.9%	80.0%	51.5%	120.5%	84.7%	204.6%	136.8%	167.7%	98.2%
6/19/2021	113.8%	242.1%	191.2%	124.1%	100.5%	77.8%	52.5%	109.1%	109.8%	184.1%	138.3%	162.9%	118.0%
6/26/2021	109.4%	231.6%	191.3%	119.6%	96.2%	75.6%	52.9%	100.2%	128.5%	216.1%	141.0%	151.3%	110.7%
7/3/2021	88.9%	174.7%	157.3%	103.4%	83.9%	58.3%	41.3%	76.5%	115.8%	171.6%	129.9%	108.9%	85.5%
7/10/2021	107.6%	258.6%	200.0%	110.5%	88.6%	70.1%	49.5%	105.4%	150.3%	205.6%	141.2%	162.8%	91.1%
7/17/2021	108.7%	272.5%	209.0%	118.9%	94.1%	70.5%	51.2%	97.4%	174.5%	201.4%	147.1%	151.1%	108.6%
7/24/2021	110.0%	274.9%	211.5%	119.4%	95.6%	73.7%	51.4%	97.5%	188.3%	222.4%	156.6%	155.0%	100.7%

Flattish sequential y/y change with no clear material Delta impact

Luxury and Upper Upscale led the industry

Boston and NYC led the Top 5 markets

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%	-0.6%	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%	-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%	-65.5%	-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%
2Q21	160.4%	391.1%	305.3%	173.3%	150.1%	100.7%	61.1%	162.0%	73.8%	192.1%	166.4%	158.3%	126.2%

