

CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: US RevPAR +16.9% Y/Y Last Week. +12.2% vs. 2019, strong results aided by hurricane comp

Overall U.S. RevPAR was +16.9% y/y for the week ending 8/20/2022, per STR, slightly stronger than the prior week's result of +13.2%. Last week's RevPAR was up against a +74.9% comparable result in 2021 vs. +77.8% in the prior week. **On a 3-year run-rate (vs. 2019), RevPAR was +12.2% vs. +10.5% in the prior week's 3-year run-rate.**

Overall results were strong last week although aided by a couple easier comps: Delta variant + Tropical Storm Henri (y/y).

The good news outside of the easy comps is that ADR continues to lead the charge on RevPAR growth both y/y and vs. 2019. ADR growth is of great benefit given flow to profits over labor-intensive occupancy.

- A good example: last week's y/y percent change was +5.8% occupancy, +10.4% ADR, and +16.9% RevPAR. Running 28 days was +3.9%, +9.6%, and +13.9%, respectively (perhaps the easy comp a factor in the variance between last week and R28 days, but one can see RevPAR growth is led by room rates).
- Vs. 2019:
 - Last week: occupancy -3.9%, ADR +16.7%, RevPAR +12.2%
 - Running 28 days: occupancy -4.5%, ADR +16.6%, RevPAR +11.3%
 - Very disparate results by chain scale.
 - Both last week and over the last month: Flattish to slightly negative occupancy in Upper Midscale-Economy with ADR up low-to-mid teens. RevPAR up +10-17%.
 - Luxury/Upper Upscale occupancy down low-to-mid teens, ADR up ~ 13% for Upper Upscale and +25-30% for Luxury. Upper Upscale RevPAR flattish to slightly negative. Luxury RevPAR up about 10%.
- We add that outside-the-room spend at higher end hotels benefits profits as well ([we linked here to an article in the WSJ yesterday on "resortainment" to both corporate group and leisure](#) that referenced several public C-corps and one REIT (Pebblebrook).

As discussed last week: we remind investors that the 2019 comp becomes very noisy in next week's results given the massively-sized Category 5 Hurricane Dorian was a near hit to the Florida coastline over Labor Day weekend. [Note this hurricane was tracked by NOAA and other federal government officials in late August to proceed west making landfall between Palm Beach and Daytona Beach and then through Orlando and eventually somewhere in the Gulf](#) -- but the storm was so large that the entire state of Florida was at risk (The Guardian). The actual track: parts of the northern Caribbean were directly hit (USVI around August 28th although the storm was initially intended to track further south toward Puerto Rico and the Dominican Republic, therefore impacting some demand to resorts in the U.S. Southeast) and we recall light inbound arrivals at Miami International Airport prior to Labor Day Eventually Dorian made landfall in North Carolina on 9/6 as a Category 2 storm. **Due to the disruption of travel in 2019, and assuming for now no 2022 hurricanes, the comps should present as easy vs. 2019 starting next week. We add that we do not recall Dorian being mentioned much if at all by companies during 2Q earnings when discussing August and September.**

Major RevPAR statistics presented below:

- Luxury RevPAR: +27.3% y/y and +11.3% over 3 years;
- Upper Upscale RevPAR: +33.7% y/y and -2.3% over 3 years;
- Upscale RevPAR: +21.3% y/y and +4.4% over 3 years;
- Upper Midscale RevPAR: +12.6% y/y and +13.3% over 3 years;
- Midscale RevPAR: +5.4% y/y and +17.3% over 3 years;
- Economy RevPAR: +1.3% y/y and +16.7% over 3 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +12.6% y/y and +21.1% over 3 years; and
- Within Upper Upscale & Luxury class hotels:
 - Group: +58.1% y/y vs. +66.5% prior week; over 3 years: -5.6% vs +0.4% prior week.
 - Transient: +18.4% y/y vs. +12.4% prior week; over 3 years: +11.8% vs +9.1% prior week.

Last week's RevPAR details and sequential trends:

- Headline RevPAR was +16.9% y/y vs. the running 28-day average of +13.9% y/y.
- **Occupancy:** Absolute occupancy was 67.3% y/y vs. 69.4% for the running 28-day average.
- **Absolute Group occupancy:** 16.1% last week vs. 18.1% for the running 28 days.

