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**Reasons for this report**

✓ Our analysis of the most recent weekly US lodging results

## Lodging: US RevPAR +13.2% Y/Y Last Week. +13.9% vs. 2019 w/upper-end outperforming lower.

Overall U.S. RevPAR was +13.2% y/y for the week ending 7/30/2022, per STR, flat vs. the prior week's result of +13.4%. Last week's RevPAR was up against a +102.9% comparable result in 2021 vs. +110.0% in the prior week. **On a 3-year run-rate (vs. 2019), RevPAR was +13.9% vs. +9.3% in the prior week's 3-year run-rate.**

As noted below, we continue to observe the upper-end outperforming the lower, likely due to the return of business and group travel to these segments whereas the lower-end chain scales, while still significantly performing above 2019 levels, have difficult y/y leisure comps. Additionally, we continue to observe some of last year's "hot" leisure markets, especially those in Florida, showing some of the weakest results of the top-25 markets, notably Miami -1.6% y/y and Tampa +3.3% y/y. We attribute the weakness in "hot" leisure markets to Americans returning to Europe for vacation (see our forthcoming international RevPAR note for color), the dilutive impact of significant growth in short term rental supply, and from record-high room rates in these markets that are starting to price-out some customers.

**Major RevPAR statistics presented below:**

- Luxury RevPAR: +18.1% y/y and +11.8% over 3 years;
- Upper Upscale RevPAR: +32.2% y/y and +5.6% over 3 years;
- Upscale RevPAR: +19.4 y/y and +9.0% over 3 years;
- Upper Midscale RevPAR: +9.0% y/y and +14.3 over 3 years;
- Midscale RevPAR: +1.9% y/y and +14.4% over 3 years;
- Economy RevPAR: -1.5% y/y and +11.5% over 3 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +7.4% y/y and +20.0% over 3 years; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +84.8% y/y vs. +93.7% prior week; over 3 years: +3.6% vs +2.5% prior week.
  - Transient: +8.6% y/y vs. +6.1% prior week; over 3 years: +14.6% vs +9.3% prior week.

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

- Headline RevPAR was +13.2% y/y vs. the running 28-day average of +11.1% y/y.
- **Occupancy:** Absolute occupancy was 71.9% y/y vs. the running 28-day average of 70.0% y/y.
- **Absolute Group occupancy:** 20.3% last week vs. 19.3% for the running 28 days.

Weekly RevPAR Summary

| YoY % change in RevPAR         |              |         |         |  |          |         |         |                                     |        |        |         |        |        |
|--------------------------------|--------------|---------|---------|--|----------|---------|---------|-------------------------------------|--------|--------|---------|--------|--------|
| U.S.                           | Upper        |         | Upper   |  | Economy  |         | Inde-   | New York                            | Boston | LA     | Chicago | DC     |        |
|                                | Luxury       | Upscale | Upscale | Midscale                                   | Midscale | Economy | pendent |                                     |        |        |         |        |        |
| 6/4/2022                       | 21.5%        | 36.9%   | 49.4%   | 29.0%                                      | 14.6%    | 7.9%    | 6.1%    | 12.5%                               | 94.9%  | 128.1% | 33.7%   | 123.6% | 99.7%  |
| 6/11/2022                      | <b>32.4%</b> | 60.3%   | 76.1%   | 40.3%                                      | 20.3%    | 10.3%   | 6.8%    | 21.3%                               | 130.7% | 165.1% | 51.4%   | 121.5% | 132.9% |
| 6/18/2022                      | <b>26.6%</b> | 47.9%   | 61.6%   | 35.3%                                      | 18.2%    | 9.2%    | 5.2%    | 15.3%                               | 108.3% | 202.4% | 28.4%   | 120.3% | 124.0% |
| 6/25/2022                      | <b>21.4%</b> | 33.4%   | 48.7%   | 29.8%                                      | 15.4%    | 6.9%    | 3.1%    | 12.2%                               | 100.5% | 98.6%  | 15.0%   | 92.5%  | 110.8% |
| 7/2/2022                       | <b>16.1%</b> | 28.2%   | 40.5%   | 25.4%                                      | 11.4%    | 3.2%    | -0.4%   | 6.7%                                | 61.3%  | 71.9%  | 22.5%   | 87.5%  | 73.8%  |
| 7/9/2022                       | <b>2.9%</b>  | 7.0%    | 12.0%   | 6.8%                                       | 0.0%     | -3.9%   | -0.0%   | 0.0%                                | 27.5%  | 48.0%  | 6.3%    | 25.4%  | 35.0%  |
| 7/16/2022                      | <b>14.0%</b> | 24.6%   | 34.1%   | 21.0%                                      | 8.9%     | 2.1%    | -2.0%   | 7.2%                                | 65.7%  | 82.7%  | 14.5%   | 73.2%  | 59.5%  |
| 7/23/2022                      | <b>13.4%</b> | 20.8%   | 32.0%   | 20.7%                                      | 8.7%     | 2.6%    | -0.6%   | 6.6%                                | 53.9%  | 66.7%  | 22.7%   | 60.4%  | 55.7%  |
| 7/30/2022                      | <b>13.2%</b> | 18.1%   | 32.2%   | 19.4%                                      | 9.0%     | 1.9%    | -1.5%   | 7.4%                                | 52.5%  | 67.1%  | 14.6%   | 41.8%  | 61.2%  |
| Clean comp; Miami negative y/y |              |         |         | Upper Upscale and Upscale led the industry |          |         |         | Boston and DC led the Top 5 markets |        |        |         |        |        |
| 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%  | -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%  |
| 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% |
| 1Q22                           | 67.2%        | 112.3%  | 127.2%  | 69.7%                                      | 51.0%    | 38.2%   | 24.3%   | 58.3%                               | 97.1%  | 137.1% | 115.2%  | 85.1%  | 58.1%  |
| 2Q22                           | 38.8%        | 70.2%   | 82.9%   | 46.8%                                      | 26.2%    | 15.4%   | 8.8%    | 27.7%                               | 141.2% | 172.1% | 51.0%   | 109.5% | 145.7% |