YoY % change in ADR

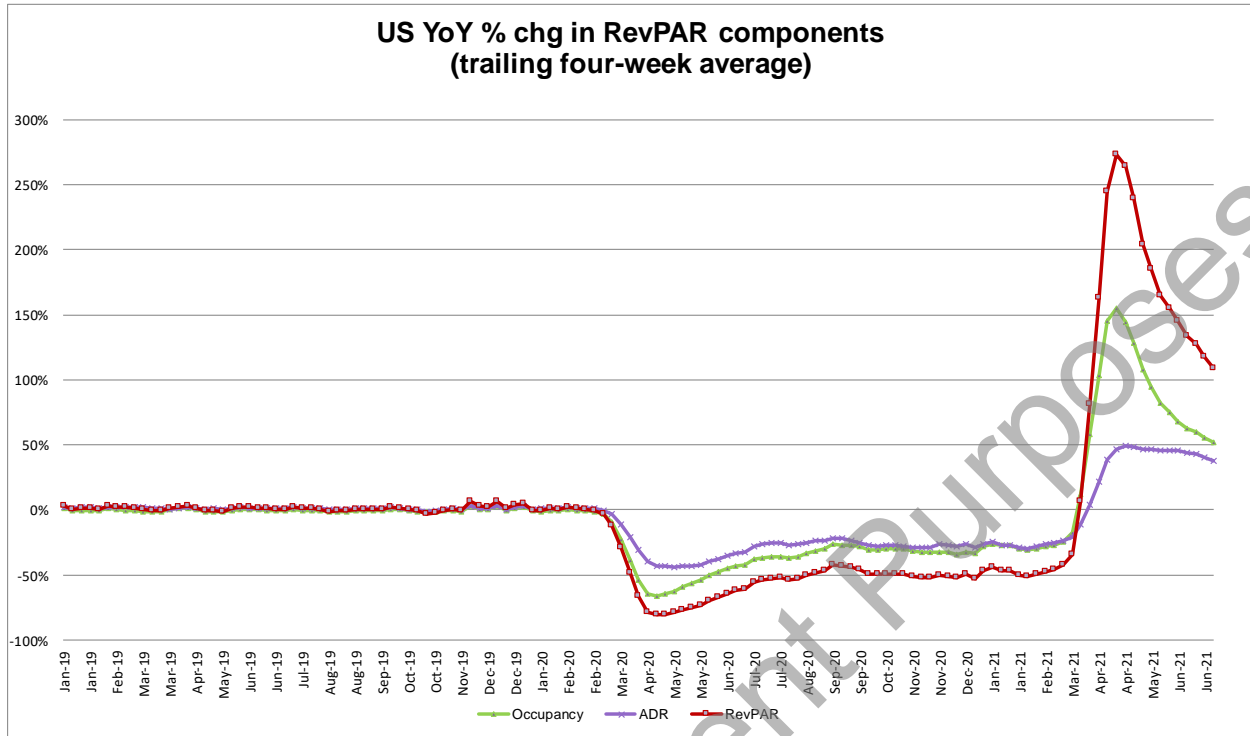
U.S.	Upper		Upper		Inde-		pendent	New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy							
5/8/2021	46.0%	36.4%	41.8%	22.1%	24.1%	18.9%	16.3%	58.3%	34.0%	40.9%	43.5%	40.6%	24.3%
5/15/2021	47.2%	40.7%	42.8%	24.7%	25.6%	20.3%	17.2%	57.9%	36.5%	46.4%	47.0%	44.5%	28.3%
5/22/2021	42.9%	34.6%	35.7%	24.2%	23.9%	17.6%	15.5%	50.3%	42.6%	54.4%	47.6%	48.8%	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%	48.6%	11.7%
6/12/2021	39.8%	36.3%	29.2%	24.8%	25.8%	23.4%	19.9%	44.5%	47.5%	45.0%	44.0%	56.0%	21.9%
6/19/2021	38.6%	34.8%	27.6%	25.4%	26.6%	24.0%	20.8%	40.7%	53.0%	40.6%	44.9%	54.8%	27.2%
6/26/2021	39.0%	32.1%	28.9%	26.9%	28.4%	25.7%	22.6%	38.8%	57.0%	46.2%	47.4%	53.7%	27.5%
7/3/2021	32.4%	29.8%	23.6%	23.4%	24.0%	20.6%	19.6%	30.0%	47.9%	39.8%	43.7%	42.1%	22.7%
7/10/2021	42.2%	38.4%	33.5%	28.7%	29.7%	27.6%	24.9%	44.0%	57.0%	47.2%	49.7%	56.2%	26.8%
7/17/2021	40.1%	34.6%	32.7%	29.4%	29.6%	26.0%	24.3%	38.8%	61.7%	45.7%	52.2%	52.0%	28.6%
7/24/2021	41.8%	38.3%	34.0%	31.3%	31.7%	27.8%	25.7%	40.0%	62.1%	53.6%	55.7%	52.5%	28.9%
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%	1.0%	-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%
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%
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%
2Q21	43.2%	37.8%	30.6%	21.3%	23.1%	20.4%	18.6%	52.6%	33.5%	38.0%	42.5%	46.1%	23.1%

YoY % change in Occupancy

U.S.	Upper		Upper		Inde-		pendent	New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy							
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	79.6%	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%
6/12/2021	58.4%	166.7%	139.5%	85.7%	65.3%	45.9%	26.3%	52.6%	25.2%	110.0%	64.5%	71.6%	62.7%
6/19/2021	54.3%	153.7%	128.2%	78.7%	58.4%	43.4%	26.3%	48.6%	37.1%	102.0%	64.5%	69.8%	71.3%
6/26/2021	50.6%	151.0%	126.0%	73.1%	52.8%	39.7%	24.7%	44.2%	45.5%	116.3%	63.5%	63.5%	65.3%
7/3/2021	42.7%	111.7%	108.1%	64.8%	48.3%	31.3%	18.1%	35.8%	46.0%	94.2%	60.0%	47.0%	51.2%
7/10/2021	46.0%	159.0%	124.7%	63.5%	45.4%	33.3%	19.7%	42.7%	59.5%	107.6%	61.1%	68.3%	50.7%
7/17/2021	48.9%	176.8%	132.8%	69.2%	49.7%	35.3%	21.6%	42.2%	69.8%	106.8%	62.4%	65.2%	62.2%
7/24/2021	48.1%	171.1%	132.4%	67.1%	48.5%	35.9%	20.5%	41.1%	77.8%	109.8%	64.8%	67.2%	55.7%
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%
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%
2Q21	81.9%	256.5%	210.5%	125.3%	103.2%	66.7%	35.9%	71.7%	30.2%	111.7%	86.9%	76.8%	83.8%