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	Midscale	Midscale							
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	32.4%	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	26.6%	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	21.4%	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	16.1%	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	2.9%	7.0%	12.0%	6.8%	0.0%	-3.9%	-4.0%	0.0%	27.5%	48.0%	6.3%	25.4%	35.0%
7/16/2022	14.9%	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	13.4%	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	13.2%	18.1%	32.2%	19.4%	9.0%	1.9%	-1.5%	7.4%	52.5%	67.1%	14.6%	41.8%	61.2%
8/6/2022	12.2%	14.7%	28.1%	17.9%	9.5%	2.9%	0.5%	6.7%	51.2%	40.5%	12.0%	48.4%	35.4%
8/13/2022	13.2%	22.9%	31.2%	18.1%	8.7%	1.7%	-1.3%	8.5%	59.6%	55.0%	14.9%	33.9%	45.1%
8/20/2022	16.9%	27.3%	33.7%	21.3%	12.6%	5.4%	1.3%	12.6%	53.3%	49.0%	22.4%	46.5%	36.9%

Strong results aided by hurricane comp

Upper Upscale and Luxury led the industry

NYC and Boston 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%	108.5%	145.7%

YoY % change in ADR

U.S.	Upper			Upper			Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Midscale	Midscale	Midscale							
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	23.3%	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	19.4%	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	17.0%	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	12.4%	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	9.0%	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	12.1%	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	11.0%	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	10.2%	3.2%	11.5%	12.5%	7.0%	5.3%	3.7%	7.4%	25.8%	34.9%	11.8%	23.6%	27.8%
8/6/2022	8.8%	3.8%	8.9%	10.7%	6.5%	5.4%	4.1%	6.5%	23.7%	21.9%	10.1%	20.0%	15.6%
8/13/2022	8.5%	1.1%	7.8%	10.0%	5.5%	4.4%	3.4%	5.8%	25.8%	28.9%	11.4%	19.3%	19.3%
8/20/2022	10.4%	4.8%	10.1%	11.0%	6.8%	5.9%	4.9%	8.7%	21.3%	23.0%	15.7%	23.6%	15.6%

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%	-2.9%	-8.6%	-8.2%	-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%	-29.8%	-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%	-25.7%	-27.9%
2Q21	43.2%	37.8%	30.6%	21.3%	23.1%	20.4%	16.6%	52.6%	33.9%	36.0%	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%	64.9%	41.6%
1Q22	37.5%	21.0%	39.7%	34.1%	27.3%	20.8%	17.3%	34.0%	62.2%	50.5%	61.8%	41.1%	31.7%
2Q22	26.2%	14.3%	29.0%	27.1%	18.9%	14.8%	11.8%	20.5%	69.0%	73.6%	32.9%	53.6%	60.6%

