

## CONSUMER: Lodging

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## Reasons for this report

- ✓ Our analysis of the most recent weekly US lodging results

## Lodging: US RevPAR +22.6% Y/Y Last Week as Holiday Shift & Hurricane Helped. +12.9% vs. 2019.

Overall U.S. RevPAR was +22.6% y/y for the week ending 10/1/2022, per STR, softer than the prior week's result of +30.3% y/y. Last week's RevPAR was up against a +75.4% comparable result in 2021 vs. +78.4% in the prior week. **On a 3-year run-rate (vs. 2019), RevPAR was +12.9% vs. +13.9% in the prior week's 3-year run-rate.**

Given the various timings of the Jewish holidays, we believe the week faced an easy y/y comp. This was most evident in the unusually strong results for the Group segment, up 61.4% y/y. For results vs. 2019, we see this as a clean comp albeit on a holiday week with lower corporate travel. 2019 comparisons should be more meaningful post-Holidays in two weeks.

**Hurricane impact thoughts:** Tampa, which was expected to have greater hurricane impact, had clearly challenged results with occupancy -9% y/y last week versus flattish over the last 28 days and occupancy in the 40s/50s as the storm approached. That said, hotels in the interior portions of the coastal markets (western sections of Miami-Palm Beach, eastern sections of Tampa/St. Pete) and metro Orlando likely benefited somewhat from coastal evacuations. Similarly, Southern states also likely benefited from evacuations from Florida.

**Vs. 2019:** The High Holidays occurred on the same days of week in 2019 and 2022, so a clean comp ex-hurricane impact. Given a holiday week, we do not focus as much on comparisons due to somewhat lower business travel during the holiday weeks (especially conventions/corporate groups). Outside of a weather or unexpected demand shock, we expect 2019 results will be more meaningful for analysis of fall corporate travel starting in two weeks.

### Major RevPAR statistics presented below:

- Luxury RevPAR: +34.1% y/y and +10.7% over 3 years;
- Upper Upscale RevPAR: +45.5% y/y and +2.6% over 3 years;
- Upscale RevPAR: +27.0% y/y and +7.5% over 3 years;
- Upper Midscale RevPAR: +15.7% y/y and +15.1% over 3 years;
- Midscale RevPAR: +7.9% y/y and +17.1% over 3 years;
- Economy RevPAR: +4.9% y/y and +17.0% over 3 years;
- Independent hotels (~ 1/3rd of the data set) RevPAR: +16.5% y/y and +17.9% over 3 years; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +61.4% y/y vs. +87.3% prior week; over 3 years: +2.7% vs +7.8% prior week.
  - Transient: +24.6% y/y vs. +32.9% prior week; over 3 years: +11.0% vs +13.4% prior week.

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

- Headline RevPAR was +22.6% y/y vs. the running 28-day average of +24.9% y/y.
- **Occupancy:** Absolute occupancy was 66.4% y/y vs. 66.8% for the running 28-day average.
- **Absolute Group occupancy:** 22.4% last week vs. 23.1% for the running 28 days.

### September and 3Q22 estimates:

For the month of September, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, Hold], Hyatt [H, Buy], or Marriott [MAR, Hold] hotel)

will finish approximately +39-49% y/y for Luxury, +47-55% y/y for Upper Upscale, and +28-32% y/y for Upscale full-service. We estimate that the overall industry will finish approximately +24-28% y/y. Please note that reported monthly results include hotels that are not in the weekly data set.

- On a 3-year basis, we estimate September RevPAR +14-18% for the overall industry.
- By chain scale:
  - Luxury: +13-15%
  - Upper Upscale: +3-7%
  - Upscale: +7-9%

For 3Q, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, Hold], Hyatt [H, Buy], or Marriott [MAR, Hold] hotel) will finish approximately +26-31% for Luxury, +35-39% for Upper Upscale, and +20-24% for Upscale full-service. We estimate that the overall industry will finish approximately +15-19%.

- On a 3-year basis for 3Q, we estimate:
  - Overall industry RevPAR: +10-12%
  - Luxury RevPAR: +8-10%
  - Upper Upscale RevPAR: +0-2%
  - Upscale RevPAR: +4-6%

We summarize our view on the lodging sector at the moment as one of “relative optimism,” a view markedly more favorable than the bear case of “relative pessimism”. Of the lodging stocks our favorite name is [Hyatt \(H, Buy\)](#) which we see in the “sweet spot” of both the group recovery and strength in international markets, most notably the Caribbean. Hyatt generates approx. 30% of earnings from the group segment and 30% from its Caribbean-centric Apple Leisure Group segment. To this we note an EV/EBITDA valuation multiple approx. 350 bps. below that of HLT (Hold) and MAR (Hold). [Additionally, we raised our rating on RHP \(Buy\) to Buy from Hold on 9/7/22 and raised our price target to \\$103 from \\$95.](#) At 75% of its business coming from groups/conventions, RHP has the greatest exposure to this customer segment. *For the lodging sector as a whole, we see the biggest potential drivers of earnings upside coming from corporate group business and associated outside of room spend (aka “Total RevPAR”) and secondarily from the recovery in international markets.*