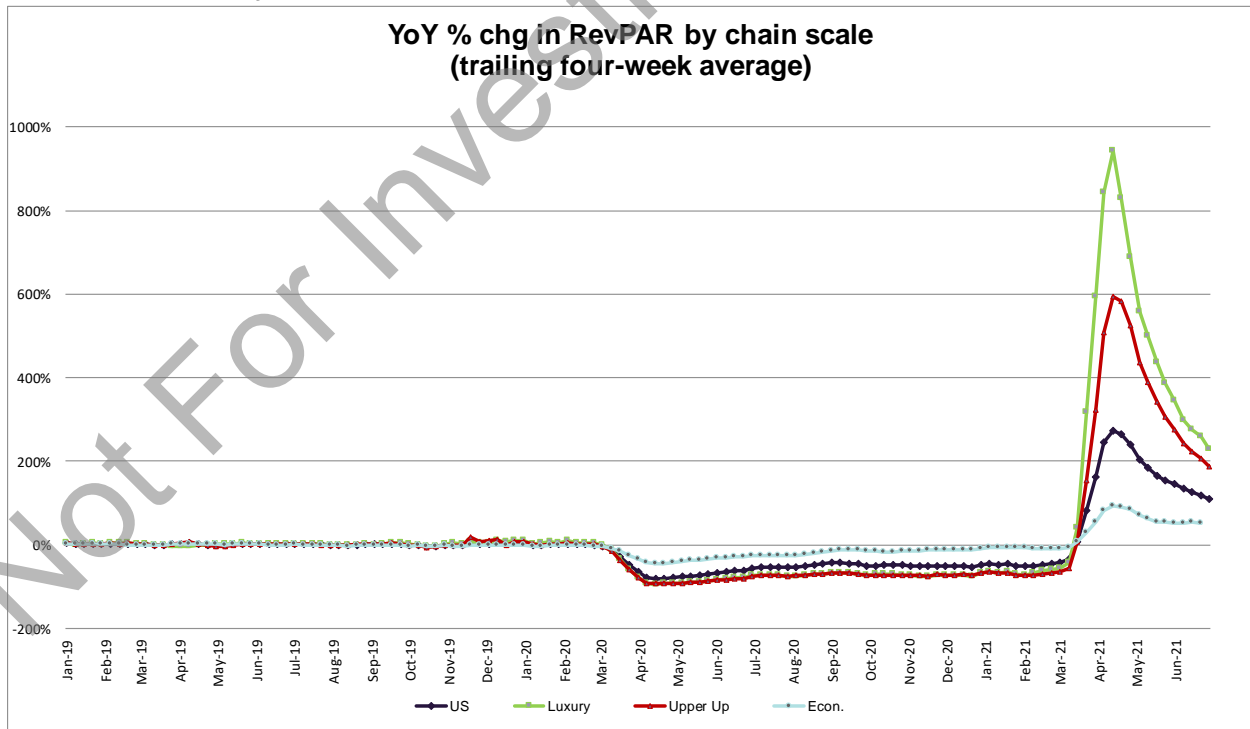
Source: STR data, Truist Securities research

