

## Lodging

Lodging: US RevPAR +77.3% Y/Y Last Week; 2yr -11.3% vs. Prior -7.4%

2-yr week-over-week slippage on first real clean-comp week since end of August.

### What's Incremental To Our View

Overall U.S. RevPAR was +77.3% y/y for the week ending 10/16/2021, per STR, slightly stronger than the prior week's result of +74.9%. Last week's RevPAR was up against a -50.3% comparable result in 2020 vs. -47.5% in the prior week's 2-year run-rate. On a 2-year run-rate, RevPAR was -11.3% vs. -7.4% in the prior week's 2-year run-rate.

*The overall theme of the results remains "limited service hotels have never had it better" whereas "urban full service remains very depressed."* Tellingly, group occupancy was -43.1% vs. the same week in 2019.

While individual hotel performance may vary from STR results, we do not see clear evidence on a macro national basis for a robust return of large corporate group demand in 4Q21. Peak fall business travel season ends soon and we struggle to see how much "better" group trends will proceed before the springtime, regardless of any anecdotal commentary from industry events such as NYU that are not representative of the greater events industry and may present with "decent attendance". **We strongly encourage investors have a critical eye to any 3Q earnings commentary that seems inconsistent with the macro results and any July-August commentary that has not materialized.**

### Major RevPAR statistics presented below:

- Luxury RevPAR: +169.7% y/y and -23.9% over 2 years
- Upper Upscale RevPAR: +152.8% y/y and -31.3% over 2 years;
- Upscale RevPAR: +82.4% y/y and -19.0% over 2 years;
- Upper Midscale RevPAR: +61.1% y/y and -3.0% over 2 years;
- Midscale RevPAR: +47.7% y/y and +7.8% over 2 years;
- Economy RevPAR: +35.2% y/y and +12.0% over 2 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +64.8% y/y and -2.5% over 2 years; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +313.6% y/y vs. +282.5% prior week; over 2 years: -45.1% vs -30.4% prior week.
  - Transient: +97.9% y/y vs. +97.3% prior week; over 2 years: -11.7% vs -11.7% prior week.

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### What's Inside

Weekly STR results and analysis

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

- Headline RevPAR was +77.3% y/y vs. the running 28-day average of +76.6% y/y.
- **Occupancy:** Absolute occupancy was 65.0% y/y vs. the running 28-day average of 63.4% y/y.
- **Open/closed hotels:** Per STR, 0.8% 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 relatively light** and driven in our view partly from leisure group such as wedding demand and moderate attendance from fall conventions: 16.5% last week vs. 16.5% 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).

Not For Investment Purposes

## Weekly RevPAR Summary

**YoY % change in RevPAR**

	U.S.	Upper		Upper		Economy	Inde- pendent	New York	Boston	LA	Chicago	DC	
		Luxury	Upscale	Upscale	Midscale								
9/18/2021	75.8%	170.6%	151.3%	82.1%	64.2%	49.9%	34.9%	63.2%	217.9%	189.2%	63.4%	210.5%	95.6%
9/25/2021	78.4%	183.0%	160.4%	85.2%	63.8%	49.1%	34.0%	64.2%	266.9%	273.5%	65.1%	184.6%	96.0%
10/2/2021	75.4%	164.3%	155.2%	82.3%	61.7%	47.1%	32.4%	63.0%	172.0%	241.1%	68.3%	149.4%	118.8%
10/9/2021	74.9%	164.5%	150.4%	79.2%	60.0%	46.3%	35.0%	62.7%	201.8%	222.7%	82.8%	227.4%	123.0%
10/16/2021	77.3%	169.7%	152.8%	82.4%	61.1%	47.7%	35.2%	64.8%	203.2%	270.8%	87.0%	172.0%	178.4%

2-yr slippage on clean comp      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%	-0.5%	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%	-56.2%	-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%	-40.8%	-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		Economy	Inde- pendent	New York	Boston	LA	Chicago	DC	
		Luxury	Upscale	Upscale	Midscale								
9/18/2021	35.8%	33.0%	37.9%	31.0%	27.9%	22.4%	19.6%	32.0%	84.2%	64.1%	33.6%	72.6%	31.8%
9/25/2021	37.9%	38.2%	42.2%	33.1%	28.5%	22.7%	19.2%	33.3%	105.3%	91.4%	34.4%	69.0%	39.5%
10/2/2021	36.3%	27.3%	39.0%	31.9%	28.0%	22.1%	18.6%	32.5%	74.7%	79.9%	33.5%	59.3%	44.7%
10/9/2021	37.2%	32.7%	40.5%	33.4%	28.6%	22.6%	19.8%	33.2%	80.3%	87.2%	34.1%	85.9%	45.2%
10/16/2021	36.7%	33.7%	40.5%	32.6%	27.3%	21.9%	18.5%	32.5%	78.5%	96.9%	36.6%	66.2%	58.6%

