# **Truist Securities**

# Lodging

Lodging: US RevPAR +74.9% Y/Y Last Week; 2yr -4.5% vs. Prior -3.0%. Improvement stalled.

Slightly lower results but steady. Delta/seasonality likely stalling recovery.

What's Incremental To Our View

Overall U.S. RevPAR was +74.9% y/y for the week ending 8/21/2021, per STR, softer than the prior week's result of +77.8%. Last week's RevPAR was up against a -46.1% comparable result in 2020 vs. -46.1% in the prior week's 2-year run-rate. On a 2-year run-rate, RevPAR was -4.5% vs. -3.0% in the prior week's 2-year run-rate.

Year-over-year lodging results were sequentially slightly softer versus the prior week (week ending 8/14/21). We attribute three factors: the rise of the Delta variant impacting demand, seasonality/back-to-school, and Tropical Storm Henri's impact to the Mid-Atlantic/Northeast. The storm impact may show up more in next week's data results; we did not discern a material impact to NYC or Boston in the STR results for last week.

- Effectively we view last week's results as relatively steady. However, we view the lodging recovery/improvement as stalled, likely due to the Delta variant and seasonality. For a deeper dive into the Delta variant's impact on demand and our forward bookings analysis, please see our latest RevPAR Monitor.
- Absolute occupancy versus the prior week was down a few hundred bps and we view the above three factors as contributors.
- Please note that Hurricane Laura (passed south of southern Florida, landfall in Louisiana, and impact from Texas to Kentucky/Tennessee and the Midwest) will impact the y/y comparison for the week ending 8/28/21.

# Major RevPAR statistics presented below:

- Luxury RevPAR: +165.6% y/y and -13.9% over 2 years
- Upper Upscale RevPAR: +138.1% y/y and -27.3% over 2 years;
- Upscale RevPAR: +81.2% y/y and -14.0% over 2 years;
- Upper Midscale RevPAR: +66.1% y/y and +0.7% over 2 years;
- Midscale RevPAR +52.0% y/y and +11.7% over 2 years;
- Economy RevPAR: +38.1% y/y and +15.3% over 2 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +63.5% y/y and +6.4% over 2 years; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +238.7% y/y vs. +193.8% prior week; over 2 years: -41.2% vs -40.6% prior week.

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### What's Inside

Weekly STR results and analysis

• Transient: +97.4% y/y vs. +106.3% prior week; over 2 years: -7.8% vs -5.4% prior week.

## Last week's RevPAR details and sequential trends:

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- Headline RevPAR was +74.9% y/y vs. the running 28-day average of +85.9% y/y.
- Occupancy: absolute occupancy was 63.7% y/y vs. the running 28-day average of 66.8% y/y.
- Open/closed hotels: Per STR, 1.1% of the hotel supply was closed (vs. 1.1% 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: 11.2% last week vs. 11.7% for the running 28 days.

As far as stocks, we reiterate our view the companies relatively best positioned here in our coverage universe are the drive-to leisure-centric C-Corps CHH, WH, and 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 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).

