

## CONSUMER: Lodging

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## Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

## Lodging: US RevPAR +48% Y/Y Last Week. +8% vs. 2019. Better w/w vs. 2019 on a holiday week

Overall U.S. RevPAR was +48.3% y/y for the week ending 4/16/2022, per STR, flat vs. the prior week's result of +48.4%. Last week's RevPAR was up against a +239.3% comparable result in 2021 vs. +311.1% in the prior week. **On a 3-year run-rate (vs. 2019), RevPAR was +8.0% vs. +5.4% in the prior week's 3-year run-rate.**

Versus 2019, the Easter comparison, historically a sizable mover of results, is roughly neutral as Easter fell in the comparable week in 2019 vs. 2022. That said, we note strength in leisure vs. 2019 likely drove the week-over-week improvement vs. 2019.

### Major RevPAR statistics presented below:

- Luxury RevPAR: +114.9% y/y and +11.5% over 3 years
- Upper Upscale RevPAR: +104.9% y/y and -0.8% over 3 years;
- Upscale RevPAR: +52.1% y/y and -0.3% over 3 years;
- Upper Midscale RevPAR: +24.2% y/y and +6.2% over 3 years;
- Midscale RevPAR: +10.3% y/y and +9.4% over 3 years;
- Economy RevPAR: +4.5% y/y and +14.1% over 3 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +43.6% y/y and +16.3% over 3 years; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +203.0% y/y vs. +409.8% prior week; over 3 years: -8.5% vs -21.4% prior week.
  - Transient: +76.3% y/y vs. +36.6% prior week; over 3 years: +13.3% vs +16.3% prior week.

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

- **Headline RevPAR** was +48.3% y/y vs. the running 28-day average of +48.9% y/y.
- **Occupancy:** Absolute occupancy was 62.0% y/y vs. the running 28-day average of 64.5% y/y.
- **Absolute Group occupancy was lower than the prior week at a headline but please see our above comments for comparisons to 2019:** 15.9% last week vs. 19.1% for the running 28 days.

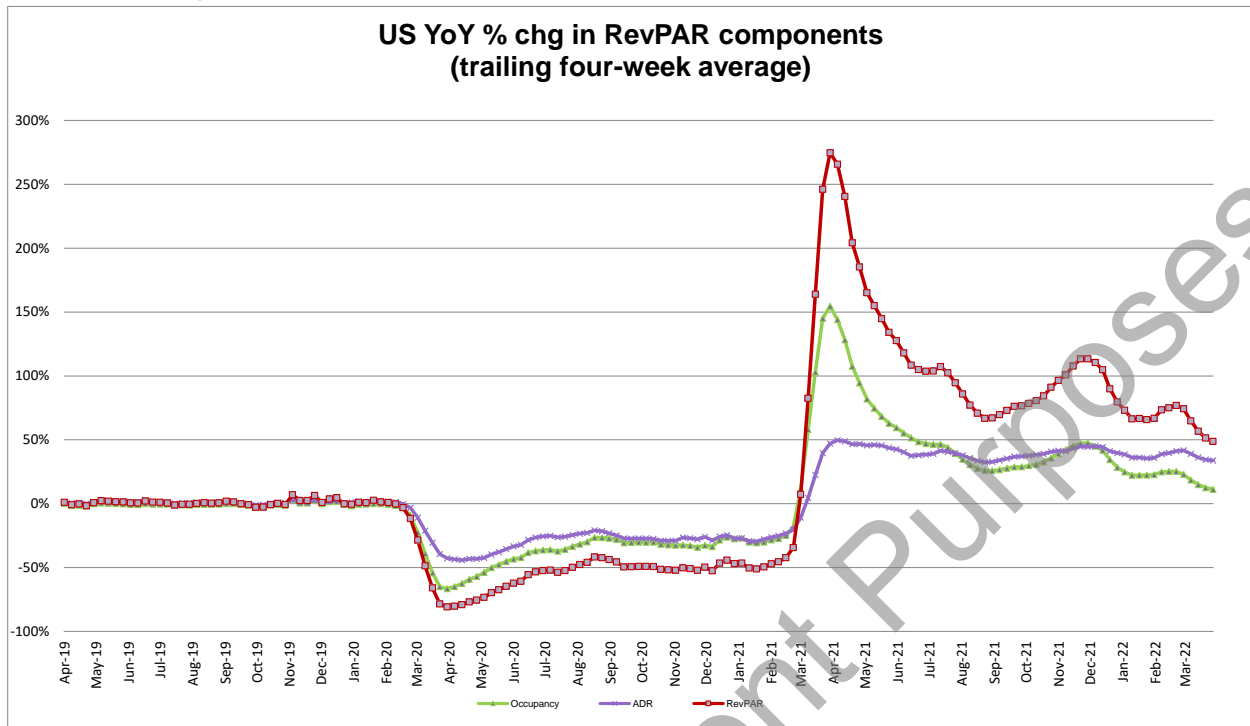
As far as stocks, we reiterate our view the companies relatively best positioned here in our coverage universe are the drive-to leisure-centric C-Corps CHH (Hold), WH (Buy), and RLJ (Buy) for the value-play business traveler in the early corporate demand recovery, H (Buy) for its increased leisure exposure and plans to divest materially from its owned assets, and the timeshare companies, HGV (Buy), VAC (Buy), BVH (Buy), and TNL (Buy, formerly WYND).

