Equity Research Report

April 2, 2025

CONSUMER: Lodging

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Reasons for this report

✓ Our analysis of the most recent weekly US lodging results

Lodging: U.S. RevPAR +7.0% y/y last week; Easy comp from Good Friday/ Easter holiday calendar shift

Overall U.S. RevPAR was +7.0% y/y for the week ending 03/29/2025, per STR/ CoStar, above the prior week's result of +2.8% y/y and above the trailing 10-week average of +1.4% y/y.

Last week was impacted by the Easter calendar shift; last year's comp included Good Friday into Easter weekend. Easter is April 20th in 2025 and was March 31st in 2024. Understandably, last week was an easy comp for business travel, particularly groups. Occupancy and RevPAR y/y growth improved over the course of the week, a reversal of last year's performance. Sunday RevPAR y/y was -7%, Tuesday was +3%, and Saturday was +24%. We await cleaner comps to better assess macro trends.

Major RevPAR statistics presented below:

- Luxury RevPAR: +4.9% y/y
- Upper Upscale RevPAR: +10.1% y/y
- Upscale RevPAR: +8.8% y/y
- Upper Midscale RevPAR: +9.1% y/y
- Midscale RevPAR: +8.0% y/y
- Economy RevPAR: +4.9% y/y
- Independent hotels (~ 1/3rd of the data set) RevPAR: +1.7% y/y; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +55.0% y/y vs. -2.7% prior week;
  - Transient: -4.6% y/y vs. +7.5% prior week;
- Las Vegas RevPAR: +2.9% y/y
  - **As a caveat, we note that many large Strip casino hotel operators do not participate in STR's survey.**

Last week's RevPAR details and sequential trends (all comparable information on new STR methodology):

- **Headline RevPAR** was +7.0% y/y vs. the running 28-day average of +1.4% y/y.
- **Occupancy:** Absolute occupancy was 65.1% vs. 64.4% for the running 28-day average.
- **Absolute Group occupancy:** 20.2% last week vs. 21.4% for the running 28 days.

Not for Investment Purposes

Weekly RevPAR Summary

YoY % change in RevPAR

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
11/2/2024	**3.1%**	9.5%	5.2%	4.5%	4.1%	2.8%	1.3%	-3.4%	20.7%	11.7%	-6.5%	12.1%	6.2%
11/9/2024	**-3.5%**	-5.6%	-9.1%	-5.8%	-1.2%	1.5%	2.9%	-2.4%	-7.3%	-20.2%	-12.3%	18.5%	-27.9%
11/16/2024	**0.4%**	5.7%	1.0%	2.7%	2.0%	3.0%	3.6%	-8.1%	14.1%	-4.8%	8.5%	9.9%	-8.0%
11/23/2024	**31.1%**	25.5%	61.9%	46.6%	29.6%	16.4%	10.1%	9.1%	27.3%	100.1%	30.7%	113.7%	104.0%
11/30/2024	**-10.5%**	-2.4%	-24.9%	-17.9%	-7.9%	1.8%	7.1%	-5.5%	-17.3%	-21.6%	-6.2%	-28.2%	-30.9%
12/7/2024	**4.3%**	6.9%	3.1%	1.0%	3.7%	5.0%	7.3%	4.1%	6.7%	-11.0%	-0.3%	42.9%	-0.7%
12/14/2024	**18.2%**	26.2%	22.4%	18.4%	14.9%	11.5%	10.1%	14.2%	35.0%	15.4%	14.9%	20.4%	67.6%
12/21/2024	**14.3%**	2.1%	17.2%	21.7%	19.2%	15.8%	11.9%	6.0%	25.5%	15.8%	8.1%	30.3%	42.4%
12/28/2024	**-6.5%**	-9.1%	-7.8%	-6.0%	-5.8%	-3.5%	1.4%	-9.0%	3.0%	-1.0%	-9.7%	5.7%	-1.4%
1/4/2025	**14.9%**	37.3%	18.0%	6.1%	2.7%	2.0%	5.8%	18.5%	48.4%	4.5%	4.6%	24.6%	6.6%
1/11/2025	**-13.2%**	-15.0%	-18.9%	-15.6%	-10.6%	-3.3%	3.4%	-14.2%	-3.2%	-23.0%	8.6%	-5.9%	-16.3%
1/18/2025	**17.4%**	37.7%	25.3%	14.8%	11.9%	7.4%	6.4%	11.5%	18.9%	11.8%	3.7%	6.7%	83.9%
1/25/2025	**-0.2%**	11.4%	-0.9%	-4.3%	-2.9%	-0.3%	4.5%	-1.3%	3.7%	-10.9%	4.4%	-34.0%	86.8%
2/1/2025	**4.1%**	8.2%	6.8%	4.1%	3.4%	2.4%	1.3%	-0.3%	11.6%	8.4%	8.1%	6.0%	4.2%
2/8/2025	**-2.7%**	3.8%	-0.3%	-0.5%	-0.3%	2.0%	1.9%	-12.4%	1.3%	4.2%	7.6%	2.9%	12.1%
2/15/2025	**3.4%**	11.6%	7.5%	4.8%	1.5%	1.7%	0.9%	-2.2%	12.2%	-1.7%	1.0%	28.3%	5.5%
2/22/2025	**-0.3%**	7.2%	0.6%	-1.6%	-2.6%	-2.1%	-1.4%	-1.4%	7.7%	14.2%	16.7%	-0.5%	-8.4%
3/1/2025	**3.1%**	10.7%	3.9%	2.3%	2.1%	1.5%	1.0%	1.0%	11.0%	-11.0%	3.3%	5.5%	5.0%
3/8/2025	**0.6%**	4.0%	1.3%	-1.1%	-0.7%	0.7%	1.4%	-0.1%	1.5%	-8.9%	-4.9%	19.5%	-6.3%
3/15/2025	**-4.2%**	-0.6%	-4.2%	-5.2%	-4.4%	-4.3%	-2.7%	-5.7%	-2.0%	-3.3%	-7.2%	4.6%	-3.2%
3/22/2025	**2.8%**	8.4%	1.8%	0.0%	1.0%	1.4%	1.8%	4.3%	8.3%	1.2%	9.5%	21.8%	-17.8%
3/29/2025	**7.0%**	4.9%	10.1%	8.8%	9.1%	8.0%	4.9%	1.7%	-9.0%	12.6%	10.0%	3.2%	19.1%

