SunTrust Robinson Humphrey

September's Hotel P&L Analyzer -- How profitable were hotels last month?

September: Decent +110 bps of GOP margin growth on approx. +4.1% Total RevPAR.

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What's Inside

An analysis of recent hotel labor cost trends, one of the critical components impacting hotel EBITDA margins

What's Incremental To Our View

In our monthly analysis of operational level P&L metrics of nearly a thousand U.S. upper-tier full service hotels (data source: HotStats), we continue to forecast slightly positive margins for FY18. For 2019, we see margins closer to flat to down slightly.

Despite one of the weakest Rooms RevPAR months in 2018 (+1.2%), GOP margins were a decent +110 bps. as out of room revenue growth, especially for Luxury hotels, exceed that of room's RevPAR. **We see GOP margins for 3Q flat-to-slightly positive; we believe Luxury hotels on average outperformed Upper Upscale.** Despite the headwind of rising labor costs, margins have increased modestly this year in part from cost containment efforts.

We have analyzed monthly P&L metrics of nearly a thousand high-rated full-service hotels in the U.S. (Luxury and Upper Upscale hotels, both private and publicly owned).

- **The hotels in our September data set saw *relatively* decent profitability gains with GOP margins +110 bps. y/y, driven by RevPAR growth of +1.2% and Total RevPAR (includes F&B) of +4.1%.** For the US industry, September was the first negative RevPAR month since March 2010 (per STR), although this was in part a result of the difficult y/y comparisons due to Hurricanes Harvey and Irma especially for mid-scale and economy hotels. Full-service hotels were more impacted in September from the small shift in the timing of the Jewish High Holidays and in some pockets, impact from Hurricane Florence. However, we believe the stronger Total RevPAR results positively impacted GOP margins among our sample set and we believe that was driven in part by the relative outperformance of luxury hotels (we note that when Total RevPAR significantly outperforms Rooms RevPAR, that is often an indication of either stronger performance by Group oriented hotels and/or Luxury hotels (both types of hotels tend to have more revenue streams that are not rooms-related).
- **3Q P&L margins: Given the tough July comp (July 4th shift), an "okay" August, and a relatively better September, we believe full-service hotel margins likely finished on average flat to slightly positive in 3Q.** This is slightly better than our prior estimate of flattish margins that we forecasted last month.
    - **Impact to C-corps: (+)** We believe that margin growth (even if slight) is a modest benefit for C-corps particularly for incentive management fees. We note that for Hilton's (HLT, Buy) 3Q results, IMF revenues slightly exceeded our projections whereas base and other management fees were below.

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- **Impact to REITS with Luxury hotels: Generally (+)** due to the stronger Total RevPAR results.
- Importantly, there were many regional one-time impacts that make for a noisy comparison for individual hotels, including: the solar eclipse (for select hotels in the eclipse path), the hurricanes that struck Texas and Florida in 2017, Hurricane Lane in Hawaii, and Hurricane Florence in the Eastern US.

- **How we view 4Q18:** Given our projection of +2-4% RevPAR growth for full-service branded domestic hotels, **we believe profitability should be moderately positive (we estimate 4Q margins of +50-100 bps)**. Supporting our view are: a relatively clean comp for October holidays (although Halloween shifting to Wednesday from Tuesday does not help) and December benefiting from New Year's Eve shifting to a Monday this year from a Sunday last year. The latter has a very positive impact on room rates and often food and beverage margins, both of which should positively impact GOP margins.

Important to the above discussion is that some of the margin growth is related to calendar shifts vs. proactive cost containment measures by hotel managers and owners. **We believe the HotStats data that we have been analyzing closely for nearly a year provides support that hoteliers are making strides on limiting the impact from rising labor costs.** We continue to believe that margins would be more impaired without significant cost control efforts by hotel owners, an operational strategic priority (in our view). This topic has been discussed on earnings calls, at industry conferences, and by our private hotel owner contacts.

- As we have noted in recent months, GOP margins on a trailing 12 month basis have improved over the last year. While this improvement is in basis points (going from ~ -10 to +60), it is still improvement nonetheless. Considering increasing labor costs and low RevPAR growth, we believe that GOP margin growth is likely driven in many respects by cost containment efforts.
- **We continue to emphasize to investors that there is a marked difference between top and bottom line returns. There was 290 bps differential in September between Rooms RevPAR and GOP margin growth.** We note that RevPAR growth exceeded GOP margin "growth" by 260 bps in August, 220 bps in July, 270 bps in June, 90 bps in May, 460 bps in April, 250 bps in March, 190 bps in February and 130 bps in January.
- The September results compare to YTD results of **GOP margins +40 bps y/y, driven by comp RevPAR growth of +2.6%** and Total RevPAR of +3.3%.
- We note that many Lodging REITS currently estimate Rooms RevPAR growth of +2-3% is needed to maintain flat EBITDA margins.
  - In our conversations with both public and private hotel owners, we currently hear that labor costs are growing between 3-4% for most hotels. We anticipate an update on these trends during 3Q earnings and at the REITworld conference early next month. While we do not anticipate any measurable changes to the +3-4% annual hotel labor cost growth for most markets, we are increasingly more cautious for labor cost growth in markets where there has been recent union activity.