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%	-0.6%
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%	-2.5%	4.0%
4Q19	0.7%	2.4%	0.8%	-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%	-26.7%	-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%

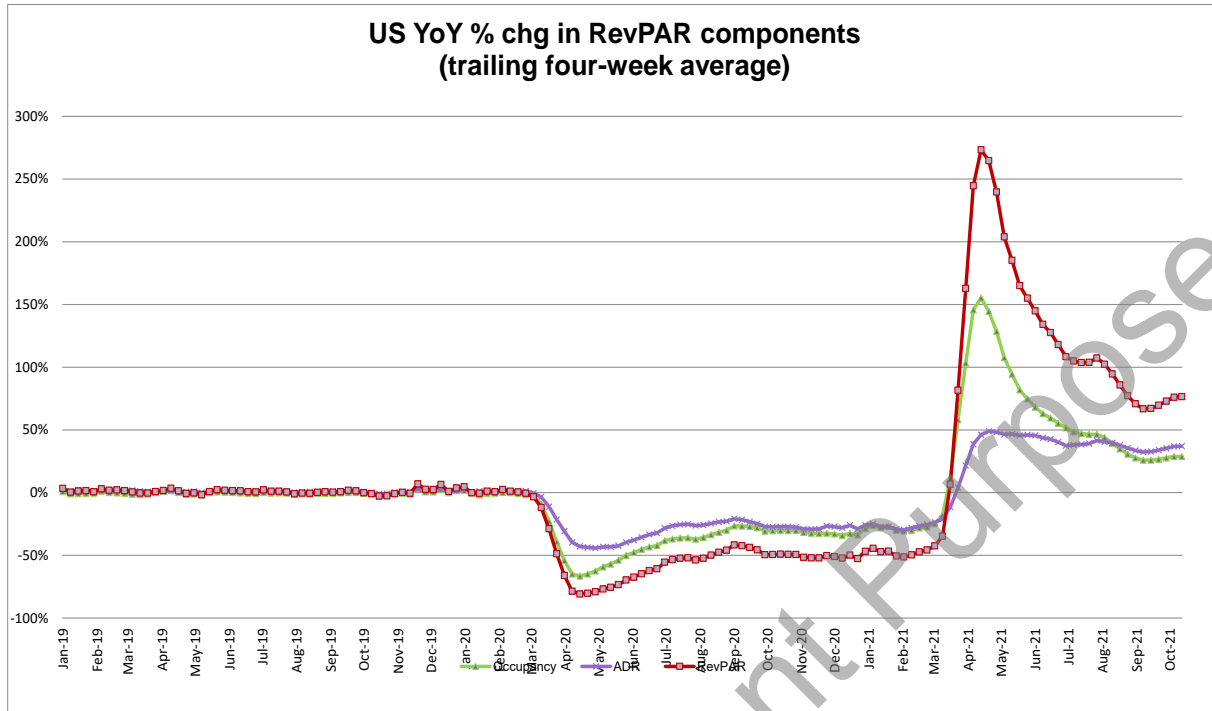
**YoY % change in Occupancy**

	U.S.	Upper		Upper		Economy	Inde- pendent	New York	Boston	LA	Chicago	DC	
		Luxury	Upscale	Upscale	Midscale								
9/18/2021	29.5%	103.4%	82.3%	38.9%	28.3%	22.5%	12.8%	23.7%	72.6%	76.2%	22.3%	79.9%	48.4%
9/25/2021	29.4%	104.7%	83.1%	39.1%	27.5%	21.5%	12.4%	23.2%	78.7%	95.1%	22.8%	68.4%	40.4%
10/2/2021	28.7%	107.5%	83.6%	38.3%	26.4%	20.6%	11.6%	23.0%	56.7%	89.6%	26.1%	56.6%	51.2%
10/9/2021	27.4%	99.4%	78.3%	34.3%	24.5%	19.3%	12.7%	22.2%	67.4%	72.4%	36.4%	76.1%	53.6%
10/16/2021	29.7%	101.7%	79.9%	37.6%	26.5%	21.1%	14.0%	24.4%	69.9%	88.3%	36.9%	63.7%	75.5%