Positive Easter holiday calendar shift

Upper Upscale and Upper Midscale led chain scales

Washington D.C. and Boston led 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%
1Q22	67.2%	112.3%	127.2%	69.7%	51.0%	38.2%	24.3%	58.3%	97.1%	137.1%	115.2%	85.1%	58.1%
2Q22	38.8%	70.2%	82.9%	46.8%	26.2%	15.4%	8.8%	27.7%	141.2%	172.1%	51.0%	109.5%	145.7%
3Q22	16.6%	27.7%	36.6%	22.5%	10.8%	3.5%	0.0%	11.3%	67.4%	59.9%	21.4%	48.1%	54.6%
4Q22	16.3%	19.7%	30.1%	20.5%	11.7%	5.1%	1.4%	12.3%	50.8%	35.8%	11.4%	37.3%	53.2%
1Q23	16.7%	16.0%	29.8%	20.4%	13.4%	4.8%	0.8%	12.9%	46.6%	35.0%	11.6%	26.6%	56.7%
2Q23	2.5%	-2.3%	5.1%	5.8%	3.8%	-0.4%	-3.8%	-0.6%	13.3%	11.2%	1.2%	12.1%	17.4%
3Q23	1.7%	0.1%	3.9%	3.7%	1.7%	-1.0%	-3.5%	0.2%	16.4%	8.0%	1.2%	-1.9%	11.5%
4Q23	1.3%	-0.5%	4.3%	2.7%	-0.1%	-3.0%	-5.4%	0.2%	14.6%	13.8%	0.6%	0.7%	5.7%
1Q24	0.2%	-0.3%	2.9%	0.1%	-2.1%	-4.5%	-6.9%	-0.2%	11.6%	9.7%	-4.3%	1.9%	5.3%
2Q24	2.5%	2.0%	3.8%	3.1%	2.1%	1.4%	-2.0%	0.4%	8.6%	7.9%	-3.4%	3.0%	5.5%
3Q24	0.9%	2.3%	2.3%	1.3%	0.4%	-0.4%	-2.4%	-1.1%	5.2%	6.2%	0.1%	13.4%	3.6%
4Q24	3.4%	6.8%	2.9%	3.4%	4.3%	4.3%	4.2%	-0.4%	10.7%	2.0%	0.1%	12.2%	5.8%