The data (source: HotStats (high correlation to STR)) indicates marked increases in hotel labor costs in 2018, negatively influencing hotel margins. **Bottom line, we remain guarded about the ability for owned hotel EBITDA margins (barring any major self-help initiatives such as with Park (PK, Buy)) to materially grow in 2018 and 2019 as RevPAR of +2-4% in 2018 and +1-3% (our forecasts) in 2019 in an environment of property-level operating costs of 2.5%+ does not bode well for significant margin expansion for hotel owners.** *Again to keep it in perspective, the fact that we are discussing any margin improvement at all nine plus years into a cycle is certainly a positive.*

September profitability: Limited Rooms RevPAR growth; however, a decent increase in margin was likely driven by relative outperformance among Luxury hotels (we note that Total RevPAR was +4.1%, which indicates growth in non-rooms revenue departments such as food & beverage, catering/ conventions, and resort amenities.

- **3Q:** Operating Department margins were ~ -10 bps in 3Q and GOP margins were ~ +15 bps.

Industry Metric	Sept 2018 y/y	YTD		Sept 2018	YTD	FY2017	2017 y/y
Occupancy	*-80*	*30*	*bps*	76.3%	78.7%	77.2%	*50 bps*
ADR	2.2%	2.1%	*%*	$224	$224	$219	1.1%
RevPAR	1.2%	2.6%	*%*	$171	$176	$169	1.9%
Total Revenue PAR	4.1%	3.3%	*%*	$280	$289	$278	2.5%
Total Dept. Profit % Total Rev.	*40*	*10*	*bps*	59.7%	59.9%	59.6%	*-10 bps*
Total Hotel Labor Costs % Total Rev.	*-40*	*0*	*bps*	36.0%	35.6%	35.5%	*180 bps*
Total GOP PAR	*7.3%*	4.4%	*%*	$105	$109	$103	*3.0%*
Total GOP % of Total Rev.	*110*	*40*	*bps*	*37.4%*	*37.6%*	*37.0%*	*10 bps*

Source: STRH Research, HotStats
All dollar figures are in USD.

August profitability: Moderate RevPAR growth contributed to a modest increase in margin.

Industry Metric	Aug 2018 y/y	YTD		Aug 2018	YTD	FY2017	2017 y/y
Occupancy	*100*	*50*	*bps*	78.4%	79.0%	77.2%	*50 bps*
ADR	1.6%	2.1%	*%*	$203	$224	$219	1.1%
RevPAR	2.9%	2.7%	*%*	$159	$177	$169	1.9%
Total Revenue PAR	3.9%	3.2%	*%*	$249	$290	$278	2.5%
Total Dept. Profit % Total Rev.	*-30*	*10*	*bps*	57.0%	59.9%	59.6%	*-10 bps*
Total Hotel Labor Costs % Total Rev.	*40*	*10*	*bps*	39.2%	35.6%	35.5%	*180 bps*
Total GOP PAR	*4.9%*	4.1%	*%*	$80	$109	$103	*3.0%*
Total GOP % of Total Rev.	*30*	*30*	*bps*	*32.1%*	*37.6%*	*37.0%*	*10 bps*

Source: STRH Research, HotStats
All dollar figures are in USD.

July profitability: Relatively weak RevPAR growth resulted in a decline in margin (we believe this is in part due to the calendar shift of July 4th impacting Group demand).

Industry Metric	Jul 2018 y/y	YTD		Jul 2018	YTD	FY2017	2017 y/y
Occupancy	-70	40	bps	80.4%	79.1%	77.2%	50 bps
ADR	2.1%	2.2%	%	$212	$227	$219	1.1%
RevPAR	1.2%	2.7%	%	$171	$179	$169	1.9%
Total Revenue PAR	0.4%	3.1%	%	$261	$296	$278	2.5%
Total Dept. Profit % Total Rev.	-40	20	bps	58.2%	60.2%	59.6%	-10 bps
Total Hotel Labor Costs % Total Rev.	90	10	bps	37.6%	35.3%	35.5%	180 bps
Total GOP PAR	-2.5%	4.0%	%	$88	$113	$103	3.0%
Total GOP % of Total Rev.	-100	30	bps	33.7%	38.2%	37.0%	10 bps

Source: STRH Research, HotStats
All dollar figures are in USD.

June profitability: Relatively strong RevPAR growth contributed to a moderate increase in margin (the reverse impact from the July 4th shift positively benefiting group demand).

- **2Q:** Operating Department margins were ~ +50 bps in 2Q and GOP margins were ~ +100 bps.

Industry Metric	Jun 2018 y/y	YTD		Jun 2018	YTD	FY2017	2017 y/y
Occupancy	110	60	bps	83.2%	78.9%	77.2%	50 bps
ADR	3.0%	2.2%	%	$226	$230	$219	1.1%
RevPAR	4.4%	2.9%	%	$188	$181	$169	1.9%
Total Revenue PAR	4.7%	3.5%	%	$305	$302	$278	2.5%
Total Dept. Profit % Total Rev.	90	20	bps	61.4%	60.5%	59.6%	-10 bps
Total Hotel Labor Costs % Total Rev.	-80	0	bps	33.9%	34.9%	35.5%	180 bps
Total GOP PAR	9.4%	4.9%	%	$121	$117	$103	3.0%
Total GOP % of Total Rev.	170	60	bps	39.8%	38.9%	37.0%	10 bps

Source: STRH Research, HotStats
All dollar figures are in USD.

