

## Lodging

Lodging: US RevPAR +104.2% Y/Y Last Week; 2yr -1.4% vs. Prior -15.8%; Weekend leisure strong

Huge variance between weekend RevPAR (+30% vs. 2019) and Weekday (-15% vs. 2019)

### What's Incremental To Our View

**Overall U.S. RevPAR was +104.2% y/y for the week ending 11/13/2021, per STR, stronger than the prior week's result of +89.7%. Last week's RevPAR was up against a -52.0% comparable result in 2020 vs. -55.8% in the prior week's 2-year run-rate. On a 2-year run-rate, RevPAR was -1.4% vs. -15.8% in the prior week's 2-year run-rate.**

Last week presented another strong performance for weekend leisure and small group travel relative to weekday corporate demand.

**There are major variances between midweek and weekend results throughout the STR data -- a continuing trend despite the gradual ramp-up of corporate travel.** RevPAR last week versus 2019 was +31% for the U.S. on Friday-Saturday versus down approx. 15% in the midweek. Within the chain scales we see bigger gaps: Upper Upscale RevPAR was +16-18% on the weekend versus Monday-Wednesday down between 37% and 42%. Comparatively, Economy weekend RevPAR last week versus 2019 was +33-34% vs. Monday-Wednesday of +17-19 (midweek nothing to complain about but we note that Economy demand is more heavily leisure and essential blue-collar business demand). Economy beneficiaries: Wyndham (WH, Buy) and Choice (CHH, Hold).

- **We also see a large weekday-weekend performance gap for Top 25 markets.** During 3Q earnings, RLJ (RLJ, Miller, Buy) spoke to [strong demand from "shopping weekends" in major markets](#). We think that strength is apparent when looking at the occupancy for NYC last weekend (85% Friday; 89% Saturday) vs. midweek in the 60s/low 70s. For Orlando, we also see a tremendous variance with midweek occupancy in the 50s% vs. mid 80s during the weekend (we assume regional demand to the theme parks + some shopping benefit as well; not as impressive for midweek corporate group).
- **Group occupancy was a bit stronger last week** (17.5% vs. running 28 days of 16.4%). Perhaps we are also seeing some pushout of groups due to the Delta variant showing up in the STR data although we remind investors that we are approaching the end of the normal corporate group fall season and importantly **the outperforming group hotels appear last week to be small in size. Under 300 rooms: occupancy 52%; over 750 rooms: occupancy just 33-34%.**

### Major RevPAR statistics presented below:

- Luxury RevPAR: +253.1% y/y and -9.9% over 2 years
- Upper Upscale RevPAR: +208.2% y/y and -21.2% over 2 years;

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### What's Inside

Weekly STR results and analysis

- Upscale RevPAR: +103.9% y/y and -11.8% over 2 years;
- Upper Midscale RevPAR: +78.2% y/y and +6.2% over 2 years;
- Midscale RevPAR: +58.5% y/y and +19.9% over 2 years;
- Economy RevPAR: +40.1% y/y and +23.7% over 2 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +93.9% y/y and +9.5% over 2 years; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +470.3% y/y vs. +360.7% prior week; over 2 years: -29.0% vs -47.4% prior week.
  - Transient: +147.0% y/y vs. +130.3% prior week; over 2 years: -4.1% vs -16.8% prior week.

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

- **Headline RevPAR** was +104.2% y/y vs. the running 28-day average of +90.9% y/y.
- **Occupancy:** Absolute occupancy was 61.6% y/y vs. the running 28-day average of 61.0% y/y.
- **Open/closed hotels:** Per STR, 0.7% of the hotel supply was closed (vs. 0.7% 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: 17.5% last week vs. 16.4% 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.