Not For Investment Purposes

Weekly RevPAR Summary

	YoY % change in RevPAR													
	U.S.	Upper			Upper			Inde-		New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Midscale	Midscale	Economy	pendent	New York	Boston	LA	Chicago	DC			
6/4/2022	21.5%	36.9%	49.4%	29.0%	14.8%	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%	29.9%	16.1%	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	14.0%	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%	39.4%	35.4%	
8/13/2022	13.2%	22.9%	31.2%	18.1%	8.7%	1.7%	-1.3%	6.5%	59.8%	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%	48.5%	36.8%	
8/27/2022	18.2%	30.9%	40.4%	23.3%	12.3%	4.2%	-0.5%	12.9%	54.6%	47.4%	23.6%	40.6%	36.4%	
9/3/2022	13.2%	24.9%	31.3%	17.0%	7.1%	-0.4%	-3.6%	10.3%	58.4%	40.3%	12.9%	26.0%	27.8%	
9/10/2022	14.9%	32.6%	32.8%	18.2%	7.3%	1.4%	-0.4%	12.1%	71.9%	71.4%	27.5%	38.5%	37.1%	
9/17/2022	30.6%	56.4%	65.1%	35.7%	18.0%	8.5%	4.3%	24.0%	100.7%	103.2%	34.8%	80.9%	95.8%	
9/24/2022	30.3%	50.0%	59.3%	35.5%	18.2%	9.4%	4.7%	24.8%	100.2%	39.0%	36.4%	36.5%	87.5%	
10/1/2022	22.6%	34.1%	45.5%	27.0%	15.7%	7.9%	4.9%	16.5%	74.3%	60.0%	25.4%	68.1%	64.2%	

Yr: Holiday shift + Hurricane Ian impact

	Upper Upscale and Luxury led the industry											NYC and Chicago 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%	-11.8%	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	-49.9%	-68.7%	-74.8%	-65.4%	-51.3%	-35.0%	-45.2%	-78.9%	-88.2%	-74.5%	-63.7%	-63.7%	-63.7%			
3Q20	-46.5%	-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%	-78.4%	-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	56.4%	151.6%	106.6%	59.3%	74.2%	66.6%	37.2%	66.6%	273.7%	229.5%	154.8%	166.4%	106.6%			
1Q22	61.2%	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%			