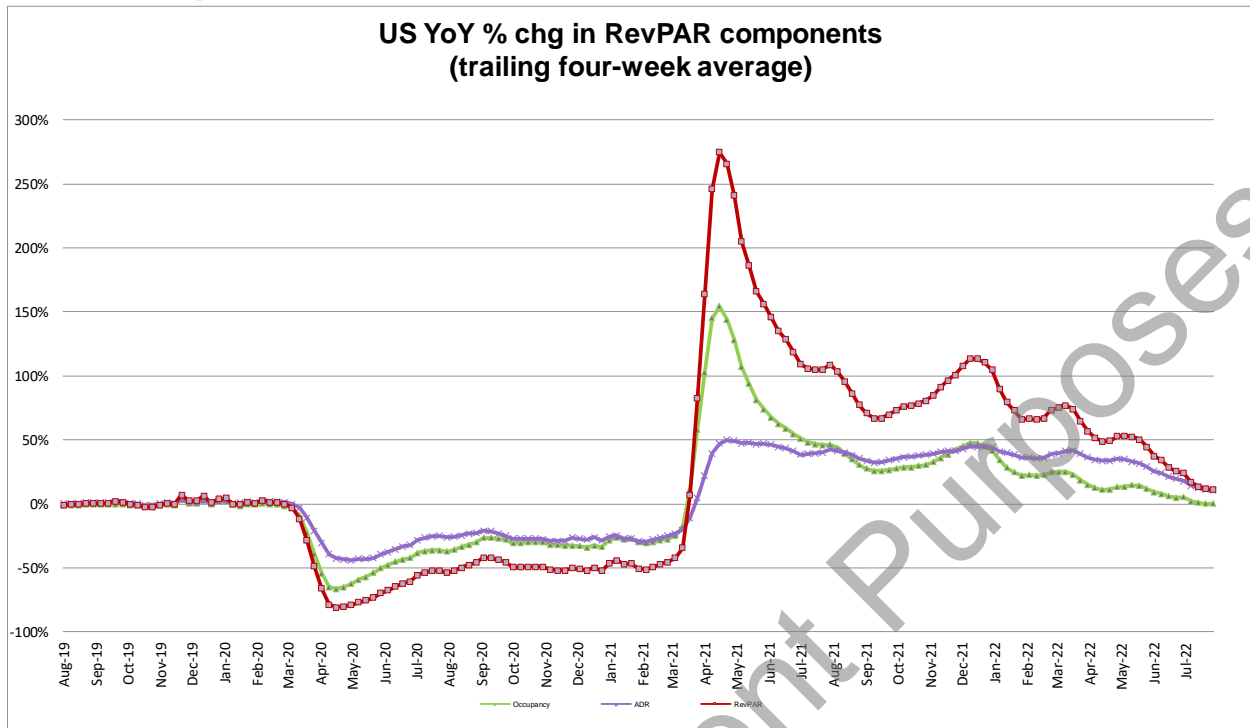
| YoY % change in ADR |              |         |         |          |          |         |         |          |        |        |         |        |        |
|---------------------|--------------|---------|---------|----------|----------|---------|---------|----------|--------|--------|---------|--------|--------|
| U.S.                | Upper        |         | Upper   |          | Economy  |         | Inde-   | New York | Boston | LA     | Chicago | DC     |        |
|                     | Luxury       | Upscale | Upscale | Midscale | Midscale | Economy | pendent |          |        |        |         |        |        |
| 6/4/2022            | 18.5%        | 10.0%   | 21.5%   | 21.1%    | 14.3%    | 12.1%   | 10.4%   | 13.7%    | 51.3%  | 59.6%  | 25.1%   | 69.1%  | 42.6%  |
| 6/11/2022           | <b>23.3%</b> | 15.8%   | 28.7%   | 24.3%    | 15.8%    | 12.5%   | 10.5%   | 17.9%    | 67.3%  | 75.4%  | 31.7%   | 62.1%  | 56.0%  |
| 6/18/2022           | <b>19.4%</b> | 11.6%   | 23.5%   | 21.8%    | 14.1%    | 11.2%   | 9.2%    | 13.6%    | 56.8%  | 88.7%  | 21.1%   | 57.3%  | 53.2%  |
| 6/25/2022           | <b>17.0%</b> | 7.9%    | 20.1%   | 19.8%    | 13.1%    | 9.8%    | 7.9%    | 12.7%    | 55.5%  | 50.0%  | 15.5%   | 45.7%  | 51.3%  |
| 7/2/2022            | <b>12.4%</b> | 1.8%    | 13.3%   | 15.3%    | 9.5%     | 6.6%    | 5.5%    | 8.1%     | 33.6%  | 38.7%  | 16.8%   | 40.0%  | 35.0%  |
| 7/9/2022            | <b>9.0%</b>  | 6.0%    | 8.8%    | 11.0%    | 7.0%     | 5.5%    | 4.4%    | 7.6%     | 19.5%  | 32.0%  | 12.3%   | 19.3%  | 19.6%  |
| 7/16/2022           | <b>12.1%</b> | 6.2%    | 13.5%   | 14.2%    | 8.6%     | 6.2%    | 4.5%    | 9.0%     | 34.0%  | 43.0%  | 15.5%   | 38.1%  | 27.9%  |
| 7/23/2022           | <b>11.0%</b> | 4.0%    | 12.7%   | 13.9%    | 7.8%     | 6.4%    | 4.6%    | 7.5%     | 29.3%  | 35.5%  | 18.7%   | 30.4%  | 25.9%  |
| 7/30/2022           | <b>10.2%</b> | 3.2%    | 11.5%   | 12.5%    | 7.0%     | 5.3%    | 3.7%    | 7.4%     | 25.8%  | 34.9%  | 11.8%   | 23.6%  | 27.8%  |
| 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%  | -34.5%   | -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%  | -5.8%   | -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%   | -12.7%   | -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%   | 52.8%    | 33.5%  | 39.0%  | 42.5%   | 46.1%  | 23.1%  |
| 3Q21                | 36.2%        | 31.8%   | 35.0%   | 29.7%    | 28.3%    | 23.5%   | 21.3%   | 52.8%    | 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%   | 64.9%  | 41.6%  |
| 1Q22                | 37.5%        | 21.0%   | 39.7%   | 34.1%    | 27.3%    | 26.8%   | 17.3%   | 34.0%    | 52.2%  | 50.5%  | 61.8%   | 41.1%  | 31.7%  |
| 2Q22                | 26.2%        | 14.3%   | 29.0%   | 27.1%    | 18.9%    | 14.8%   | 11.6%   | 20.5%    | 69.0%  | 73.6%  | 32.9%   | 53.6%  | 60.6%  |