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

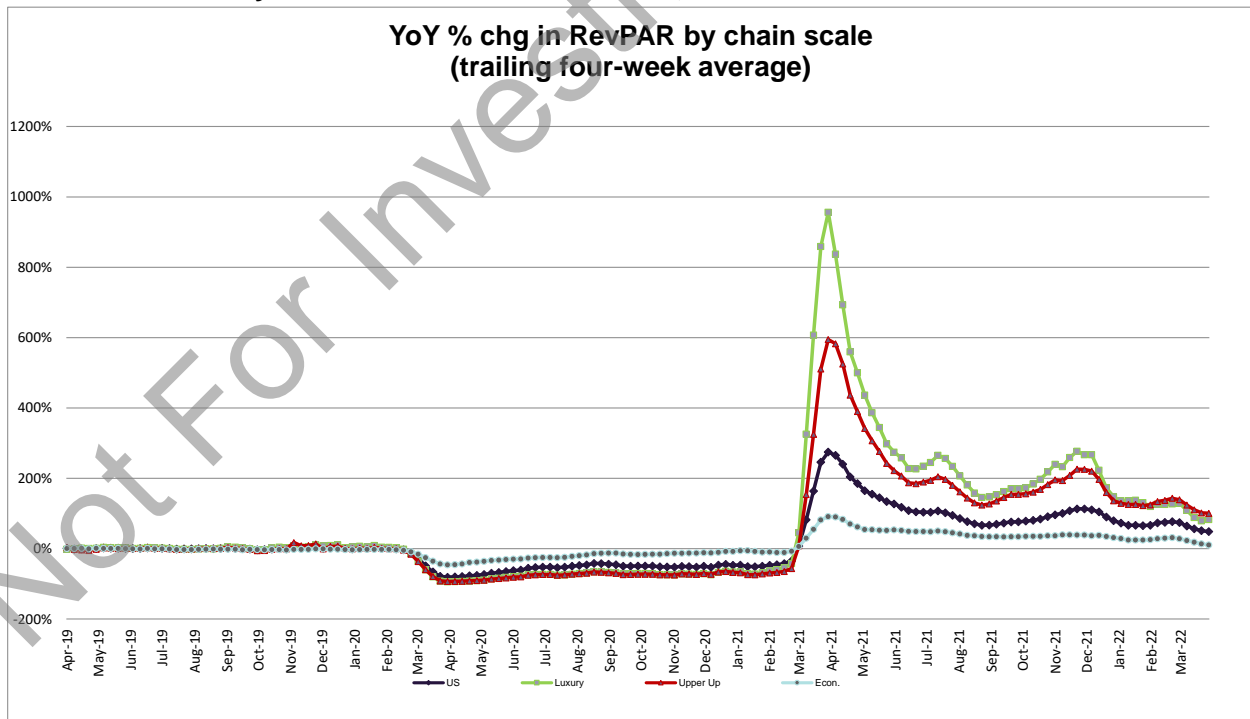
YoY % change in RevPAR													
U.S.	Upper			Upper			Inde- pendent	New York	Boston	LA	Chicago	DC	
	Luxury	Upscale	Midscale	Midscale	Economy	Economy							
12/18/2021	107.6%	238.8%	218.1%	114.1%	82.8%	57.0%	37.8%	97.9%	348.6%	170.7%	148.2%	183.8%	124.2%
12/25/2021	90.7%	182.5%	145.7%	88.5%	75.9%	54.7%	36.4%	83.5%	208.3%	114.2%	144.2%	115.5%	82.9%
1/1/2022	94.4%	145.7%	144.9%	95.4%	82.3%	62.8%	40.3%	82.0%	200.5%	145.9%	199.5%	122.8%	99.8%
1/8/2022	67.0%	125.5%	130.3%	65.7%	52.8%	40.2%	24.7%	66.2%	63.0%	93.3%	99.8%	60.0%	6.6%
1/15/2022	66.2%	135.1%	124.8%	67.9%	52.7%	39.0%	25.1%	60.1%	50.0%	91.7%	100.0%	69.8%	2.9%
1/22/2022	64.9%	138.1%	115.9%	61.3%	49.4%	39.0%	25.3%	63.5%	56.0%	85.2%	91.2%	76.1%	-37.9%
1/29/2022	67.4%	145.4%	131.9%	69.9%	51.6%	39.4%	23.7%	59.5%	49.5%	109.7%	95.0%	67.3%	-5.9%
2/5/2022	68.2%	152.9%	130.9%	67.6%	51.7%	40.3%	25.0%	63.7%	52.4%	97.1%	105.1%	73.3%	23.6%
2/12/2022	62.8%	106.9%	111.3%	65.7%	50.8%	37.9%	24.3%	51.4%	81.3%	90.8%	226.1%	56.7%	35.9%
2/19/2022	69.1%	93.8%	125.1%	74.2%	59.6%	46.5%	29.4%	55.2%	73.8%	116.5%	152.0%	67.2%	70.9%
2/26/2022	93.8%	173.1%	169.7%	89.6%	66.0%	53.5%	34.8%	90.7%	105.3%	162.2%	116.4%	105.2%	78.3%
3/5/2022	74.7%	128.1%	143.6%	74.3%	55.3%	46.0%	31.9%	65.5%	110.5%	164.5%	96.8%	95.3%	112.0%
3/12/2022	70.1%	114.6%	135.3%	72.2%	51.3%	41.2%	29.6%	58.4%	133.9%	172.2%	101.9%	104.3%	127.0%
3/19/2022	58.5%	99.7%	108.7%	64.2%	44.1%	30.3%	17.8%	46.9%	148.7%	172.4%	95.9%	96.3%	147.4%
3/26/2022	55.5%	93.0%	109.8%	62.8%	49.5%	25.5%	14.1%	43.6%	145.1%	203.3%	100.0%	100.9%	162.3%
4/2/2022	42.8%	47.4%	68.4%	56.3%	37.5%	23.7%	12.6%	26.0%	132.6%	144.7%	60.6%	70.7%	137.0%
4/9/2022	48.4%	78.0%	106.3%	74.6%	36.1%	21.4%	10.8%	34.3%	177.7%	206.1%	68.1%	98.0%	172.3%
4/16/2022	48.3%	114.9%	104.9%	52.1%	24.2%	10.3%	4.5%	43.6%	202.9%	229.2%	73.3%	73.0%	142.8%
Similar vs. 2019 relative to recent weeks													
1Q18	3.5%	6.6%	0.9%	0.9%	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%	86.3%	81.5%	74.3%	65.4%	54.7%	41.6%	59.2%	75.6%	69.2%	74.2%	61.3%	65.6%
3Q20	-48.5%	-72.0%	-71.8%	-55.2%	-41.7%	-29.7%	-19.0%	-39.0%	-77.6%	-79.1%	-58.4%	-71.4%	-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	83.3%	177.5%	137.7%	36.5%	24.0%	19.5%	39.5%	71.1%	62.8%	207.8%	95.8%	168.4%	96.7%