RevPAR Component Trends



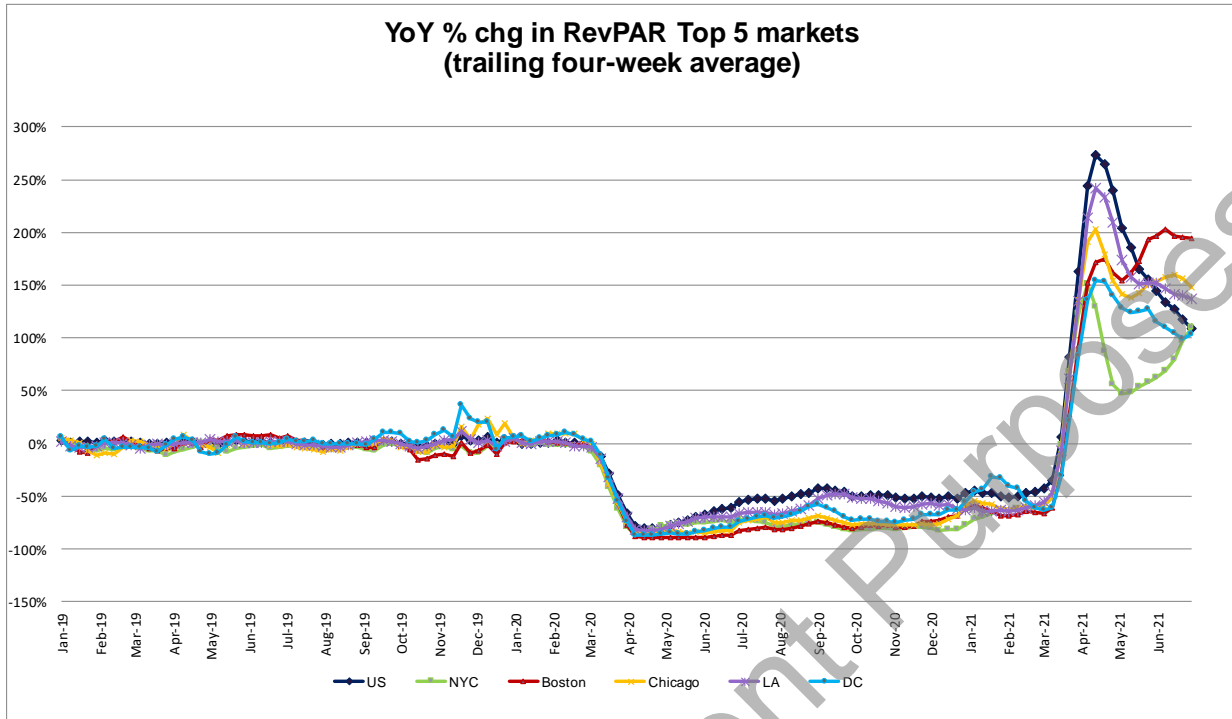
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



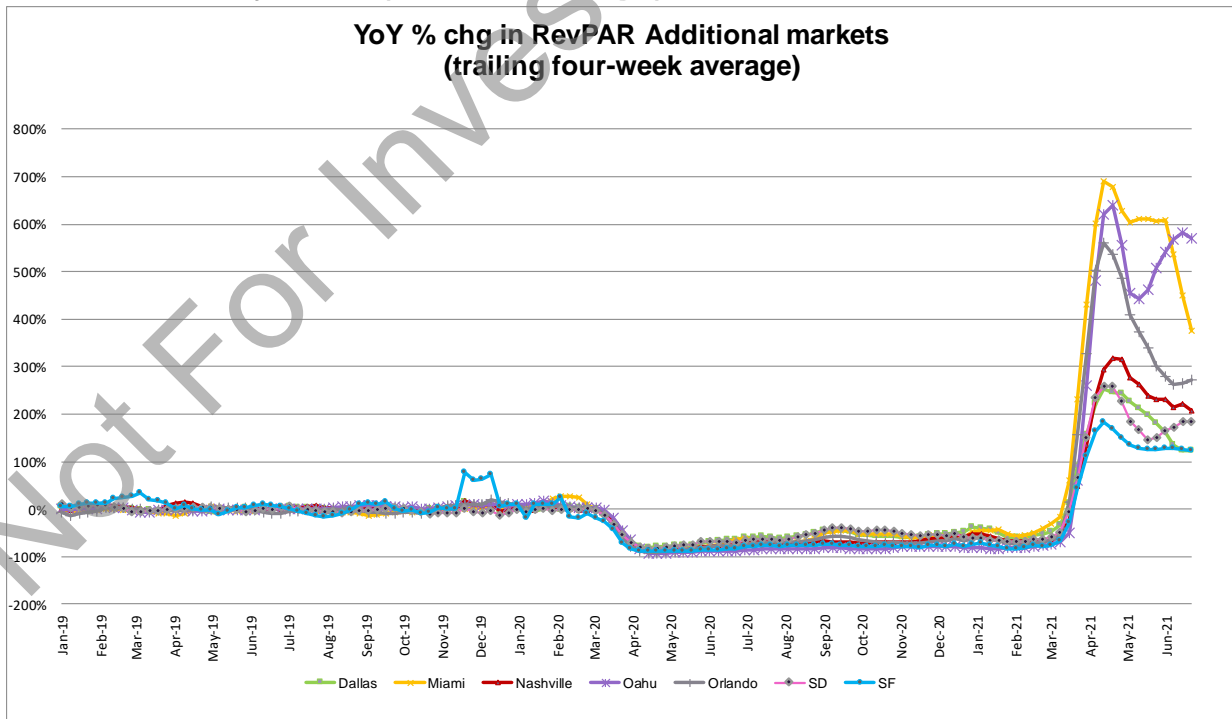
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