| YoY % change in Occupancy |              |         |         |          |          |         |         |          |        |        |         |        |        |
|---------------------------|--------------|---------|---------|----------|----------|---------|---------|----------|--------|--------|---------|--------|--------|
| U.S.                      | Upper        |         | Upper   |          | Economy  |         | Inde-   | New York | Boston | LA     | Chicago | DC     |        |
|                           | Luxury       | Upscale | Upscale | Midscale | Midscale | Economy | pendent |          |        |        |         |        |        |
| 6/4/2022                  | 2.5%         | 24.5%   | 23.0%   | 6.5%     | 0.3%     | -3.7%   | -3.9%   | -1.1%    | 28.8%  | 42.9%  | 6.9%    | 32.2%  | 40.0%  |
| 6/11/2022                 | <b>7.4%</b>  | 38.4%   | 36.8%   | 12.9%    | 3.8%     | -1.9%   | -3.3%   | 2.9%     | 37.9%  | 51.1%  | 15.0%   | 36.7%  | 49.3%  |
| 6/18/2022                 | <b>6.0%</b>  | 32.6%   | 30.9%   | 11.0%    | 3.6%     | -1.9%   | -3.7%   | 1.6%     | 32.9%  | 60.2%  | 6.0%    | 40.1%  | 46.2%  |
| 6/25/2022                 | <b>3.8%</b>  | 23.6%   | 23.8%   | 8.3%     | 2.1%     | -2.6%   | -4.5%   | -0.4%    | 28.9%  | 32.4%  | -0.5%   | 32.1%  | 39.3%  |
| 7/2/2022                  | <b>3.3%</b>  | 25.9%   | 24.0%   | 8.8%     | 1.8%     | -3.2%   | -5.6%   | -1.3%    | 20.8%  | 23.9%  | 4.9%    | 33.9%  | 28.7%  |
| 7/9/2022                  | <b>-5.6%</b> | 1.0%    | 2.9%    | -3.8%    | -6.5%    | -8.9%   | -8.0%   | -7.1%    | 6.7%   | 12.1%  | -5.3%   | 5.1%   | 12.9%  |
| 7/16/2022                 | <b>1.7%</b>  | 17.3%   | 18.1%   | 6.0%     | 0.3%     | -3.8%   | -6.2%   | -1.6%    | 23.6%  | 27.7%  | -0.8%   | 25.4%  | 24.7%  |
| 7/23/2022                 | <b>2.1%</b>  | 16.2%   | 17.1%   | 5.9%     | 0.8%     | -3.5%   | -5.0%   | -0.8%    | 19.0%  | 23.0%  | 3.3%    | 23.0%  | 23.6%  |
| 7/30/2022                 | <b>2.8%</b>  | 14.4%   | 18.5%   | 6.2%     | 1.8%     | -3.3%   | -5.0%   | 0.0%     | 21.2%  | 23.9%  | 2.5%    | 14.8%  | 26.1%  |
| 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%    | -0.6%    | -0.7%   | 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%  | 83.8%  |
| 3Q21                      | 34.9%        | 128.5%  | 94.7%   | 47.4%    | 34.7%    | 26.6%   | 15.2%   | 28.8%    | 64.0%  | 95.2%  | 36.9%   | 67.0%  | 52.1%  |
| 4Q21                      | 38.8%        | 143.4%  | 101.3%  | 47.8%    | 35.6%    | 26.3%   | 15.4%   | 33.9%    | 87.3%  | 92.1%  | 53.9%   | 79.4%  | 62.2%  |
| 1Q22                      | 56.2%        | 54.0%   | 53.2%   | 60.3%    | 59.4%    | 52.3%   | 55.5%   | 54.2%    | 29.5%  | 57.6%  | 33.0%   | 31.2%  | 20.1%  |
| 2Q22                      | 10.0%        | 48.8%   | 41.8%   | 15.5%    | 6.2%     | 0.5%    | -2.6%   | 5.9%     | 42.7%  | 56.7%  | 13.7%   | 36.3%  | 53.0%  |