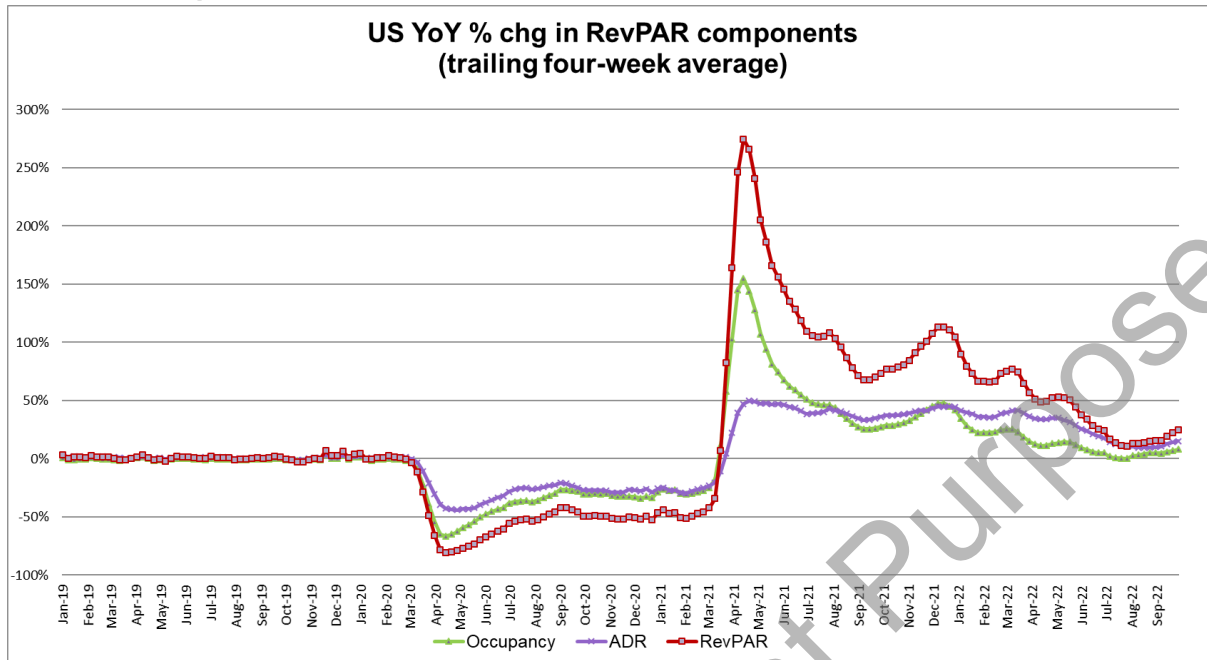
YoY % change in ADR

	U.S.	Upper			Upper			Inde-		New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Midscale	Midscale	Economy	pendent	New York	Boston	LA	Chicago	DC			
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%	65.1%	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%	16.1%	19.6%	8.8%	5.9%	7.9%	12.7%	55.0%	15.5%	45.7%	51.3%	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%	34.7%	35.4%	35.4%	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%	11.6%	8.8%	6.5%	6.8%	8.7%	21.3%	23.2%	11.6%	24.6%	15.6%	
8/27/2022	10.8%	3.7%	10.7%	11.0%	6.7%	5.9%	4.3%	8.2%	20.2%	23.6%	14.8%	20.2%	16.6%	
9/3/2022	10.0%	4.5%	10.6%	10.2%	5.6%	4.0%	3.1%	8.3%	25.7%	22.3%	8.1%	14.5%	13.6%	
9/10/2022	11.4%	9.3%	12.4%	12.1%	6.6%	5.2%	3.9%	9.3%	34.9%	33.8%	12.2%	20.3%	20.4%	
9/17/2022	16.1%	13.6%	20.5%	17.8%	9.8%	7.3%	6.1%	9.8%	41.1%	41.4%	13.4%	41.4%	41.4%	
9/24/2022	17.6%	16.0%	20.5%	18.3%	9.6%	6.6%	4.6%	14.9%	57.1%	16.9%	16.5%	17.5%	36.8%	
10/1/2022	14.0%	11.7%	16.3%	14.9%	8.7%	6.6%	5.0%	11.4%	32.9%	28.2%	14.0%	31.7%	29.2%	
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	0.9%	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%	-3.9%	-1.0%	-1.0%	1.9%	-3.7%	-5.5%	0.9%	-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%	-48.6%	
3Q20	-41.1%	-13.6%	-26.6%	-24.8%	-17.3%	-11.6%	-9.4%	-16.1%	-47.7%	-47.3%	-31.6%	-43.2%	-34.6%	
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-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%	-1.5%	-12.1%	-28.3%	-32.7%	-29.7%	-25.7%	-27.9%	
2Q21	41.2%	37.8%	30.8%	21.3%	23.1%	20.4%	18.6%	52.6%	33.5%	38.0%	42.5%	46.1%	33.1%	
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%	29.8%	
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%	41.8%	
1Q22	37.6%	21.0%	39.7%	34.1%	27.3%	20.8%	17.3%	34.0%	52.2%	50.9%	61.6%	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