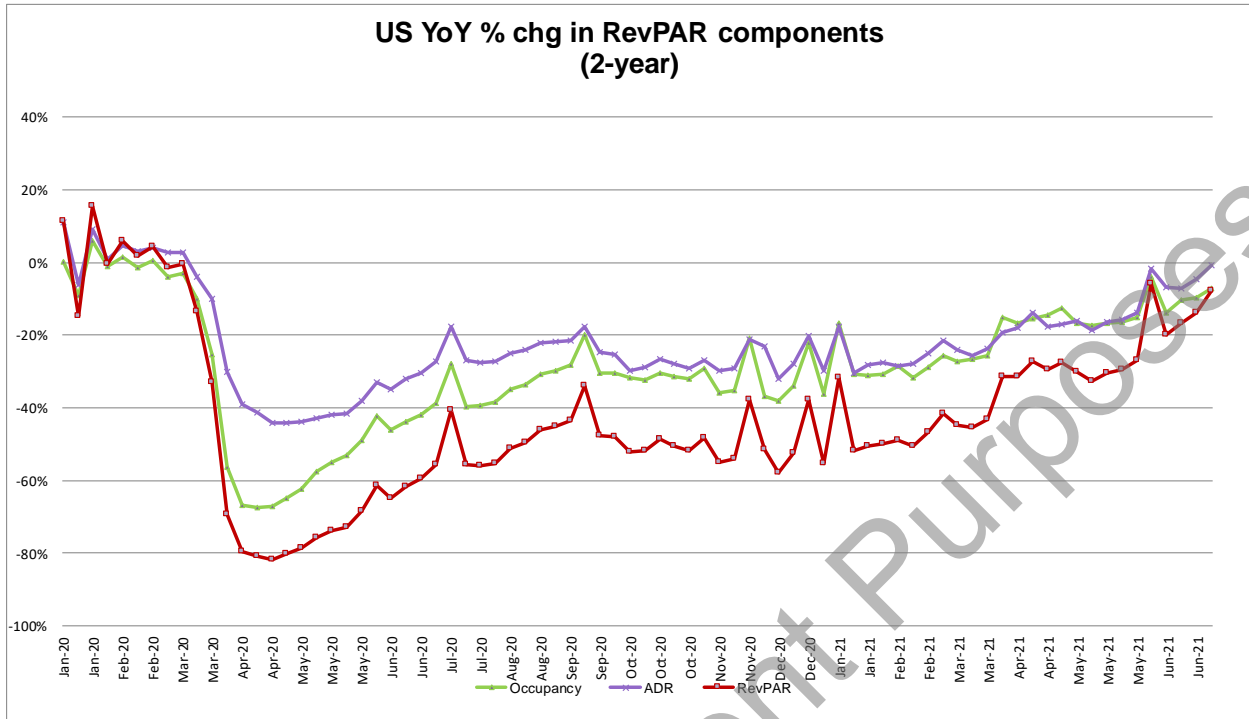
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



