

CONSUMER: Lodging

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Reasons for this report

- ✓ Our analysis of the most recent weekly China and Europe lodging results

China & Europe hotels: RevPAR +14% y/y (vs. '19:-33%) & +192% y/y (vs. '19: -38%) for wk ending 2/19

Vs. 2019: China improved week-over-week whereas Europe again did not

Quick take: Per STR for the week ending February 19th, hotel RevPAR in China in local currency was +14.0% y/y vs. +54.0% y/y in the prior week. Last week's RevPAR was up against a +289.4% comparable result in 2021 vs. +179.6% in the prior week. *Versus 2019, which we believe is an equally if not more important KPI, RevPAR was -32.7% vs. -37.0% in the prior week's result.*

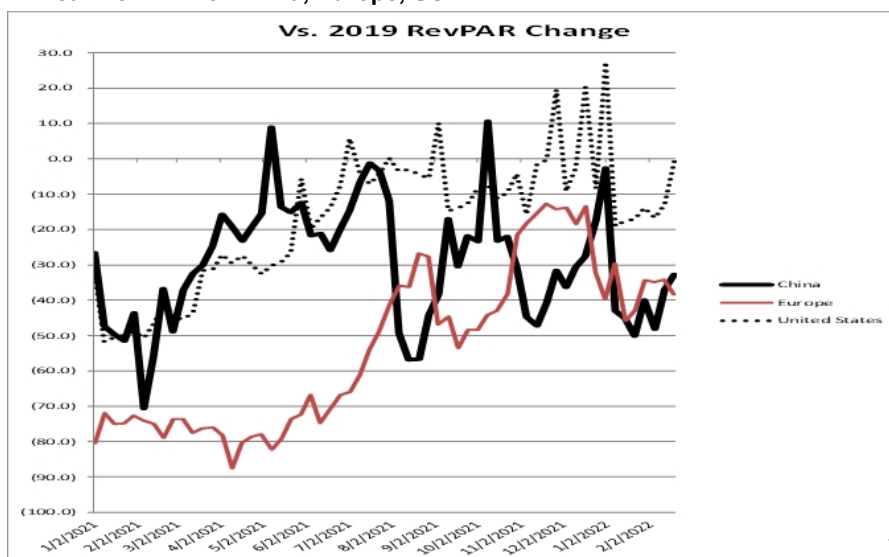
- While results vs. 2019 continues to get "less bad" week-over-week, ongoing lockdowns continue to suppress travel. See exhibit 1.

Europe: RevPAR in Europe in Euros was +191.5% y/y vs. +162.7% in the prior week. Last week's RevPAR was up against a -73.5% comparable result in 2021 and -75.4% in the prior week. *Versus 2019, RevPAR was -38.4% vs. the -34.2% in the prior week's result.* We suspect growing concerns with Russia/Ukraine did not help the results.

U.S.: Overall RevPAR was +69.1%, stronger than the prior week's result of +62.6%. Last week's RevPAR was up against a -40.6% comparable result in 2021 vs. -47.2% in the prior week. *On a 3-year run-rate (vs. 2019), RevPAR was -0.8% vs. -12.9% in the prior week's 3-year run-rate.* There were a few factors at play in last week's lodging results:

1. Valentine's Day calendar shift to Monday from Sunday y/y and from the prior week Thursday in 2019. We view last Monday's 2022 performance as a relative bump vs. a 2019 Thursday V-Day holiday especially in a pandemic/leisure heavy environment.
2. President's Day calendar shifts: The end of the 2022 data week was the start of the holiday weekend vs. a week prior in 2021 and 2019.

Exhibit 1: 2-Year RevPAR for China, Europe, US



Source: STR, Truist Securities research

RevPAR detail for week ending February 19th vs. trailing 28 days (see charts at end of note for graphical representations):

China (local currency):

- RevPAR was +14.0% y/y for the week ending February 19th, **a deceleration from** the +35.8% for the trailing 28 days.
- ADR was -16.2% y/y for the week ending February 19th, **below** the +14.8% for the trailing 28 days.
- Occupancy was +36.0% y/y for the week ending February 19th, **higher than** the +18.3% for the trailing 28 days.