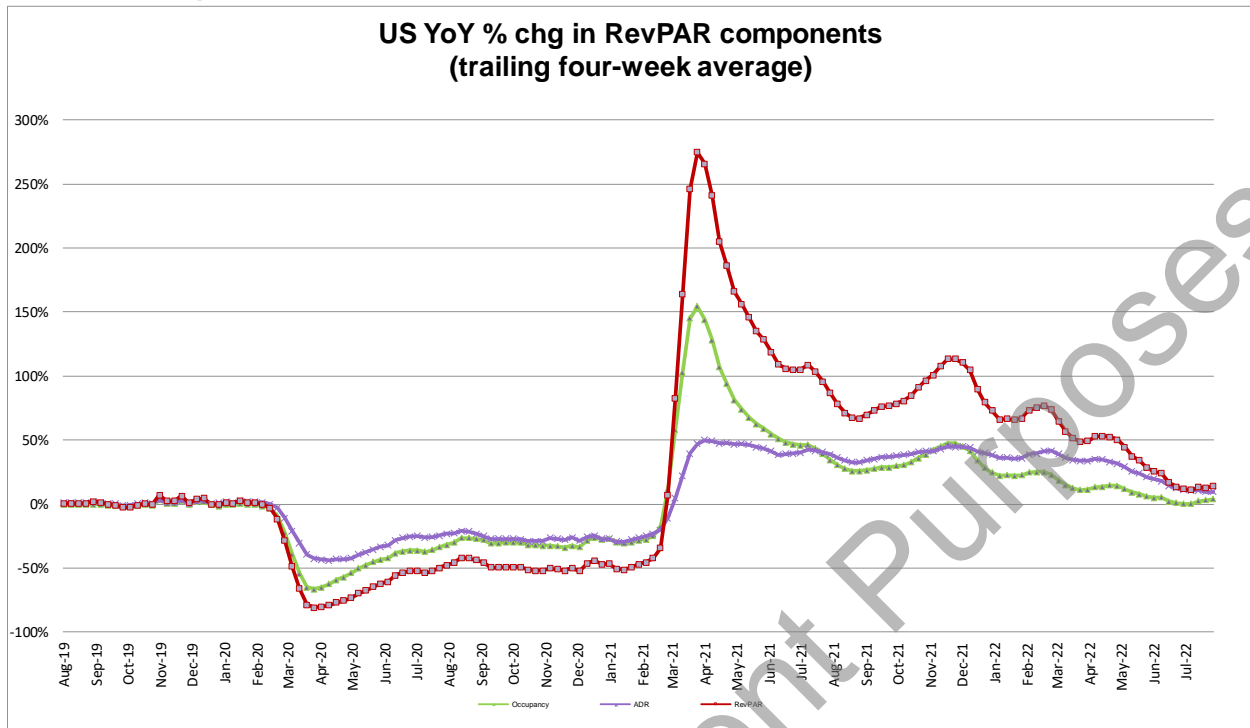
YoY % change in Occupancy

U.S.	Upper			Upper			Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Upscale	Midscale	Midscale	Midscale							
6/4/2022	2.5%	24.5%	23.0%	6.5%	0.3%	-3.7%	3.9%	-1.3%	28.8%	42.9%	6.9%	32.2%	40.0%
6/11/2022	7.4%	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	6.0%	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	3.8%	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	3.3%	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	-5.6%	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	1.7%	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	2.1%	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	2.8%	14.4%	18.5%	6.2%	1.8%	-3.3%	-5.0%	0.0%	21.2%	23.9%	2.5%	14.8%	25.1%
8/6/2022	3.1%	10.5%	17.6%	6.5%	2.8%	-2.3%	-3.5%	0.1%	22.2%	15.3%	1.7%	16.1%	17.1%
8/13/2022	4.4%	21.6%	21.8%	7.4%	3.0%	-2.7%	-4.5%	2.5%	26.9%	20.2%	3.1%	12.2%	21.7%
8/20/2022	5.8%	21.4%	21.4%	9.3%	5.4%	-0.5%	-3.4%	3.6%	26.3%	21.2%	5.8%	18.5%	18.4%

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	31.9%	256.5%	210.5%	125.3%	103.2%	66.7%	35.9%	71.7%	30.2%	111.7%	66.9%	76.8%	83.8%
3Q21	34.9%	128.9%	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%

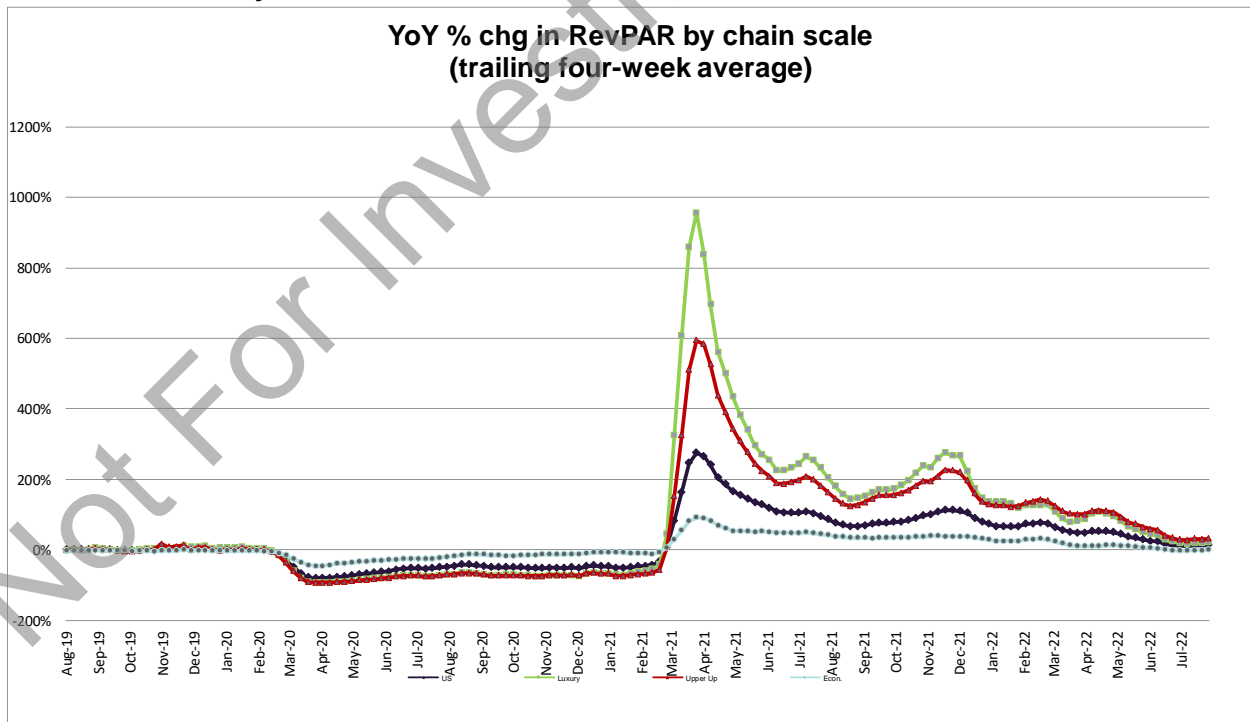
Source: STR data, Truist Securities research