# Weekly RevPAR Summary

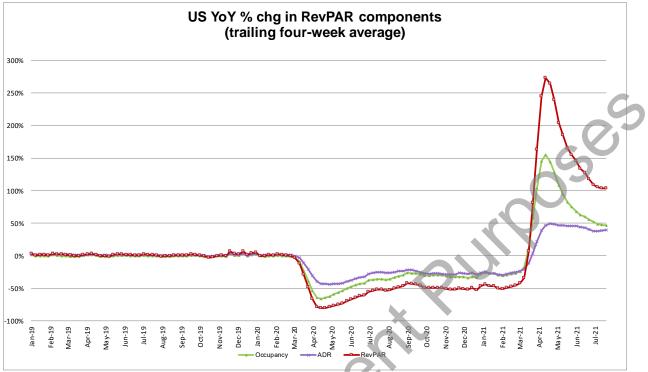
	YoY % change in RevPAR												
-			Upper		Upper		-	Inde-					
	U.S.	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	New York	Boston	LA	Chicago	DC
7/3/2021	88.9%	174.7%	157.3%	103.4%	83.9%	58.3%	41.3%	76.5%	115.8%	171.6%	129.9%	108.9%	85.5%
7/10/2021	107.6%	258.6%	200.0%	110.5%	88.6%	70.1%	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%
7/31/2021	102.9%	256.8%	198.1%	113.1%	89.6%	69.4%	48.6%	88.7%	179.2%	233.5%	153.8%	215.7%	92.7%
8/7/2021	87.9%	222.2%	169.8%	93.1%	74.6%	58.3%	41.0%	76.8%	140.3%	211.8%	124.8%	172.3%	109.4%
8/14/2021	77.8%	181.8%	140.8%	83.1%	67.3%	54.0%	39.4%	68.0%	105.0%	215.0%	103.1%	146.4%	95.9%
8/21/2021	74.9%	165.6%	138.1%	81.2%	66.1%	52.0%	38.1%	63.5%	133.8%	172.8%	89.4%	152.5%	97.9%
101/2021       101.8%       228.5%       200.0%       110.3%       68.6%       70.1%       49.5%       103.4%       103.5%       200.6%       141.2%       162.6%       91.1%         7/17/2021       108.7%       227.5%       200.9%       118.9%       94.1%       70.5%       51.2%       97.4%       174.7%       151.1%       108.6%         7/24/2021       110.9%       274.9%       211.5%       119.4%       95.6%       73.7%       51.4%       97.5%       188.3%       222.4%       156.6%       155.0%       100.7%         7/31/2021       102.9%       256.8%       198.1%       113.1%       89.6%       69.4%       48.6%       88.7%       179.2%       233.5%       153.8%       215.7%       92.7%         8/14/2021       87.9%       222.2%       169.8%       93.1%       74.6%       58.3%       41.0%       76.8%       140.3%       211.8%       124.8%       172.3%       109.4%         8/14/2021       77.8%       181.8%       140.8%       83.1%       63.5%       133.8%       172.8%       89.4%       152.5%       97.9%         8/21/2021       74.9%       165.6%       138.1%       81.2%       66.1%       52.0%       38.1%													
	Possible moderate Delta impact plus return-to-school Luxury and Upper Upscale led the industry Boston and Chicago led the Top 5 markets											kets	
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%		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%		-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%		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%		-0.4%	-0.2%	-2.2%	4.5%
4Q19 1Q20	0.7%	3.6%	1.0% -23.1%	-0.6%	-1.0%	-2.7%	-1.5%	2.3%	-4.1% -28.0%	-11.6% -24.5%	<u>1.1%</u> -19.3%	-0.7%	5.2% -23.2%
2Q20	-69.9%	-21.4%	-23.1%	-20.8%	-65.4%	-51.3%	-35.0%	-65.2%	-28.0%	-24.5%	-74.5%	-83.7%	-23.2%
3Q20	-09.9%	-72.0%	-71.8%	-55.2%	-05.4 %	-29.7%	-35.0%	-05.2 %		-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%		-56.7%	-45.3%	-45.0%	-43.5%
2Q21	160.4%			173.3%	150.1%	100.7%	61.1%	162.0%		192.1%		158.3%	126.2%
YoY % change in ADR													