4Q21	96.4%	215.5%	185.6%	98.3%	74.2%	55.2%	37.2%	86.4%	273.7%	225.6%	124.8%	195.9%	129.6%
YoY % change in ADR													
U.S.	Upper			Upper			Inde- pendent	New York	Boston	LA	Chicago	DC	
Luxury	Upscale	Midscale	Midscale	Economy	Economy								
12/18/2021	42.1%	24.6%	39.5%	33.9%	27.8%	21.8%	18.4%	41.8%	123.3%	47.4%	52.7%	56.9%	36.0%
12/25/2021	40.1%	34.6%	35.9%	31.9%	26.5%	20.9%	18.0%	39.2%	87.4%	33.3%	52.4%	43.9%	25.2%
1/1/2022	45.7%	31.3%	44.6%	41.6%	34.3%	26.1%	22.6%	42.7%	106.8%	42.9%	71.9%	47.1%	29.1%
1/8/2022	36.4%	29.5%	36.9%	29.4%	24.3%	18.8%	17.1%	39.3%	36.5%	34.5%	48.3%	32.3%	11.1%
1/15/2022	36.6%	35.2%	39.7%	31.7%	25.7%	19.3%	17.2%	36.0%	40.4%	35.3%	49.7%	35.4%	11.8%
1/22/2022	35.5%	35.7%	37.7%	28.5%	24.0%	19.2%	16.6%	36.7%	41.9%	33.7%	49.0%	36.7%	-7.6%
1/29/2022	36.1%	30.5%	40.2%	30.5%	24.5%	19.0%	16.1%	34.8%	36.8%	38.2%	52.2%	34.3%	19.6%
2/5/2022	36.3%	27.0%	37.9%	29.3%	24.0%	19.3%	16.8%	37.2%	60.2%	38.5%	54.7%	34.8%	16.7%
2/12/2022	33.9%	22.7%	36.2%	30.9%	24.3%	18.8%	16.5%	30.3%	44.8%	35.6%	133.7%	27.5%	23.5%
2/19/2022	37.3%	19.8%	40.4%	36.1%	30.3%	24.6%	20.2%	31.5%	42.9%	42.8%	83.2%	33.4%	30.7%
2/26/2022	47.7%	39.4%	47.5%	39.5%	32.6%	26.2%	21.8%	47.4%	42.9%	47.9%	54.6%	43.1%	29.4%
3/5/2022	39.6%	18.4%	41.3%	35.5%	29.8%	23.6%	20.6%	35.7%	50.0%	55.9%	51.4%	42.2%	47.0%
3/12/2022	40.1%	19.3%	43.7%	37.1%	30.5%	24.0%	20.7%	34.9%	57.9%	61.6%	52.3%	46.4%	52.0%
3/19/2022	39.2%	27.2%	40.3%	37.8%	30.4%	22.4%	18.4%	33.7%	64.5%	63.9%	54.7%	46.9%	58.8%
3/26/2022	37.1%	17.5%	37.7%	36.5%	28.0%	20.9%	16.6%	30.8%	67.0%	29.6%	55.4%	42.5%	64.8%
4/2/2022	28.6%	7.2%	31.5%	32.5%	26.2%	18.9%	14.3%	19.3%	69.1%	66.2%	41.3%	39.3%	64.6%
4/9/2022	33.0%	14.6%	33.4%	33.3%	25.9%	20.1%	15.2%	26.2%	82.6%	80.5%	43.3%	46.3%	74.1%
4/16/2022	36.7%	30.3%	37.9%	32.7%	21.2%	15.6%	12.7%	34.7%	93.3%	97.4%	45.2%	40.1%	60.1%
1Q18	2.5%	4.5%	1.0%	1.7%	2.0%	3.0%	4.0%	3.1%	3.3%	-1.0%	4.0%	1.4%	-9.4%
2Q18	2.9%	3.5%	2.4%	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%	-1.5%	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%	0.7%	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%	0.9%	0.5%	0.5%	-0.5%	-0.5%	0.6%	-0.6%	0.9%	0.4%	4.2%	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%	-13.1%	-11.6%	-9.4%	-16.0%	-47.7%	-47.3%	-31.8%	-43.2%	-34.5%