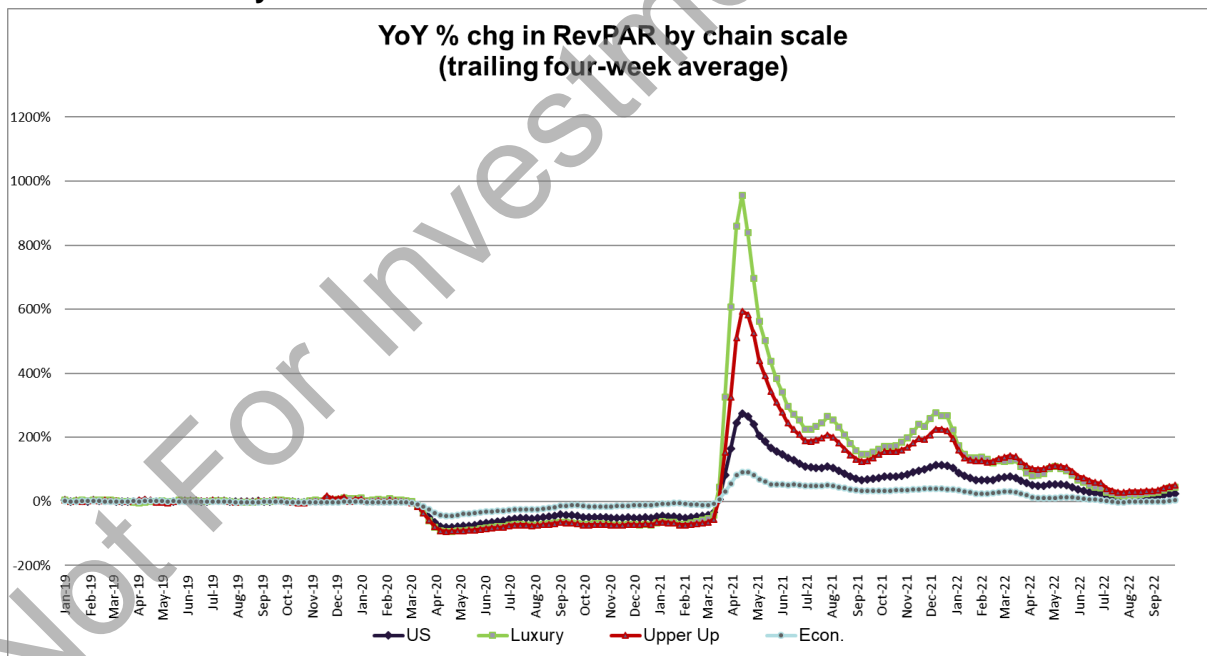
	U.S.	Upper			Upper			Inde-		New York	Boston	LA	Chicago	DC
	Luxury	Upscale	Midscale	Midscale	Economy	pendent	New York	Boston	LA	Chicago	DC			
6/4/2022	2.5%	24.5%	23.0%	6.5%	0.3%	-3.7%	-3.9%	-1.1%	28.8%	42.9%	8.5%	32.2%	40.0%	
6/11/2022	7.4%	38.4%	36.8%	12.9%	3.8%	-1.9%	-3.3%	2.9%	37.9%	51.1%	15.0%	36.7%	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	3.9%	23.6%	23.8%	8.3%	2.1%	-2.6%	-4.5%	-0.4%	28.9%	32.6%	-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%	16.1%	6.0%	0.3%	-3.8%	-6.2%	-1.6%	33.6%	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%	-0.9%	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%	26.1%	
8/6/2022	3.1%	10.5%	17.6%	6.6%	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%	-4.0%	2.8%	26.9%	20				

RevPAR Component Trends



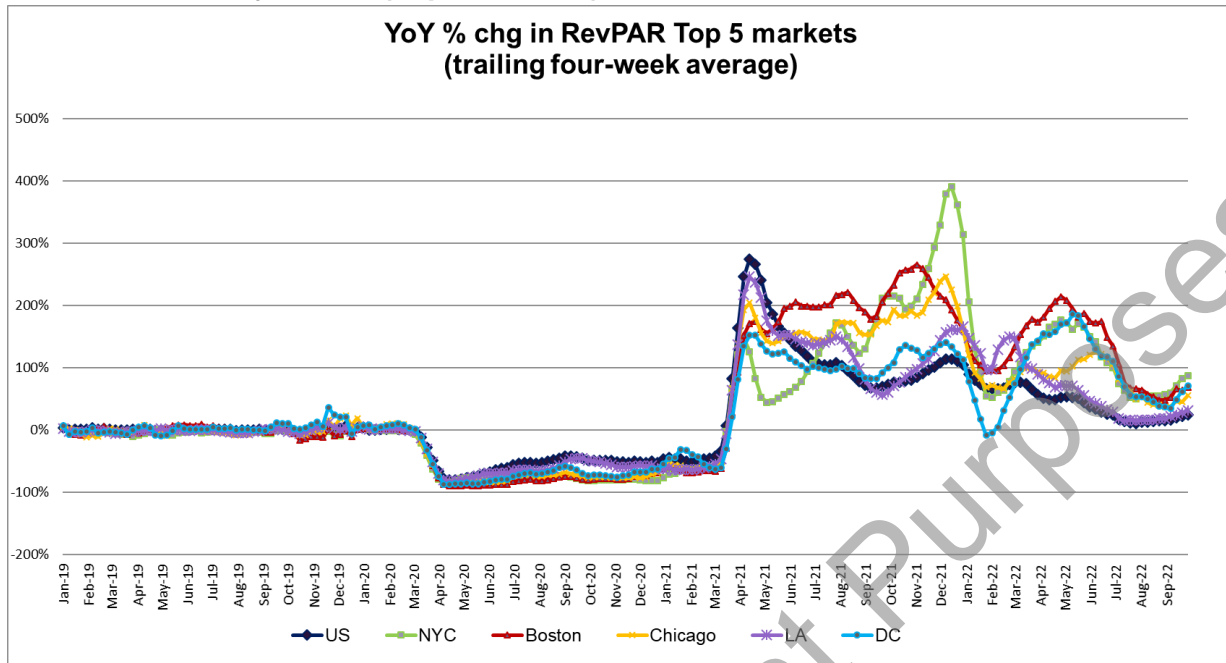
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale



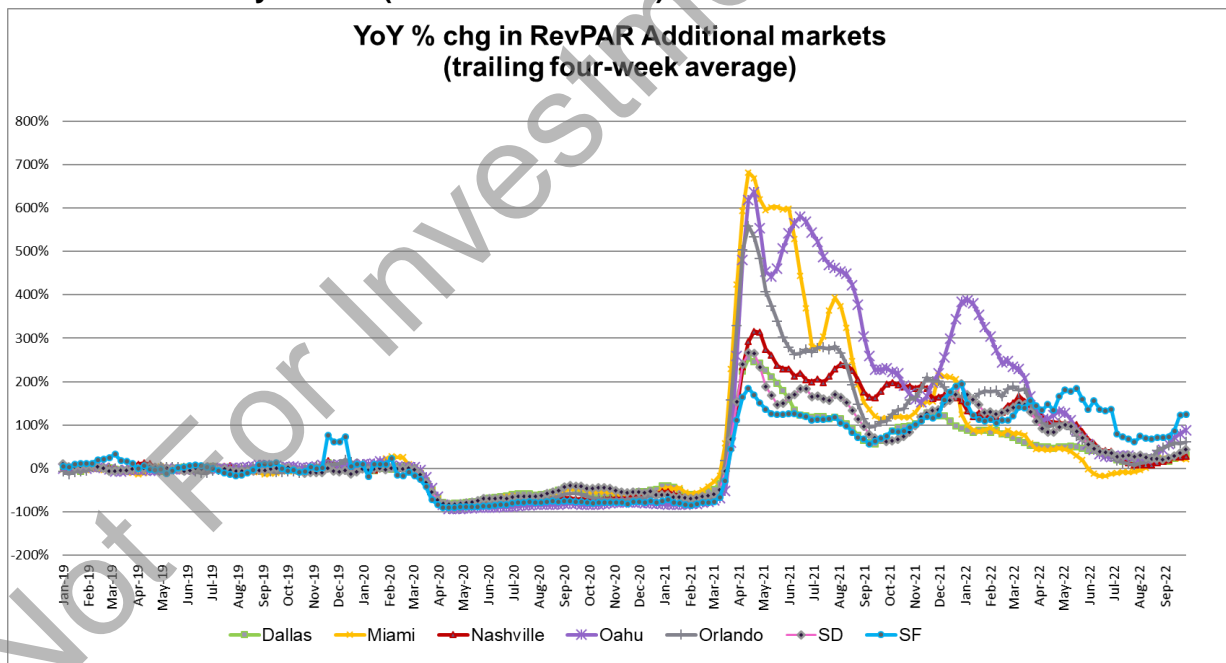
Source: STR data, Truist Securities research

RevPAR Trends by Market (Top 5 markets)



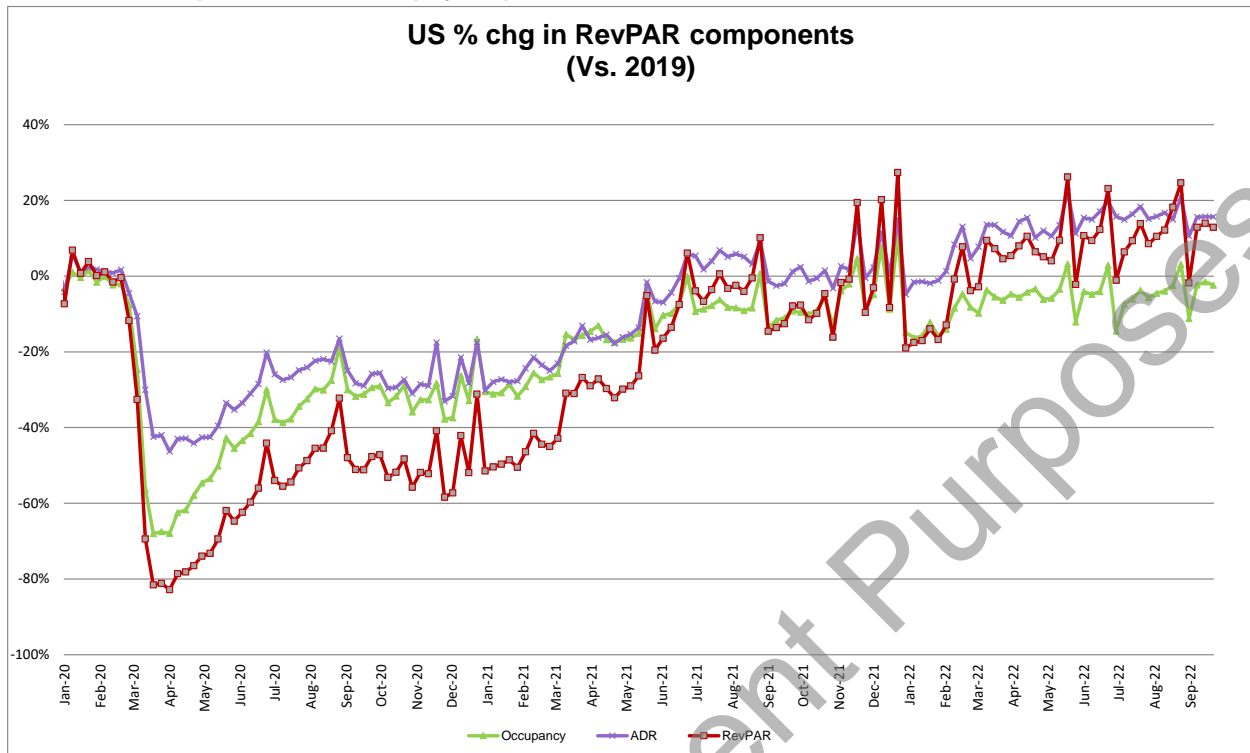
Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