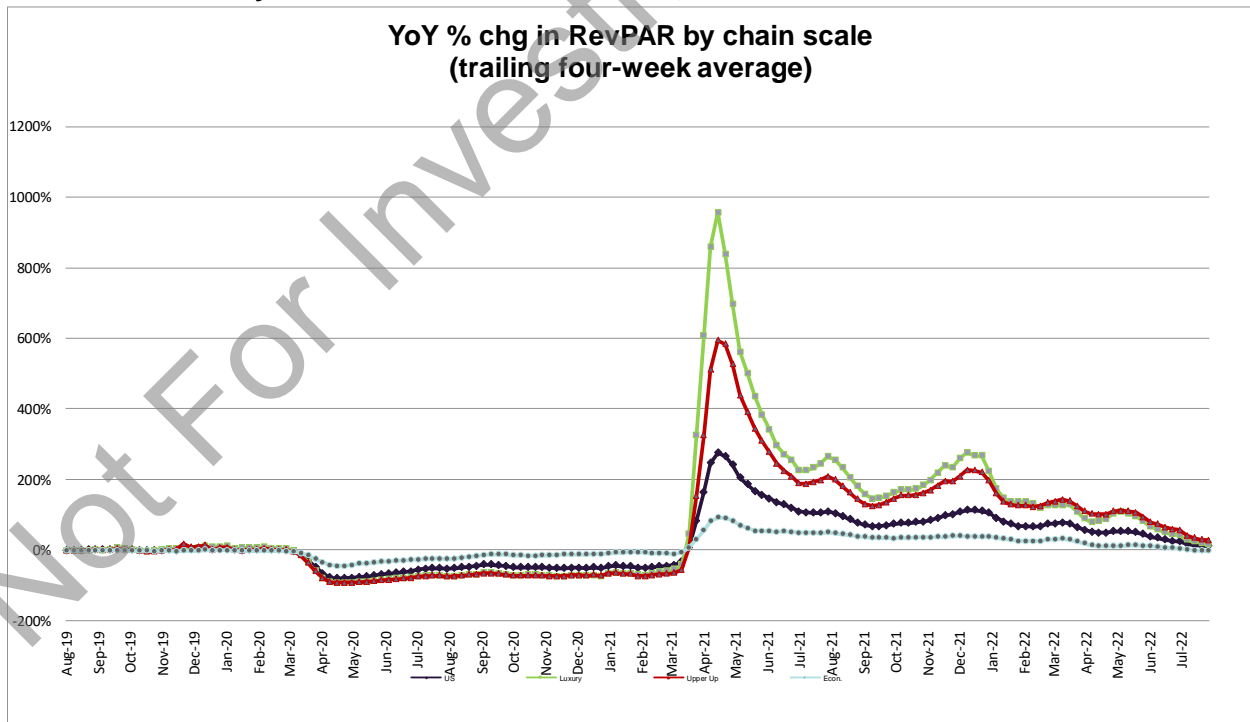
Source: STR data, Truist Securities research

RevPAR Component Trends



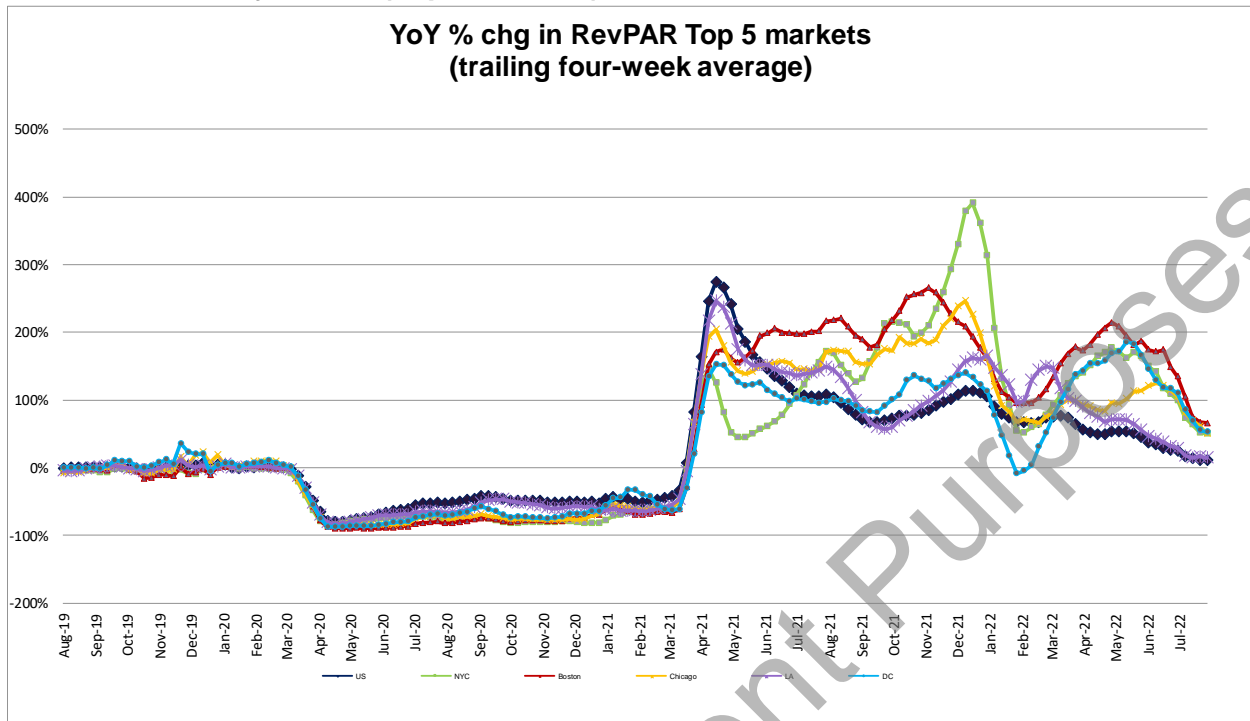
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



