



## Lodging - US RevPAR +0.3% Y/Y Last Week; Halloween drove noisy results

Group RevPAR soft (-2.0%) given the holiday impact

### What's Incremental To Our View

Overall U.S. RevPAR was +0.3% Y/Y for the week ending 11/2/2019, per STR, stronger than the prior week's result of +0.0%. (2-year stacked RevPAR was +0.6% vs +5.4% in the prior week.) Independent hotels (about 1/3rd of the data set) were -3.2% y/y. Luxury (+6.0%) was the strongest chain scale for branded hotels; Midscale was the weakest at -3.3%. Upper Midscale (+0.2%) slightly underperformed the industry average. Within Upper Upscale & Luxury class hotels, Group (-2.0% vs. -4.3% prior week) was softer than Transient (+3.6% vs. +2.7% prior week).

**While headline RevPAR was within our expectations, day of week RevPAR was quite volatile given Halloween moving to a Thursday this year from a Wednesday last year.** Increasingly we view this holiday as having greater impact to corporate travel and in some cases a positive benefit to hotels catering to parties/activities.

**For the month of October, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, Hold], Hyatt [H, Hold], or Marriott [MAR, Hold] hotel) will finish -2% to -3% (our prior estimate was flat to down low single digits). We estimate that the overall industry will finish approximately -2% (our prior estimate was flat to down low single digits).** Please note that reported monthly results include hotels that are not in the weekly data set.

### Last week's RevPAR details:

- **Luxury was the strongest chain scale:** Upscale and Upper Midscale underperformed by 480 bps and 580 bps, respectively: Luxury RevPAR (+6.0%), Upper Upscale (+3.4%), Upscale (+1.2%), Upper Midscale (+0.2%), Midscale (-3.3%), and Economy (-1.9%). Independent hotels (-3.2%) underperformed the headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group underperformed Transient:** Transient segment (individual business and leisure travelers) RevPAR was +3.6% (vs. +2.7% last week) and Group segment RevPAR was -2.0% (vs. -4.3% last week).
- **Washington, D.C. (+6.9%) was the strongest of the top five markets:** Boston (-7.7%), Chicago (+3.4%), Los Angeles (+6.1%), and NYC (-3.4%).

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### What's Inside

Weekly STR results and analysis

- **Other relevant markets:**

- **San Francisco was very strong (Moscone Convention Center expected to have a very strong 4Q19 citywide calendar):** RevPAR was +28.5% vs. -15.1% last week.
- **Florida markets were mixed:** Miami (-8.3% vs. +2.4% last week); Orlando (+8.6% vs. +6.6% last week).

**The lodging stocks:** We continue to favor C-Corps over hotel REITS (we favored hotel REITS for the first half of last year) and within C-Corps we prefer Buy-rated WH. In an environment of low RevPAR growth combined with gradually increasing wages/margin pressures, we think returns for hotel owners is a major headwind to EBITDA growth. We believe hotel stocks, but especially hotel REIT stocks, typically work best when there is a spark to RevPAR growth and at this moment we are not seeing such sparks like we did at this time one year ago.

Not For Investment Purposes

## Weekly RevPAR Summary

|            | YoY % change in RevPAR |        |         |         |          |          |         |                  |        | New    |       |         |        |  |
|------------|------------------------|--------|---------|---------|----------|----------|---------|------------------|--------|--------|-------|---------|--------|--|
|            | U.S.                   | Luxury | Upscale | Upscale | Midscale | Midscale | Economy | Inde-<br>pendent | York   | Boston | LA    | Chicago | DC     |  |
| 9/28/2019  | -0.8%                  | 0.6%   | -2.7%   | -2.5%   | -0.5%    | -0.6%    | -1.3%   | 0.6%             | 1.7%   | -12.0% | -2.6% | 0.2%    | 0.9%   |  |
| 10/5/2019  | -7.5%                  | -12.9% | -11.3%  | -7.9%   | -5.2%    | -5.1%    | -4.9%   | -6.1%            | -18.3% | -22.3% | -5.7% | -23.1%  | -12.5% |  |
| 10/12/2019 | -2.6%                  | -7.3%  | -5.7%   | -2.9%   | -0.6%    | -1.0%    | -0.5%   | -1.5%            | -11.9% | -16.5% | -8.8% | -4.7%   | -5.0%  |  |
| 10/19/2019 | -0.7%                  | 4.8%   | -2.4%   | -3.1%   | -2.7%    | -3.5%    | -2.4%   | 2.5%             | 1.8%   | -14.1% | -2.6% | -5.3%   | 18.5%  |  |
| 10/26/2019 | 0.0%                   | 2.0%   | -0.5%   | -1.4%   | -0.5%    | -2.1%    | -2.6%   | 1.5%             | -5.2%  | -5.7%  | 4.4%  | -0.1%   | 10.9%  |  |
| 11/2/2019  | 0.3%                   | 6.0%   | 3.4%    | 1.2%    | 0.2%     | -3.3%    | -1.9%   | -3.2%            | -3.4%  | -7.7%  | 6.1%  | 3.4%    | 6.9%   |  |