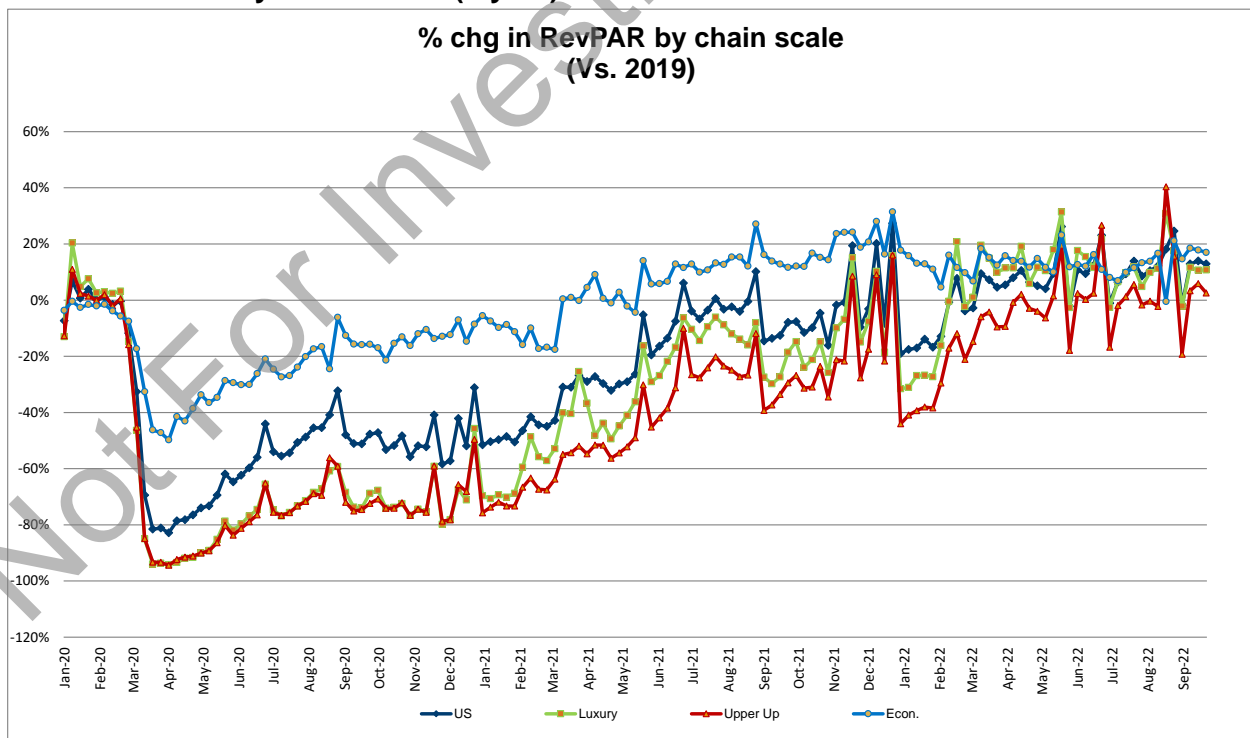
Source: STR data, Truist Securities research

RevPAR Component Trends (3-year)