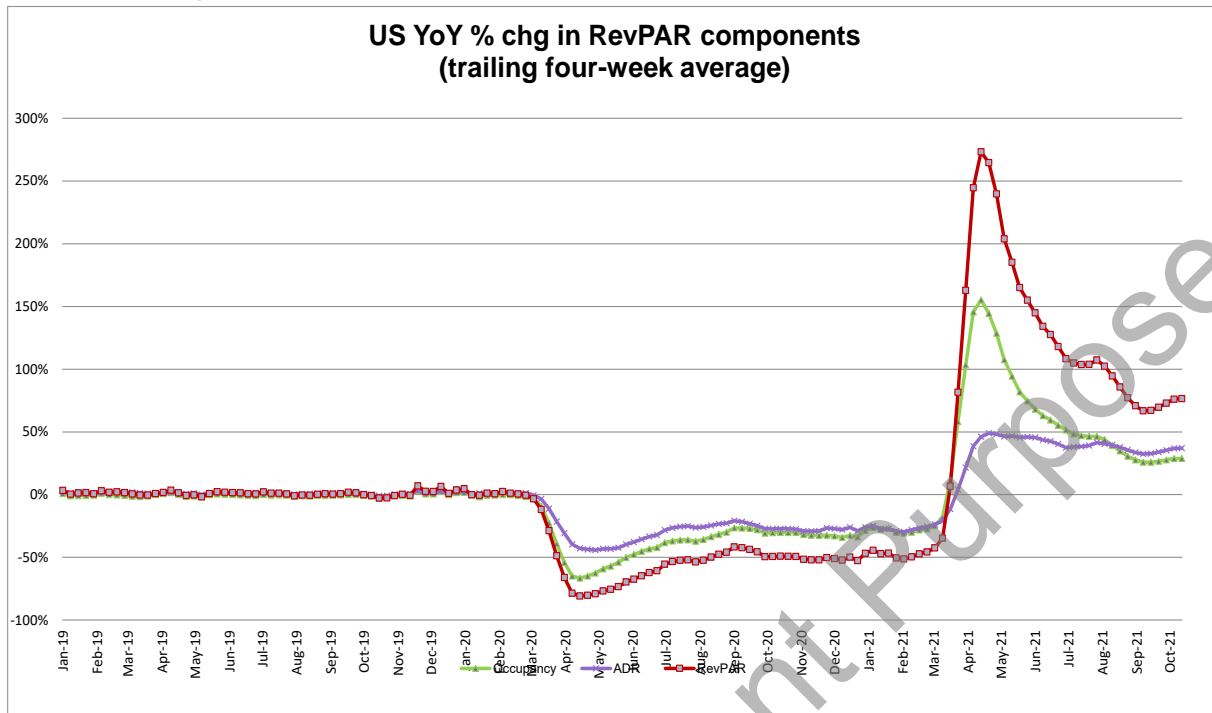
While the broader economy may have a U-shaped recovery, we believe hotel operating performance will take substantially longer to recover and be much choppier and vary by segmentation and geography. Additionally, we believe work from home will have a short-to-medium impact on hotel demand, though the 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													
U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
9/18/2021	75.8%	170.6%	151.3%	82.1%	64.2%	49.9%	34.9%	63.2%	217.9%	189.2%	83.4%	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%
10/23/2021	86.0%	192.9%	166.5%	87.8%	67.2%	52.7%	37.9%	75.4%	199.4%	290.3%	99.5%	184.9%	124.3%
10/30/2021	84.5%	209.2%	174.0%	86.2%	64.3%	46.3%	32.3%	74.8%	191.9%	249.1%	98.5%	178.4%	99.4%
11/6/2021	89.7%	217.7%	180.7%	91.4%	66.6%	48.2%	35.8%	81.5%	245.5%	252.6%	106.3%	200.1%	111.1%
11/13/2021	104.2%	253.1%	208.2%	103.9%	78.2%	58.5%	40.1%	93.9%	299.5%	242.9%	121.6%	191.4%	132.2%
Weekends +30% vs. 2019; weekday -15%													
Luxury and Upper Upscale led the industry													
NYC and Boston 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%	-87.7%	-74.8%	-65.4%	-51.3%	-35.0%	-65.2%	-76.9%	-88.2%	-74.5%	-83.7%	-83.7%
3Q20	-48.5%	-72.0%	-71.8%	-55.2%	-41.7%	-29.7%	-19.0%	-39.0%	-77.6%	-79.1%	-58.4%	-73.4%	-68.0%
4Q20	-50.6%	-71.4%	-72.4%	-55.5%	-40.6%	-26.3%	-14.5%	-43.5%	-81.0%	-76.1%	-59.3%	-75.4%	-71.4%
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%
3Q21	83.8%	201.3%	162.9%	91.2%	72.8%	56.4%	39.5%	71.1%	169.2%	207.8%	95.8%	166.4%	96.9%
YoY % change in ADR													
U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
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%	58.9%	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%
10/23/2021	39.9%	37.0%	43.7%	34.6%	29.2%	23.7%	19.8%	36.5%	77.4%	100.2%	41.4%	66.2%	44.4%
10/30/2021	39.3%	34.5%	42.5%	31.9%	27.2%	21.6%	18.1%	36.9%	76.7%	79.2%	40.2%	63.0%	38.7%
11/6/2021	40.1%	31.7%	40.8%	31.8%	26.6%	21.7%	18.7%	40.1%	84.7%	73.6%	44.0%	62.6%	35.3%
11/13/2021	43.3%	36.5%	44.7%	34.0%	28.8%	23.8%	19.8%	41.8%	94.7%	68.6%	49.0%	61.9%	43.9%
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%	1.7%	-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%	-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%	-8.9%	-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%	-1.6%	-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%
3Q21	36.2%	31.8%	35.0%	29.7%	28.3%	23.5%	21.1%	32.8%	64.2%	57.7%	43.1%	59.6%	29.4%
YoY % change in Occupancy													
U.S.	Upper		Upper		Inde-			New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Upscale	Midscale	Midscale	Economy	pendent						
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%	38.1%	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%	55.7%	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%
10/23/2021	32.9%	113.8%	85.5%	39.5%	29.5%	23.5%	15.1%	28.5%	68.8%	95.0%	41.1%	71.4%	55.3%
10/30/2021	32.5%	109.8%	82.2%	41.1%	29.2%	20.4%	12.0%	27.7%	65.2%	94.8%	41.6%	70.8%	43.7%
11/6/2021	35.4%	141.3%	99.4%	45.2%	31.6%	21.8%	14.4%	29.6%	87.0%	103.1%	43.2%	84.6%	56.1%
11/13/2021	42.5%	156.6%	113.0%	52.2%	38.3%	28.0%	16.9%	36.8%	105.1%	102.2%	52.8%	80.0%	61.3%
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%	63.8%
3Q21	34.9%	128.5%	94.7%	47.4%	34.7%	26.6%	15.2%	28.6%	64.0%	95.2%	36.9%	67.0%	52.1%