Noisy comp given Halloween;  
Group relatively weak

Luxury and Upper Upscale led the industry

DC and LA led the Top 5 markets

|      |      |       |       |       |       |       |       |      |       |       |       |       |        |
|------|------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|--------|
| 1Q16 | 2.7% | 1.6%  | 1.9%  | 2.2%  | 2.0%  | 0.0%  | 1.8%  | 4.0% | -1.2% | -3.0% | 16.6% | -4.8% | 3.1%   |
| 2Q16 | 3.5% | 0.8%  | 2.9%  | 3.1%  | 3.2%  | 3.2%  | 3.0%  | 4.2% | -4.5% | 1.5%  | 11.1% | -1.0% | 3.5%   |
| 3Q16 | 3.3% | 1.5%  | 2.5%  | 2.0%  | 1.8%  | 2.5%  | 3.0%  | 5.1% | -2.5% | -0.5% | 9.3%  | 1.2%  | 5.5%   |
| 4Q16 | 3.2% | 1.9%  | 0.6%  | 1.2%  | 2.2%  | 3.9%  | 4.4%  | 5.1% | 0.9%  | -1.6% | 6.9%  | 3.3%  | 8.0%   |
| 1Q17 | 3.4% | 2.1%  | 3.0%  | 1.0%  | 2.4%  | 3.5%  | 2.6%  | 5.2% | -1.3% | -1.1% | -2.5% | 1.5%  | 16.1%  |
| 2Q17 | 2.7% | 2.3%  | 0.6%  | 0.6%  | 1.2%  | 2.4%  | 3.7%  | 5.1% | 0.2%  | 4.4%  | 3.6%  | 0.8%  | 0.8%   |
| 3Q17 | 1.9% | 0.5%  | -0.7% | 0.7%  | 1.8%  | 3.5%  | 2.9%  | 3.1% | -0.9% | -0.2% | -1.2% | -5.0% | -0.6%  |
| 4Q17 | 4.2% | 4.5%  | 3.2%  | 3.8%  | 3.9%  | 3.7%  | 3.7%  | 4.1% | 0.8%  | 3.7%  | 4.2%  | -2.5% | 2.2%   |
| 1Q18 | 3.5% | 6.6%  | 0.9%  | 2.2%  | 3.0%  | 3.8%  | 5.3%  | 3.8% | 7.1%  | 2.6%  | 2.7%  | 5.8%  | -11.0% |
| 2Q18 | 4.0% | 4.9%  | 3.4%  | 2.8%  | 3.0%  | 4.1%  | 3.1%  | 4.6% | 4.2%  | -1.2% | 0.6%  | 4.0%  | 3.1%   |
| 3Q18 | 1.7% | 3.3%  | 1.9%  | 0.8%  | -0.5% | 0.1%  | 1.8%  | 2.2% | 0.7%  | 2.8%  | 1.3%  | 7.5%  | -3.4%  |
| 4Q18 | 2.4% | 3.0%  | 1.1%  | 0.0%  | 0.5%  | 1.3%  | 2.9%  | 4.9% | 3.5%  | 12.2% | 3.0%  | 2.8%  | -3.4%  |
| 1Q19 | 1.5% | -0.7% | 1.2%  | -0.5% | 0.4%  | -0.1% | 1.9%  | 3.1% | -7.1% | -2.1% | -1.7% | -4.5% | -2.4%  |
| 2Q19 | 1.1% | 1.1%  | 0.5%  | -0.4% | 0.0%  | -0.7% | 1.7%  | 2.4% | -1.8% | 4.5%  | 1.6%  | -0.1% | -1.5%  |
| 3Q19 | 0.7% | 1.3%  | 1.1%  | -0.5% | -0.1% | -1.0% | -0.9% | 1.6% | -2.2% | -0.4% | -0.2% | -2.2% | 4.5%   |

