Equity Research Report

December 3, 2025

**CONSUMER:** Lodging

**C. Patrick Scholes**
212-319-3915
Patrick.Scholes@truist.com

**Gregory J. Miller**
212-303-4198
Gregory.J.Miller@truist.com

Samuel Durno
212-303-4183
Samuel.Durno@truist.com

Adam Fox
404-439-7379
Adam.Fox@truist.com

Davis Holcombe
404-926-5091
Davis.Holcombe@truist.com

10 Page Document

## Reasons for this report

✓ Sector Update
✓ Data-Driven Analysis

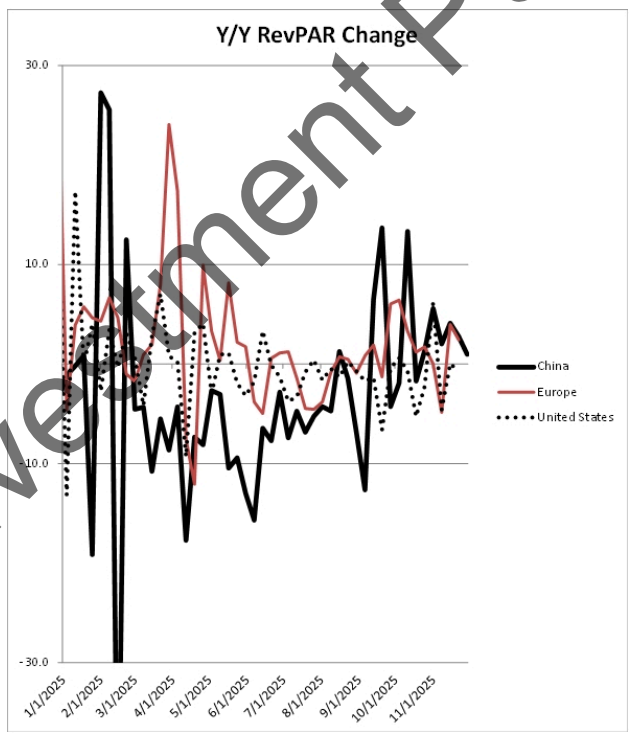
# International hotels' RevPAR last week: China +1.0% y/y, Europe +2.4% y/y.

**China: Per STR/CoStar for the week ending November 29th, hotel RevPAR in China in local currency was +1.0% y/y vs. +2.8% y/y in the prior week.** Last week's RevPAR was up against a +2.4% y/y comparable result in 2024 vs. -2.7% y/y in the prior week. This compares to the 10-week trailing average of +2.2%.

**Europe: RevPAR in Europe in Euros was +2.4% y/y vs. +4.0% y/y in the prior week.** Last week's RevPAR was up against a +5.1% comparable result in 2024 and +9.6% in the prior week. This compares to the 10-week trailing average of +1.9%.

**Overall U.S. RevPAR was -0.7 y/y, below the prior week's result of +0.0% y/y and above the trailing 10-week average of -1.4% y/y.**

**Exhibit 1:**




Source: STR/CoStar, Truist Securities

**RevPAR detail for week ending November 29th vs. trailing 28 days:**

China (local currency):

- RevPAR was +1.0% y/y for the week ending November 29th, **lower than** the +2.3% for the trailing 28 days.
- ADR was +3.1% y/y for the week ending November 29th, **lower than** the +3.8% for the trailing 28 days.
- Occupancy was -2.1% y/y for the week ending November 29th, **lower than** the -1.4% for the trailing 28 days.

Not for Investment Purposes

Europe (in Euros):

- RevPAR was +2.4% y/y for the week ending November 29th, **higher than** the +0.3% for the trailing 28 days.
- ADR was +0.0% y/y for the week ending November 29th, **higher than** the -0.9% for the trailing 28 days.
- Occupancy was +2.4% y/y for the week ending November 29th, **higher than** the +1.2% for the trailing 28 days.

**EBITDA and rooms exposure by region:**

**EBITDA: Hyatt (H, Buy), InterContinental (IHG, NR), and Marriott (MAR, Hold) are among the Lodging C-corps that have the greatest exposure to Europe and Asia.** From Europe, MAR generates approximately 15% of EBITDA, IHG 15%, Wyndham (WH, Buy) less than 5%, H roughly 5%, and Hilton (HLT, Hold) 10% each. Of these companies, H and MAR have the greatest exposure to Asia (~10-20% of EBITDA). HLT is approximately 10%. Each of the other companies generates 5% to 10% of EBITDA from the Asia-Pacific region. Following the Apple Leisure Group acquisition, H has a relatively high ~25% exposure to the Americas ex-US/Canada.