4Q20	-11.1%	-11.1%	-12.1%	-8.5%	-27.8%	-19.4%	-16.8%	-20.9%	-54.1%	-45.5%	-29.2%	-35.2%	-26.7%
1Q21	-19.6%	3.4%	-23.4%	-23.0%	-14.2%	-6.8%	-1.5%	-12.1%	-28.3%	-32.7%	-25.7%	-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%
4Q21	41.5%	29.6%	41.9%	34.2%	28.5%	22.9%	18.8%	39.2%	99.6%	69.6%	46.1%	69.9%	41.6%
YoY % change in Occupancy													
U.S.	Upper			Upper			Inde- pendent	New York	Boston	LA	Chicago	DC	
Luxury	Upscale	Midscale	Midscale	Economy	Economy								
12/18/2021	46.0%	171.9%	128.1%	69.9%	43.0%	28.9%	16.3%	39.6%	101.4%	83.6%	62.5%	80.9%	64.9%
12/25/2021	36.1%	110.0%	80.8%	42.9%	30.1%	28.0%	15.6%	31.9%	64.5%	60.8%	60.2%	49.7%	45.8%
1/1/2022	33.4%	87.1%	69.4%	38.0%	35.8%	29.1%	14.5%	27.5%	45.3%	72.0%	74.2%	51.5%	54.8%
1/8/2022	22.5%	74.1%	68.2%	28.0%	22.9%	18.0%	6.4%	19.3%	19.4%	43.7%	34.7%	20.9%	5.4%
1/15/2022	21.6%	73.9%	60.8%	27.5%	21.5%	16.5%	6.8%	17.6%	6.8%	41.7%	33.5%	25.4%	-8.0%
1/22/2022	21.7%	75.5%	56.7%	25.5%	20.5%	16.6%	7.5%	19.7%	9.9%	38.5%	28.9%	28.9%	-32.9%
1/29/2022	23.0%	88.1%	65.4%	30.3%	21.8%	17.1%	6.5%	18.3%	9.3%	51.8%	28.1%	24.6%	-17.3%
2/5/2022	23.3%	83.3%	67.5%	29.5%	22.0%	17.6%	7.1%	19.3%	8.7%	42.3%	32.6%	28.6%	4.1%
2/12/2022	21.4%	68.6%	55.1%	26.6%	21.3%	16.1%	6.7%	16.2%	25.3%	40.7%	39.5%	22.8%	10.1%
2/19/2022	23.2%	61.8%	60.3%	28.0%	22.5%	17.6%	7.7%	18.0%	21.6%	51.6%	37.6%	25.4%	30.8%
2/26/2022	31.2%	95.9%	82.8%	35.9%	25.2%	21.7%	10.7%	29.4%	43.7%	77.3%	40.0%	43.4%	37.9%
3/5/2022	25.2%	92.7%	72.4%	28.6%	19.7%	18.1%	9.4%	22.0%	40.3%	69.7%	30.0%	37.3%	44.2%
3/12/2022	21.4%	79.8%	63.7%	25.5%	15.9%	13.9%	7.3%	17.5%	48.1%	68.4%	32.6%	39.6%	49.3%
3/19/2022	18.9%	67.0%	48.7%	19.2%	10.5%	8.4%	-0.5%	9.9%	51.2%	66.2%	26.6%	33.6%	55.9%
3/26/2022	13.5%	64.2%	52.3%	19.3%	9.0%	4.0%	-2.2%	9.8%	46.8%	69.3%	25.7%	31.8%	59.2%
4/2/2022	11.0%	37.6%	43.3%	17.2%	9.0%	4.1%	-1.5%	5.6%	37.5%	47.3%	13.7%	22.5%	44.0%
4/9/2022	11.6%	53.6%	50.1%	19.0%	8.0%	1.1%	-3.8%	6.4%	52.1%	69.5%	17.3%	35.4%	56.4%
4/16/2022	8.5%	64.9%	48.6%	14.6%	2.5%	-4.6%	-7.2%	6.6%	56.7%	66.7%	20.8%	23.7%	51.6%
1Q18	0.9%	2.1%	0.0%	0.5%	1.1%	0.9%	1.3%	0.7%	3.5%	3.7%	1.1%	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%</						