May profitability: Low RevPAR growth contributed to a slight increase in margin.

Industry Metric	May 2018 y/y	YTD		May 2018	YTD	FY2017	2017 y/y
Occupancy	-50	50	bps	79.5%	78.0%	77.2%	50 bps
ADR	1.8%	2.0%	%	$228	$230	$219	1.1%
RevPAR	1.1%	2.6%	%	$181	$180	$169	1.9%
Total Revenue PAR	1.4%	3.2%	%	$304	$301	$278	2.5%
Total Dept. Profit % Total Rev.	10	10	bps	61.0%	60.3%	59.6%	-10 bps
Total Hotel Labor Costs % Total Rev.	60	10	bps	34.9%	35.1%	35.5%	180 bps
Total GOP PAR	1.9%	4.0%	%	$121	$117	$103	3.0%
Total GOP % of Total Rev.	20	30	bps	39.8%	38.7%	37.0%	10 bps

Source: STRH Research, HotStats
All dollar figures are in USD.

April profitability: Relatively strong RevPAR growth contributed to a moderate increase in margin.

Industry Metric	Apr 2018 y/y	YTD		Apr 2018	YTD	FY2017	2017 y/y
Occupancy	90	70	bps	82.3%	77.6%	77.2%	50 bps
ADR	4.6%	2.1%	%	$237	$231	$219	1.1%
RevPAR	5.7%	3.0%	%	$195	$179	$169	1.9%
Total Revenue PAR	6.8%	3.7%	%	$322	$301	$278	2.5%
Total Dept. Profit % Total Rev.	60	10	bps	62.1%	60.1%	59.6%	-10 bps
Total Hotel Labor Costs % Total Rev.	-50	10	bps	32.6%	35.2%	35.5%	180 bps
Total GOP PAR	9.6%	4.6%	%	$134	$115	$103	3.0%
Total GOP % of Total Rev.	110	40	bps	41.5%	38.4%	37.0%	10 bps

Source: STRH Research, HotStats
All dollar figures are in USD.

March profitability: Moderate RevPAR growth (although significantly better for Luxury hotels than Upper Upscale due largely to the Easter calendar shift) contributed to a slight increase in margin.

- **1Q:** as evident in the table below, Operating Department and GOP Profit margins were flattish in 1Q.

Industry Metric	Mar 2018 y/y	YTD		Mar 2018	YTD	FY2017	2017 y/y
Occupancy	*50*	*70*	*bps*	82.6%	76.1%	77.2%	*50 bps*
ADR	2.0%	1.2%	*%*	$239	$229	$219	1.1%
RevPAR	2.7%	2.1%	*%*	$197	$174	$169	1.9%
Total Revenue PAR	1.6%	2.6%	*%*	$322	$294	$278	2.5%
Total Dept. Profit % Total Rev.	*20*	*-20*	*bps*	62.2%	59.3%	59.6%	*-10 bps*
Total Hotel Labor Costs % Total Rev.	*60*	*20*	*bps*	33.4%	36.1%	35.5%	*180 bps*
Total GOP PAR	*2.1%*	2.6%	*%*	$134	$109	$103	*3.0%*
Total GOP % of Total Rev.	*20*	*0*	*bps*	*41.7%*	*37.2%*	*37.0%*	*10 bps*

Source: STRH Research, HotStats
All dollar figures are in USD.

February profitability: Moderate RevPAR growth (in aggregate, although far better for Luxury hotels than Upper Upscale) contributed to a modest increase in margin.

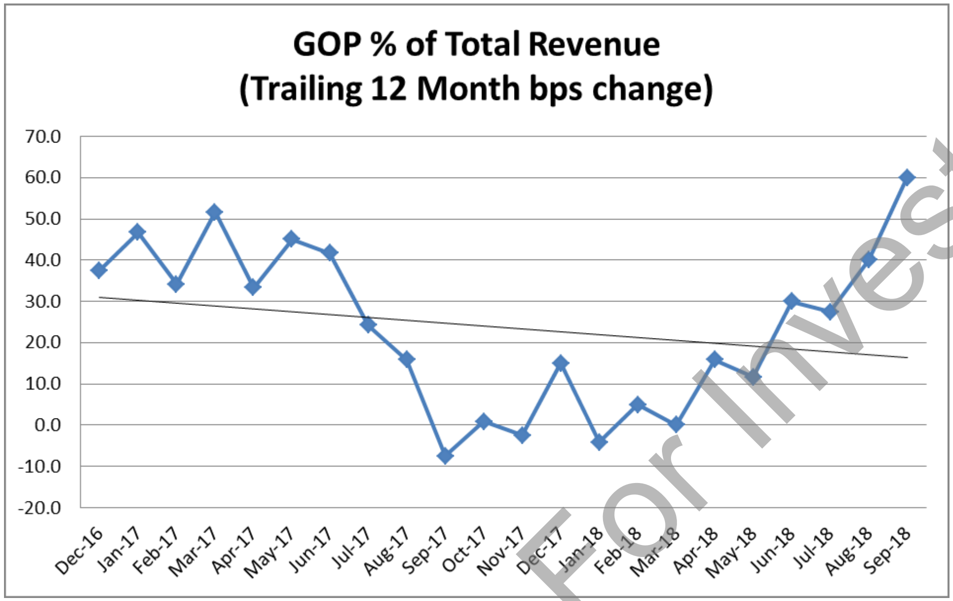
Industry Metric	Feb 2018 y/y	YTD		Feb 2018	YTD	FY2017	2017 y/y
Occupancy	*80*	*60*	*bps*	76.3%	72.5%	77.2%	*50 bps*
ADR	1.3%	0.7%	*%*	$225	$222	$219	1.1%
RevPAR	2.4%	1.5%	*%*	$171	$161	$169	1.9%
Total Revenue PAR	4.2%	3.2%	*%*	$295	$277	$278	2.5%
Total Dept. Profit % Total Rev.	*-10*	*-40*	*bps*	59.3%	57.6%	59.6%	*-10 bps*
Total Hotel Labor Costs % Total Rev.	*-10*	*0*	*bps*	36.0%	37.8%	35.5%	*180 bps*
Total GOP PAR	*5.6%*	3.0%	*%*	$109	$96	$103	*3.0%*
Total GOP % of Total Rev.	*50*	*0*	*bps*	*37.0%*	*34.5%*	*37.0%*	*10 bps*