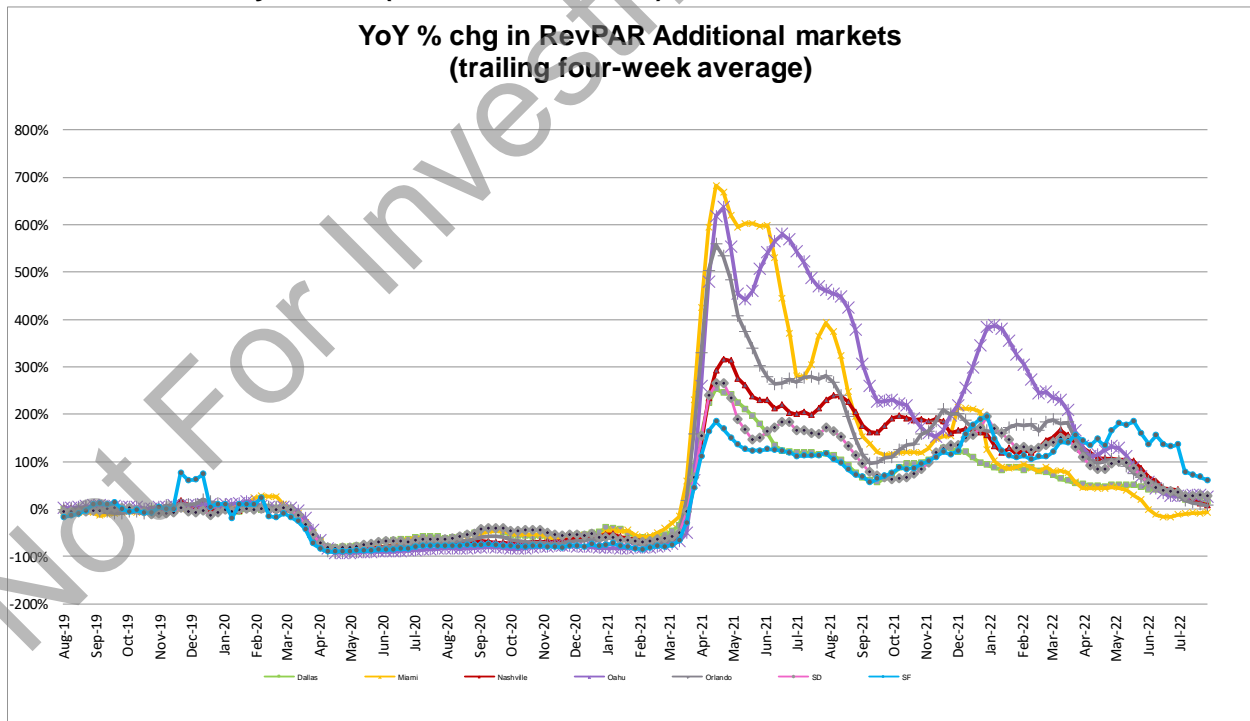
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