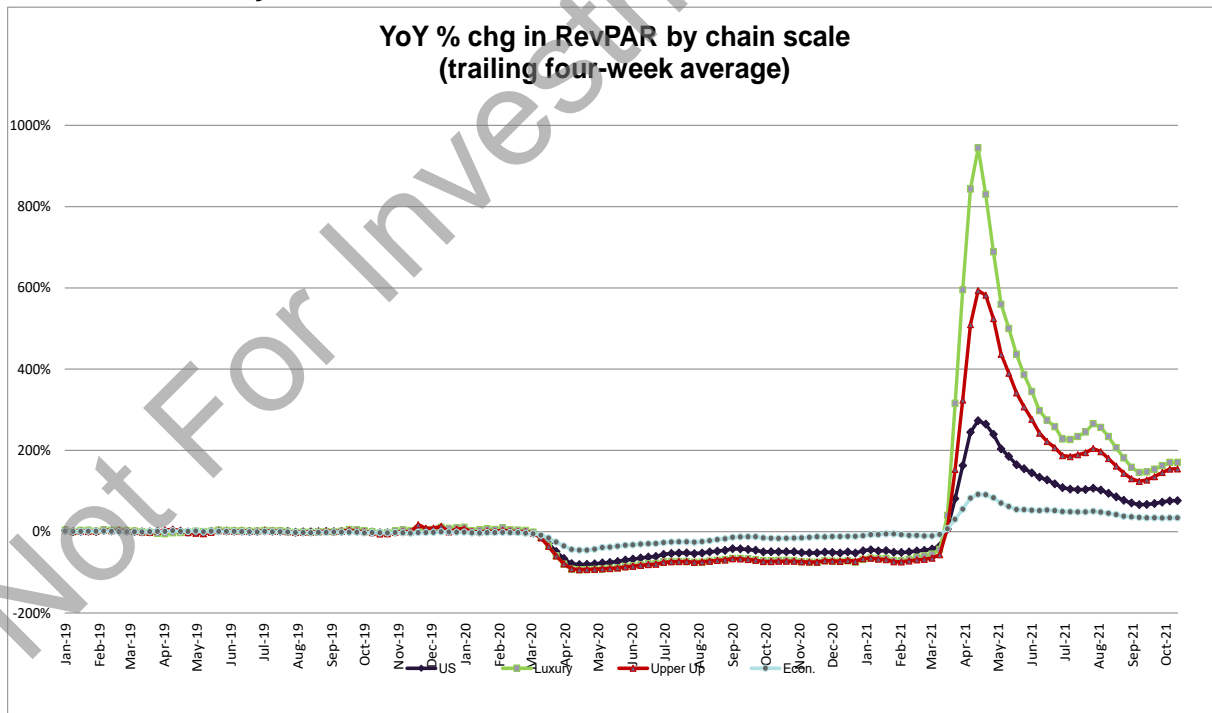
Source: STR data, Truist Securities research