YoY % change in ADR

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
11/2/2024	**1.2%**	3.0%	2.0%	2.4%	2.0%	0.9%	0.3%	-3.8%	11.1%	8.5%	-5.5%	8.4%	6.5%
11/9/2024	**-0.1%**	2.5%	-0.5%	-0.5%	1.5%	1.1%	1.6%	0.5%	-2.6%	-8.6%	-5.7%	13.9%	-13.4%
11/16/2024	**-1.1%**	-0.8%	0.3%	1.3%	1.5%	2.0%	1.6%	-9.5%	7.8%	-2.8%	2.4%	7.3%	-1.3%
11/23/2024	**8.6%**	-9.3%	10.8%	10.9%	7.4%	4.3%	2.7%	1.1%	12.9%	36.0%	9.4%	43.8%	39.7%
11/30/2024	**-3.0%**	15.9%	-5.1%	-5.5%	-1.4%	4.1%	4.8%	-2.9%	-14.9%	-10.9%	-3.6%	-15.5%	-17.3%
12/7/2024	**3.8%**	5.4%	4.2%	2.6%	3.1%	3.3%	3.0%	3.7%	7.0%	-7.2%	1.2%	21.4%	1.7%
12/14/2024	**8.9%**	9.2%	8.4%	8.0%	6.7%	5.4%	4.9%	7.1%	30.1%	7.1%	5.4%	8.2%	26.8%
12/21/2024	**2.7%**	-10.5%	0.1%	4.9%	5.2%	5.7%	4.9%	-0.3%	20.1%	6.1%	2.7%	9.8%	13.2%
12/28/2024	**-1.7%**	-3.4%	-2.6%	-1.8%	0.2%	1.4%	2.6%	-3.6%	3.1%	-0.4%	-5.5%	2.5%	0.6%
1/4/2025	**11.7%**	16.6%	10.6%	5.1%	3.7%	4.5%	5.0%	11.6%	30.7%	1.6%	-0.3%	11.5%	0.6%
1/11/2025	**-5.9%**	-5.2%	-7.6%	-4.3%	-2.4%	1.3%	3.1%	-9.0%	-0.3%	-3.9%	2.7%	-0.7%	-2.6%
1/18/2025	**10.0%**	20.9%	11.9%	5.4%	4.8%	4.4%	4.5%	7.4%	10.3%	2.7%	1.5%	1.5%	52.8%
1/25/2025	**3.4%**	15.7%	6.0%	1.8%	1.5%	2.0%	2.9%	0.2%	3.7%	-4.9%	-1.6%	-16.1%	73.3%
2/1/2025	**1.8%**	4.0%	1.9%	1.2%	1.2%	2.1%	1.8%	-1.7%	6.4%	3.6%	0.0%	3.3%	3.3%
2/8/2025	**-2.2%**	2.7%	0.4%	0.4%	0.3%	1.9%	1.5%	-11.4%	3.6%	1.6%	0.6%	2.1%	7.4%
2/15/2025	**2.2%**	4.3%	2.4%	1.9%	2.0%	2.3%	1.4%	-1.8%	12.0%	-2.3%	-1.0%	12.1%	4.5%
2/22/2025	**2.5%**	5.7%	2.0%	1.0%	1.5%	1.4%	0.5%	1.9%	6.2%	5.3%	5.8%	0.8%	-1.3%
3/1/2025	**2.7%**	7.0%	3.2%	1.5%	1.4%	1.8%	1.4%	1.6%	8.6%	-5.4%	0.5%	3.1%	5.3%
3/8/2025	**2.1%**	4.9%	1.9%	1.1%	1.4%	1.7%	1.7%	1.7%	4.2%	-3.9%	1.7%	3.2%	0.6%
3/15/2025	**-0.7%**	2.1%	-1.0%	-1.9%	-0.8%	-0.6%	-0.9%	-1.1%	1.2%	-0.6%	1.7%	4.2%	1.6%
3/22/2025	**1.8%**	6.5%	2.3%	0.2%	0.2%	0.5%	0.3%	2.0%	4.8%	1.9%	4.3%	17.7%	-8.8%
3/29/2025	**2.5%**	2.1%	4.0%	2.9%	3.1%	3.2%	1.6%	-0.1%	-4.6%	1.1%	5.2%	5.5%	10.9%

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%	2.3%	1.9%	-1.7%	0.2%
3Q19	0.8%	1.5%	1.3%	0.2%	-0.1%	-0.5%	-0.5%	1.6%	-0.8%	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%	-5.9%	-0.3%	-2.2%	3.9%
1Q20	-4.0%	1.6%	-1.4%	-2.9%	-3.1%	-3.8%	-3.8%	-2.3%	-8.8%	-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%	-32.3%	-34.9%	-40.5%	-53.7%	-48.8%
3Q20	-24.1%	-12.6%	-25.6%	-24.2%	-17.3%	-11.6%	-9.4%	-16.1%	-27.7%	-17.3%	-31.6%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-20.9%	-34.1%	-25.5%	-29.2%	-44.8%	-40.7%
1Q22	37.5%	21.0%	39.7%	34.1%	27.3%	20.8%	17.3%	34.0%	52.2%	50.5%	61.8%	41.1%	31.7%
2Q22	26.2%	14.3%	29.0%	27.1%	18.9%	14.8%	11.8%	20.5%	69.0%	73.6%	32.9%	53.6%	60.6%
3Q22	11.6%	6.7%	12.6%	13.3%	7.6%	5.9%	4.2%	8.0%	32.6%	30.0%	14.6%	25.4%	25.5%
4Q22	12.0%	6.5%	12.6%	13.7%	8.7%	6.2%	4.5%	10.2%	28.0%	20.5%	8.4%	20.2%	27.9%
1Q23	10.2%	-1.9%	8.4%	11.0%	8.1%	4.7%	3.8%	9.1%	13.4%	15.6%	3.8%	11.5%	24.4%
2Q23	3.2%	-1.2%	2.5%	4.3%	3.5%	1.6%	0.9%	2.1%	9.6%	5.8%	2.5%	8.5%	11.6%
3Q23	2.2%	-1.4%	1.3%	2.2%	2.2%	0.3%	0.0%	2.1%	9.8%	3.8%	0.2%	-2.1%	6.2%
4Q23	2.9%	-2.3%	2.7%	2.5%	1.3%	0.3%	-1.2%	3.7%	9.6%	7.0%	0.0%	0.7%	3.5%
1Q24	2.2%	-2.4%	1.9%	1.1%	0.6%	-1.0%	-3.0%	3.1%	6.7%	3.3%	-2.2%	0.4%	2.8%
2Q24	1.6%	-2.2%	1.5%	1.6%	1.3%	0.7%	-1.4%	0.7%	4.6%	3.6%	-3.1%	0.3%	3.6%
3Q24	1.4%	0.1%	1.8%	1.3%	0.8%	0.7%	-0.8%	0.2%	3.6%	5.7%	-1.6%	10.1%	3.2%
4Q24	1.9%	4.4%	1.7%	1.8%	2.4%	2.7%	2.0%	-0.9%	7.7%	1.3%	-0.7%	6.7%	3.8%