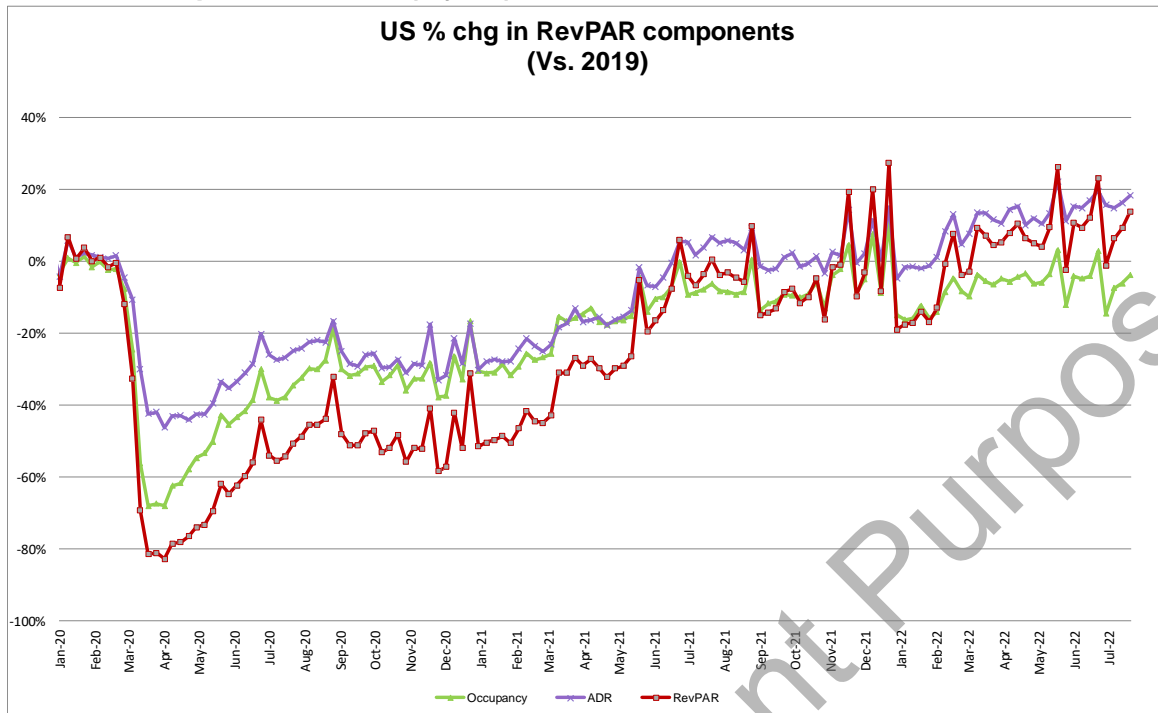
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



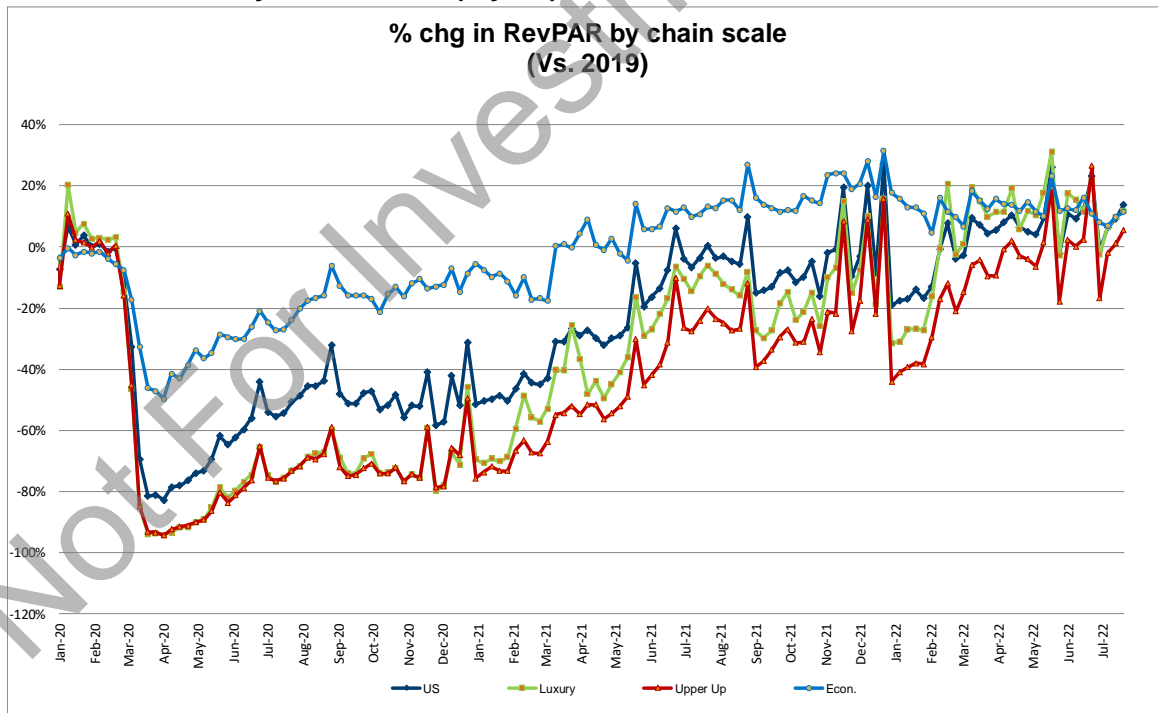
Source: STR data, Truist Securities research

RevPAR Component Trends (3-year)