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%	-0.8%	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%	-67.1%	-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%

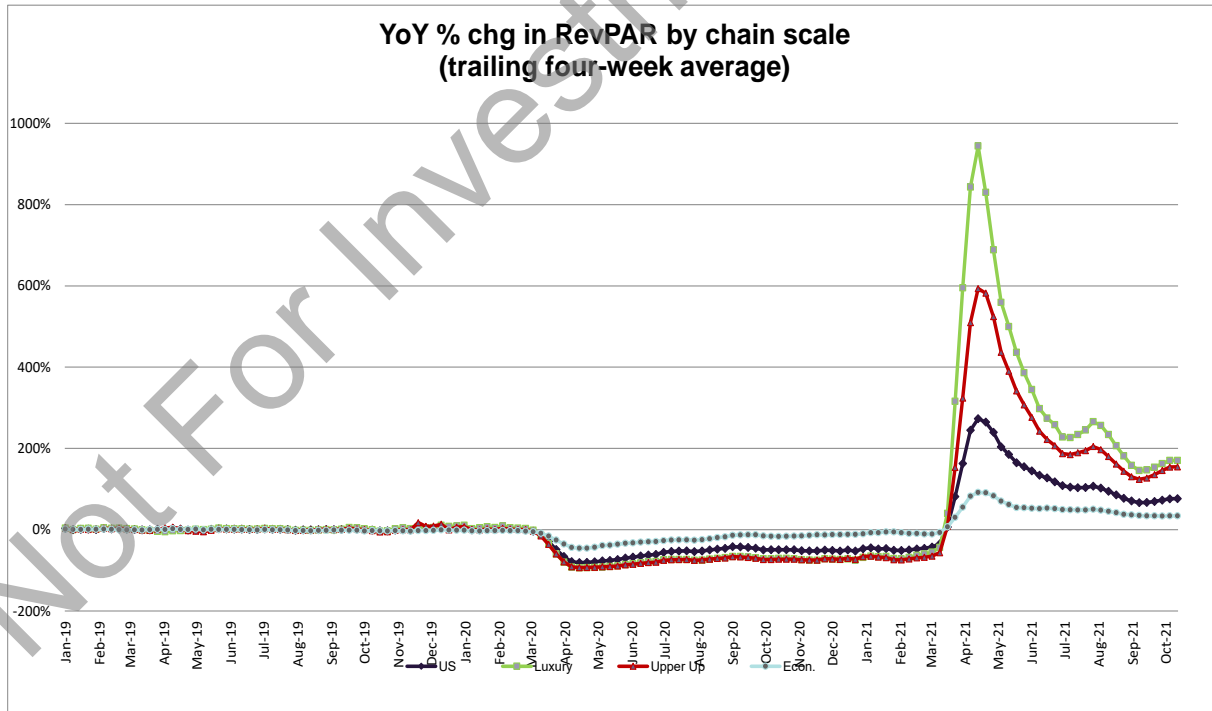
Source: STR data, Truist Securities research