YoY % change in Occupancy

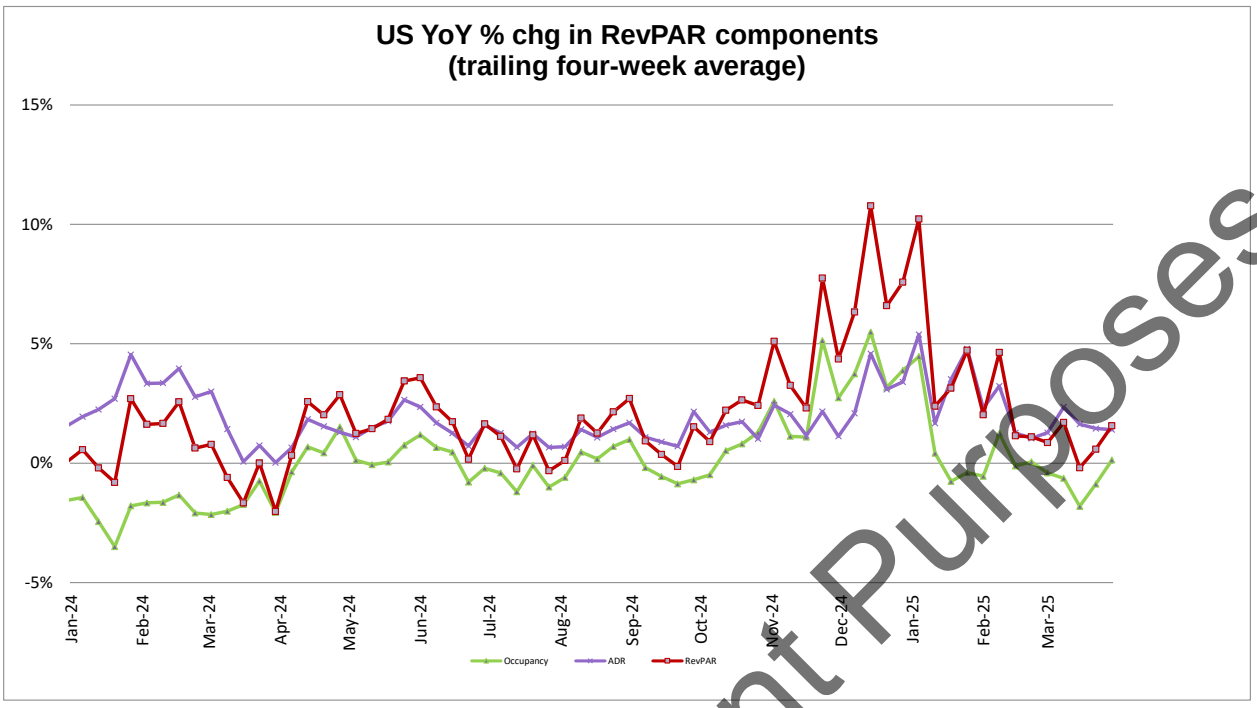
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
11/2/2024	**1.9%**	6.3%	3.1%	2.1%	2.1%	1.9%	1.0%	0.4%	8.6%	3.0%	-1.0%	3.4%	-0.3%
11/9/2024	**-3.5%**	-7.9%	-8.6%	-5.3%	-2.7%	0.3%	1.3%	-2.8%	-4.8%	-12.7%	-7.0%	4.0%	-16.7%
11/16/2024	**1.5%**	6.5%	0.7%	1.4%	0.5%	1.0%	1.9%	1.5%	5.8%	-2.0%	5.9%	2.4%	-6.8%
11/23/2024	**20.7%**	38.3%	46.6%	34.2%	26.7%	11.6%	7.2%	8.0%	12.8%	47.1%	19.4%	48.7%	46.0%
11/30/2024	**-7.7%**	-15.0%	-20.8%	-13.1%	-5.5%	-2.2%	2.3%	-2.7%	-2.8%	-12.0%	-2.7%	-15.1%	-16.4%
12/7/2024	**0.5%**	1.4%	-1.6%	-1.5%	0.6%	1.6%	4.2%	0.5%	-0.3%	-4.1%	-1.5%	17.8%	-2.3%
12/14/2024	**8.5%**	15.5%	13.0%	9.6%	7.6%	5.7%	4.9%	6.6%	3.7%	7.7%	9.0%	11.4%	32.2%
12/21/2024	**11.4%**	14.4%	17.0%	16.1%	13.3%	9.6%	6.7%	6.3%	4.5%	9.2%	5.2%	18.7%	25.7%
12/28/2024	**-4.9%**	-5.9%	-5.3%	-4.3%	-5.9%	-4.8%	-1.2%	-5.7%	-0.1%	-0.6%	-4.4%	3.1%	-2.0%
1/4/2025	**2.9%**	17.8%	3.2%	0.9%	-1.0%	-2.4%	0.9%	6.1%	13.6%	2.8%	4.8%	11.8%	6.0%
1/11/2025	**-7.2%**	-10.3%	-12.2%	-11.8%	-8.4%	-4.6%	0.3%	-5.7%	-2.9%	-19.8%	5.7%	-5.2%	-14.1%
1/18/2025	**6.7%**	13.9%	11.9%	9.0%	6.8%	2.9%	1.9%	3.8%	7.8%	8.9%	2.2%	5.1%	20.4%
1/25/2025	**-3.6%**	-3.7%	-6.5%	-6.0%	-4.3%	-2.3%	1.6%	-1.6%	0.0%	-6.2%	6.0%	-21.3%	4.9%
2/1/2025	**2.3%**	4.0%	4.8%	2.8%	2.1%	0.2%	-0.5%	1.5%	4.8%	4.6%	8.1%	2.7%	0.7%
2/8/2025	**-0.5%**	1.1%	-0.7%	-0.9%	-0.6%	0.1%	0.4%	-1.2%	-2.2%	2.5%	6.9%	0.8%	4.3%
2/15/2025	**1.2%**	7.0%	5.0%	2.9%	-0.4%	-0.5%	-0.5%	-0.4%	0.2%	0.6%	2.0%	14.4%	1.0%
2/22/2025	**-2.7%**	1.4%	-1.4%	-2.6%	-4.0%	-3.5%	-2.0%	-3.3%	1.5%	8.5%	10.4%	-1.3%	-7.2%
3/1/2025	**0.4%**	3.4%	0.7%	0.8%	0.7%	-0.3%	-0.4%	-0.5%	2.2%	-6.0%	2.7%	2.3%	-0.3%
3/8/2025	**-1.4%**	-0.9%	-0.6%	-2.2%	-2.0%	-1.0%	-0.3%	-1.8%	-2.6%	-5.2%	-0.2%	9.5%	-6.8%
3/15/2025	**-3.5%**	-2.7%	-3.2%	-3.4%	-3.6%	-3.6%	-1.8%	-4.6%	-3.2%	-2.7%	-5.7%	0.4%	-4.7%
3/22/2025	**1.0%**	1.8%	-0.4%	-0.2%	0.8%	0.9%	1.6%	2.3%	3.4%	-0.7%	5.0%	3.4%	-9.9%
3/29/2025	**4.4%**	2.7%	5.8%	5.7%	5.9%	4.7%	3.2%	1.8%	-4.6%	5.1%	4.6%	-2.2%	7.4%