|            | YoY % change in ADR |        |         |         |          |          |         |                  |        | New    |       |         |       |  |
|------------|---------------------|--------|---------|---------|----------|----------|---------|------------------|--------|--------|-------|---------|-------|--|
|            | U.S.                | Luxury | Upscale | Upscale | Midscale | Midscale | Economy | Inde-<br>pendent | York   | Boston | LA    | Chicago | DC    |  |
| 9/28/2019  | -0.5%               | -0.2%  | -1.3%   | -1.4%   | -0.4%    | -0.5%    | -0.9%   | 0.8%             | 1.3%   | -5.2%  | -2.6% | -0.6%   | 1.9%  |  |
| 10/5/2019  | -3.8%               | -5.0%  | -5.2%   | -3.6%   | -2.1%    | -1.7%    | -2.2%   | -2.8%            | -12.5% | -9.8%  | -2.9% | -14.8%  | -3.8% |  |
| 10/12/2019 | -1.2%               | -3.2%  | -3.0%   | -1.5%   | 0.3%     | 0.7%     | 0.0%    | 0.0%             | -8.6%  | -8.6%  | -5.5% | -3.2%   | -4.6% |  |
| 10/19/2019 | 0.2%                | 3.4%   | -1.0%   | -1.4%   | -0.8%    | -0.8%    | -1.5%   | 1.9%             | -0.5%  | -7.3%  | -2.5% | -6.0%   | 16.6% |  |
| 10/26/2019 | 0.2%                | 1.8%   | -0.5%   | -1.0%   | -0.2%    | -0.6%    | -1.7%   | 1.4%             | -4.0%  | -2.3%  | 3.1%  | -1.9%   | 9.0%  |  |
| 11/2/2019  | 0.6%                | 4.7%   | 2.0%    | 0.7%    | 0.3%     | -0.8%    | -1.1%   | -2.0%            | -2.5%  | -2.2%  | 4.1%  | -0.3%   | 4.4%  |  |