Europe (in Euros):

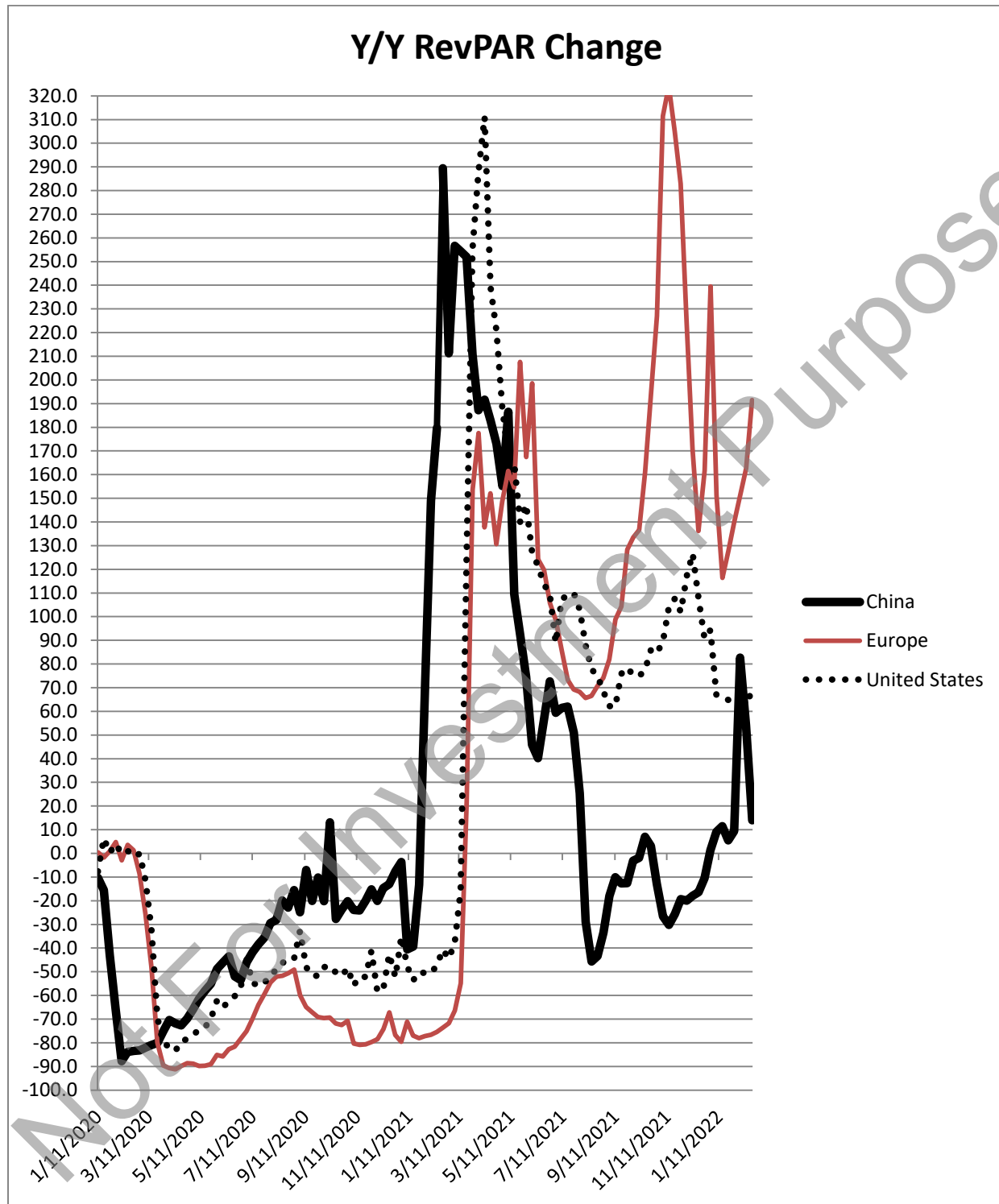
- RevPAR was +191.5% y/y for the week ending February 19th, **an improvement from** the +163.1% for the trailing 28 days.
- ADR was +44.0% y/y for the week ending February 19th, **higher than** the +40.7% for the trailing 28 days.
- Occupancy was +102.4% y/y for the week ending February 19th, **an improvement from** the +87.0% for the trailing 28 days.