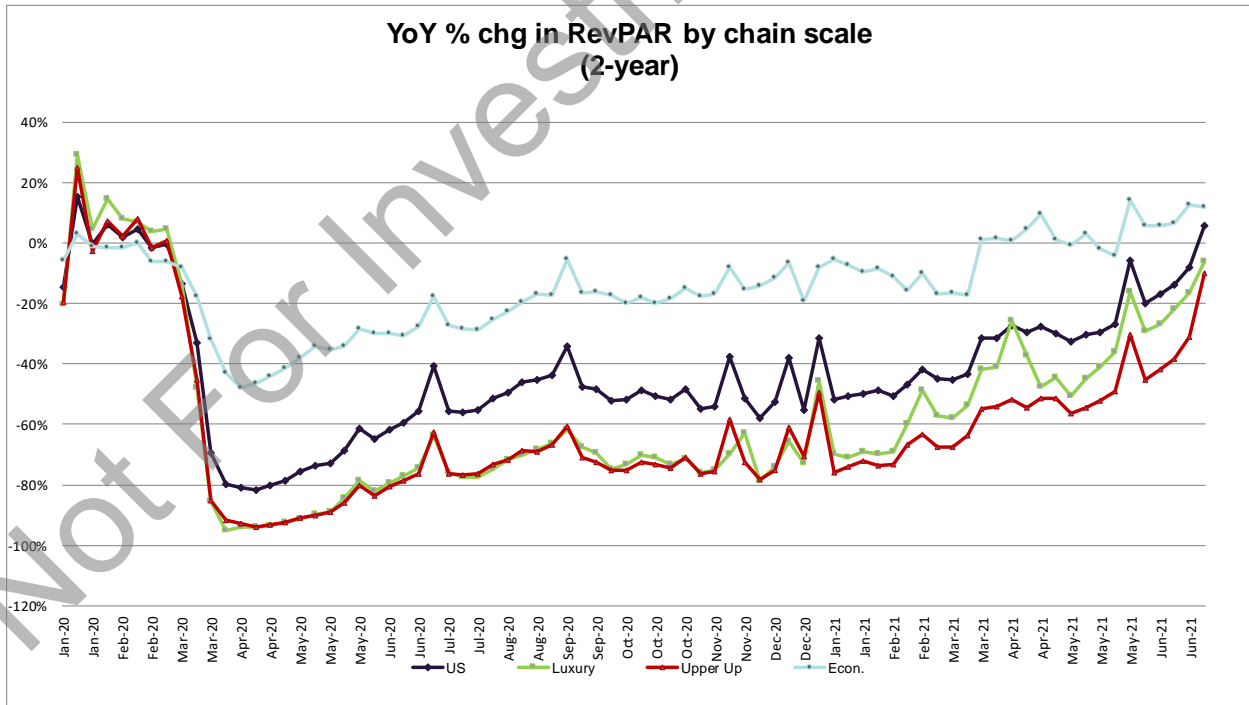
Source: STR data, Truist Securities research

RevPAR Component Trends (2-year)