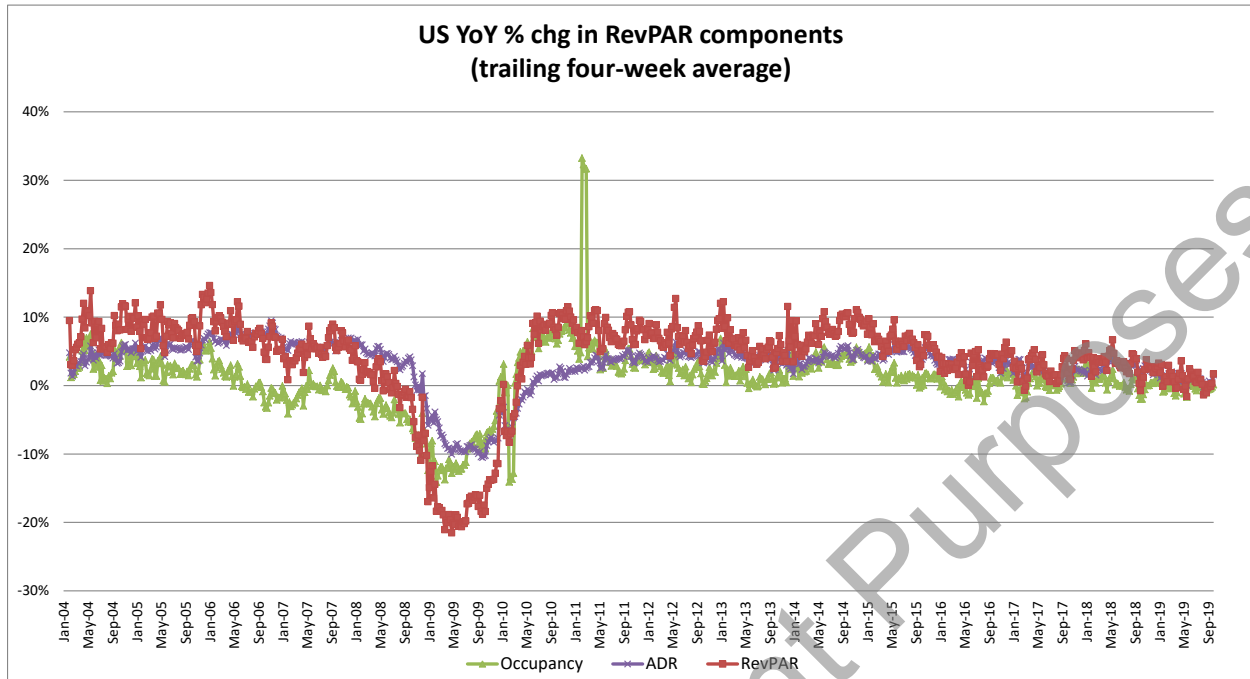
|      |      |      |      |      |       |       |       |      |       |       |       |       |       |
|------|------|------|------|------|-------|-------|-------|------|-------|-------|-------|-------|-------|
| 1Q16 | 3.2% | 1.9% | 2.7% | 3.2% | 2.6%  | 1.7%  | 3.3%  | 3.7% | -3.1% | 1.4%  | 11.3% | -1.9% | 1.1%  |
| 2Q16 | 2.9% | 1.5% | 2.2% | 2.9% | 2.8%  | 2.7%  | 3.4%  | 3.0% | -3.1% | 3.3%  | 9.4%  | 0.3%  | 2.1%  |
| 3Q16 | 3.4% | 1.5% | 2.5% | 2.7% | 2.4%  | 3.1%  | 3.6%  | 4.4% | -2.7% | 2.3%  | 7.5%  | 1.9%  | 3.5%  |
| 4Q16 | 2.6% | 2.1% | 1.4% | 2.2% | 2.0%  | 2.2%  | 3.2%  | 3.8% | -1.2% | 1.3%  | 5.8%  | 3.9%  | 4.1%  |
| 1Q17 | 2.5% | 2.3% | 2.4% | 1.3% | 1.6%  | 1.8%  | 2.4%  | 3.5% | -2.2% | 0.0%  | -0.2% | 1.7%  | 13.6% |
| 2Q17 | 2.2% | 2.2% | 1.2% | 1.7% | 1.5%  | 2.1%  | 2.3%  | 3.5% | -1.5% | 4.1%  | 2.8%  | 1.5%  | 2.0%  |
| 3Q17 | 1.4% | 1.4% | 0.2% | 0.8% | 1.2%  | 1.9%  | 2.4%  | 2.2% | -2.0% | 0.8%  | 1.8%  | -2.4% | 0.0%  |
| 4Q17 | 2.4% | 2.2% | 1.9% | 1.8% | 1.8%  | 2.5%  | 3.4%  | 2.1% | -0.2% | 0.8%  | 4.6%  | -2.0% | 2.4%  |
| 1Q18 | 2.5% | 4.5% | 1.0% | 1.7% | 2.0%  | 3.0%  | 4.0%  | 3.1% | 3.5%  | -1.0% | 4.0%  | 1.4%  | -9.4% |
| 2Q18 | 2.9% | 3.5% | 2.9% | 2.4% | 2.1%  | 2.6%  | 2.7%  | 3.1% | 3.7%  | -0.1% | 2.1%  | 3.3%  | 2.4%  |
| 3Q18 | 2.1% | 3.3% | 2.4% | 1.8% | 1.2%  | 1.3%  | 1.9%  | 1.9% | 1.2%  | 1.9%  | 1.1%  | 6.7%  | -0.8% |
| 4Q18 | 2.0% | 3.7% | 2.2% | 1.6% | 1.1%  | 0.9%  | 0.6%  | 2.9% | 3.4%  | 5.6%  | 1.4%  | 2.2%  | -2.1% |
| 1Q19 | 1.1% | 2.2% | 2.5% | 1.0% | 0.8%  | -0.2% | 1.0%  | 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%  |