RevPAR Component Trends



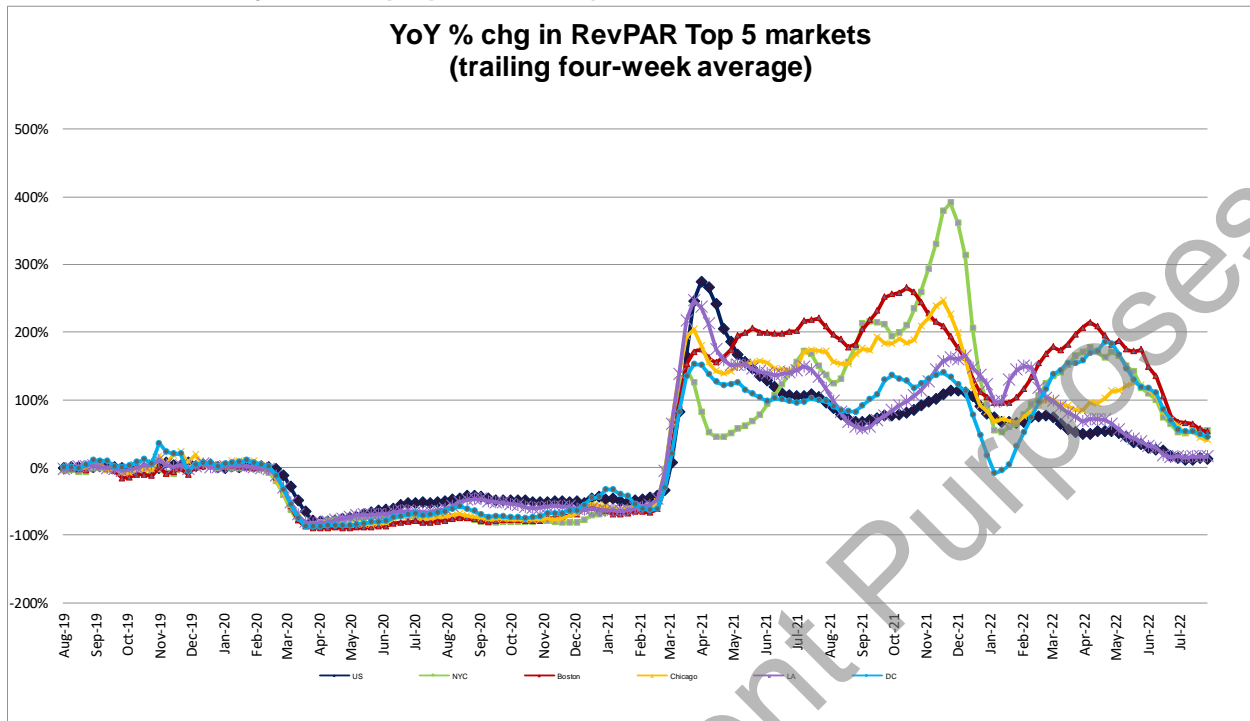
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