### RevPAR Component Trends



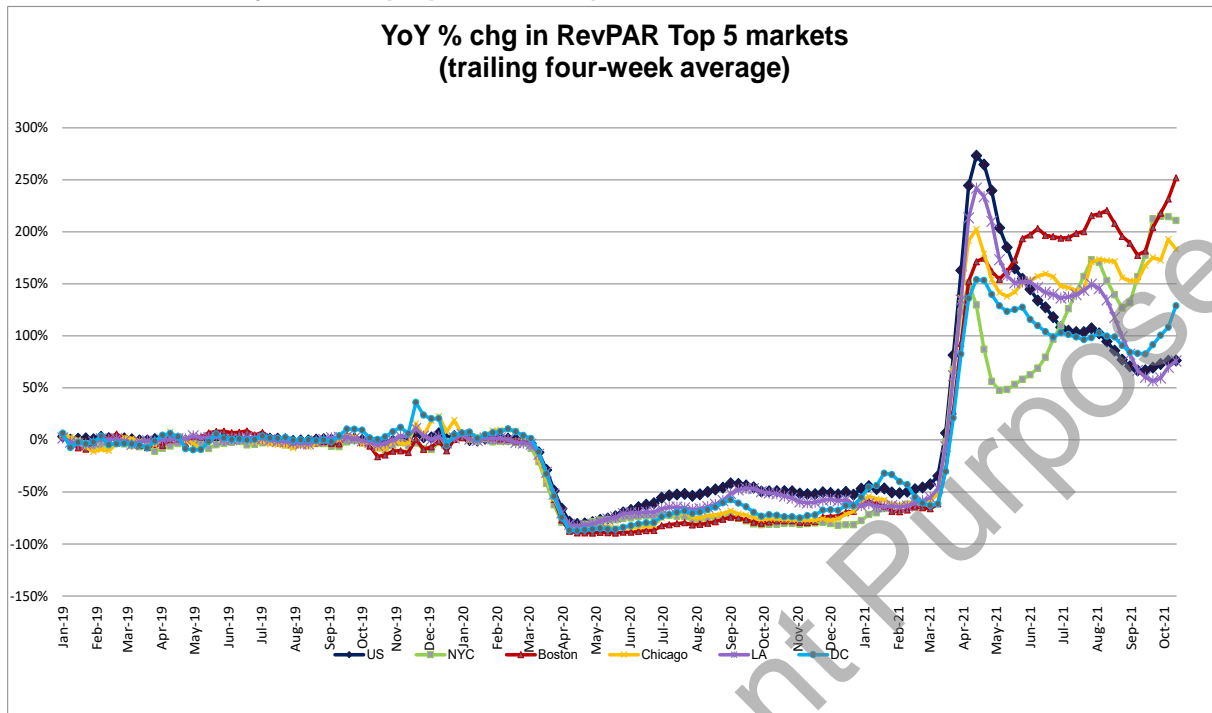
Source: STR data, Truist Securities research

### RevPAR Trends by Chain Scale



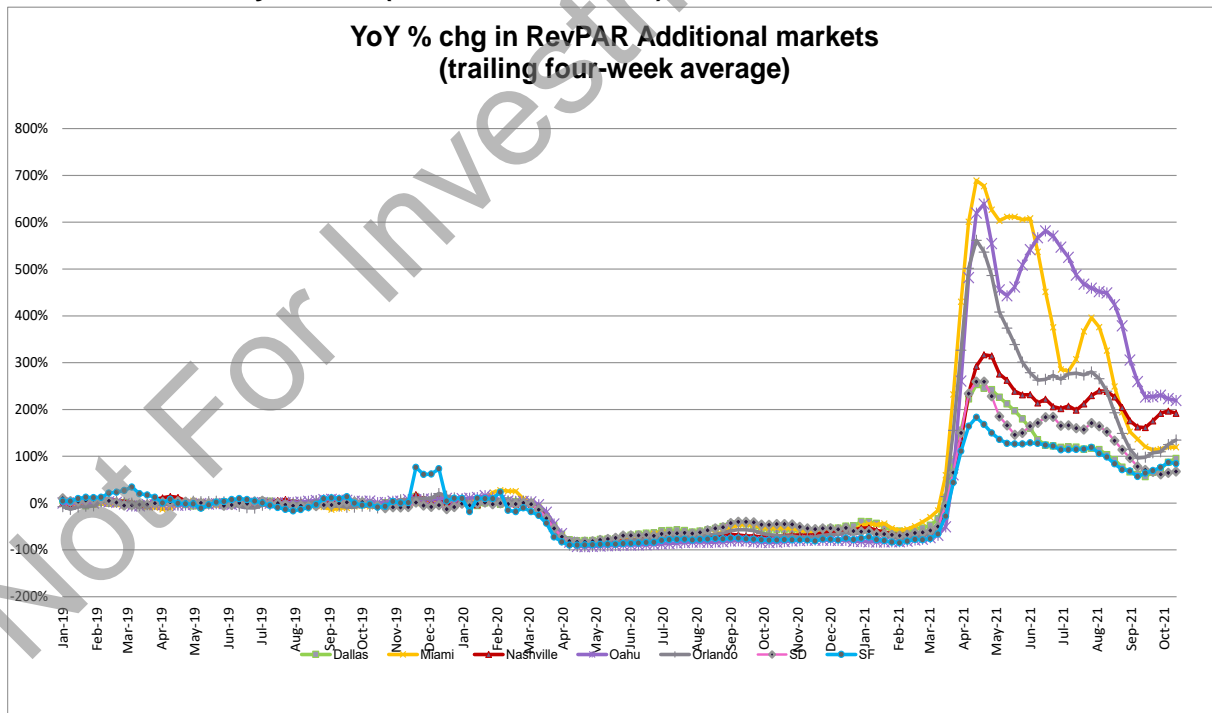
Source: STR data, Truist Securities research