Additional thoughts and observations:

Hotel occupancy observations from the latest weekly STR results from China, Europe, and US:

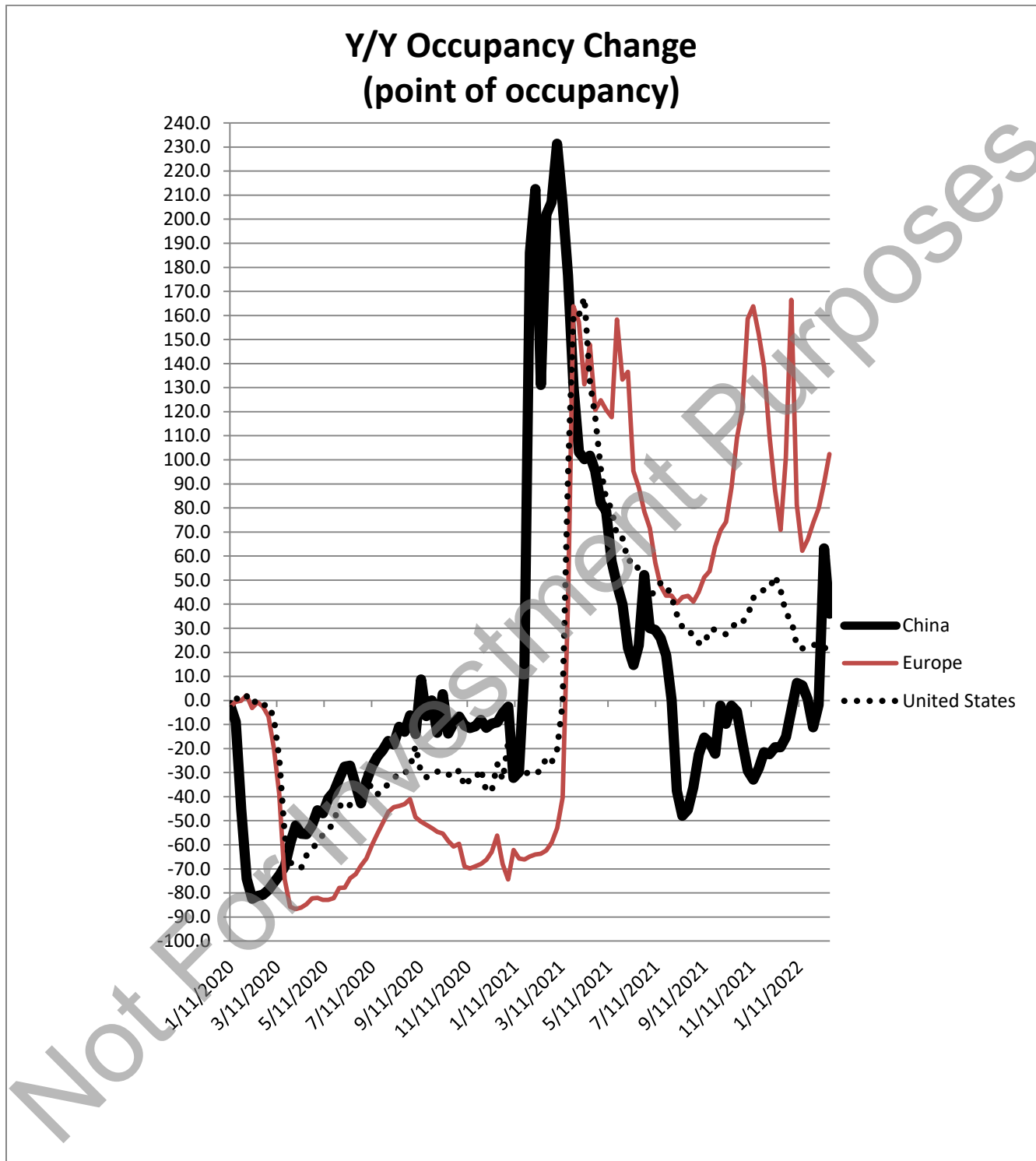
- **China:** Absolute occupancy was 48.7%. By comparison, occupancy was 35.8% during the comparable week last year.
- **Europe:** Absolute occupancy was 50.4%. By comparison, occupancy was 24.9% during the comparable week last year.
- **US:** Absolute occupancy was 59.1%. By comparison, occupancy was 48.0% during the comparable week last year.