Source: STRH Research, HotStats
All dollar figures are in USD.

January profitability: Low RevPAR growth, particularly among Upper Upscale hotels, contributed to a moderate reduction in margin.

Industry Metric	Jan 2018 y/y		Jan 2018	FY2017	2017 y/y
Occupancy	*40*	*bps*	68.9%	77.2%	*50 bps*
ADR	0.1%	*%*	$219	$219	1.1%
RevPAR	0.7%	*%*	$151	$169	1.9%
Total Revenue PAR	2.1%	*%*	$259	$278	2.5%
Total Dept. Profit % Total Rev.	*-70*	*bps*	55.9%	59.6%	*-10 bps*
Total Hotel Labor Costs % Total Rev.	*30*	*bps*	39.7%	35.5%	*180 bps*
Total GOP PAR	*0.0%*	*%*	$83	$103	*3.0%*
Total GOP % of Total Rev.	*-60*	*bps*	*31.9%*	*37.0%*	*10 bps*

Source: STRH Research, HotStats
All dollar figures are in USD.

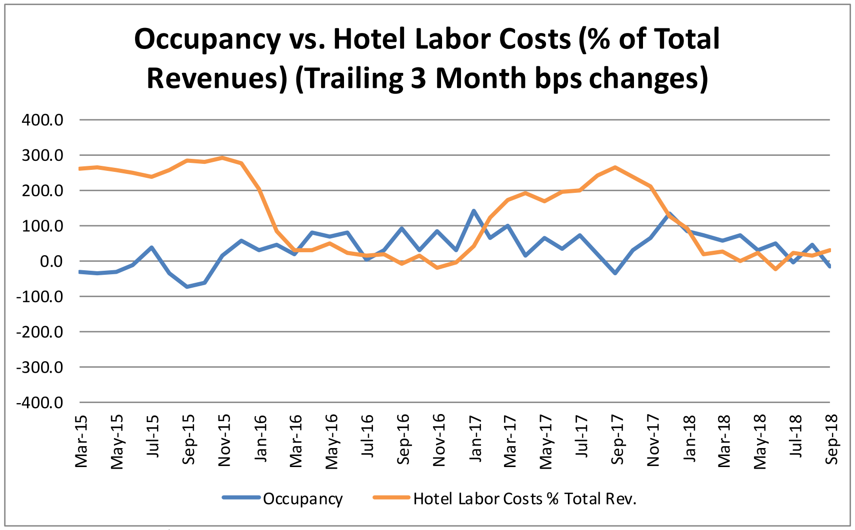


Source: STRH Research, HotStats

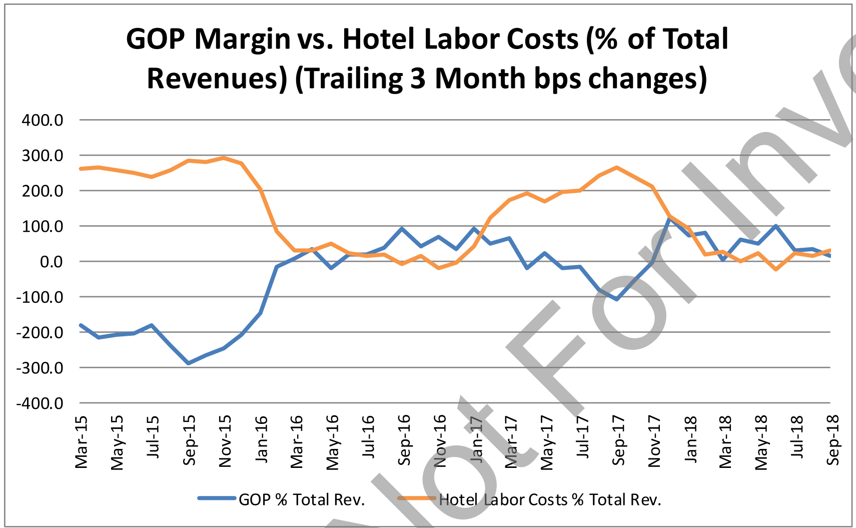
As we have previously noted, hotel labor is the primary operating cost for most hotels and is particularly significant for full-service hotels (food and beverage, catering/meetings, and resort facilities are labor intensive). Our general view is that higher room rates generally equate to greater service expectations by guests. **Being that most of the Lodging REITS focus on the highest-rated hotels, the recent trend of rising labor costs is especially impactful to EBITDA margins.** We analyzed HotStats' aggregated hotel P&L data to better grasp recent monthly trends in labor costs and margins. We note the following takeaways:

- While rising operating costs attributable to labor increased significantly in 2017, labor costs as a percentage of total revenue has fallen to more modest growth y/y (see the following charts below). This compares to flattish growth y/y in 2016, +150 bps y/y in mid-2017 and +190 bps by year-end 2017. Combined with just 2% RevPAR growth in 2017, GOP margins were flattish in 2017 y/y.
    - **How we interpret the recent trends:** Based on commentary from recent earnings calls, meetings with the REITS in recent months, and conversations with private hotel owners, we do not see labor cost growth abating in 2018. There may be some seasonality factors (including calendar shifts) and cost containment measures being undertaken (particularly around the end/start of the year) that have influenced the recent flattish trend in labor costs as a percentage of revenue. **Headwinds such as restrictive immigration policies, low unemployment, and recent minimum wage ordinances are contributing to rising hotel labor costs -- and we do not expect these increases to plateau in the near-term.**

- The following charts highlight trends in labor costs vs. occupancy and GOP margins.



Source: STRH Research, HotStats



Source: STRH Research, HotStats

How we view property-level margins in the current low RevPAR growth environment: Over the past few years, in a low RevPAR growth environment, hotel labor costs have had a highly significant influence on EBITDA margins. The correlation between labor costs as a percentage of hotel revenue and GOP as a percentage of total revenue is approximately -80%. **Thus, the ability for hotel owners and managers to keep labor cost increases as low as possible will be critical in 2018.**

- Among our REIT coverage, our aggregated Adjusted EBITDA Margin estimate (weighted average by market cap.) is flattish y/y growth for 2018 (ex-San Francisco hotels it would be closer to -50 to -100 bps). Please note that there are anomalies for specific REITS due to portfolio changes and property renovations, hurricane impact, DC Inauguration, etc. thus we focus on the aggregate numbers. **Hotels owned by the REITS orient more heavily to Upper Upscale versus Luxury, thus our expectations for margin growth for REITS reflects that differential. We expect REITS with a greater proportion of Luxury hotels (ex-idiosyncratic factors as aforementioned) to have a greater opportunity for slight margin expansion in 2018.**

One piece of good news for hotel owners is that lower margins can result in a slowdown of new hotel development, at least for full-service hotels. However, we note that the highest-rated hotels often take the longest to go through the approval and development process, therefore we believe any warning signs on margins will likely play a factor for hoteliers that are very early in the development process and not necessarily for hotels that are well into the planning stages (thus, hotels that are scheduled to open in 2018 are still likely to open).

How this cycle compares with the prior downturn: One question we have raised to hotel owners (both public and private owners) is "how efficient are hotels today vs. the same time last cycle?". This is an important question as many full-service hotels were able to cut costs significantly during the last cycle downturn. Hotel owners admit that there is room to cut costs if occupancies take a more significant downward trend (we are not suggesting this will happen barring a demand shock). However, owners have also admitted to us that some operating costs (labor and otherwise) that were cut during the last lodging cycle were not added back, thus we believe that many hotels may be naturally leaner and more efficient today. If hotels are leaner today, the ability to cut costs in a high occupancy environment may be more difficult.

H: Valuation and Risks

Our price target of $86 for H is derived by applying a 14.1x target EV/EBITDA multiple (a blended average of the industry multiples for each business segment) to our estimate for 2019 EBITDA. Our valuation model for Hyatt assumes an owned-hotel 2019 EBITDA multiple of 13.0x and a franchise/management fee EBITDA multiple of 15.0x.
Upside risk: transient and group trends outperform expectations.
Downside risk: ongoing misexecution and volatility.

HLT: Valuation and Risks

We apply a blended multiple of 14.9x (10.5x for Owned/leased and 15.0x for Managed/franchised) to our 2019 adjusted EBITDA estimate to derive a 12-month price target of $88. This multiple is towards the higher end of the historical range of 10x-16x.

Risks include:
Growth trajectory could disappoint. Pipeline growth could either slow down or projects scheduled for construction could be cancelled, which would diminish system growth for the firm and disappoint investors.

MAR: Valuation and Risks

Our price target of $136 for MAR is derived by applying a 15.8x target EV/EBITDA multiple (a blended average of the industry average multiples for each business segment) to our estimate for 2019 EBITDA.

Upside Risk: Significant U.S macroeconomic improvement results in large recovery in transient corporate demand (and consequential >400 bps RevPAR improvement). Owned assets sell for premium prices relative to MAR expectations.

Downside Risk: 2019 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.

PK: Valuation and Risks

Our $34 price target is based on an 12.6x multiple on our 2019 EBITDA estimate. This multiple is in-line with portfolio quality.