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



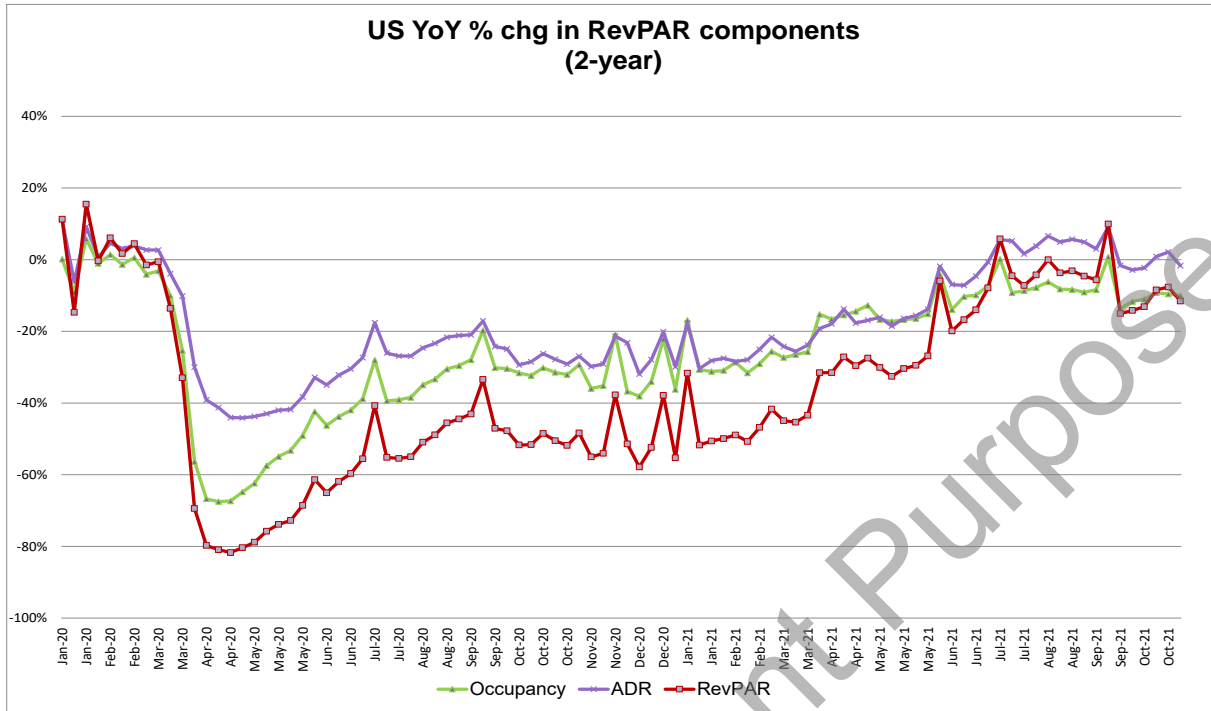
Source: STR data, Truist Securities research