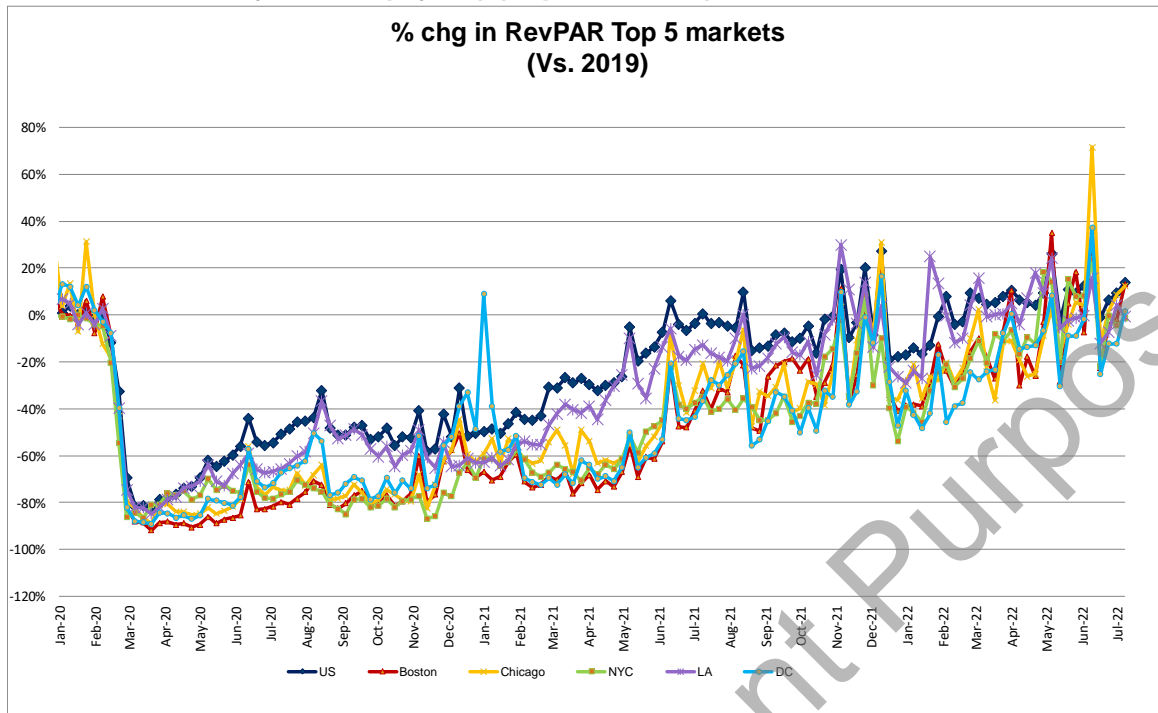
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (3-year)



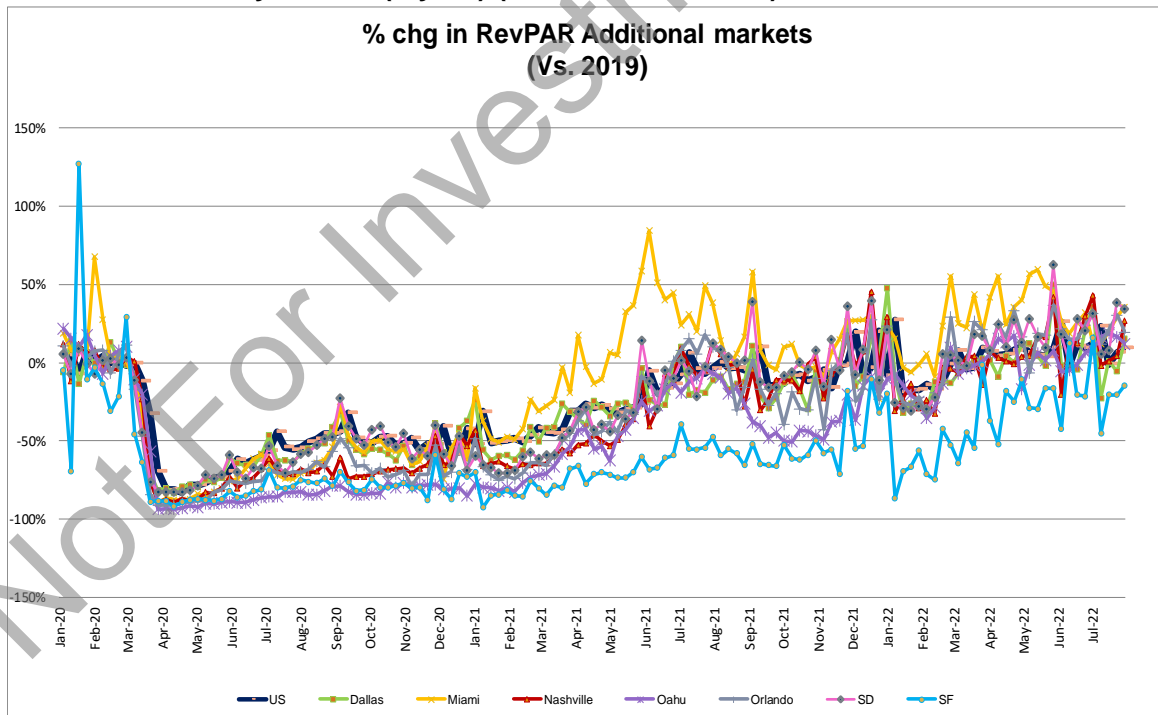
Source: STR data, Truist Securities research