### RevPAR Component Trends



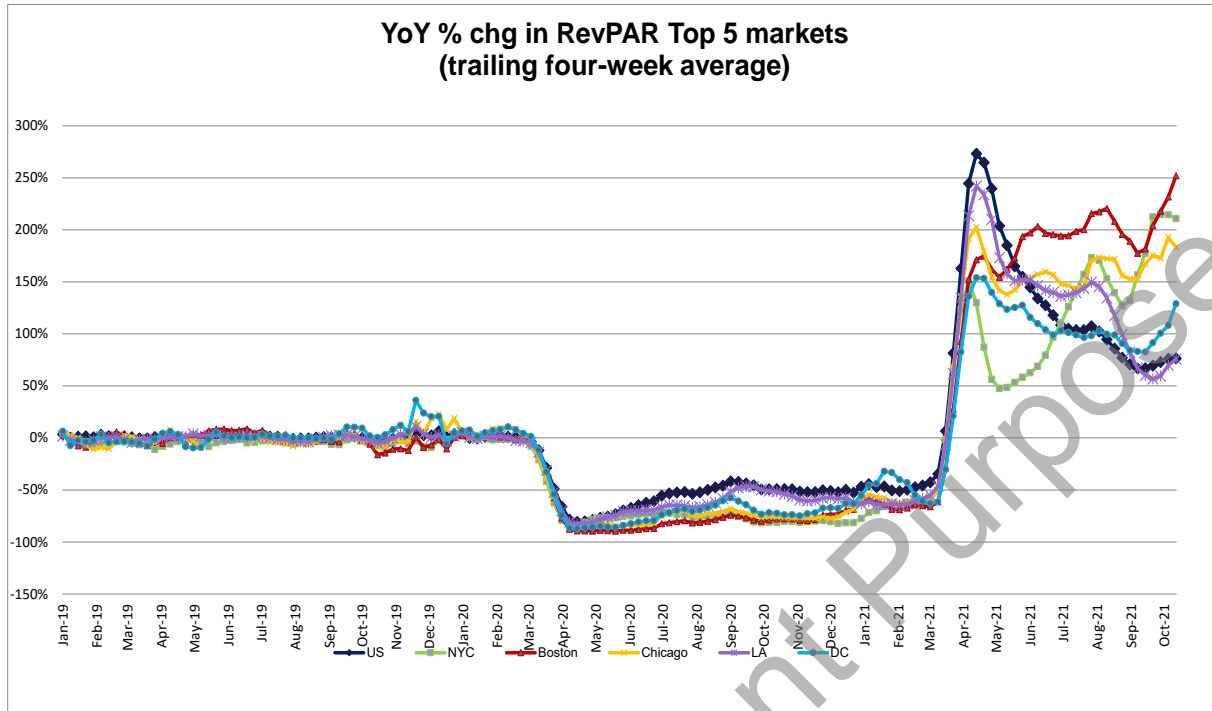
Source: STR data, Truist Securities research