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%
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%
3Q22	4.5%	19.7%	21.3%	8.1%	2.9%	-2.3%	-4.0%	2.2%	26.3%	23.0%	5.9%	18.1%	23.2%
4Q22	3.8%	12.4%	15.5%	6.0%	2.7%	-1.1%	-2.9%	1.9%	17.8%	12.7%	7.6%	14.2%	19.8%
1Q23	5.9%	18.3%	19.8%	8.5%	4.9%	0.1%	-2.9%	3.5%	29.3%	16.8%	7.5%	13.6%	25.9%
2Q23	-0.7%	-1.0%	2.6%	1.4%	0.3%	-2.0%	-4.6%	-2.7%	3.3%	5.1%	-1.3%	3.3%	5.1%
3Q23	-0.5%	1.5%	2.6%	1.4%	-0.5%	-1.3%	-3.5%	-1.8%	6.0%	4.1%	1.1%	0.3%	5.0%
4Q23	-1.6%	1.8%	1.5%	0.2%	-1.8%	-2.7%	-4.2%	-3.3%	4.5%	6.4%	0.5%	0.1%	2.1%
1Q24	-2.0%	2.1%	0.9%	-0.9%	-2.7%	-3.6%	-4.0%	-3.2%	4.6%	6.2%	-2.1%	1.5%	2.4%
2Q24	0.9%	4.3%	2.3%	1.5%	0.7%	0.7%	-0.6%	-0.3%	3.8%	4.1%	-0.4%	2.7%	1.8%
3Q24	-0.5%	2.2%	0.4%	0.1%	-0.4%	-1.1%	-1.6%	-1.2%	1.5%	0.5%	1.8%	3.0%	0.4%
4Q24	1.5%	2.3%	1.1%	1.5%	1.9%	1.5%	2.2%	0.5%	2.9%	0.6%	0.8%	5.1%	1.9%