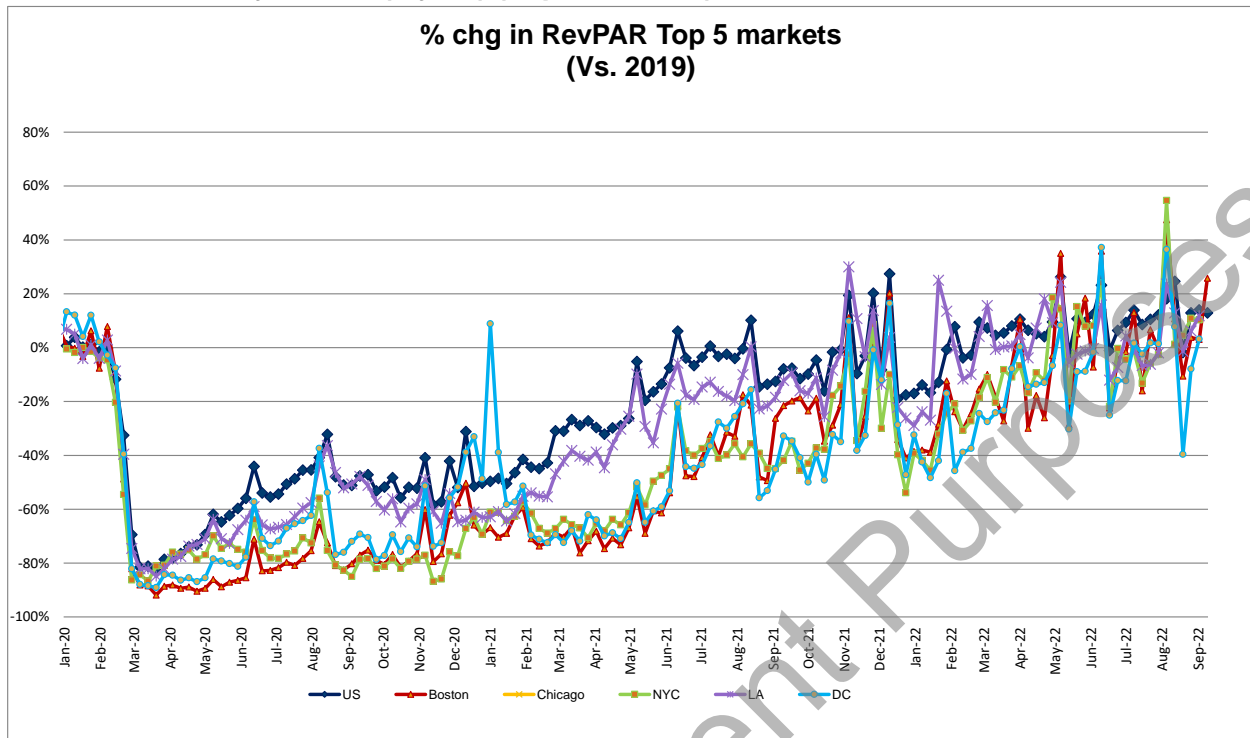
Source: STR data, Truist Securities research

RevPAR Trends by Chain Scale (3-year)



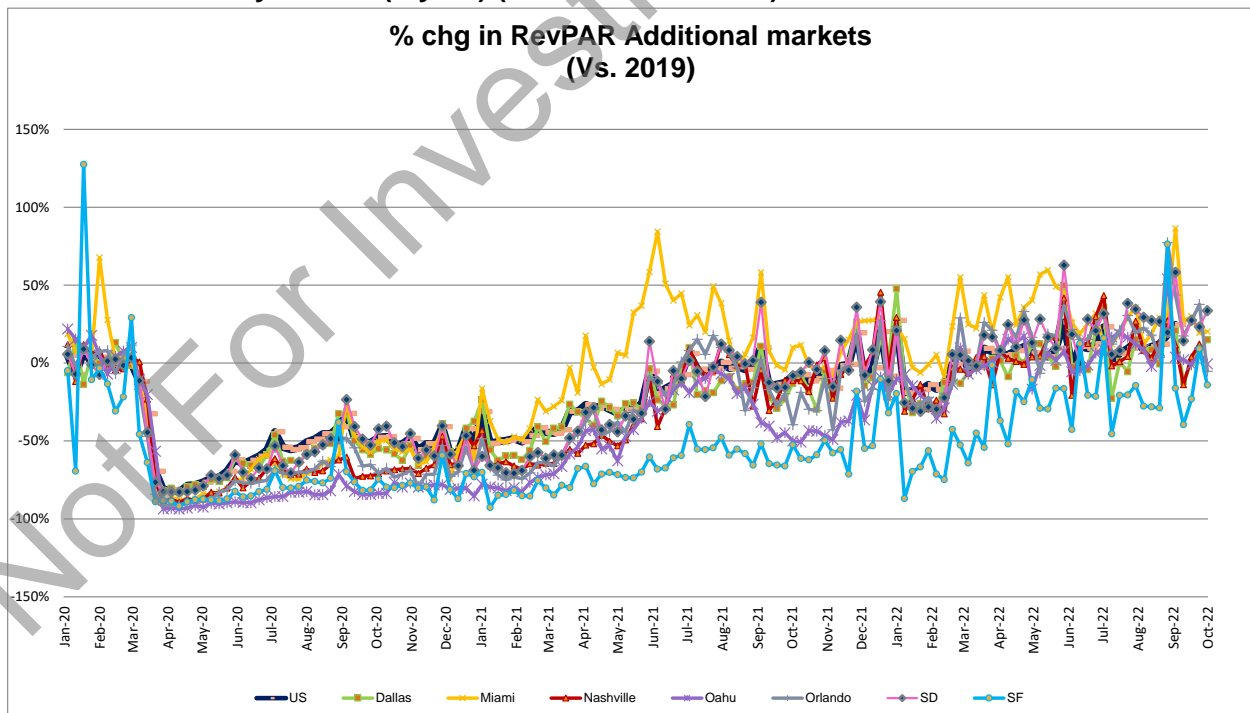
Source: STR data, Truist Securities research