RevPAR Component Trends



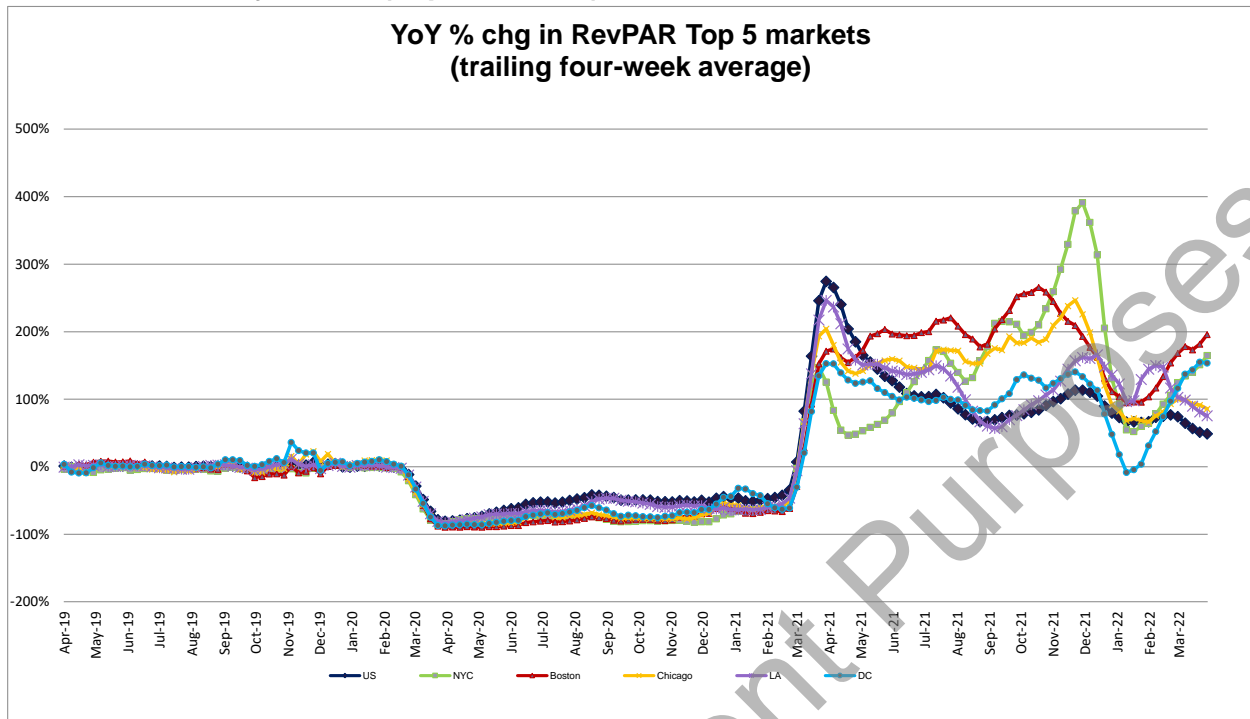
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



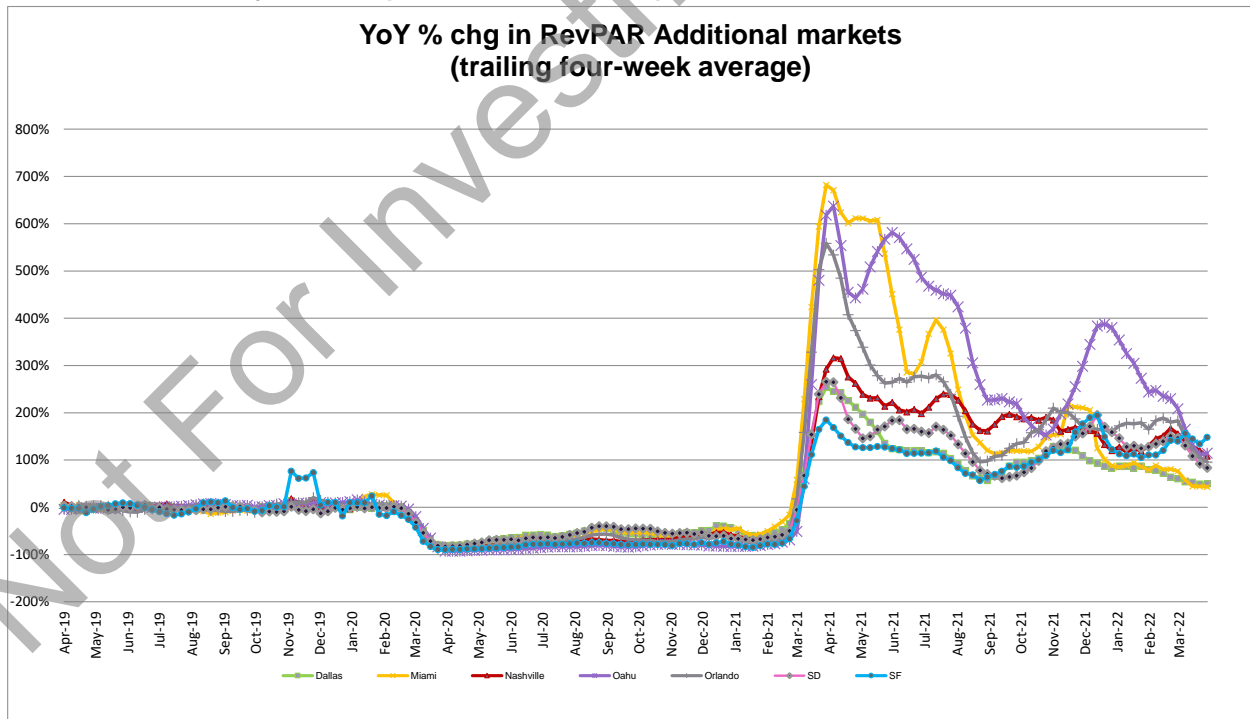
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