YoY % change in ADR

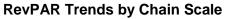
			Upper		Upper			Inde-					
	U.S.	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	New York	Boston	LA	Chicago	DC
7/3/2021	32.4%	29.8%	23.6%	23.4%	24.0%	20.6%	19.6%	30.0%	47.9%	39.8%	43.7%	42.1%	22.7%
7/10/2021	42.2%	38.4%	33.5%	28.7%	29.7%	27.6%	24.9%	44.0%	57.0%	47.2%	49.7%	56.2%	26.8%
7/17/2021	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%
7/31/2021	42.0%	37.8%	36.5%	32.4%	32.4%	28.0%	25.5%	39.5%	60.4%	58.9%	59.9%	73.1%	27.5%
8/7/2021	38.4%	35.7%	36.4%	30.0%	29.1%	25.0%	22.5%	36.4%	55.2%	55.9%	52.6%	59.7%	30.6%
8/14/2021	36.2%	34.9%	35.3%	29.2%	28.4%	24.2%	21.7%	34.9%	47.6%	56.4%	48.9%	56.5%	25.9%
8/21/2021	34.5%	34.0%	32.3%	28.4%	27.7%	23.5%	20.6%	32.5%	48.7%	53.1%	45.9%	55.6%	28.3%
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%		1.8%	1.2%	1.3%	1.2%	1.9%		1.9%	1.1%	6.7%	-0.8%
4Q18	2.0%	3.7%		1.6%	1.1%	0.9%	0.6%	2.9%		5.6%	1.4%	2.2%	-2.1%
1Q19	1.1%	2.2%		1.0%	0.8%			1.0%		0.7%	-1.0%	-2.4%	1.5%
2Q19	1.2%	2.5%		0.6%	0.7%	-0.2%		1.7%		3.2%	0.8%	-1.7%	0.2%
3Q19	0.8%	1.5%		0.2%	-0.1%	-0.5%	-0.5%	1.6%	-	0.9%	-0.2%	-2.8%	4.0%
4Q19	0.7%	2.4%		-0.4%	-0.3%		-1.0%	1.9%		-5.5%	0.3%	-2.2%	3.9%
1Q20	-4.0%	1.6%		-2.9%	-3.1%	-3.8%	-3.8%	-2.3%		-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%		-47.3%	-31.6%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%		-26.9%	-17.8%	-10.4%	-5.9%	-20.9%		-45.5%	-29.2%	-44.8%	-40.7%
1Q21	-19.6%	3.4%		-23.0%	-14.2%	-6.3%	-1.5%	-12.1%		-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%
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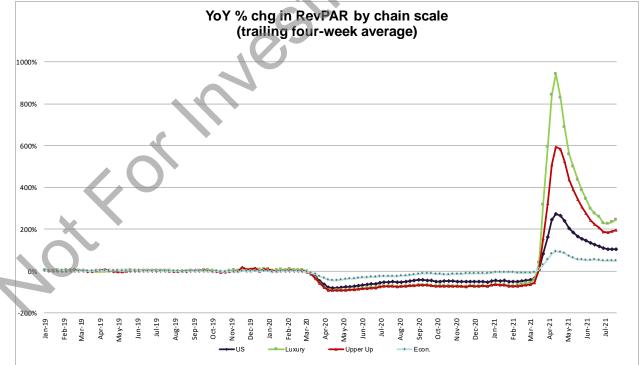
		YoY % change in Occupancy												
				Upper		Upper			Inde-					
		U.S.	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent	New York	Boston	LA	Chicago	DC
	7/3/2021	42.7%	111.7%	108.1%	64.8%	48.3%	31.3%	18.1%	35.8%	46.0%	94.2%	60.0%	47.0%	51.2%
7.	/10/2021	46.0%	159.0%	124.7%	63.5%	45.4%	33.3%	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%
7	/31/2021	42.9%	158.9%	118.3%	60.9%	43.3%	32.4%	18.4%	35.3%	74.0%	109.9%	58.7%	82.4%	51.1%
	8/7/2021	35.7%	137.5%	97.8%	48.5%	35.3%	26.7%	15.1%	29.6%	54.9%	99.9%	47.3%	70.5%	60.3%
8	/14/2021	30.5%	108.9%	78.0%	41.6%	30.3%	24.0%	14.6%	24.5%	38.8%	101.5%	36.4%	57.4%	55.7%
8	/21/2021	30.0%	98.1%	80.0%	41.2%	30.0%	23.1%	14.5%	23.4%	57.2%	78.2%	29.9%	62.2%	54.2%
	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%		-14.8%	-21.3%	-19.5%	-17.1%	-18.8%	-17.6%
	2Q20	-52.1%	-83.0%	-79.8%	-64.0%	-55.1%			-46.6%	-51.5%	-72.7%	-57.1%	-64.7%	-68.2%
	3Q20	-32.2%	-68.0%	-62.2%	-40.9%	-29.5%			-27.3%	-57.3%	-60.3%	-39.1%	-53.1%	-51.2%
	4Q20	-32.1%	-67.8%	-61.2%	-39.1%	-27.8%			-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%		-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%