### RevPAR Trends by Chain Scale



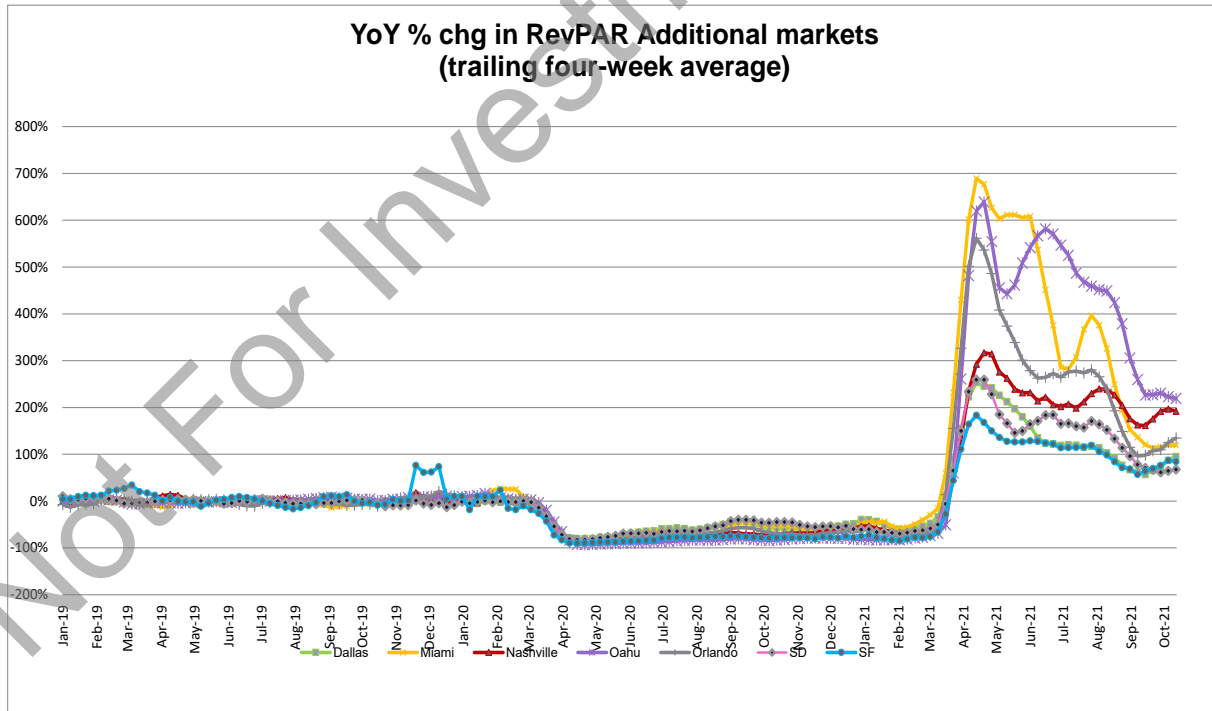
Source: STR data, Truist Securities research

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



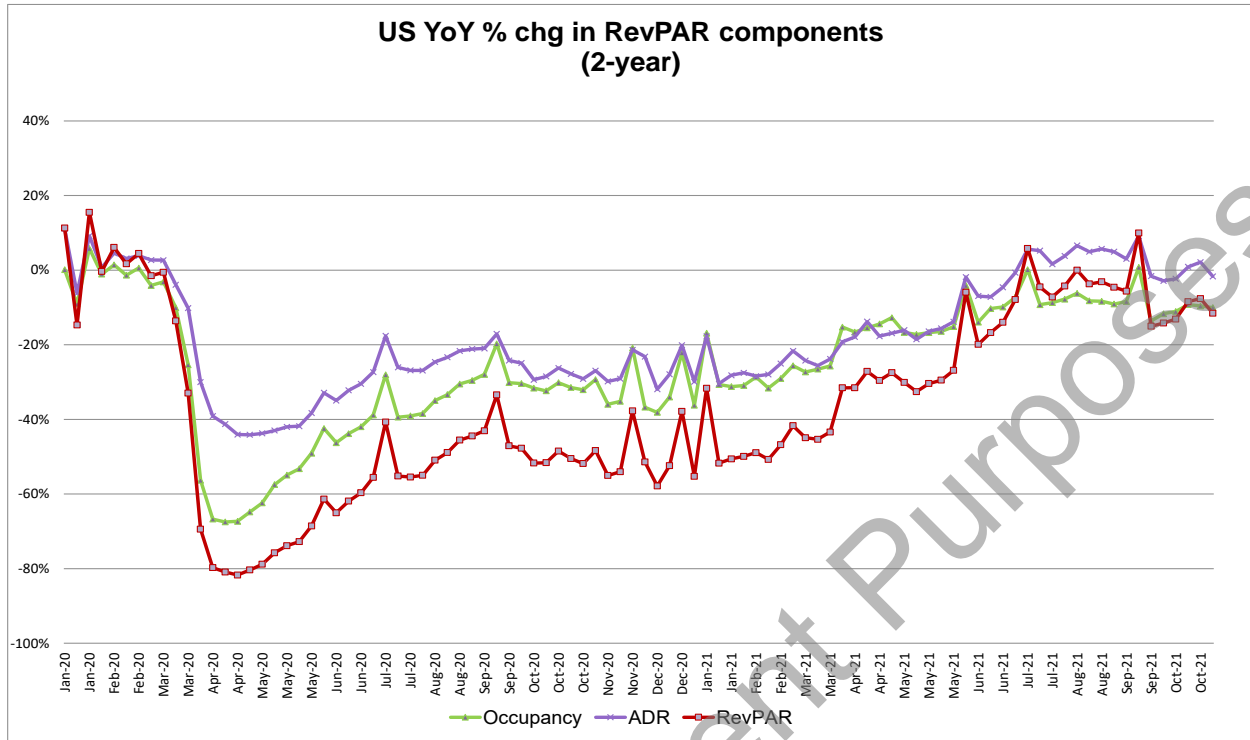
Source: STR data, Truist Securities research