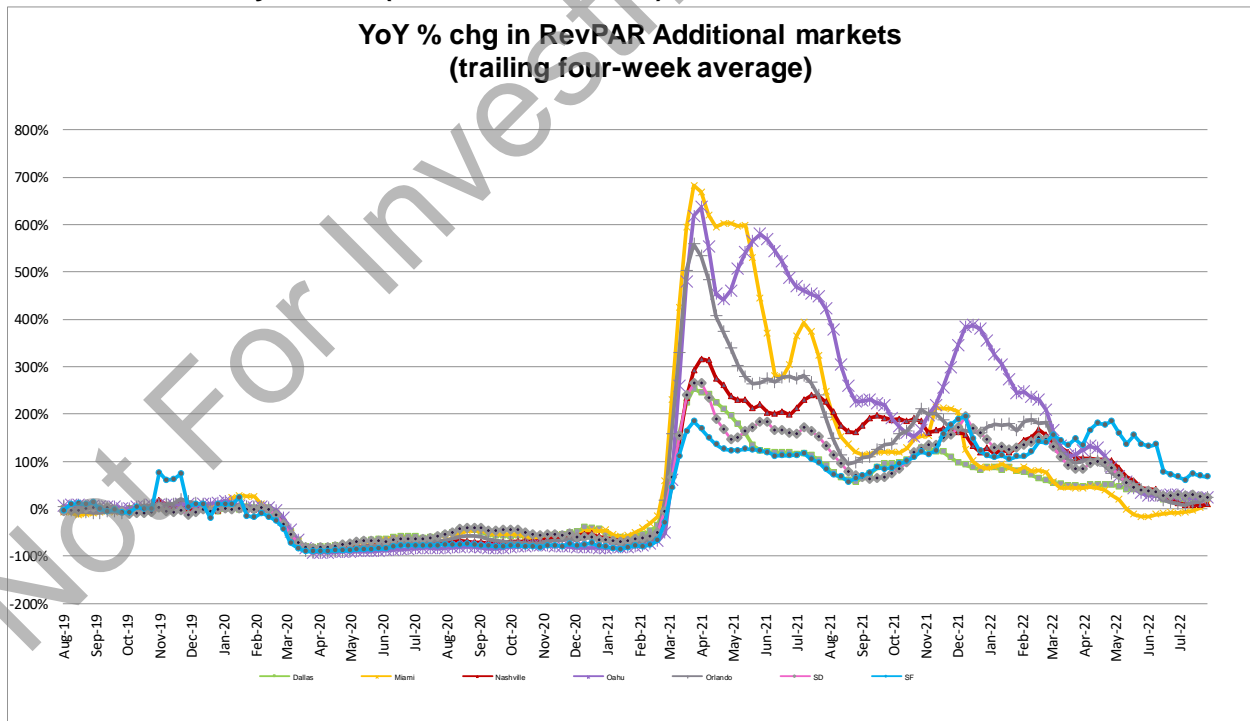
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



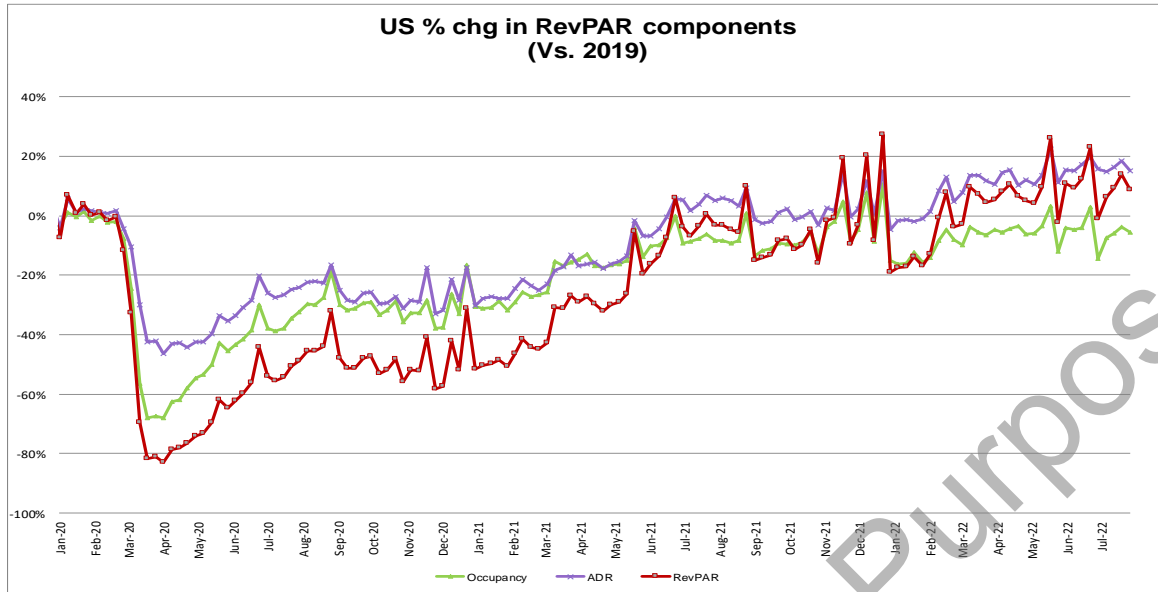
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