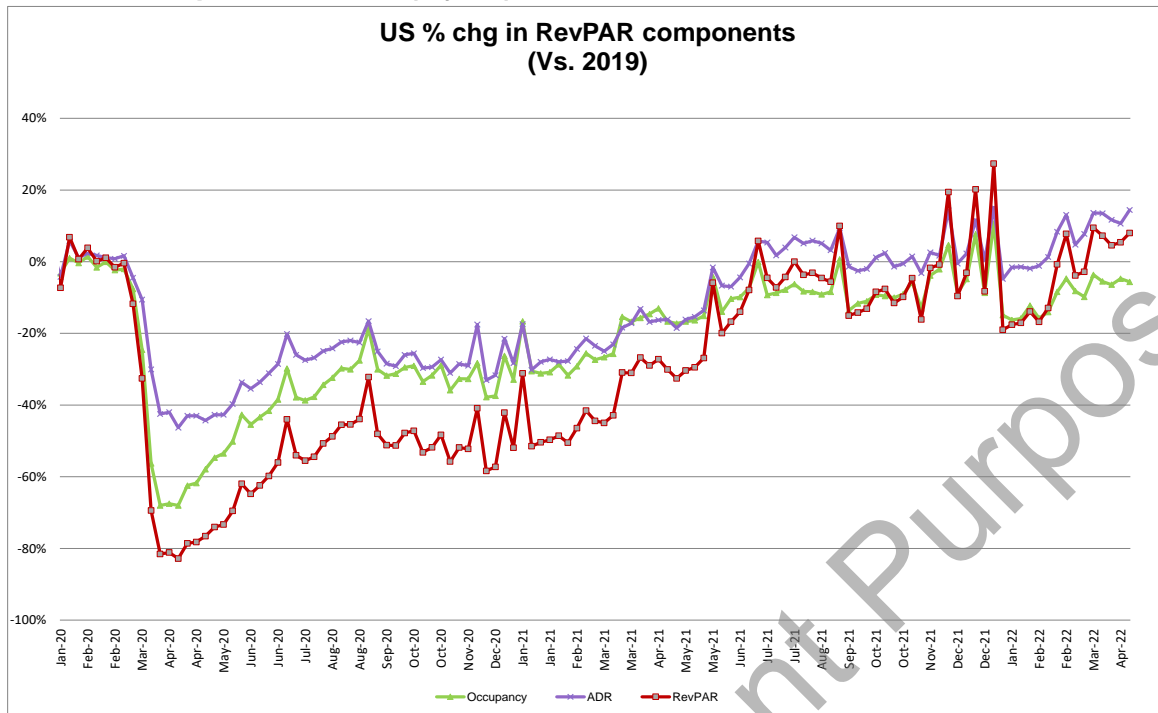
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



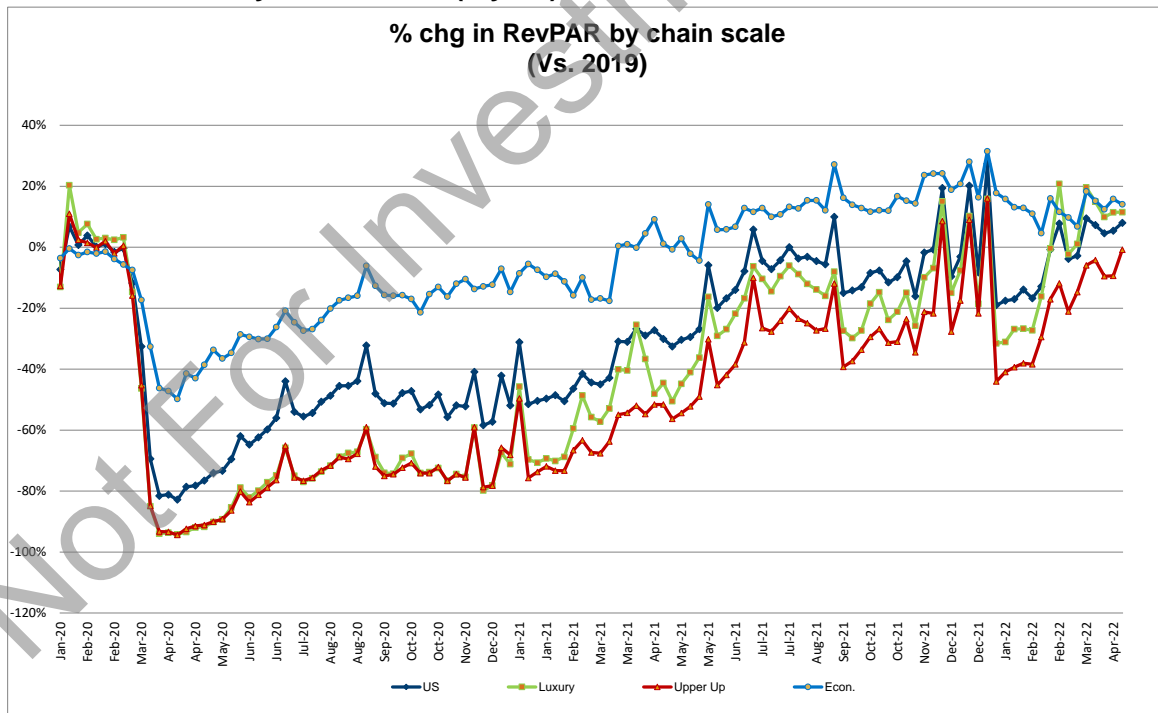
Source: STR data, Truist Securities research

RevPAR Component Trends (3-year)