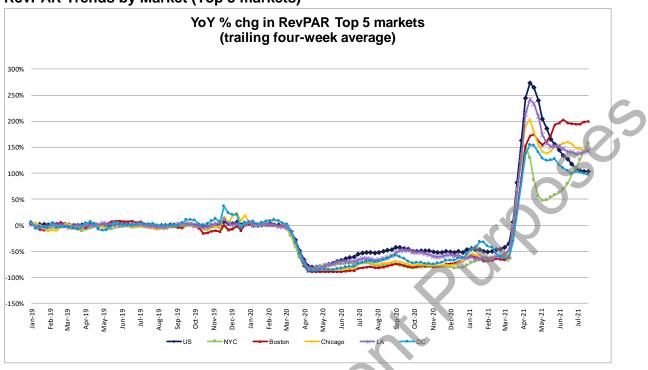
# **RevPAR Component Trends**



Source: STR data, Truist Securities research



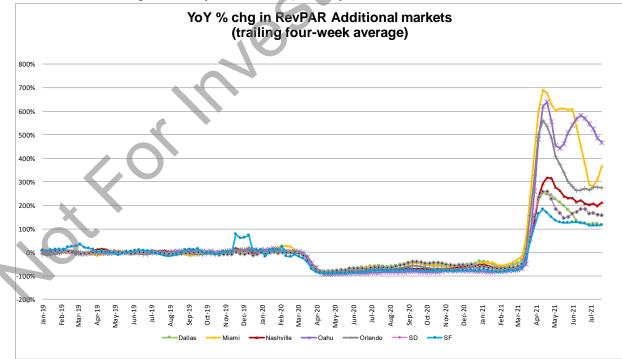




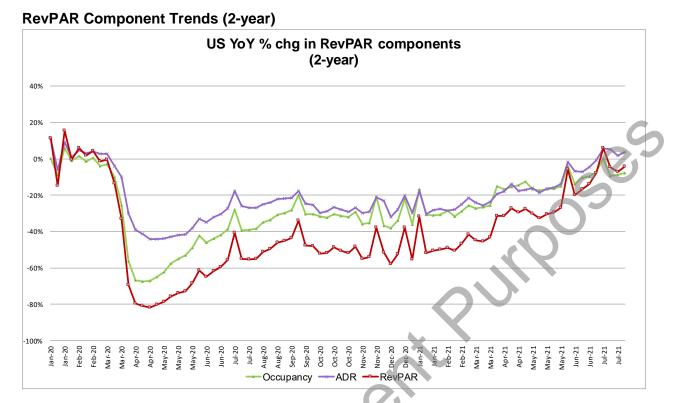
## **RevPAR Trends by Market (Top 5 markets)**