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



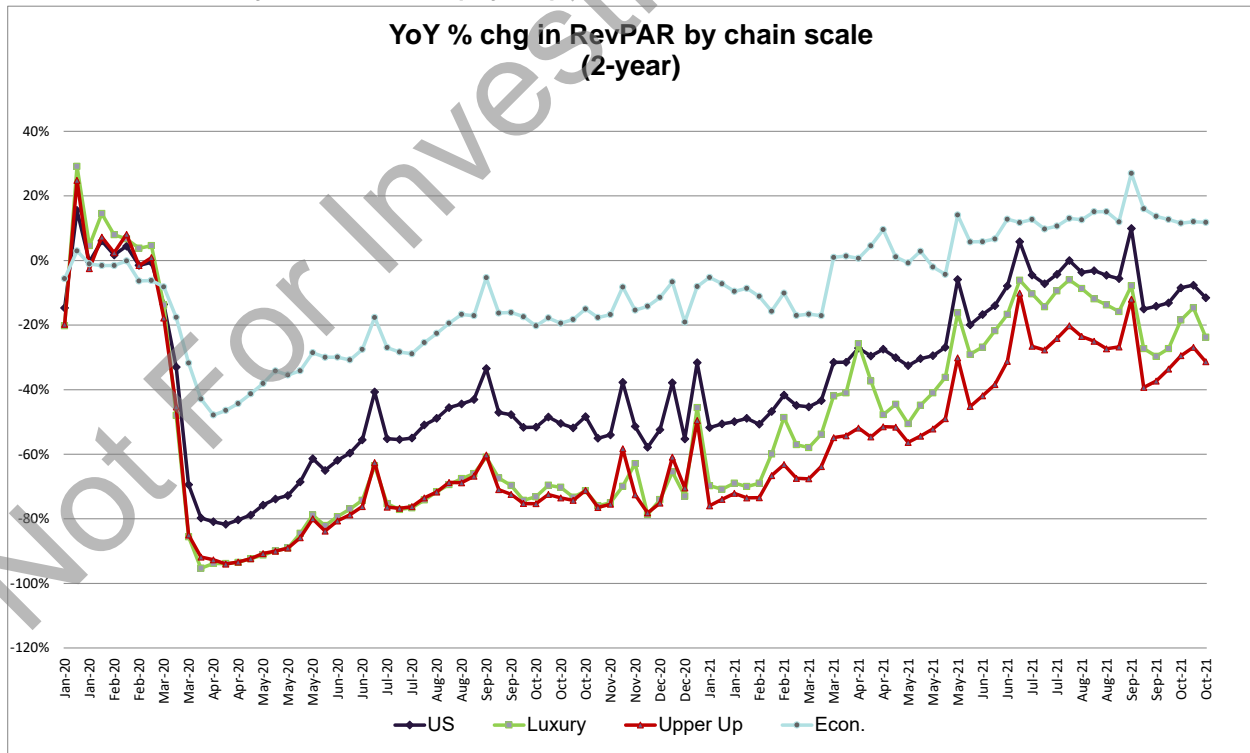
Source: STR data, Truist Securities research