Exhibit 2: Y/Y RevPAR change for China, Europe, US



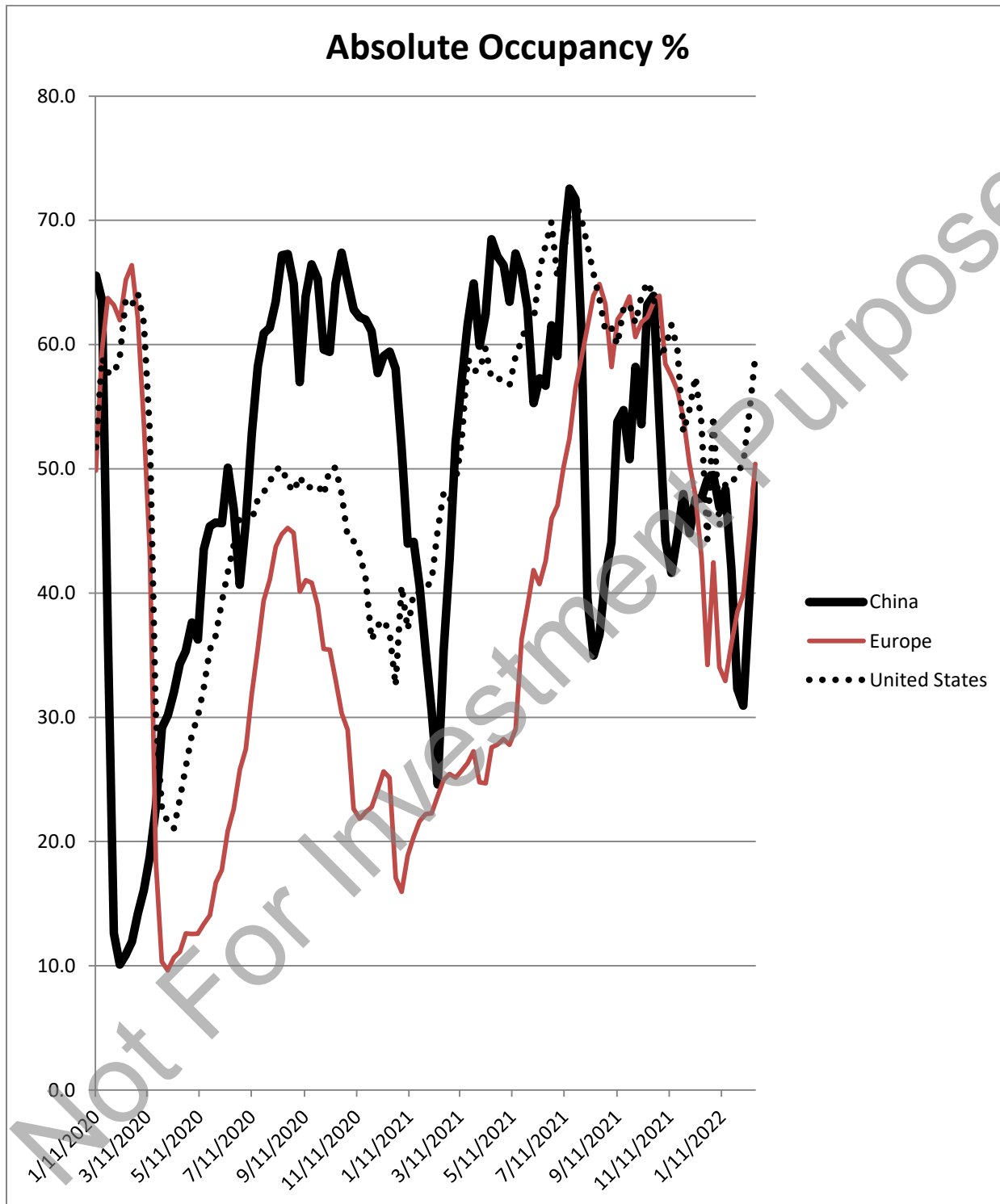
Source: STR, Truist Securities research

Exhibit 3: Y/Y Occupancy change for China, Europe, US



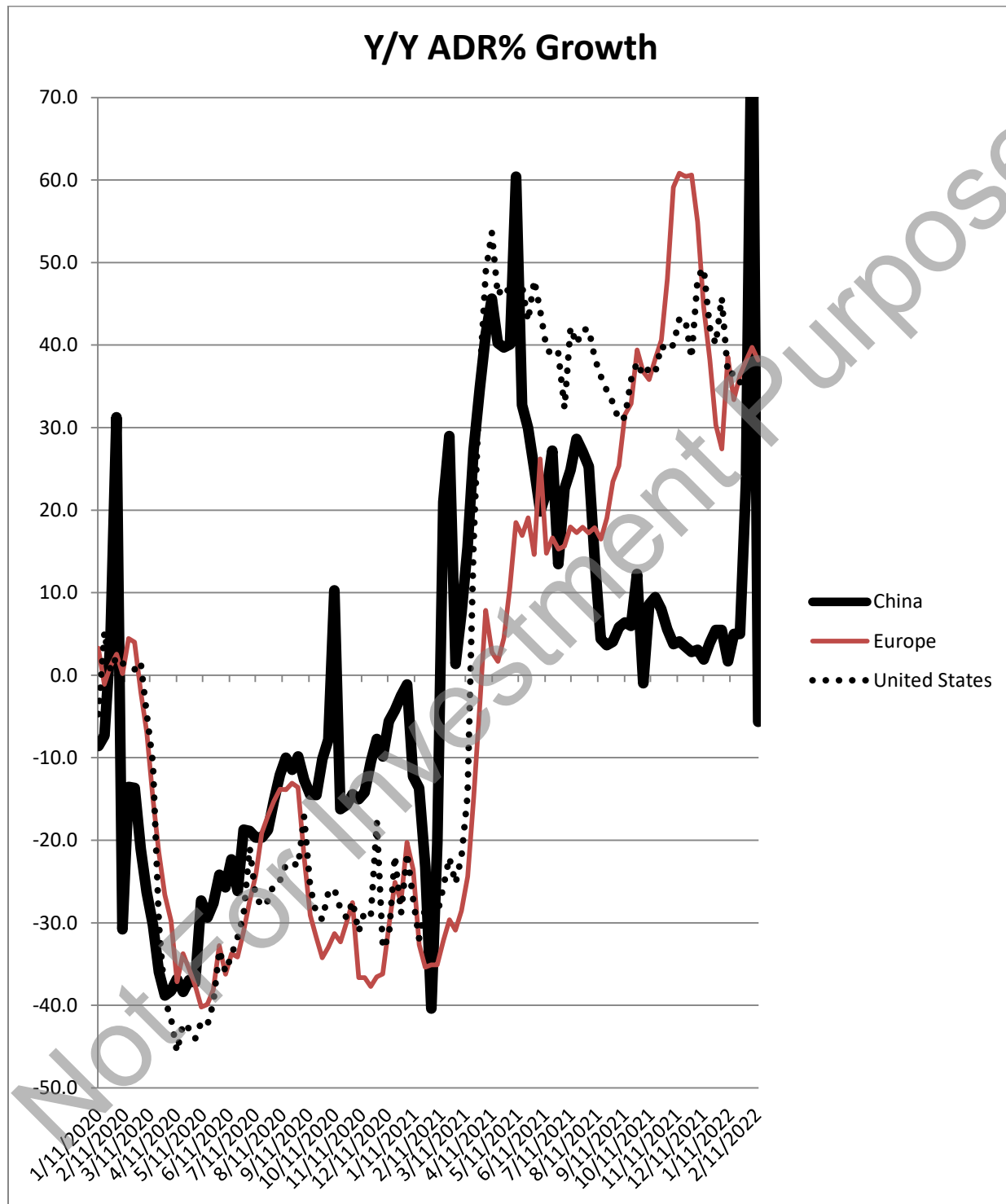
Source: STR, Truist Securities research

Exhibit 4: Absolute Occupancy % for China, Europe, US



Source: STR, Truist Securities research

Exhibit 5: Y/Y ADR % change for China, Europe, US



Source: STR, Truist Securities research

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