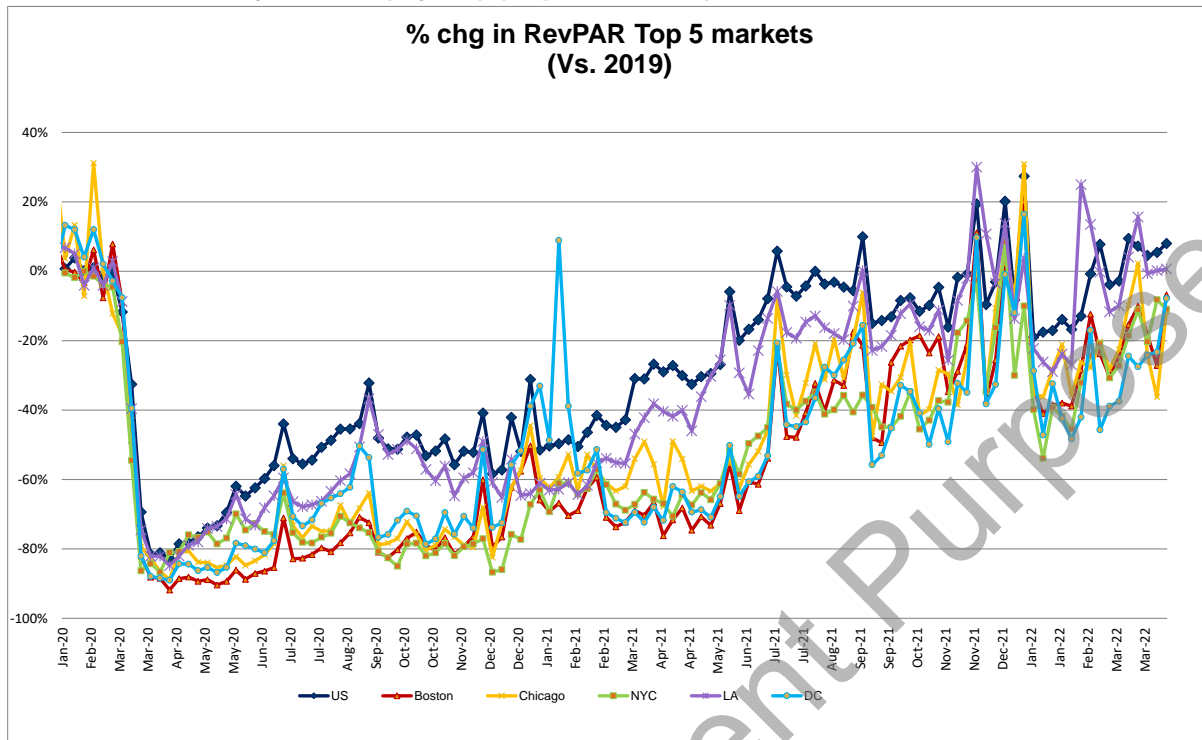
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (3-year)



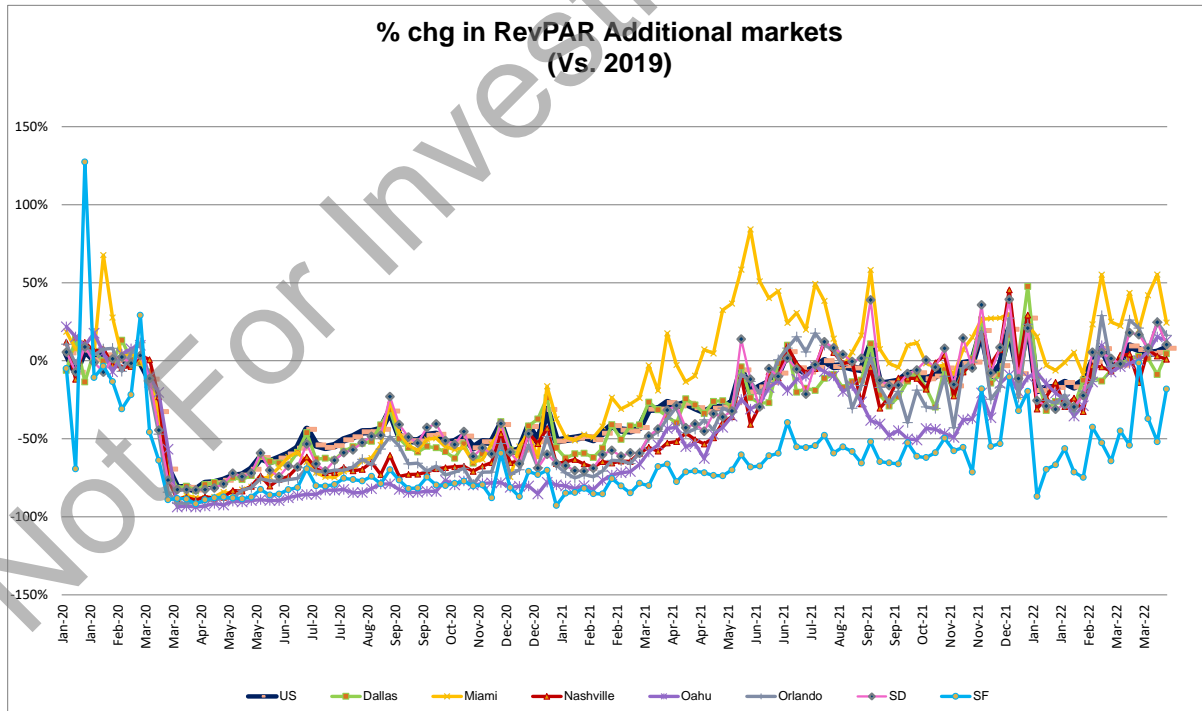
Source: STR data, Truist Securities research