### RevPAR Component Trends (2-year)



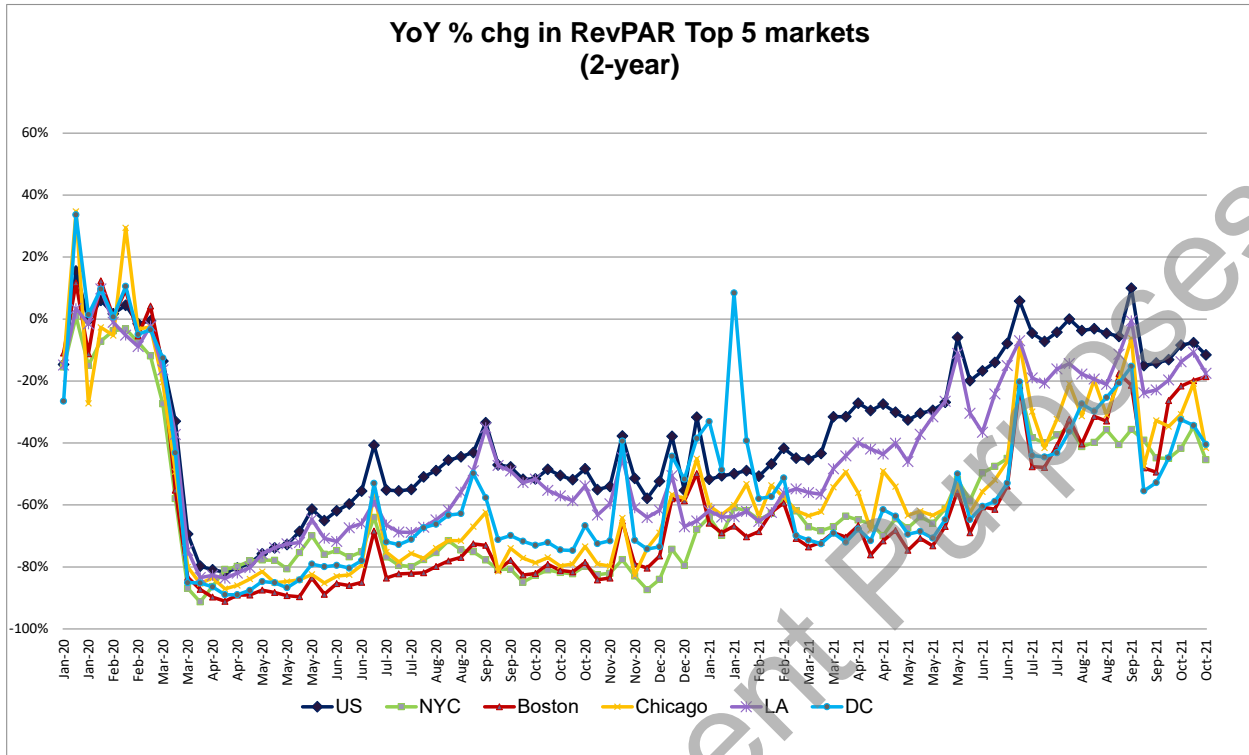
Source: STR data, Truist Securities research

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



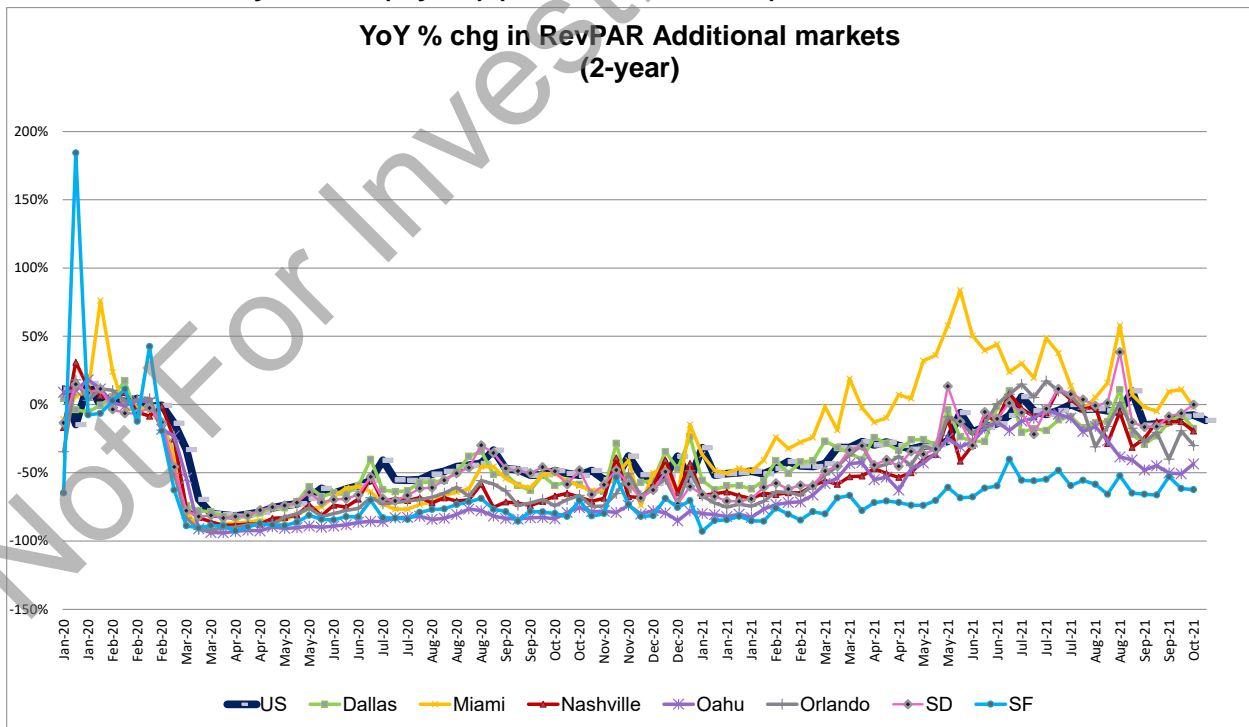
Source: STR data, Truist Securities research