Source: STR data, Truist Securities research

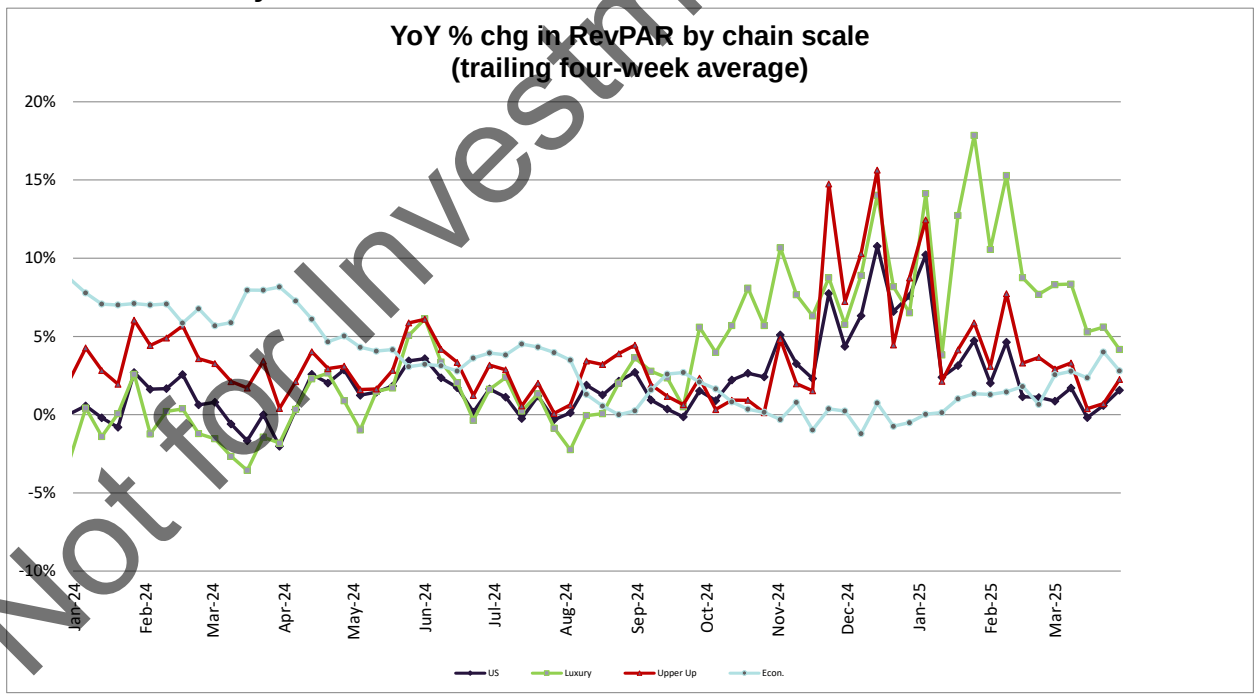
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RevPAR Component Trends