Risks to our rating and price target: Significant supply growth and macroeconomic challenges/shocks.

LHO: Valuation and Risks

Our $32 price target is based on our estimate of a 70% probability LHO is bought out (~ $34) and 30% chance it does not (stock valued ~ $27).

Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.

Companies Mentioned in This Note

Hyatt Hotels Corporation (H, $67.03, Hold, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, $68.27, Buy, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, $32.49, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, $112.73, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, $28.40, Buy, C. Patrick Scholes)

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I, C. Patrick Scholes , 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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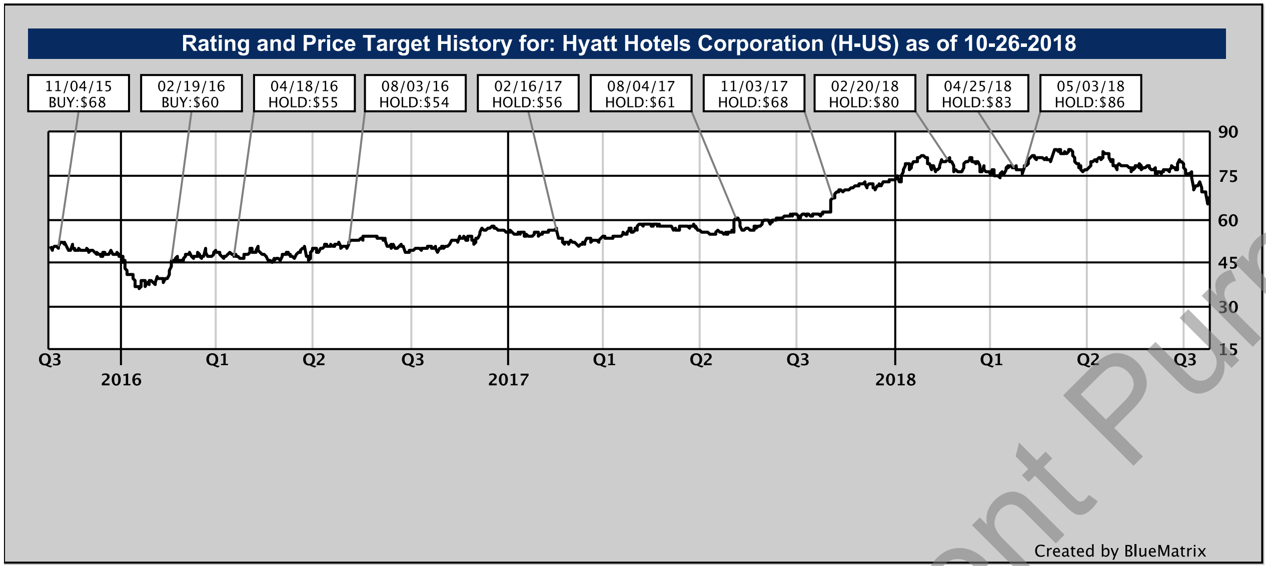
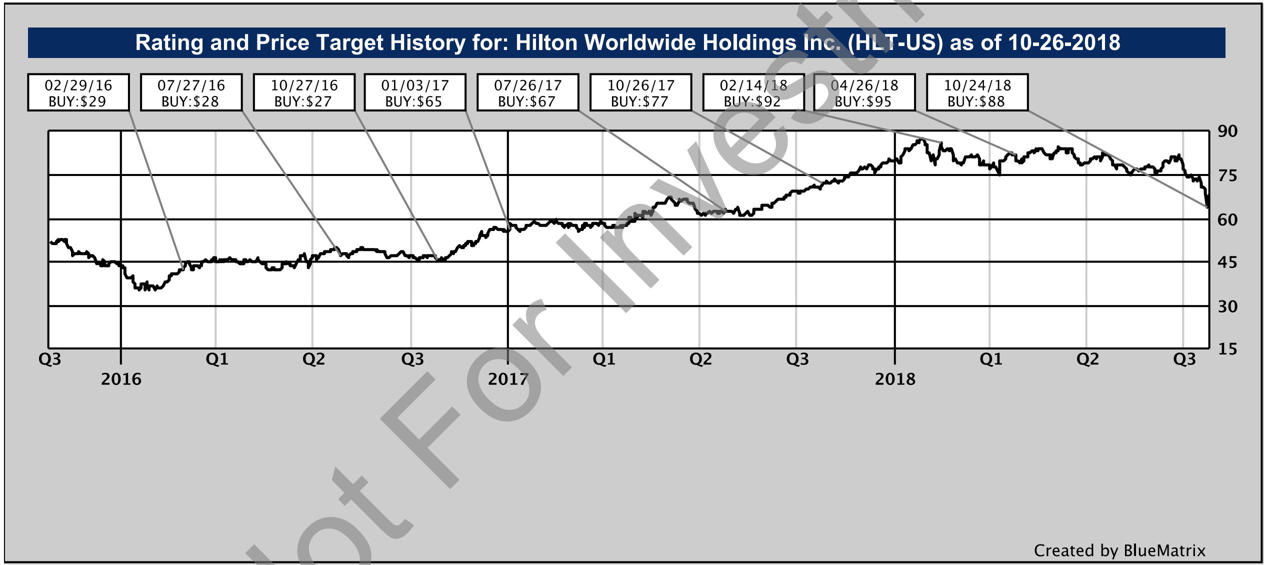
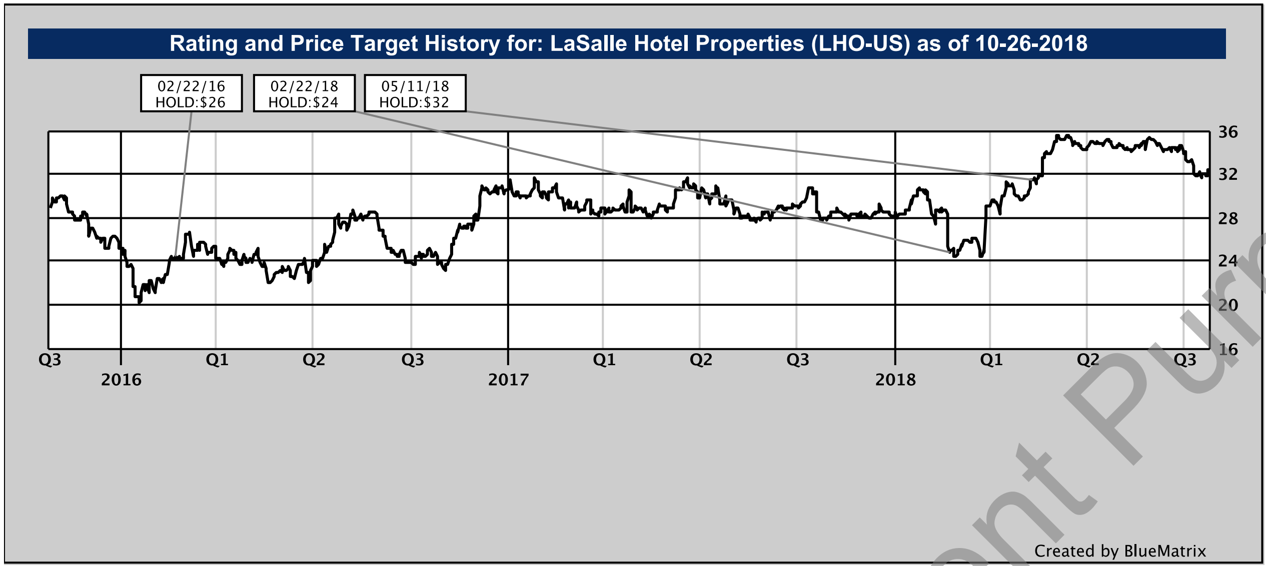