### 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 11/16/21	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	\$31.64	Buy	\$41	29%	\$115	\$118	\$126	\$36	\$118	\$126	7.5X	Downside risk: controlled company issues, limited cap/float, loan defaults, and macroeconomic risk. Upside risk: conservative growth of new brands.
Choice Hotels	CHH	\$151.53	Hold	\$114	-25%	\$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 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.
DiamondRock Hospitality	DRH	\$9.92	Hold	\$8	-19%	\$78	\$182	\$228	\$79	\$182	\$229	12.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession.
Hilton	HLT	\$141.74	Hold	\$139	-2%	\$1,528	\$2,491	\$2,935	\$1,669	\$2,629	\$3,069	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	\$52.01	Buy	\$54	4%	\$304	\$436	\$519	\$333	\$467	\$552	10.2X	Upside risk: faster demand improvement in corporate/convention travel than expected. Dispositions at higher multiple than anticipated (incl. NYC), stronger than expected performance by luxury/luxure results 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.
Host Hotels & Resorts	HST	\$17.42	Hold	\$16	-8%	\$383	\$999	\$1,345	\$383	\$999	\$1,345	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. Downside risk: lodging recovery takes longer than expected. Planned dispositions take longer than expected. Material labor issues to owned hotels. Pipeline growth slower than expected.
Hyatt Hotels	H	\$83.67	Hold	\$76	-9%	\$179	\$496	\$707	\$228	\$544	\$759	13.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession.
Marriott International	MAR	\$153.99	Hold	\$156	1%	\$1,924	\$3,094	\$3,728	\$2,227	\$3,398	\$4,044	15.9X	Downside risk: M&A story fades and multiples revert to historical levels.
Marriott Vacations	VAC	\$170.00	Buy	\$198	17%	\$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.
Park Hotels & Resorts	PK	\$19.38	Hold	\$18	-7%	\$120	\$465	\$732	\$138	\$481	\$748	12.5X	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.
Pebblebrook Hotel Trust***	PEB	\$23.62	Hold	\$24	2%	\$87	\$329	\$436	\$87	\$329	\$436	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	\$7.91	Hold	\$7	-12%	\$49	\$177	\$209	\$62	\$191	\$223	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	\$13.96	Buy	\$19	36%	\$141	\$273	\$431	\$189	\$293	\$452	12.5X	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
Ryman Hospitality Properties	RHP	\$93.17	Sell	\$61	-35%	\$175	\$390	\$449	\$142	\$417	\$478	13.0X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery. 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. Mortgage EBITDA stabilizes well lower than expected.
Sunstone Hotel Investors	SHO	\$12.19	Hold	\$11	-10%	\$48	\$204	\$262	\$60	\$214	\$270	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	\$347.66	Hold	\$308	-11%	\$578	\$814	\$923	\$573	\$814	\$923	16.0X	Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.
Travel + Leisure Co.	TNL	\$56.17	Buy	\$76	35%	\$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	\$85.62	Buy	\$83	-3%	\$503	\$592	\$692	\$532	\$622	\$724	14.0X	Downside risk: Slowdown in development opportunities.

\* 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



## Companies Mentioned in This Note

**Bluegreen Vacations Holding Corporation** (BVH, \$31.64, Buy, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$151.53, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$9.92, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$83.67, Hold, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$52.01, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$141.74, Hold, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$17.42, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$153.99, Hold, C. Patrick Scholes)  
**Vail Resorts, Inc.** (MTN, \$347.66, Hold, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$23.62, Hold, Gregory Miller)  
**Park Hotels & Resorts Inc.** (PK, \$19.38, Hold, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$7.91, Hold, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$93.17, Sell, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$13.96, Buy, Gregory Miller)  
**Sunstone Hotel Investors, Inc.** (SHO, \$12.19, Hold, C. Patrick Scholes)  
**Travel + Leisure Co.** (TNL, \$56.17, Buy, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$170.00, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$85.62, 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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