**RevPAR Trends by Market (Additional markets)**



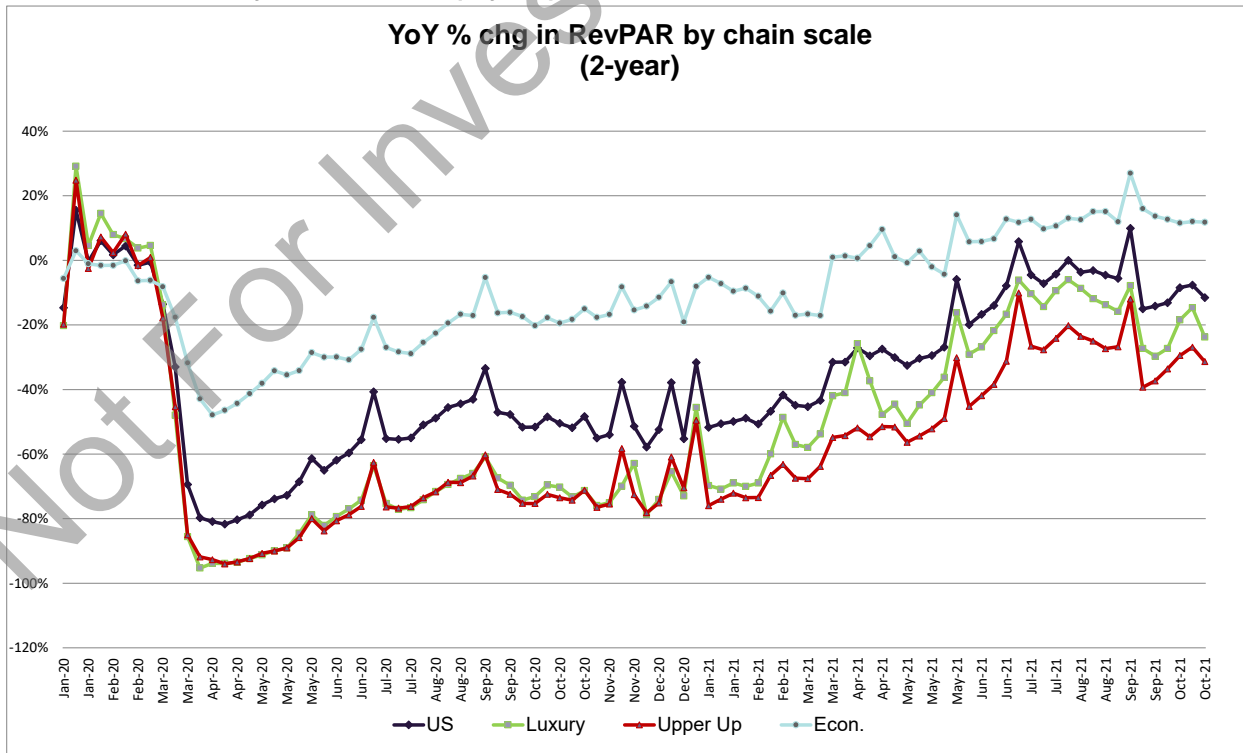
Source: STR data, Truist Securities research

### RevPAR Component Trends (2-year)



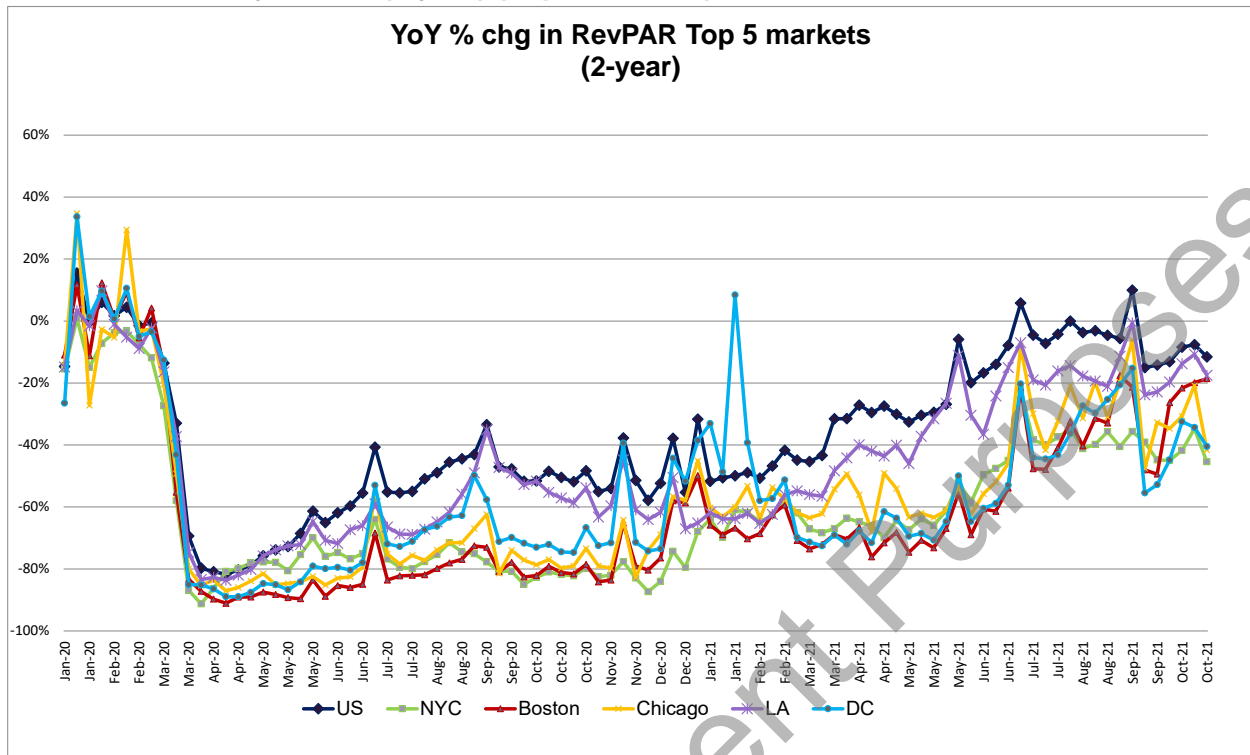
Source: STR data, Truist Securities research