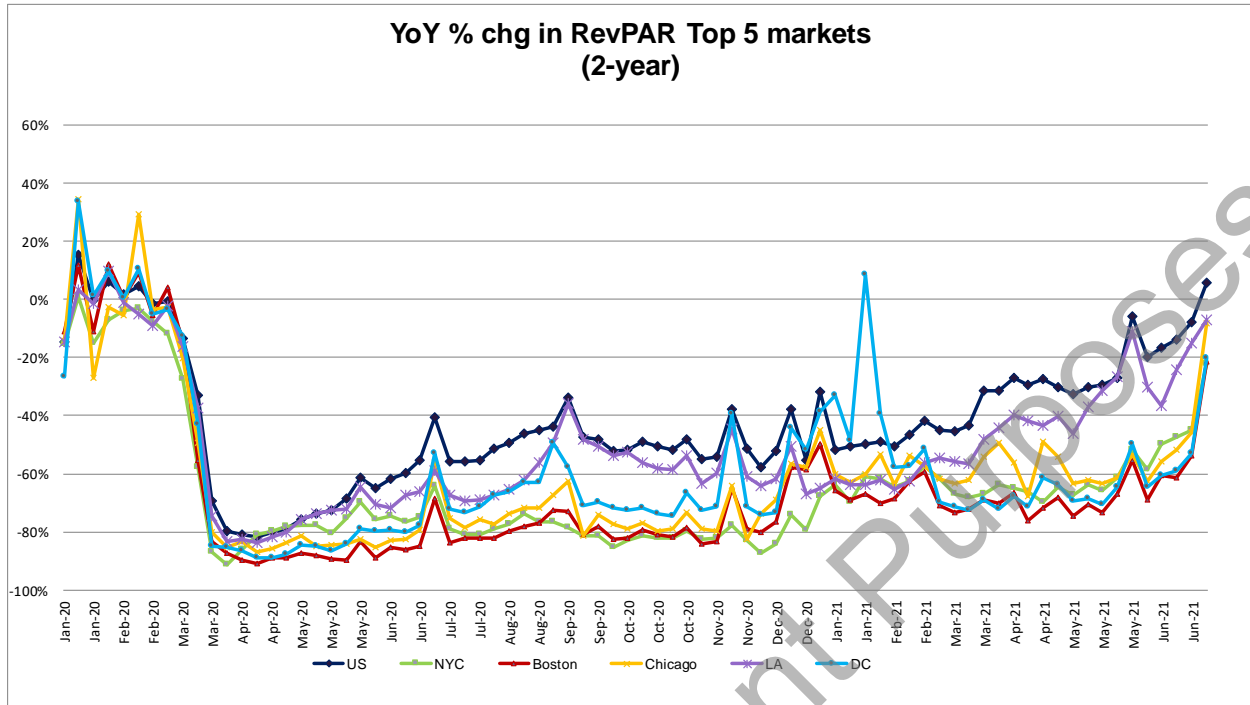
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (2-year)



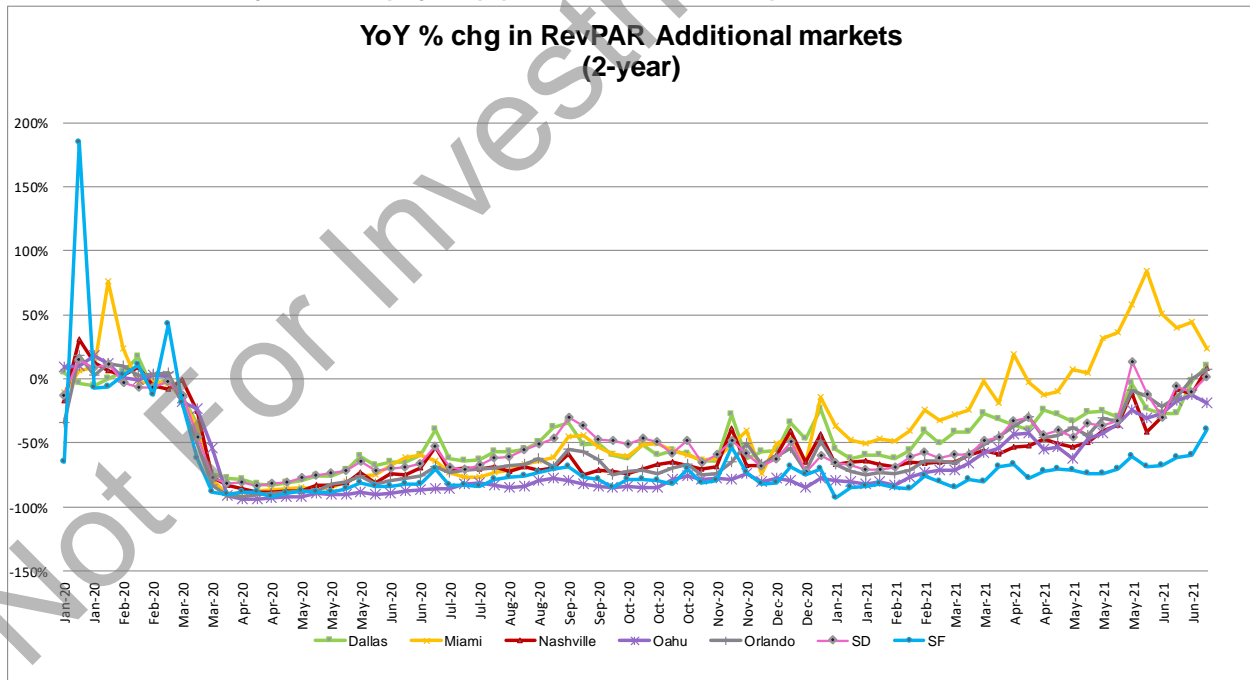
Source: STR data, Truist Securities research