Rating and Price Target History for: Hyatt Hotels Corporation (H-US) as of 10-26-2018



Rating and Price Target History for: Hilton Worldwide Holdings Inc. (HLT-US) as of 10-26-2018


Rating and Price Target History for: LaSalle Hotel Properties (LHO-US) as of 10-26-2018
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02/22/18 HOLD:$24
05/11/18 HOLD:$32
36
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2017
2018
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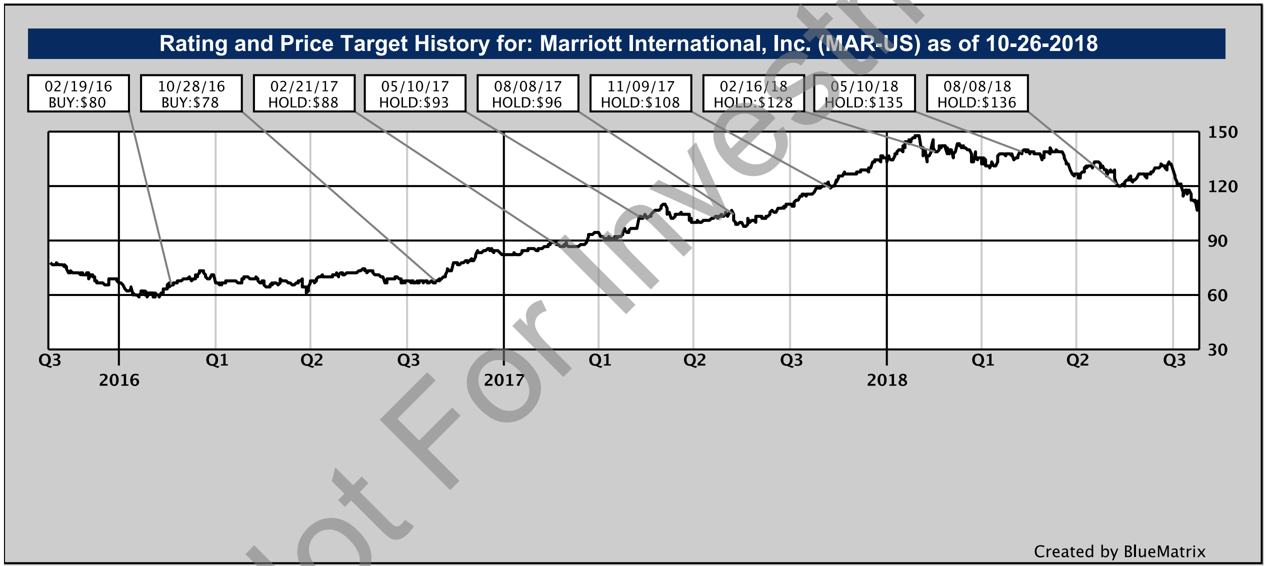
Rating and Price Target History for: Marriott International, Inc. (MAR-US) as of 10-26-2018
02/19/16 BUY:$80
10/28/16 BUY:$78
02/21/17 HOLD:$88
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08/08/17 HOLD:$96
11/09/17 HOLD:$108
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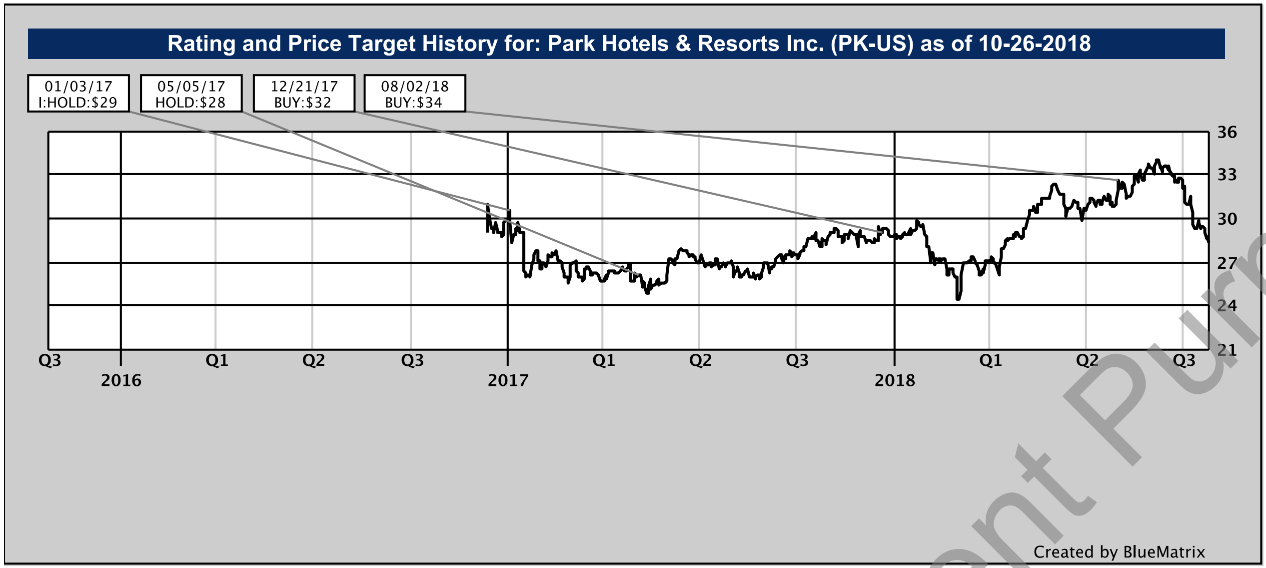

STRH Ratings System for Equity Securities

Dissemination of Research

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The rating system effective as of Oct. 7, 2016:

STRH Rating System for Equity Securities

SunTrust Robinson Humphrey (STRH) rates individual equities using a three-tiered system. Each stock is rated relative to the broader market (generally the S&P 500) over the next 12-18 months (unless otherwise indicated).

Buy (B) – the stock's total return is expected to outperform the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Hold (H) – the stock's total return is expected to perform in line with the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Sell (S) – the stock's total return is expected to underperform the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

Not Rated (NR) – STRH does not have an investment rating or opinion on the stock

Coverage Suspended (CS) – indicates that STRH's rating and/or target price have been temporarily suspended due to applicable regulations and/or STRH Management discretion. The previously published rating and target price should not be relied upon