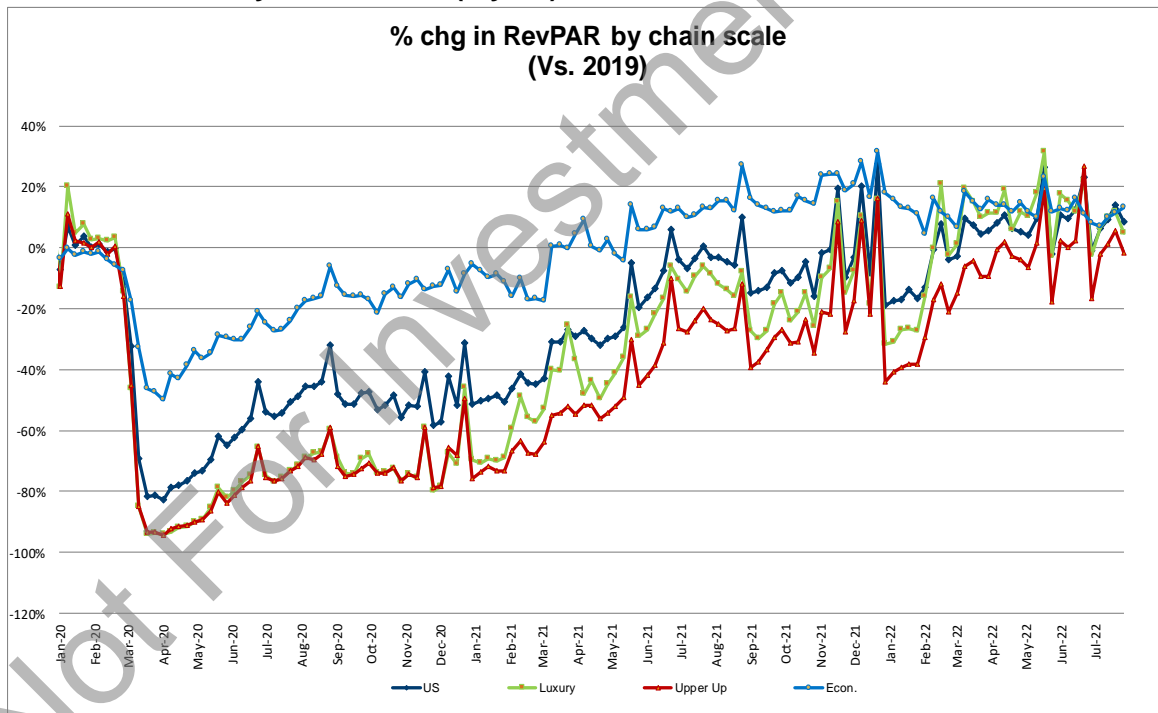
Source: STR data, Truist Securities research

RevPAR Component Trends (3-year)