|            | YoY % change in Occupancy |        |         |         |          |          |         |                  |       | New    |       |         |       |  |
|------------|---------------------------|--------|---------|---------|----------|----------|---------|------------------|-------|--------|-------|---------|-------|--|
|            | U.S.                      | Luxury | Upscale | Upscale | Midscale | Midscale | Economy | Inde-<br>pendent | York  | Boston | LA    | Chicago | DC    |  |
| 9/28/2019  | -0.4%                     | 0.8%   | -1.4%   | -1.1%   | 0.0%     | -0.2%    | -0.4%   | -0.2%            | 0.5%  | -7.2%  | -0.1% | 0.7%    | -1.1% |  |
| 10/5/2019  | -3.9%                     | -8.4%  | -6.4%   | -4.5%   | -3.1%    | -3.4%    | -2.7%   | -3.4%            | -6.7% | -13.9% | -2.8% | -9.7%   | -9.1% |  |
| 10/12/2019 | -1.4%                     | -4.3%  | -2.7%   | -1.5%   | -0.9%    | -1.7%    | -0.5%   | -1.4%            | -3.7% | -8.7%  | -3.4% | -1.5%   | -0.4% |  |
| 10/19/2019 | -0.9%                     | 1.3%   | -1.4%   | -1.7%   | -2.0%    | -2.7%    | -0.9%   | 0.7%             | 2.4%  | -7.4%  | -0.1% | 0.8%    | 1.6%  |  |
| 10/26/2019 | -0.2%                     | 0.2%   | 0.0%    | -0.4%   | -0.3%    | -1.5%    | -1.0%   | 0.1%             | -1.2% | -3.4%  | 1.2%  | 1.8%    | 1.8%  |  |
| 11/2/2019  | -0.3%                     | 1.3%   | 1.3%    | 0.5%    | 0.0%     | -2.5%    | -0.8%   | -1.2%            | -0.9% | -5.6%  | 2.0%  | 3.7%    | 2.4%  |  |

|      |       |       |       |       |       |       |       |      |       |       |       |       |       |
|------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|
| 1Q16 | -0.5% | -0.3% | -0.8% | -0.9% | -0.6% | -1.7% | -1.5% | 0.3% | 2.0%  | -4.3% | 4.7%  | -3.0% | 2.0%  |
| 2Q16 | 0.6%  | -0.7% | 0.7%  | 0.2%  | 0.4%  | 0.5%  | -0.4% | 1.2% | -1.4% | -1.7% | 1.5%  | -1.4% | 1.3%  |
| 3Q16 | 0.0%  | 0.0%  | -0.1% | -0.6% | -0.6% | -0.6% | -0.6% | 0.7% | 0.3%  | -2.8% | 1.7%  | -0.7% | 1.9%  |
| 4Q16 | 0.6%  | -0.2% | -0.8% | -1.0% | 0.2%  | 1.7%  | 1.2%  | 1.2% | 2.2%  | -2.8% | 1.0%  | -0.5% | 3.7%  |
| 1Q17 | 0.9%  | -0.2% | 0.6%  | -0.3% | 0.7%  | 1.6%  | 0.2%  | 1.6% | 1.0%  | -1.1% | -2.4% | -0.2% | 2.2%  |
| 2Q17 | 0.5%  | 0.1%  | -0.6% | -1.1% | -0.3% | 0.4%  | 1.4%  | 1.6% | 1.7%  | 0.3%  | 0.8%  | -0.7% | -1.2% |
| 3Q17 | 0.5%  | -0.9% | -0.9% | -0.1% | 0.6%  | 1.6%  | 0.5%  | 0.9% | 1.1%  | -1.0% | -2.9% | -2.7% | -0.5% |
| 4Q17 | 1.8%  | 2.2%  | 1.3%  | 2.0%  | 2.1%  | 1.2%  | 0.3%  | 2.0% | 1.0%  | 2.8%  | -0.3% | -0.5% | -0.2% |
| 1Q18 | 0.9%  | 2.1%  | 0.0%  | 0.5%  | 1.1%  | 0.9%  | 1.3%  | 0.7% | 3.5%  | 3.7%  | -1.3% | 4.4%  | -1.8% |
| 2Q18 | 1.1%  | 1.3%  | 0.5%  | 0.4%  | 0.9%  | 1.5%  | 0.4%  | 1.5% | 0.5%  | -1.1% | -1.4% | 0.7%  | 0.7%  |
| 3Q18 | -0.4% | 0.0%  | -0.5% | -1.0% | -1.7% | -1.1% | 0.5%  | 0.3% | -0.5% | 0.9%  | 0.2%  | 0.7%  | -2.6% |
| 4Q18 | 0.4%  | -0.7% | -1.1% | -1.6% | -0.6% | 0.4%  | 2.3%  | 1.9% | 0.1%  | 6.3%  | 1.6%  | 0.6%  | -1.3% |
| 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%  |