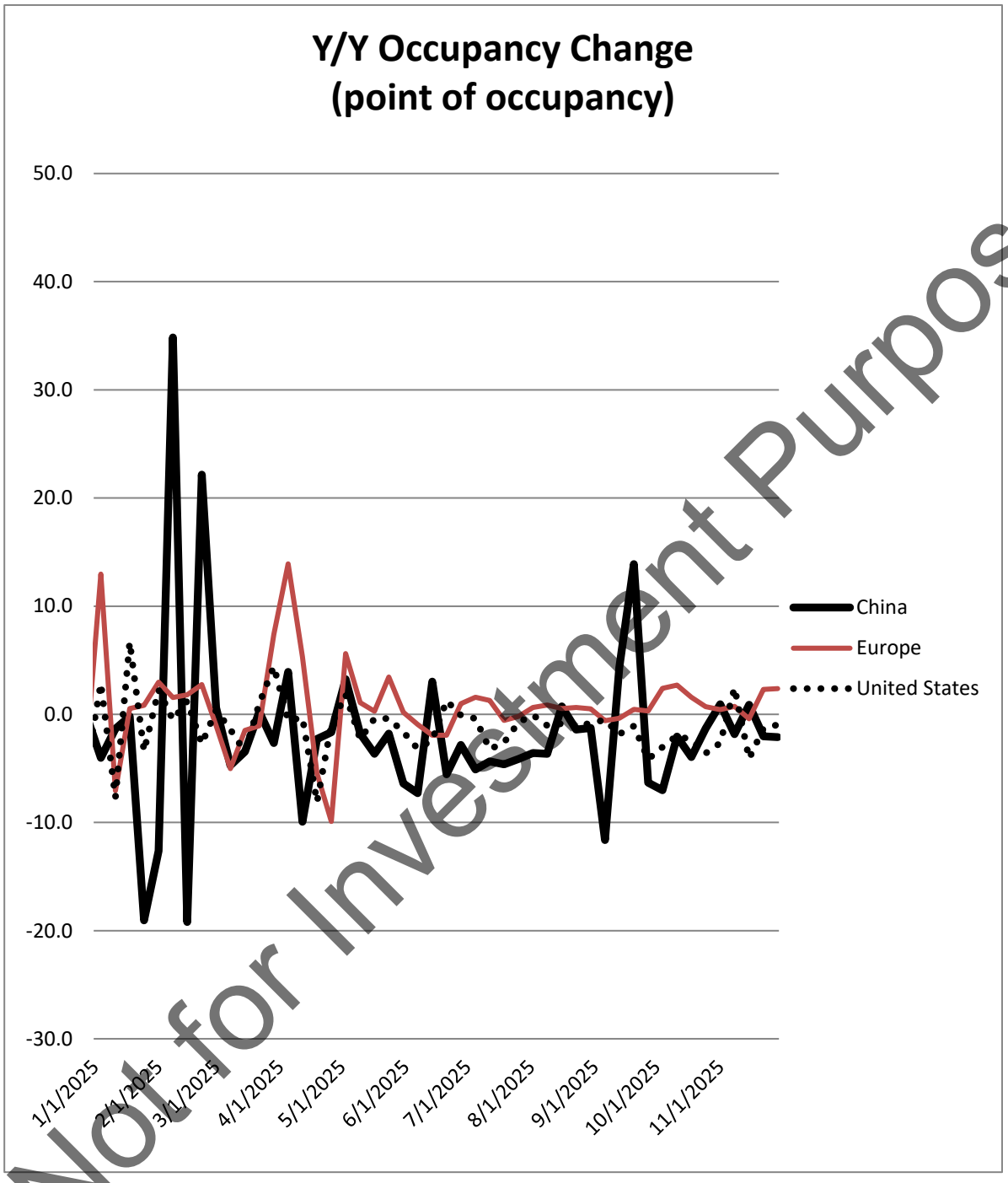
- In a normalized environment, Greater China inclusive of Macau and Hong Kong generally represents half of the Asia-Pacific EBITDA from the C-corps.