### RevPAR Trends by Chain Scale (2-year)



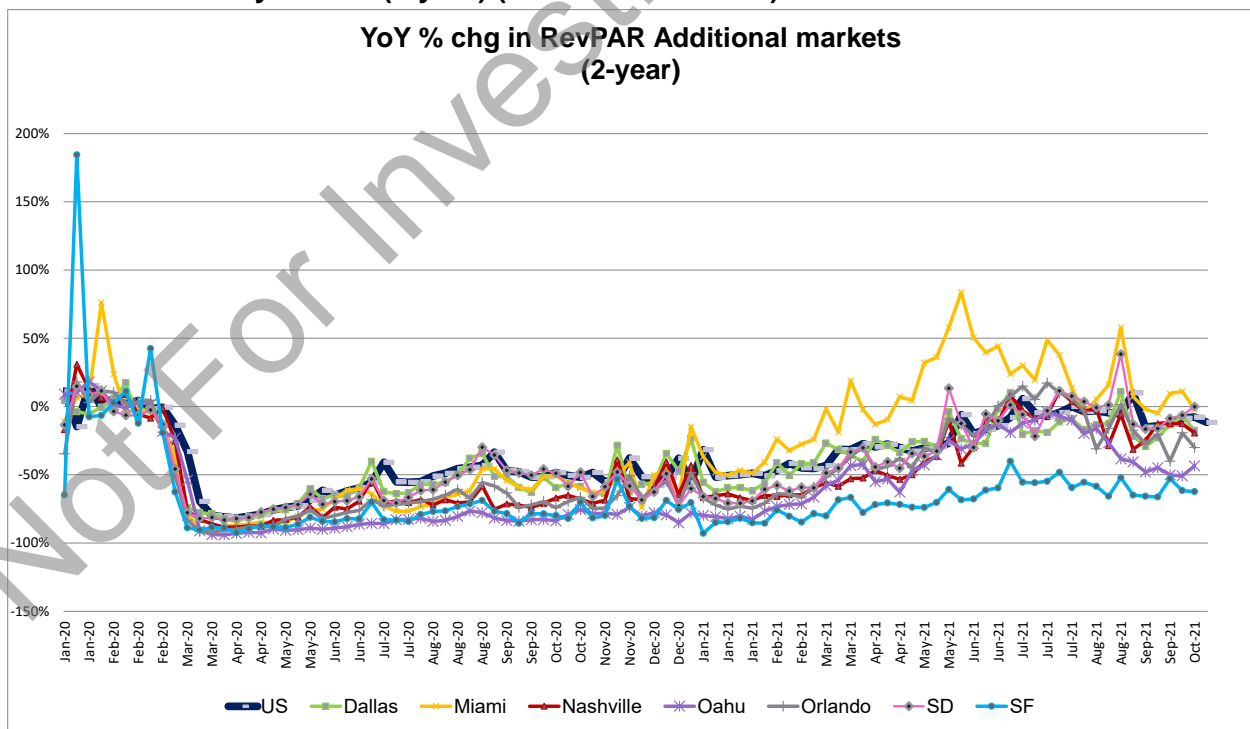
Source: STR data, Truist Securities research