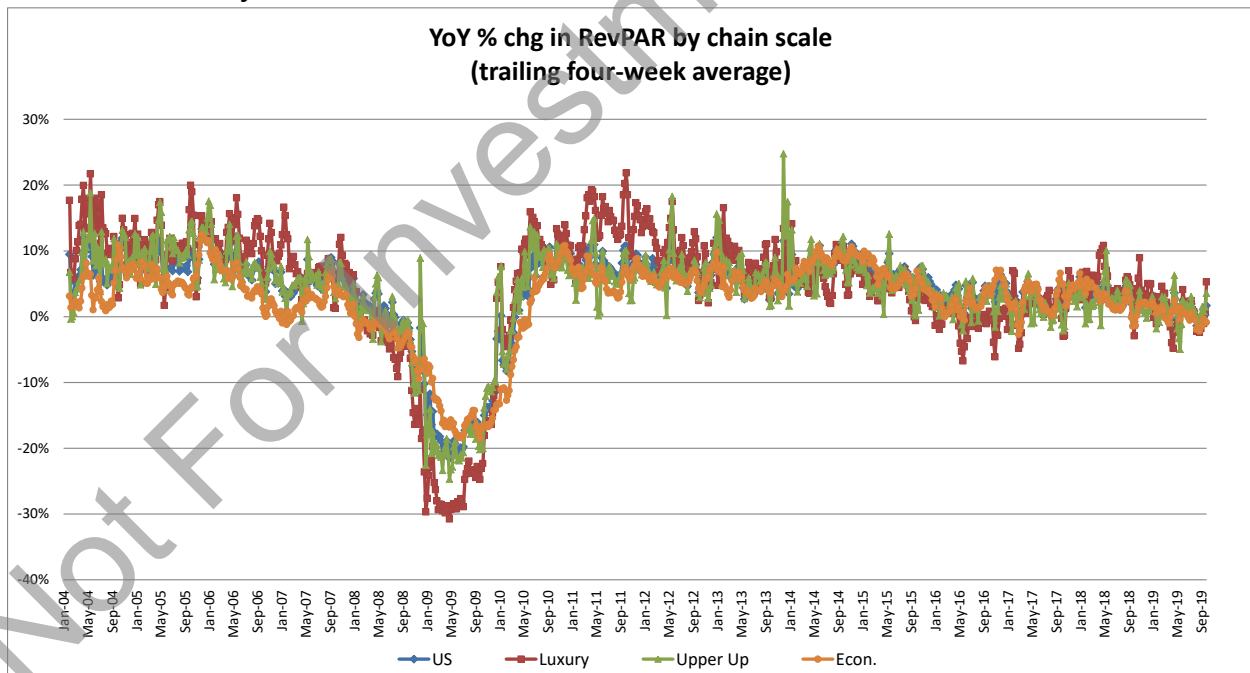
Source: STR data, STRH research

### RevPAR Component Trends



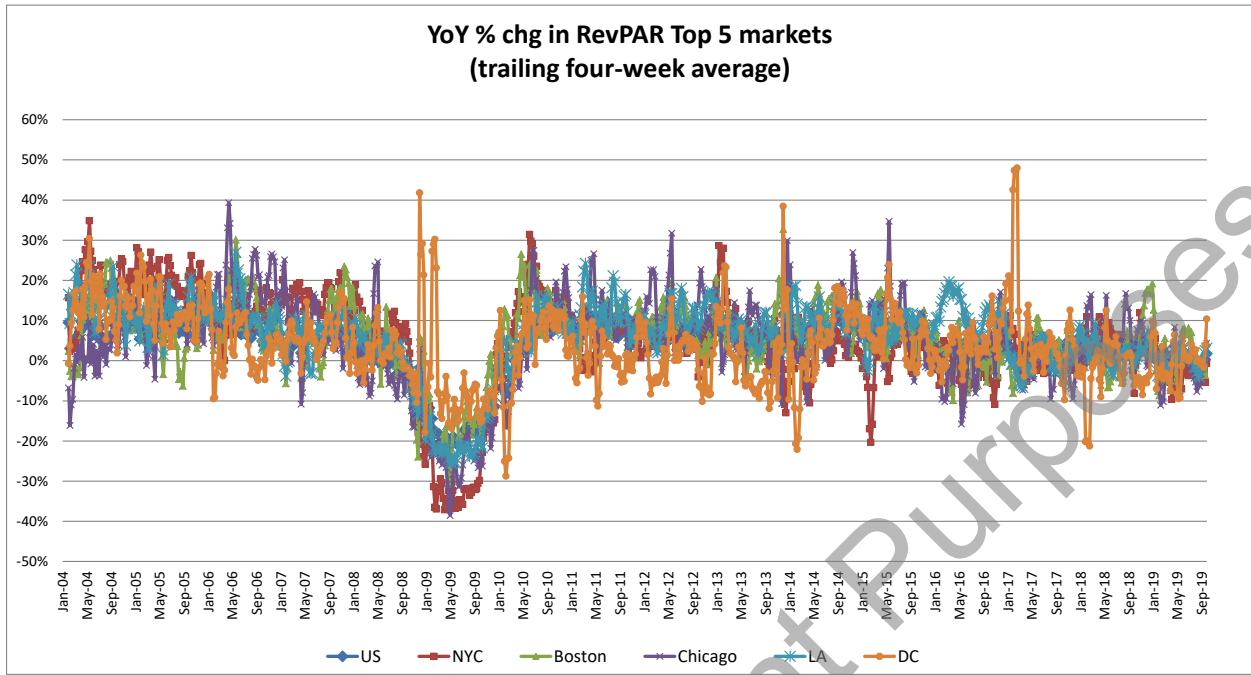
Source: STR data, STRH research

### RevPAR Trends by Chain Scale



Source: STR data, STRH research

### RevPAR Trends by Market



Source: STR data, STRH research

Not For Investment Purposes

## Price Target/Risks Summary

| Lodging                         | TKR  | Price<br>11/5/19 | Rating | PT*   | % upside<br>down-<br>side | 2020E<br>Valuation<br>EBITDA<br>(\$M)** | 2020E<br>As Reported<br>EBITDA<br>(\$M)* | Target<br>EV/EBITDA<br>Multiple | Risks  |
|---------------------------------|------|------------------|--------|-------|---------------------------|---|--|---------------------------------|--|
| Choice Hotels                   | CHH  | \$89.89          | Hold   | \$87  | -3%                       | \$393                                   | \$393                                    | 14.0X                           | Upside risk: conservative guidance.<br>Downside risk: slowdown in development opportunities.   |
| DiamondRock Hospitality         | DRH  | \$10.43          | Hold   | \$9   | -14%                      | \$250                                   | \$251                                    | 11.5X                           | Upside risk: specific markets (esp. NYC) perform better than expected.<br>Downside risk: company unable to locate properties to buy.   |
| Host Hotels & Resorts           | HST  | \$17.41          | Hold   | \$19  | 9%                        | \$1,431                                 | \$1,431                                  | 12.0X                           | Upside risk: the company increases dividends by more than expected; NYC outperforms or is sold down at attractive multiples.<br>Downside risk: Group underperforms. NYC hotels underperform and asset sales do not happen.   |
| Hyatt Hotels                    | H    | \$78.02          | Hold   | \$79  | 1%                        | \$729                                   | \$763                                    | 13.2X                           | Upside risk: Transient and group trends outperform expectations<br>Downside risk: ongoing misexecution and volatility.   |
| Bluegreen Vacations Corporation | BXG  | \$10.01          | Hold   | \$11  | 11%                       | \$106                                   | \$106                                    | 7.8X                            | Upside risk: Accelerating tour flow, FCF generation and declining consumer defaults. Downside risk: 3rd party induced defaults worsen. Middle market customers underperform.   |
| Hilton Grand Vacations          | HGV  | \$35.88          | Buy    | \$42  | 18%                       | \$412                                   | \$439                                    | 11.0X                           | 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<br>Upside risk: Macro lodging trends improve beyond expectations.  |
| Hilton                          | HLT  | \$100.15         | Hold   | \$99  | -1%                       | \$2,378                                 | \$2,481                                  | 14.8X                           | Downside risk: slowing pipeline. 2020 is a recession year in the U.S.<br>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.   |
| Marriott International          | MAR  | \$133.69         | Hold   | \$128 | -4%                       | \$3,446                                 | \$3,760                                  | 14.9X                           | Downside Risk: 2020 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.   |