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 7/27/21	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.
Choice Hotels	CHH	\$118.26	Hold	\$107	-10%	\$333	\$402	\$474	\$337	\$410	\$482	15.0X	Upside risk: conservative growth of new brands. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$8.73	Sell	\$8	-8%	\$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. Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession.
Hilton	HLT	\$128.50	Hold	\$116	-10%	\$1,222	\$2,237	\$2,619	\$1,352	\$2,369	\$2,758	15.9X	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	\$40.40	Buy	\$53	30%	\$272	\$419	\$533	\$294	\$442	\$557	10.1X	Upside risk: faster demand improvement in corporate travel than expected. Dispositions at higher multiple than expected (incl. NYCO).
Host Hotels & Resorts	HST	\$16.05	Sell	\$15	-7%	\$143	\$747	\$1,284	\$143	\$747	\$1,284	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	\$78.85	Sell	\$67	-15%	\$95	\$498	\$672	\$135	\$541	\$720	13.5X	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	\$143.45	Hold	\$133	-7%	\$1,445	\$2,729	\$3,383	\$203	\$209	\$220	14.9X	Downside risk: M&A glory fades and multiples revert to historical levels.
Marriott Vacations	VAC	\$157.43	Buy	\$190	21%	\$577	\$844	\$940	\$575	\$884	\$984	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	\$18.78	Sell	\$18	-4%	\$21	\$387	\$738	-\$6	\$403	\$754	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.
Pebblebrook Hotel Trust***	PEB	\$22.51	Hold	\$24	7%	\$61	\$291	\$420	\$61	\$291	\$420	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	\$6.82	Hold	\$6	-12%	\$27	\$172	\$205	-\$1	\$133	\$218	10.0X	Downside risk: Slower than expected recovery of corporate business travel post COVID; scope/timing 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
RLJ Lodging Trust***	RLJ	\$14.41	Buy	\$19	32%	\$73	\$296	\$430	\$84	\$308	\$442	13.0X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery.
Ryman Hospitality Properties	RHP	\$77.19	Sell	\$52	-33%	\$49	\$297	\$438	\$82	\$324	\$466	13.0X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements.
Sunstone Hotel Investors	SHO	\$11.60	Sell	\$10	-14%	\$12	\$196	\$273	\$21	\$206	\$281	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	\$311.86	Hold	\$308	-1%	\$573	\$814	\$923	\$573	\$814	\$923	16.0X	Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples. Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Travel + Leisure Co.	TNL	\$56.46	Buy	\$76	34%	\$722	\$885	\$977	\$722	\$885	\$977	8.5X	Downside risk: Slowdown in development opportunities.
Wyndham Hotels & Resorts	WH	\$70.77	Buy	\$81	14%	\$457	\$614	\$711	\$484	\$644	\$742	14.0X	

* 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, \$118.26, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$8.73, Sell, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$78.85, Sell, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$40.40, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$128.50, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$16.05, Sell, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$143.45, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$311.86, Hold, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$22.51, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$18.78, Sell, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$6.82, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$77.19, Sell, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$14.41, Buy, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$11.60, Sell, C. Patrick Scholes)
Travel + Leisure Co. (TNL, \$56.46, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$157.43, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$70.77, Buy, C. Patrick Scholes)

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