Source: STR data, Truist Securities research

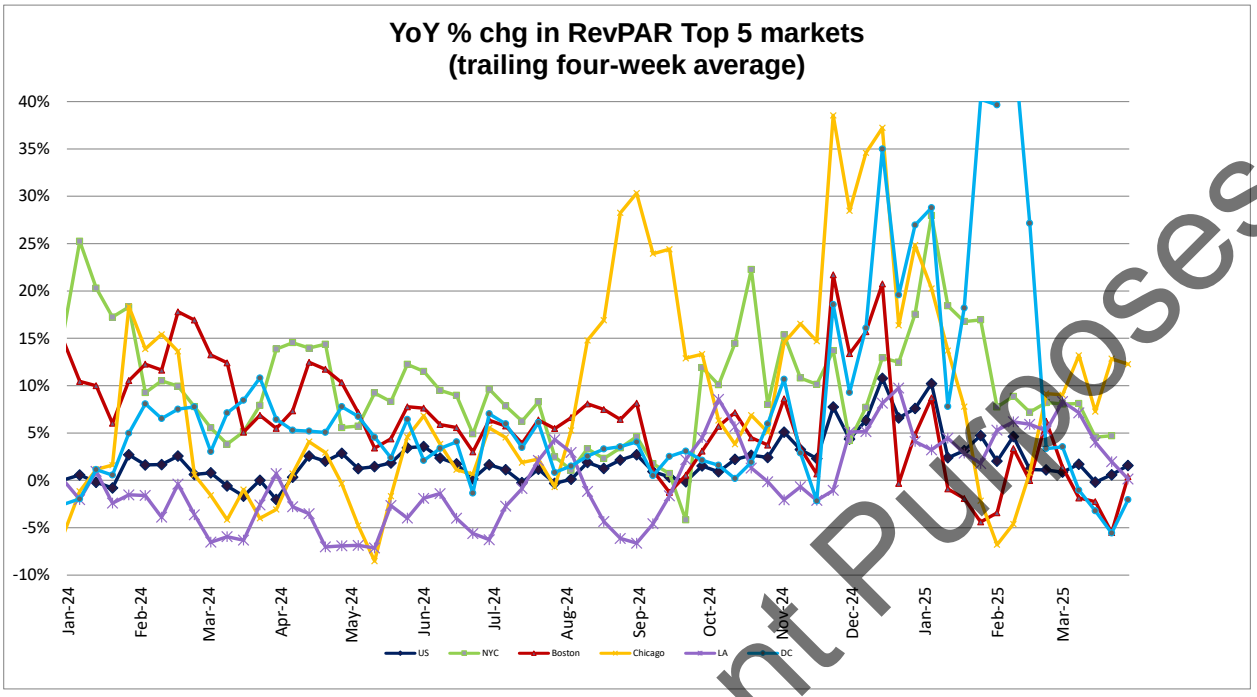
RevPAR Trends by Chain Scale



Source: STR data, Truist Securities research

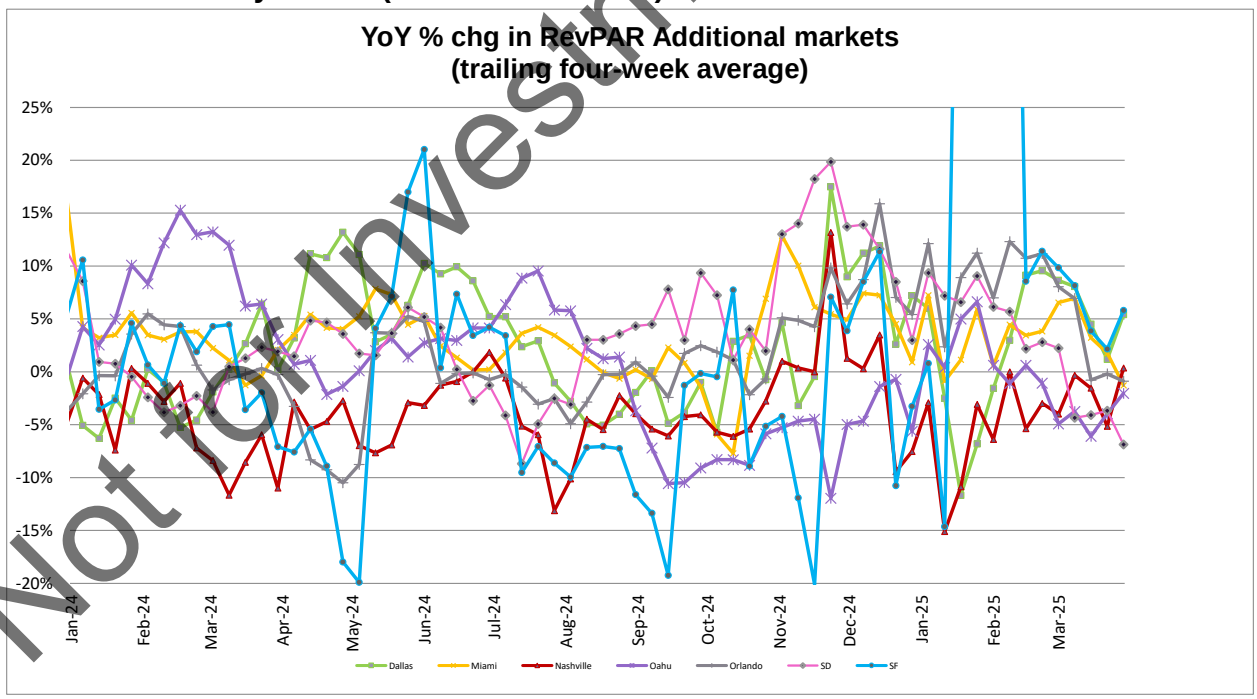
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RevPAR Trends by Market (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



Source: STR data, Truist Securities research

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MAR: Valuation and Risks

Our $300 price target is based on a 17.6x blended multiple on our 2026E EBITDA. In the parts, we assign a 12.0x multiple of EBITDA to the Owned segment and 18.0x fees EBITDA (the fees EBITDA also includes credit card branding fees, a 10x multiple business) to the managed/franchised business. The multiple is towards the higher end of the historical range of 9-18x.

Risks to our rating and price target:

Upside Risks: Significant U.S macroeconomic improvement results in large recovery in transient corporate and group/convention demand. Owned assets sell for premium prices relative to MAR expectations. Supply growth is stronger than expectations. Consolidation in the lodging industry benefits MAR.

Downside Risks: Deep macroeconomic recession. Geopolitical, inflation, and policy risks negatively impact lodging demand. Inability to grow pipeline in line with Street expectations.

RLJ: Valuation and Risks

Our price target of $10 for RLJ is derived by applying a 10.5x target EV/EBITDA multiple (in-line with portfolio quality and investor sentiment; REIT peers are primarily ~11.5x-13.0x) to our estimate for 2026 EBITDA.