**Rooms (as of 4Q24; figures may not round to 100%):**

- Choice Hotels (CHH, Hold):
  - Domestic: 78%
  - Asia-Pacific: 4%
  - Europe/Middle East: 9%
  - Latin America & Canada: 8%
- H (includes owned/leased hotels):
  - United States: 46%
  - Americas (ex U.S.): 17%
  - Greater China: 13%
  - Asia Pacific (ex Greater China): 10%
  - Europe: 11%
  - Middle East/Africa: 3%
- HLT:
  - US: 65%
  - Americas: 6%
  - Europe: 10%
  - Middle East/Africa: 3%
  - Asia Pacific: 16%
- IHG:
  - Americas: 55%
  - EMEAA: 27%
  - Greater China: 20%
- MAR (ex-timeshare):
  - North America: 62%
  - Europe: 9%
  - Middle East/Africa: 5%
  - Asia Pacific: 19%
  - Caribbean/Latin America ("CALA"): 5%
- WH:
  - US: 56%
  - Canada: 4%
  - Greater China: 20%
  - Rest of Asia: 4%
  - Europe/Middle East/Africa: 10%
  - Latin America: 5%

Not for Investment Purposes

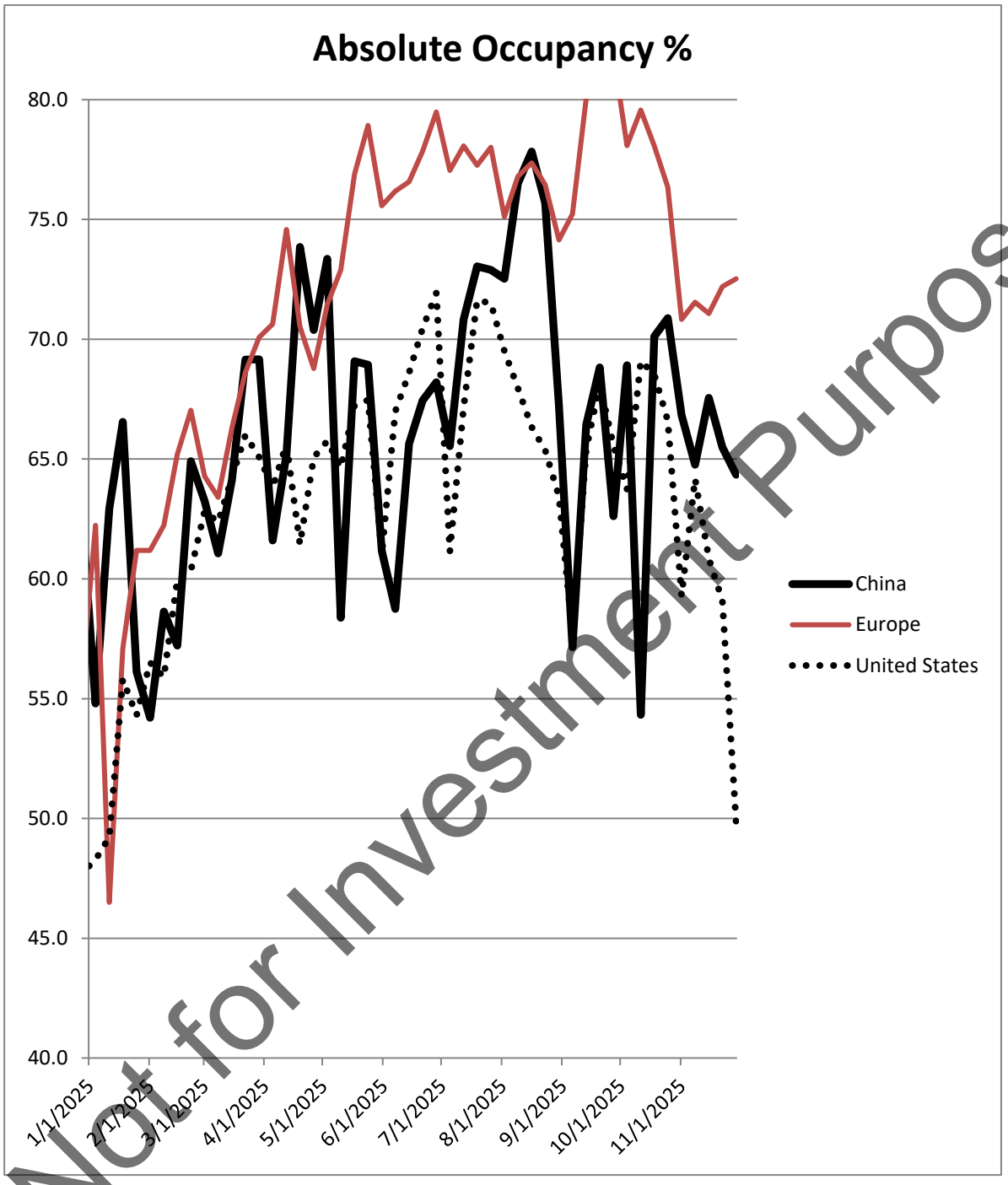
**Exhibit 2: Y/Y Occupancy change for China, Europe, US**