Source: STR data, Truist Securities research

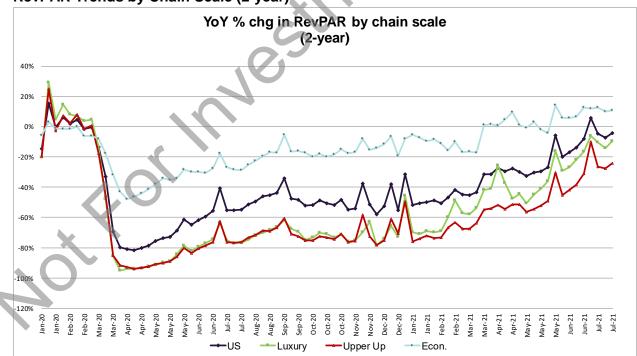






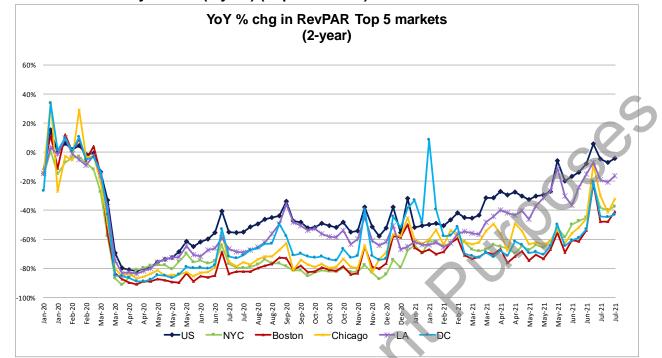


Source: STR data, Truist Securities research



# RevPAR Trends by Chain Scale (2-year)

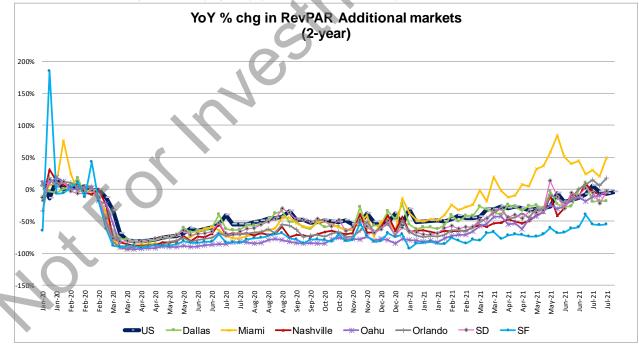






Source: STR data, Truist Securities research

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



# Price Target/Risks Summary

Description         DH         81.75         Held         S0         47.0         51.02         57.9         51.10         52.27         51.10         52.27         51.10         52.27         51.10         52.27         51.10         52.27         51.10         52.27         51.05         12.27         12.37         12	Lodging	TKR	Price 8/24/21	Rating	РТ*	% 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.
Description         Description <thdescription< th=""> <thdescription< th=""></thdescription<></thdescription<>	Choice Hotels	СНН	\$117.79	Hold	\$114	-3%	\$366	\$430	\$475	\$377	\$442	\$491	15.0X	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
Heilen         Hall         1972         96         11.42         19.22         19.27         19.54         19.27         19.64         19.07         19.08         19.07         20.27         20.27         19.54         19.27         19.64         19.07         20.27         20.27         19.54         19.27         19.64         19.07         19.08         19.07         19.08         19.07         19.08         19.07         19.08         19.07         19.08         19.07         19.08         19.07         19.	DiamondRock Hospitality	DRH	\$8.75	Hold	\$8	-9%	\$78	\$182	\$228	\$79	\$182	\$229	12.0X	despite the challenging macro. Downside risk: lodging recovery takes longer than expected, weaker results from ROI projects than forecasted, poor performance of recently acquired assets. Upside risk: Macro lodging trends improve beyond expectations. Faster
Head Vacations         HOV         91.1 23         Buy         554         31%         30.04         54.05         5533         94/7         5532         10.12         Head Peeps, Issues With Ageness cut Miningter Monitoring HoV MoV MONITI HoV HOV MONITORING HOV MONITORING HOV MONITORING HOV MO	Hilton	HLT	\$126.86	Hold	\$127	0%	\$1,422	\$2,225	\$2,729	\$1,554	\$2,357	\$2,868	15.9X	
Hotel Hotels & Recorts         HST         \$15.94         Hod         \$16         0%         \$283         \$099         \$1.345         \$383         \$999         \$1.345	Hilton Grand Vacations	HGV	\$41.23	Buy	\$54	31%	\$304	\$436	\$519	\$333	\$467	\$552	10.2X	Upside risk: faster demand improvement in corporate/convention travel
Heat         H         ST4.75         Hold         ST4         ST5         ST79         St406         ST07         SZ28         SS44         ST69         Human Handback           Hyati Holdes         H         ST4.75         Hold         ST4         ST479         St406         ST07         SZ28         SS44         ST69         Human Handback         Lippin Ha	Host Hotels & Resorts	HST	\$15.94	Hold	\$16	0%	\$383	\$999	\$1,345	\$383	\$999	\$1,345	12.5X	NYC), stronger than expected performance by luxury leisure resorts on both top-line and margins through the valuation year. Downside risk: extended industry downturn with particular impact to large big box hotels, weak recovery of international travel during the valuation period, macro
Marriotit International         MAR         \$136.89         Hold         \$14.7         Yes          Yes         Yes         Y														particularly for owned hotels. Material disposition of owned hotels. Faster than expected improvement in net rooms growth. Downside risk: lodging recovery takes longer than expected. Planned dispositions take longer than expected. Material labor issues to owned hotels. Pipeline
Marcidt Vacations         VAC         \$150.34         Buy         \$198         32%         \$555         \$842         \$993         \$005         \$890         \$981         10.4X         Downside risk: MAA story fades and multiples revert to historical level upde risk. faster demain improvement in corporate transf than upde risk. faster demain improvement in corporate transf impact to ange to boot holes, was transported upde risk. faster demain improvement in corporate transf impact to ange to boot holes, was transported upde risk. faster demain improvement is improvement in corporate transf impact to ange to boot holes, was transported upde risk. faster demain improvement is improvement in corporate transf impact to ange to boot holes, was transported upde risk. faster demain improvement is improvement if improvement is improvement if impact to ange to boot holes, was transported upde risk. faster demain improvement is improvement if improvement is improvement if improvement if improvement is improvement if improvement is improvement is improvement if improvement is improvement if improvement is improvement in corporate transf han improvement is improvement in corporate transf han improvements           Path Hole S 11         541         521         5420         561         5221         5420         14.5X         14.5X         transf hand improvement in corporate transf han improvements         14.5X         transf hand improvement in corporate transf han improvements         14.5X         14.5X         transf hand improvement in corporate trans														Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Disposition of owned hotels at attractive
<ul> <li>Park Hotels &amp; Resorts</li> <li>PK \$18.69</li> <li>Hold \$18</li> <li>4% \$120</li> <li>Stats</li> <li>Stats</li></ul>	Marriott International	MAR	\$136.89	Hold	\$146	7%	\$1,818	\$2,888	\$3,522	\$196	\$202	\$212	15.9X	pricing. Downside risk: slowing pipeline. Deep 2022 recession.