RevPAR Trends by Market (3-year) (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (3-year) (Additional markets)



Source: STR data, Truist Securities research

Price Target/Risks Summary

Lodging	TKR	Price 4/19/22	Rating	PT*	% upside/ down- side	Truist Securities Valuation EBITDA excluding Stock Based Comp/Other			As Reported/Consensus/Data Aggregator "Headline" EBITDA			Target EVEBITDA Multiple	Risks  Note: COVID-19 represents a material risk to our entire coverage especially related to the length/severity of the demand shock.
						2021E EBITDA (\$M)**	2022E EBITDA (\$M)**	2023E EBITDA (\$M)**	2021E EBITDA (\$M)	2022E EBITDA (\$M)	2023E EBITDA (\$M)		
Bluegreen Vacations	BVH	\$27.80	Buy	\$56	103%	\$122	\$147	\$155	\$17	\$16	\$16	7.6X	Downside risk: controlled company issues, limited cap/ltat, loan defaults, and macroeconomic risk. Upside risk: conservative growth of new brands; market share gains. Downside risk: slowdown in development opportunities; market share losses.
Choice Hotels	CHH	\$147.58	Hold	\$138	-6%	\$392	\$442	\$490	\$404	\$454	\$506	16.0X	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.
DiamondRock Hospitality	DRH	\$10.25	Hold	\$9	-12%	\$83	\$196	\$255	\$84	\$196	\$255	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	\$163.14	Hold	\$152	-7%	\$1,470	\$2,290	\$2,848	\$1,629	\$2,453	\$3,008	17.0X	Downside risk: Disruption in a major market (HGV more concentrated than peers), issues with Japanese customer (HGV more engaged than peers), difficulty sourcing additional fee-for-service inventory deals.
Hilton Grand Vacations	HGV	\$50.17	Buy	\$63	25%	\$585	\$865	\$982	\$637	\$932	\$1,048	9.4X	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.
Host Hotels & Resorts	HST	\$20.43	Hold	\$19	-7%	\$532	\$1,145	\$1,414	\$532	\$1,145	\$1,414	12.5X	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. Apple Leisure Group underperforms 2023 guidance.
Hyatt Hotels	H	\$99.64	Buy	\$111	11%	\$234	\$715	\$979	\$284	\$770	\$1,039	14.5X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep 2022 recession.
Marriott International	MAR	\$188.78	Hold	\$182	-4%	\$1,977	\$3,231	\$3,870	\$2,278	\$3,533	\$4,185	16.8X	Downside risk: MSA story fades and multiples revert to historical levels.
Marriott Vacations	VAC	\$155.07	Buy	\$201	29%	\$524	\$342	\$1,380	\$657	\$908	\$1,026	10.0X	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. 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.
Park Hotels & Resorts	PK	\$19.79	Hold	\$18	-9%	\$123	\$486	\$686	\$142	\$506	\$710	12.0X	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.
Pebblebrook Hotel Trust***	PEB	\$25.05	Hold	\$24	-4%	\$88	\$297	\$435	\$88	\$297	\$435	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	\$8.81	Hold	\$8	-9%	\$86	\$172	\$216	\$99	\$186	\$229	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	\$14.12	Buy	\$18	27%	\$145	\$271	\$419	\$162	\$291	\$440	12.0X	Upside risk: recovering group and Entertainment demand faster than expected, better margin recovery. Downside risk: Group demand returns slower than expected. Property-specific risks given a small portfolio.
Ryman Hospitality Properties	RHP	\$98.19	Hold	\$85	-13%	\$162	\$448	\$630	\$177	\$476	\$559	13.0X	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. Mortgage EBITDA stabilizes well lower than expected.
Sunstone Hotel Investors	SHO	\$12.08	Hold	\$11	-9%	\$54	\$183	\$236	\$67	\$195	\$248	12.5X	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	\$265.23	Hold	\$278	5%	\$540	\$830	\$893	\$540	\$830	\$893	16.0X	Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.
Travel + Leisure Co.	TNL	\$55.28	Buy	\$77	39%	\$748	\$872	\$998	\$778	\$904	\$1,030	8.6X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	\$89.92	Buy	\$93	3%	\$562	\$579	\$680	\$590	\$616	\$721	15.0X	Downside risk: Slowdown in development opportunities. Weaker than expected transient trends.

\* All of our Lodging price targets are derived by applying a target EVEBITDA 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

## Companies Mentioned in This Note

**Bluegreen Vacations Holding Corporation** (BVH, \$27.80, Buy, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$147.58, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$10.25, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$99.64, Buy, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$50.17, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$163.14, Hold, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$20.43, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$188.78, Hold, C. Patrick Scholes)  
**Vail Resorts, Inc.** (MTN, \$265.23, Hold, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$25.05, Hold, Gregory Miller)  
**Park Hotels & Resorts Inc.** (PK, \$19.79, Hold, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$8.81, Hold, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$98.19, Hold, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$14.12, Buy, Gregory Miller)  
**Sunstone Hotel Investors, Inc.** (SHO, \$12.08, Hold, C. Patrick Scholes)  
**Travel + Leisure Co.** (TNL, \$55.28, Buy, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$155.07, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$89.92, Buy, C. Patrick Scholes)

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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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