Not for Investment Purposes

Source: STR, Truist Securities research

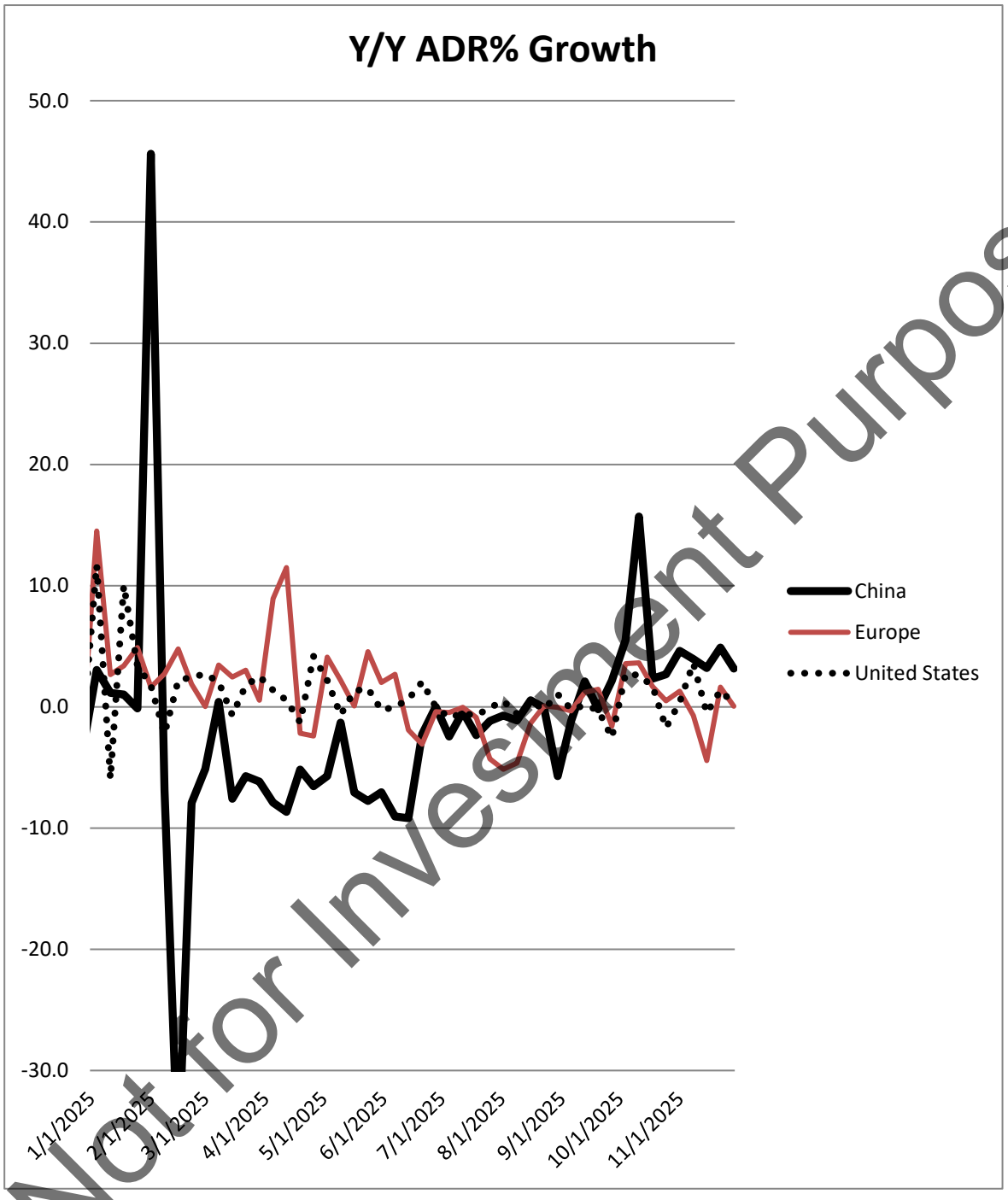
**Exhibit 3: Absolute Occupancy % for China, Europe, US**