Park Hotels & Resorts       PK       \$18.69       Hold       \$18       44%       \$120       \$465       \$7.2       \$138       \$481       \$7.48       \$12.0X       Import to major resort assets, labor issues.         Pebblebrook Hotel Trust***       PEB       \$21.14       Hold       \$24       14%       \$61       \$291       \$420       \$61       \$221       \$420       14.5X       Usiable Files: Materia machine data control to the major resort assets, labor issues.         Pebblebrook Hotel Trust***       PEB       \$21.14       Hold       \$7       1%       \$49       \$177       \$209       \$62       \$191       \$223       10.0X       up of Cap Can, country-specific risks (merging market portholio)         Playa Hotels & Resorts       PLVA       \$6.92       Hold       \$7       1%       \$49       \$177       \$209       \$62       \$191       \$223       10.0X       up of Cap Can, country-specific risks (merging market portholio)       Downside risk: Sincer the market portholio)       Downside risk: recovery of corporate buncer sincer	Marriott Vacations	VAC	\$150.34	Buy	\$198	32%	\$555	\$842	\$933	\$605	\$890	\$981	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. Downside risk: extended industry downturn with particular impact to large big box hotels, weak recovery of international
Pebblehook Hotel Trust*** PEB \$21.1 Hold \$24 14% \$51 \$29 \$42 \$42 \$42 \$42 \$42 \$42 \$42 \$42 \$42 \$42	Park Hotels & Resorts	PK	\$18.69	Hold	\$18	-4%	\$120	\$465	\$732	\$138	\$481	\$748	12.0X	impact to major resort assets, labor issues. Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets. Downside Risks: Incremental EBITDA from major CapEx
Playa Hodels & Resorts PLVA 96.92 Hold 97 1% 94.9 917 20 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Pebblebrook Hotel Trust***	PEB	\$21.14	Hold	\$24	14%	\$61	\$291	\$420	\$61	\$291	\$420	14.5X	
RLI Lodging Trust*** RLJ \$14.29 Buy \$19 33% \$73 \$296 \$40 \$40 \$540 \$540 \$540 \$540 \$540 \$540 \$	Playa Hotels & Resorts	PLYA	\$6.92	Hold	\$7	1%	\$49	\$177	\$209	\$62	\$191	\$223	10.0X	Downside risk: Slower than expected recovery of corporate business travel post-COVID; scope/timing and/or upside from repositionings
Syman Hospitality Properties       RHP       \$76.92       Sell       \$61       -23%       \$175       \$3300       \$449       \$142       \$417       \$476       13.0X       excepted better main memory demand faster than expected. Barrowice in the opcoment         Byman Hospitality Properties       RHP       \$76.92       Sell       \$61       -23%       \$175       \$3300       \$449       \$142       \$417       \$476       13.0X       excepted better main memory demand faster than expected. Barrowice is lead to faster than excepted. Barrowice is lead to faster than expected. Barrowice is lead to f	RL I odging Trust***	RI J	\$14 29	Buy	\$19	33%	\$73	\$296	\$430	\$84	\$308	\$442	13.0X	due to increased wages/benefits or inability to cut costs post-tech
Sunstone Hotel Investors SHO \$11.29 Hold \$11 -3% 548 \$204 \$262 \$60 \$214 \$270 12.5X Earl demand improvement in corporate trade ITban expected EdDing international trade to gatewy markets, natural dasates the comparison of the status of particular based to gatewy markets, natural dasates expected EdDing international trade to gatewy markets, natural dasates expected EdDing recovery takes torget than expected EdDing recovery takes torget than expected EdDing recovery takes torget than expected. EdDing recovery takes torget than expected. EdDing recovery takes torget than expected. EdDings well known than expected. EdDing recovery takes torget than expected. EdDings well known than expected. EdDing recovery takes torget than expected. EdDing recovery takes torget than expected. EdDings well known than expected. EdDing recovery takes torget takes in the overall takes torget takes to		RHP	\$78.92	Sell	\$61						\$417			
Vall Resorts, Inc.         MTN         \$295.40         Hold         \$308         4%         \$573         \$814         \$923         \$573         \$814         \$923         16.0X         Upside risks: induce a faster recommic recommendance continuing adverse effect inductrise.         Upside risks: induce faster recommic recommendance continuing adverse effect and the series recommic recommendance continuing adverse effect inductrise.         Upside risks: induce faster recommic rec								0,	0					Upside risk: faster demand improvement in corporate travel than expected. Removations lead to faster than expected EBITDA improvements. SHO buys hotels at accretive terms and quickly adds incremental EBITDA during the valuation period. Downside risk: Lodging recovery takes longer than expected, labor issues, weak recovery of international travel to gateway markets, natural disaster risk. Montage
Vall Resorts, Inc.         MTN         \$295.40         Hold         \$308         4573         \$814         \$923         \$573         \$814         \$923         16.0X         to due a faster economic recovery and investors continuit           Vall Resorts, Inc.         MTN         \$295.40         Hold         \$308         4573         \$814         \$923         \$573         \$814         \$923         16.0X         to duply higher target valuation multiples.           Travel + Leisure Co.         TNL         \$53.58         Buy         \$76         42%         \$733         \$899         \$982         \$733         \$899         \$962         8.5X         economic softness. There are potential execution risks post there so	Sunstone Hotel Investors	SHO	\$11.29	Hold	\$11	-3%	\$48	\$204	\$262	\$60	\$214	\$270	12.5X	Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and
Travel + Leisure Co. TNL \$53.58 Buy \$76 42% \$733 \$899 \$962 \$733 \$899 \$962 8.5X economic sotmess. There are potential execution risks post the spin c	Vail Resorts, Inc.	MTN	\$295,40	Hold	\$308	4%	\$573	\$814	\$923	\$573	\$814	\$923	16.0X	Upside risks include a faster economic recovery and investors continuing
Wyndham Hotels & Resorts WH \$71.20 Buy \$83 17% \$503 \$592 \$692 \$532 \$622 \$724 14.0X Downside risk: Slowdown in development opportunities.	Travel + Leisure Co.	TNL	\$53.58	Buy	\$76		\$733	\$899	\$982	\$733	\$899	\$982	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	\$71.20	Buy	\$83	17%	\$503	\$592	\$692	\$532	\$622	\$724	14.0X	Downside risk: Slowdown in development opportunities.