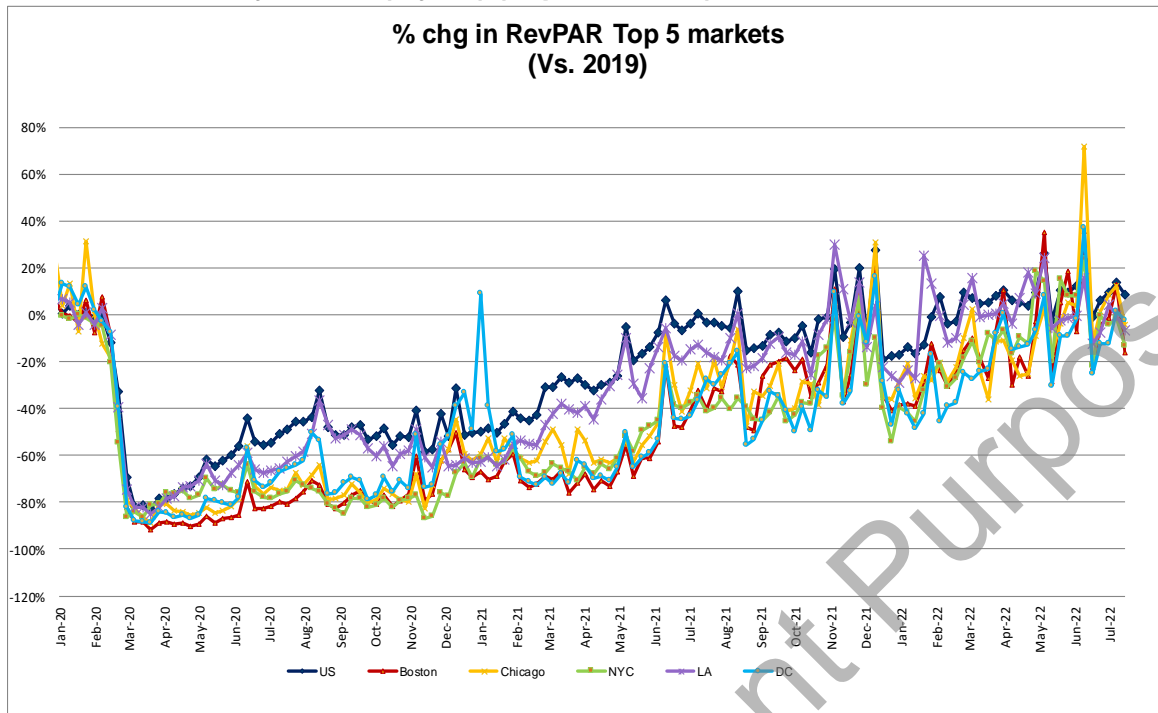
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (3-year)



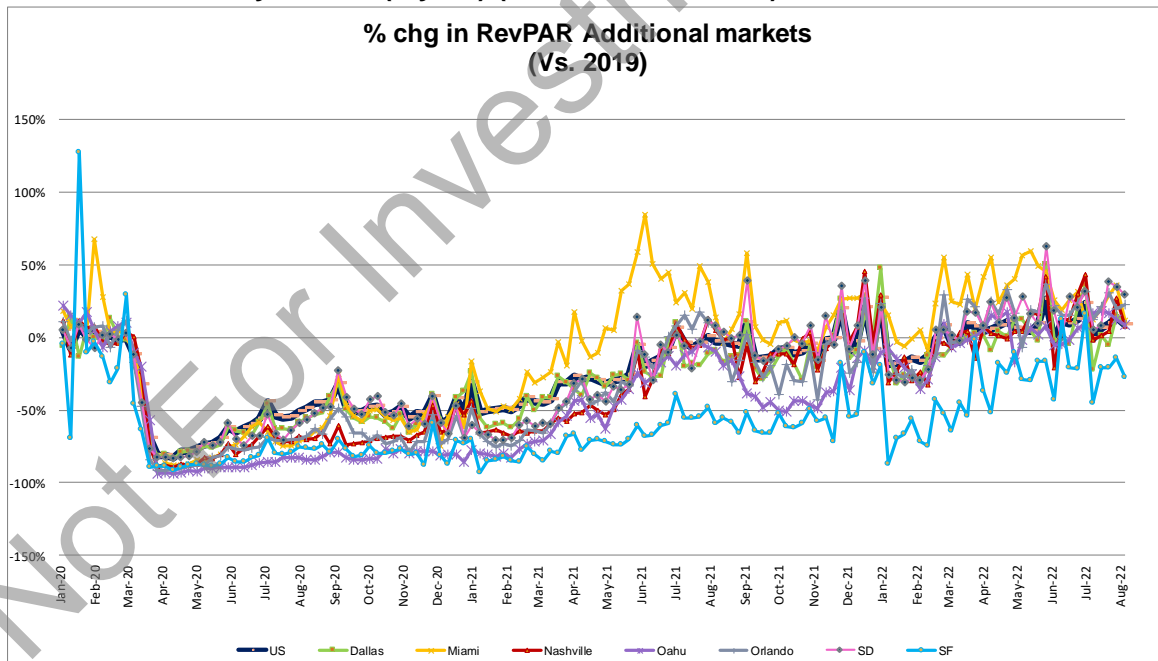
Source: STR data, Truist Securities research