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 10/4/22	Rating	PT*	% upside/ down- side	Truist Securities Valuation EBITDA excluding Stock Based Comp/Other			As Reported/Consensus/Data Aggregator "Headline" EBITDA			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.
						2021A EBITDA (\$M)**	2022E EBITDA (\$M)**	2023E EBITDA (\$M)**	2021A EBITDA (\$M)*	2022E EBITDA (\$M)*	2023E EBITDA (\$M)*		
Bluegreen Vacations	BVH	\$18.13	Buy	\$56	206%	\$122	\$141	\$156	\$122	\$141	\$157	7.6X	Downside risk: controlled company issues, limited capfloat, loan defaults, and macroeconomic risk.
Choice Hotels	CHH	\$115.03	Hold	\$135	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	\$8.05	Hold	\$11	37%	\$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	\$125.97	Hold	\$150	19%	\$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	\$35.95	Buy	\$63	74%	\$585	\$865	\$982	\$743	\$987	\$1,081	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 bases. Upside risk: faster demand improvement in corporate/leisure 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	\$16.85	Hold	\$21	25%	\$532	\$1,514	\$1,507	\$532	\$1,514	\$1,507	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	\$86.07	Buy	\$122	42%	\$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 2022 recession.
Marriott International	MAR	\$147.56	Hold	\$184	25%	\$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.
Marriott Vacations	VAC	\$131.16	Buy	\$202	54%	\$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	\$12.18	Buy	\$22	81%	\$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	\$15.29	Hold	\$24	57%	\$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	\$5.98	Buy	\$11	84%	\$86	\$223	\$245	\$99	\$235	\$256	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 Downside risk: Group demand returns slower than expected. Property-specific risks given a small portfolio.
RLJ Lodging Trust***	RLJ	\$10.73	Buy	\$17	58%	\$145	\$344	\$405	\$162	\$366	\$428	12.0X	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.
Ryman Hospitality Properties	RHP	\$77.98	Buy	\$103	32%	\$162	\$509	\$613	\$177	\$522	\$611	13.0X	Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Sunstone Hotel Investors	SHO	\$9.96	Hold	\$12	20%	\$54	\$186	\$254	\$67	\$199	\$266	12.5X	Upside risks include a faster economic recovery and investors continuing to apply higher target valuation multiples.
Vail Resorts, Inc.	MTN	\$225.04	Hold	\$281	25%	\$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.
Travel + Leisure Co.	TNL	\$37.56	Buy	\$72	90%	\$748	\$835	\$971	\$778	\$869	\$1,014	8.6X	Downside risk: Slowdown in development opportunities. Weaker than expected transient trends.
Wyndham Hotels & Resorts	WH	\$64.48	Buy	\$92	43%	\$562	\$586	\$683	\$590	\$621	\$695	15.0X	

\*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, \$18.10, Buy, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$115.96, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$7.98, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$85.75, Buy, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$36.28, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$125.92, Hold, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$16.73, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$147.18, Hold, C. Patrick Scholes)  
**Vail Resorts, Inc.** (MTN, \$223.73, Hold, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$15.21, Hold, Gregory Miller)  
**Park Hotels & Resorts Inc.** (PK, \$12.11, Buy, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$5.85, Buy, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$78.04, Buy, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$10.68, Buy, Gregory Miller)  
**Sunstone Hotel Investors, Inc.** (SHO, \$9.90, Hold, C. Patrick Scholes)  
**Travel + Leisure Co.** (TNL, \$37.62, Buy, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$132.17, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$64.48, Buy, C. Patrick Scholes)

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