### 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 10/19/21	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	BVH	\$23.53	Buy	\$41	73%	\$115	\$118	\$126	\$36	\$118	\$126	7.5X	Downside risk: controlled company issues, limited cap/float, loan defaults, and macroeconomic risk.
Choice Hotels	CHH	\$134.69	Hold	\$114	-15%	\$366	\$430	\$475	\$377	\$442	\$491	15.0X	Upside risk: conservative growth of new brands. Downside risk: slowdown in development opportunities.
DiamondRock Hospitality	DRH	\$9.53	Hold	\$8	-16%	\$78	\$182	\$228	\$79	\$182	\$229	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. Downside risk: lodging recovery takes longer than expected, weaker results from ROI projects than forecasted, poor performance of recently acquired assets.
Hilton	HLT	\$140.95	Hold	\$127	-10%	\$1,422	\$2,225	\$2,729	\$1,554	\$2,357	\$2,868	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	\$46.50	Buy	\$54	16%	\$304	\$436	\$519	\$333	\$467	\$552	10.2X	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	\$16.58	Hold	\$16	-3%	\$383	\$999	\$1,345	\$383	\$999	\$1,345	12.5X	Upside risk: faster demand improvement in corporate/convention travel than expected. Dispositions at higher multiple than expected (incl. 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 demand shock to acquired resort assets, labor issues.
Hyatt Hotels	H	\$85.02	Hold	\$76	-11%	\$179	\$496	\$707	\$228	\$544	\$759	14.1X	Upside risk: Transient and group trends outperform expectations, particularly for owned hotels. Disposition of owned hotels at attractive pricing. Downside risk: slowing pipeline. Deep 2022 recession.
Marriott International	MAR	\$155.02	Hold	\$146	-6%	\$1,818	\$2,888	\$3,522	\$196	\$202	\$212	14.9X	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 Vacations	VAC	\$154.95	Buy	\$198	28%	\$555	\$842	\$933	\$605	\$890	\$981	10.4X	Downside risk: M&A story fades and multiples revert to historical levels.
Park Hotels & Resorts	PK	\$18.99	Hold	\$18	-5%	\$120	\$465	\$732	\$138	\$481	\$748	12.0X	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	\$22.85	Hold	\$24	5%	\$87	\$329	\$436	\$87	\$329	\$436	14.5X	Downside risk: extended industry downturn with particular impact to large big box hotels, weak recovery of international travel during the valuation period especially Oahu, macro demand shock impact to major resort assets, labor issues.
Playa Hotels & Resorts	PLYA	\$8.45	Hold	\$7	-17%	\$49	\$177	\$209	\$62	\$191	\$223	10.0X	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.
RLJ Lodging Trust***	RLJ	\$14.69	Buy	\$19	29%	\$125	\$286	\$407	\$139	\$298	\$421	13.0X	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).
Ryman Hospitality Properties	RHP	\$84.83	Sell	\$61	-28%	\$175	\$390	\$449	\$142	\$417	\$478	13.0X	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.
Sunstone Hotel Investors	SHO	\$12.42	Hold	\$11	-11%	\$48	\$204	\$282	\$60	\$214	\$270	12.5X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery.
Vail Resorts, Inc.	MTN	\$350.12	Hold	\$308	-12%	\$576	\$814	\$923	\$573	\$814	\$923	16.0X	Upside risk: faster demand improvement in corporate travel than expected. Renovations 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 EBITDA stabilizes well lower than expected.
Travel + Leisure Co.	TNL	\$52.28	Buy	\$76	45%	\$733	\$899	\$982	\$733	\$899	\$982	8.5X	Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Wyndham Hotels & Resorts	WH	\$81.45	Buy	\$83	2%	\$503	\$592	\$692	\$532	\$622	\$724	14.0X	Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.

\* All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2023 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

Not For Investment Purposes



## Companies Mentioned in This Note

**Bluegreen Vacations Holding Corporation** (BVH, \$23.53, Buy, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$134.69, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$9.53, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$85.02, Hold, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$46.50, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$140.95, Hold, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$16.58, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$155.02, Hold, C. Patrick Scholes)  
**Vail Resorts, Inc.** (MTN, \$350.12, Hold, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$22.85, Hold, Gregory Miller)  
**Park Hotels & Resorts Inc.** (PK, \$18.99, Hold, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$8.45, Hold, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$84.83, Sell, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$14.69, Buy, Gregory Miller)  
**Sunstone Hotel Investors, Inc.** (SHO, \$12.42, Hold, C. Patrick Scholes)  
**Travel + Leisure Co.** (TNL, \$52.28, Buy, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$154.95, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$81.45, 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.

I, Gregory J. Miller, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

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