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 8/23/22	Rating	PT*	% upside/ down- side	Truist Securities Valuation EBITDA excluding Stock Based Comp/Other			As Reported/Consensus/Data Aggregator "Headline" EBITDA			Target EVE/EBITDA Multiple	Risks Note: COVID-19 represents a material risk to our entire coverage especially related to the length/severity of the demand shock.
						2021A EBITDA (\$M)**	2022E EBITDA (\$M)**	2023E EBITDA (\$M)**	2021A EBITDA (\$M)*	2022E EBITDA (\$M)*	2023E EBITDA (\$M)*		
Bluegreen Vacations	BVH	\$23.21	Buy	\$57	144%	\$122	\$141	\$156	\$122	\$141	\$156	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	\$118.81	Hold	\$138	16%	\$302	\$446	\$487	\$404	\$459	\$503	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	\$9.27	Hold	\$11	19%	\$83	\$257	\$289	\$84	\$257	\$289	12.0X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Hilton	HLT	\$132.28	Hold	\$151	14%	\$1,470	\$2,217	\$2,881	\$1,629	\$2,338	\$2,996	17.0X	Downside risk: Disruption in a major market (HGV more constrained than peers), issues with Japanese customer (HGV more exposed than peers), difficulty sourcing additional fee-for-service inventory deals.
Hilton Grand Vacations	HGV	\$43.13	Buy	\$64	47%	\$585	\$865	\$982	\$637	\$987	\$1,081	9.4X	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.
Host Hotels & Resorts	HST	\$18.46	Hold	\$21	14%	\$532	\$1,315	\$1,493	\$532	\$1,315	\$1,493	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.
Hyatt Hotels	H	\$91.67	Buy	\$122	33%	\$234	\$881	\$1,073	\$284	\$937	\$1,134	13.8X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Marriott International	MAR	\$158.64	Hold	\$182	15%	\$1,977	\$3,351	\$3,899	\$2,278	\$3,640	\$4,200	16.8X	Downside risk: M&A story fades and multiples revert to historical levels. 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.
Marriott Vacations	VAC	\$146.01	Buy	\$205	40%	\$524	\$342	\$1,380	\$657	\$928	\$1,035	10.0X	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	\$14.60	Buy	\$22	51%	\$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	\$18.81	Hold	\$24	28%	\$88	\$388	\$431	\$88	\$399	\$444	14.5X	Downside risk: demand shocks, hurricanes, reduced airlift, new supply, country-specific risks (emerging market portfolio)
Playa Hotels & Resorts	PLYA	\$6.92	Buy	\$11	59%	\$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	\$12.83	Buy	\$17	33%	\$145	\$344	\$405	\$162	\$366	\$428	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	\$86.27	Hold	\$95	10%	\$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	\$11.69	Hold	\$12	3%	\$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. Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.
Vail Resorts, Inc.	MTN	\$234.59	Hold	\$281	20%	\$540	\$837	\$893	\$540	\$837	\$893	16.0X	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off. Downside risk: Slowdown in development opportunities. Weaker than expected transient trends.
Travel + Leisure Co.	TNL	\$45.31	Buy	\$78	71%	\$748	\$835	\$971	\$778	\$869	\$1,014	8.6X	
Wyndham Hotels & Resorts	WH	\$68.97	Buy	\$92	33%	\$562	\$586	\$653	\$590	\$621	\$695	15.0X	

* All of our Lodging price targets are derived by applying a target EVE/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, \$23.21, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$118.81, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$9.27, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$91.67, Buy, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$43.13, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, \$132.28, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$18.46, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$158.64, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, \$234.59, Hold, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, \$18.81, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, \$14.60, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, \$6.92, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$86.27, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$12.83, Buy, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, \$11.69, Hold, C. Patrick Scholes)
Travel + Leisure Co. (TNL, \$45.31, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$146.01, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, \$68.97, Buy, C. Patrick Scholes)

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