Source: FactSet, Truist Securities research

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# **Companies Mentioned in This Note**

Choice Hotels International, Inc. (CHH, \$117.79, Hold, C. Patrick Scholes) DiamondRock Hospitality Company (DRH, \$8.75, Hold, C. Patrick Scholes) Hyatt Hotels Corporation (H, \$74.75, Hold, C. Patrick Scholes) Hilton Grand Vacations Inc. (HGV, \$41.23, Buy, C. Patrick Scholes) Hilton Worldwide Holdings Inc. (HLT, \$126.86, Hold, C. Patrick Scholes) Host Hotels & Resorts, Inc. (HST, \$15.94, Hold, C. Patrick Scholes) Marriott International, Inc. (MAR, \$136.89, Hold, C. Patrick Scholes) Vail Resorts, Inc. (MTN, \$295.40, Hold, C. Patrick Scholes) Pebblebrook Hotel Trust (PEB, \$21.14, Hold, Gregory Miller) Park Hotels & Resorts Inc. (PK, \$18.69, Hold, C. Patrick Scholes) Playa Hotels & Resorts N.V. (PLYA, \$6.92, Hold, C. Patrick Scholes) Ryman Hospitality Properties, Inc. (RHP, \$78.92, Sell, C. Patrick Scholes) RLJ Lodging Trust (RLJ, \$14.29, Buy, Gregory Miller) Sunstone Hotel Investors, Inc. (SHO, \$11.29, Hold, C. Patrick Scholes) Travel + Leisure Co. (TNL, \$53.58, Buy, C. Patrick Scholes) Marriott Vacations Worldwide Corporation (VAC, \$150.34, Buy, C. Patrick Scholes) Wyndham Hotels & Resorts, Inc. (WH, \$71.20, 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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Coverage Unive	rse		Investment Banking Clients Past 12 Month							
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Hold Sell	211 2	29.51% 0.28%	Hold Sell	78 0	36.97% 0.00%					

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