| Marriott Vacations              | VAC  | \$115.80         | Buy    | \$155 | 34%                       | \$831                                   | \$865                                    | 11.1X                           | Downside risk: M&A story fades and multiples revert to historical levels   |
| Park Hotels & Resorts           | PK   | \$24.20          | Buy    | \$28  | 16%                       | \$883                                   | \$898                                    | 12.0X                           | Downside risk: Significant supply growth, macroeconomic challenges/shocks, higher than expected labor costs.<br>Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets. Downside Risks: Planned asset sales do not materialize as expected and/or at lower-than-expected pricing. Incremental EBITDA from major CapEx investments take longer than anticipated, resulting in multiple contraction. |
| Pebblebrook Hotel Trust***      | PEB  | \$27.47          | Hold   | \$26  | -5%                       | \$462                                   | \$462                                    | 14.0X                           | Downside risk: demand shock, hurricanes, inability to complete 2021 growth initiatives, country-specific risks (emerging market portfolio)   |
| Playa Hotels & Resorts          | PLYA | \$8.48           | Buy    | \$11  | 30%                       | \$187                                   | \$195                                    | 11.5X                           | Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion.   |
| RLJ Lodging Trust***            | RLJ  | \$17.54          | Sell   | \$14  | -20%                      | \$382                                   | \$395                                    | 11.0X                           | Upside risk: recovering group demand better than expected, better margin recovery.   |
| Ryman Hospitality Properties    | RHP  | \$89.15          | Hold   | \$78  | -13%                      | \$511                                   | \$505                                    | 12.2X                           | Downside risk: booking issues stickier than expected.<br>Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in Orlando and Boston Park Plaza post-meeting space expansions.  |
| Sunstone Hotel Investors        | SHO  | \$14.34          | Hold   | \$14  | -2%                       | \$304                                   | \$304                                    | 11.5X                           | Downside risk: Weaker than expected demand trends following capital investment projects.   |
| Vail Resorts, Inc.              | MTN  | \$236.74         | Buy    | \$280 | 18%                       | \$796                                   | \$796                                    | 15.0X                           | Downside risk: Economic conditions, competition for vacation and ski dollars, stagnant skier visitation, an aging customer, and climate change.  |
| Wyndham Destinations            | WYND | \$49.23          | Buy    | \$76  | 54%                       | \$1,027                                 | \$1,046                                  | 9.2X                            | Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.  |
| Wyndham Hotels & Resorts        | WH   | \$55.14          | Buy    | \$68  | 23%                       | \$635                                   | \$657                                    | 13.0X                           | Downside risk: Slowdown in development opportunities. La Quinta synergies below expectations.  |