Source: STR, Truist Securities research

Not for Investment Purposes

**Exhibit 4: Y/Y ADR % change for China, Europe, US**




Source: STR, Truist Securities research

Not for Investment Purposes

## CHH: Valuation and Risks

Our price target of $128 for CHH is derived by applying a 13.0x target EV/EBITDA multiple (slightly above industry average and in the midpoint of CHH's historical trading multiple range) to our estimate for 2026 EBITDA.

Risks to our rating and price target include: Upside risks: conservative guidance, if the economy performs better than expected, outperformance by Radisson. Downside risks: slowdown in development opportunities, high construction costs, newly created brands grow slower than expectations, and underperformance by Radisson.

## H: Valuation and Risks

Our price target of $159 is derived by applying a 15.4x target EV/EBITDA multiple (a blended average of the industry multiples for each business segment) to our estimate for 2026 EBITDA. Our sum-of-the-parts analysis on our 2026 segment multiple assumptions include (12.5x owned EBITDA u/c, 16.5x fees EBITDA (up from 16.0x prior)) and other segments/ALG (10-12x, u/c).

Risks to our rating and price target: Material labor issues to owned hotels. Regional risks to the Caribbean including material new competitive supply growth. H pipeline growth slower than expected. Apple Leisure Group underperforms Hyatt's guidance.

## MAR: Valuation and Risks

Our $278 price target is based on a 16.7x blended multiple on our 2026E EBITDA. In the parts, we assign a 12.0x multiple of EBITDA to the Owned segment and 17.0x 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.

## HLT: Valuation and Risks

We apply a blended multiple of 17.6x (11.0x for Owned/leased and 18.0x for Managed/franchised) to our 2026 adjusted EBITDA estimate to derive a price target of $253. This multiple is above the high end of the historical range of 10x-16x which we view as appropriate based on current trading fundamentals/flight to quality consumer stocks and HLT's improved EBITDA margins since 2019.

Risks to our rating and price target:

Upside risks include: Higher than expected pipeline growth, material RevPAR growth (macroeconomic improvement beyond expectations), material market share gains.
Downside risks include: Growth trajectory could disappoint. Pipeline growth could either slow down or projects scheduled for construction could be canceled, which would diminish system growth for the firm and disappoint investors.

## WH: Valuation and Risks

Our price target of $98 for WH is based on a 14.0x target EV/EBITDA multiple (in line with portfolio quality/RevPAR relative to peers) of our 2026 EBITDA estimate.

Risks to our rating and price target: Slowdown in development opportunities. Macro demand/pipeline headwinds.

## Companies Mentioned in This Note

**Choice Hotels International, Inc.** (CHH, $91.66, Hold, C. Patrick Scholes)
**Hyatt Hotels Corporation** (H, $161.28, Buy, C. Patrick Scholes)
**Hilton Worldwide Holdings Inc.** (HLT, $280.24, Hold, C. Patrick Scholes)
**Marriott International, Inc.** (MAR, $306.65, Hold, C. Patrick Scholes)
**Wyndham Hotels & Resorts, Inc.** (WH, $73.89, Buy, C. Patrick Scholes)
InterContinental Hotels Group PLC (IHG, Not Rated)

## 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.

Not for Investment Purposes

## Required Disclosures

The following companies are clients of Truist Securities, Inc. for non-investment banking securities-related services within the last 12 months: CHH-US and MAR-US

Truist Securities, Inc. or an affiliate has received compensation for non-investment banking services within the last 12 months: CHH-US and MAR-US

Truist Securities, Inc. or an affiliate managed or co-managed a securities offering for the following companies within the last 12 months: H-US, HLT-US and MAR-US

The following companies are clients of Truist Securities, Inc. for investment banking services within the last 12 months: H-US and MAR-US

Truist Securities, Inc. or an affiliate has received compensation for investment banking services within the last 12 months: H-US and MAR-US