STRH analysts have a price target on the stocks that they cover, unless otherwise indicated. The price target represents that analyst's expectation of where the stock will trade in the next 12-18 months (unless otherwise indicated). If an analyst believes that there are insufficient valuation drivers and/or investment catalysts to derive a positive or negative investment view, they may elect with the approval of STRH Research Management not to assign a target price; likewise certain stocks that trade under $5 may exhibit volatility whereby assigning a price target would be unhelpful to making an investment decision. As such, with Research Management's approval, an analyst may refrain from assigning a target to a sub-$5 stock.

Legend for Rating and Price Target History Charts:
B = Buy
H = Hold
S = Sell
D = Drop Coverage
CS = Coverage Suspended
NR = Not Rated
I = Initiate Coverage
T = Transfer Coverage

The prior rating system until Oct. 7, 2016:

3 designations based on total returns* within a 12-month period**
· Buy – total return ≥ 15% (10% for low-Beta securities)***
· Reduce – total return ≤ negative 10% (5% for low Beta securities)
· Neutral – total return is within the bounds above
· NR – NOT RATED, STRH does not provide equity research coverage
· CS – Coverage Suspended
*Total return (price appreciation + dividends); **Price targets are within a 12-month period, unless otherwise noted; ***Low Beta defined as securities with an average Beta of 0.8 or less, using Bloomberg's 5-year average

SunTrust Robinson Humphrey ratings distribution (as of 10/29/2018):

Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	Count	Percent	Rating	Count	Percent
Buy	477	64.90%	Buy	129	27.04%
Hold	254	34.56%	Hold	43	16.93%
Sell	4	0.54%	Sell	1	25.00%

Other Disclosures

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