\* All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2020 EBITDA

\*\* Valuation EBITDA excludes select items for specific companies including stock-based compensation.

\*\*\* Covered by Gregory J. Miller

Source: FactSet, STRH research

## Companies Mentioned in This Note

**Bluegreen Vacations Corporation** (BXG, \$10.01, Hold, C. Patrick Scholes)  
**Choice Hotels International, Inc.** (CHH, \$89.89, Hold, C. Patrick Scholes)  
**DiamondRock Hospitality Company** (DRH, \$10.43, Hold, C. Patrick Scholes)  
**Hyatt Hotels Corporation** (H, \$78.02, Hold, C. Patrick Scholes)  
**Hilton Grand Vacations Inc.** (HGV, \$35.88, Buy, C. Patrick Scholes)  
**Hilton Worldwide Holdings Inc.** (HLT, \$100.15, Hold, C. Patrick Scholes)  
**Host Hotels & Resorts, Inc.** (HST, \$17.41, Hold, C. Patrick Scholes)  
**Marriott International, Inc.** (MAR, \$133.69, Hold, C. Patrick Scholes)  
**Vail Resorts, Inc.** (MTN, \$236.74, Buy, C. Patrick Scholes)  
**Pebblebrook Hotel Trust** (PEB, \$27.47, Hold, Gregory Miller)  
**Park Hotels & Resorts Inc.** (PK, \$24.20, Buy, C. Patrick Scholes)  
**Playa Hotels & Resorts N.V.** (PLYA, \$8.48, Buy, C. Patrick Scholes)  
**Ryman Hospitality Properties, Inc.** (RHP, \$89.15, Hold, C. Patrick Scholes)  
**RLJ Lodging Trust** (RLJ, \$17.54, Sell, Gregory Miller)  
**Sunstone Hotel Investors, Inc.** (SHO, \$14.34, Hold, C. Patrick Scholes)  
**Marriott Vacations Worldwide Corporation** (VAC, \$115.80, Buy, C. Patrick Scholes)  
**Wyndham Hotels & Resorts, Inc.** (WH, \$55.14, Buy, C. Patrick Scholes)  
**Wyndham Destinations, Inc.** (WYND, \$49.23, Buy, C. Patrick Scholes)

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I, Gregory J. Miller, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

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