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<br>8/2/22 | Rating | PT*   | % upside/<br>down-<br>side | Truist Securities Valuation EBITDA excluding<br>Stock Based Comp/Other |                            |                            | As Reported/Consensus/Data Aggregator<br>"Headline" EBITDA |                           |                           | Target<br>EV/EBITDA<br>Multiple | Risks<br><br>Note: COVID-19 represents a material risk<br>to our entire coverage especially related<br>to the length/severity of the demand shock.   |
|------------------------------|------|-----------------|--------|-------|----------------------------|--|----------------------------|----------------------------|--|---------------------------|---------------------------|---------------------------------|--|
|                              |      |                 |        |       |                            | 2021A<br>EBITDA<br>(\$M)**   | 2022E<br>EBITDA<br>(\$M)** | 2023E<br>EBITDA<br>(\$M)** | 2021A<br>EBITDA<br>(\$M)*                                  | 2022E<br>EBITDA<br>(\$M)* | 2023E<br>EBITDA<br>(\$M)* |                                 |  |
| Bluegreen Vacations          | BVH  | \$26.43         | Buy    | \$57  | 114%                       | \$122  | \$151                      | \$167                      | \$122  | \$151                     | \$167                     | 7.6X                            | Downside risk: controlled company issues, limited cap/ltat, loan defaults, and macroeconomic risk.   |
| Choice Hotels                | CHH  | \$117.72        | Hold   | \$138 | 17%                        | \$392  | \$446                      | \$487                      | \$404  | \$459                     | \$503                     | 16.0X                           | Upside risk: conservative growth of new brands; market share gains. Downside risk: slowdown in development opportunities; market share losses.   |
| DiamondRock Hospitality      | DRH  | \$9.12          | Hold   | \$11  | 21%                        | \$83   | \$257                      | \$289                      | \$84   | \$257                     | \$289                     | 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  | \$128.68        | Hold   | \$151 | 17%                        | \$1,470  | \$2,217                    | \$2,881                    | \$1,629  | \$2,338                   | \$2,996                   | 17.0X                           | Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.  |
| Hilton Grand Vacations       | HGV  | \$41.26         | Buy    | \$64  | 54%                        | \$585  | \$865                      | \$982                      | \$637  | \$932                     | \$1,048                   | 9.4X                            | 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  | \$17.30         | Hold   | \$21  | 21%                        | \$532  | \$1,315                    | \$1,493                    | \$532  | \$1,315                   | \$1,493                   | 12.5X                           | Upside risk: faster demand improvement in corporate/convention travel than expected. Dispositions at higher multiple than expected, 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    | \$83.38         | Buy    | \$121 | 45%                        | \$234  | \$733                      | \$990                      | \$284  | \$785                     | \$1,048                   | 14.0X                           | 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.  |
| Marriott International       | MAR  | \$158.24        | Hold   | \$182 | 15%                        | \$1,977  | \$3,351                    | \$3,899                    | \$2,278  | \$3,640                   | \$4,200                   | 16.8X                           | Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.  |
| Marriott Vacations           | VAC  | \$138.68        | Buy    | \$205 | 48%                        | \$524  | \$342                      | \$1,380                    | \$657  | \$915                     | \$1,044                   | 10.0X                           | Downside risk: M&A story fades and multiples revert to historical levels. 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   | \$15.20         | Buy    | \$22  | 45%                        | \$123  | \$567                      | \$752                      | \$142  | \$585                     | \$776                     | 12.0X                           | Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets. Faster than expected San Francisco recovery. 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  | \$18.92         | Hold   | \$24  | 27%                        | \$88   | \$388                      | \$431                      | \$88   | \$399                     | \$444                     | 14.5X                           | Downside risk: demand shocks, hurricanes, reduced airift, new supply, country-specific risks (emerging market portfolio)   |
| Playa Hotels & Resorts       | PLYA | \$6.83          | Buy    | \$11  | 61%                        | \$86   | \$203                      | \$245                      | \$99   | \$217                     | \$258                     | 10.5X                           | 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 materially reduced either due to increased wages/benefits or inability to cut costs post-tech improvements   |
| RLJ Lodging Trust***         | RLJ  | \$12.25         | Buy    | \$17  | 39%                        | \$145  | \$297                      | \$405                      | \$162  | \$318                     | \$427                     | 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  | \$87.13         | Hold   | \$95  | 9%                         | \$162  | \$471                      | \$573                      | \$177  | \$497                     | \$601                     | 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. Montage EBITDA stabilizes well lower than expected.                         |
| Sunstone Hotel Investors     | SHO  | \$11.06         | Hold   | \$12  | 8%                         | \$54   | \$186                      | \$254                      | \$67   | \$199                     | \$266                     | 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  | \$238.40        | Hold   | \$281 | 18%                        | \$540  | \$837                      | \$893                      | \$540  | \$837                     | \$893                     | 16.0X                           | Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.   |
| Travel + Leisure Co.         | TNL  | \$42.80         | Buy    | \$78  | 81%                        | \$748  | \$835                      | \$971                      | \$778  | \$873                     | \$1,013                   | 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   | \$68.31         | Buy    | \$92  | 35%                        | \$562  | \$586                      | \$653                      | \$590  | \$621                     | \$695                     | 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 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



## Companies Mentioned in This Note

**Bluegreen Vacations Holding Corporation** (BVH, \$26.43, Buy, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$117.72, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$9.12, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$83.38, Buy, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$41.26, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$128.68, Hold, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$17.30, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$158.24, Hold, C. Patrick Scholes)  
**Vail Resorts, Inc.** (MTN, \$238.40, Hold, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$18.92, Hold, Gregory Miller)  
**Park Hotels & Resorts Inc.** (PK, \$15.20, Buy, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$6.83, Buy, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$87.13, Hold, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$12.25, Buy, Gregory Miller)  
**Sunstone Hotel Investors, Inc.** (SHO, \$11.06, Hold, C. Patrick Scholes)  
**Travel + Leisure Co.** (TNL, \$42.80, Buy, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$138.68, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$68.31, Buy, C. Patrick Scholes)

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