Upside risks:

- Government policy reversals that lead to RLJ and sector rebound
- Improved consumer confidence
- Return to office mandates lead to improvement in business travel
- Relative outperformance versus other Lodging REITS

Downside risks:

- Delays on conversion completions and/or underperformance versus RLJ guidance negatively impact investor confidence
- Investor sentiment is permanently challenged to urban, non-leisure oriented assets and markets as well as to hybrid Lodging REITS (select- and full-service combined portfolios), impacting trading multiples
- Severe recession
- A permanent and material reduction of business travel, especially transient corporate, to RLJ hotels and markets
- Delayed/incomplete recovery of international travel through the projection period

Companies Mentioned in This Note

Marriott International, Inc. (MAR, $238.24, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, $7.98, Hold, Gregory Miller)

Analyst Certification

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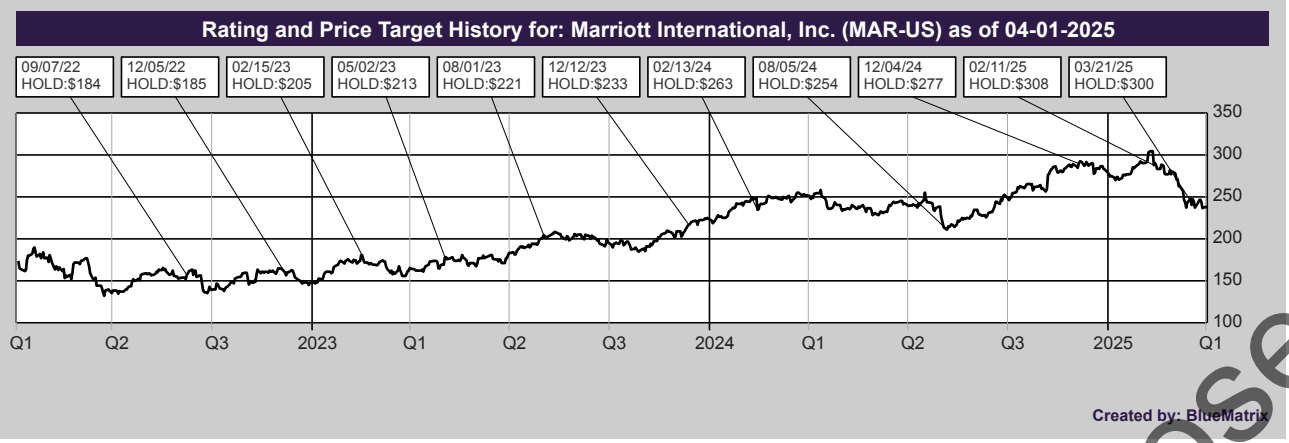
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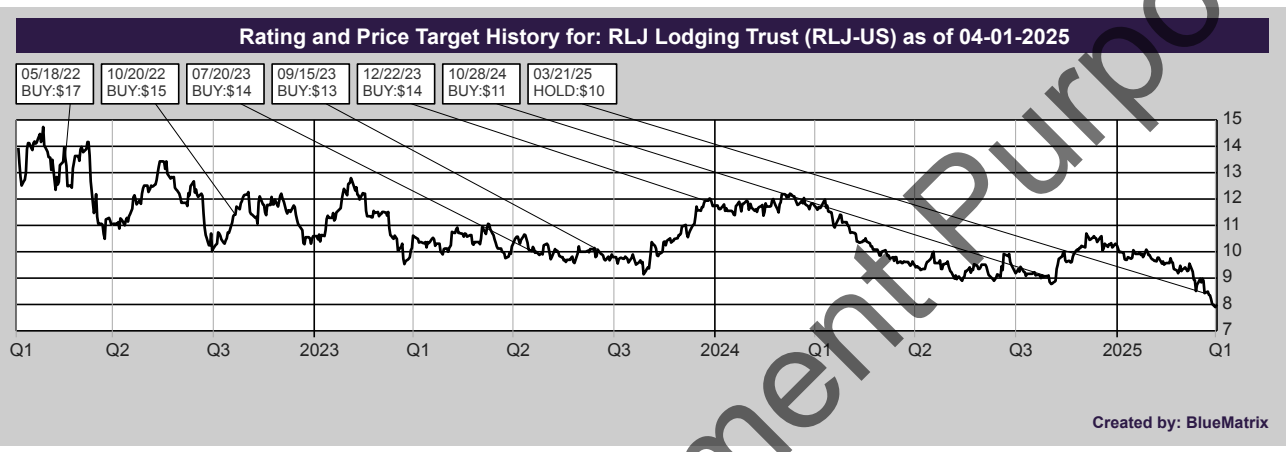
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Hold (H) – the stock's total return is expected to perform in line with the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

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Legend for Rating and Price Target History Charts:

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H = Hold

S = Sell

D = Drop Coverage

CS = Coverage Suspended

NR = Not Rated

I = Initiate Coverage

T = Transfer Coverage

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Coverage Universe			Investment Banking Clients Past 12 Months		
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Hold	253	35.84%	Hold	33	13.04%
Sell	1	0.14%	Sell	0	0.00%

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