Truist Securities, Inc. or an affiliate expects to receive or intends to seek compensation for investment banking services from the following company in the next three months: H-US

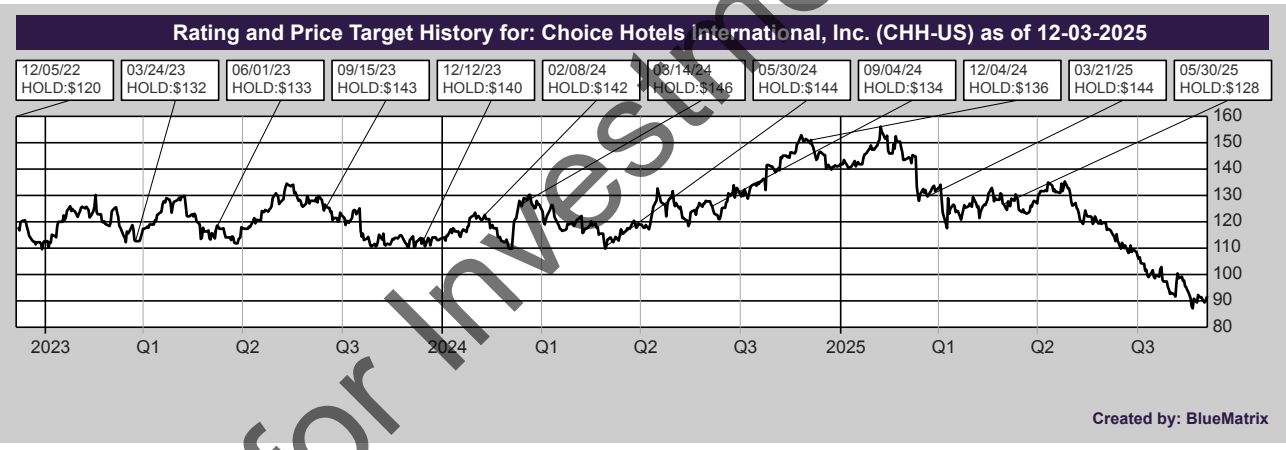
The following company is a client of Truist Securities, Inc. for non-securities-related services within the last 12 months: H-US

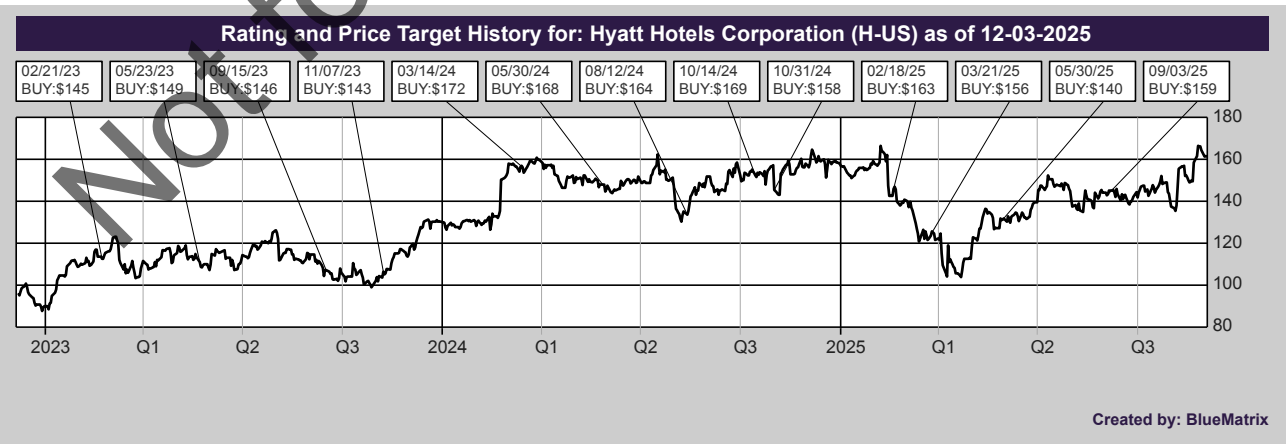
Truist Securities, Inc. or an affiliate has received compensation for non-securities related services within the last 12 months: H-US

Truist Securities, Inc. makes a market in the following companies: MAR-US and WH-US

Analyst compensation is based upon stock price performance, quality of analysis, communication skills, and the overall revenue and profitability of the firm, including investment banking revenue.

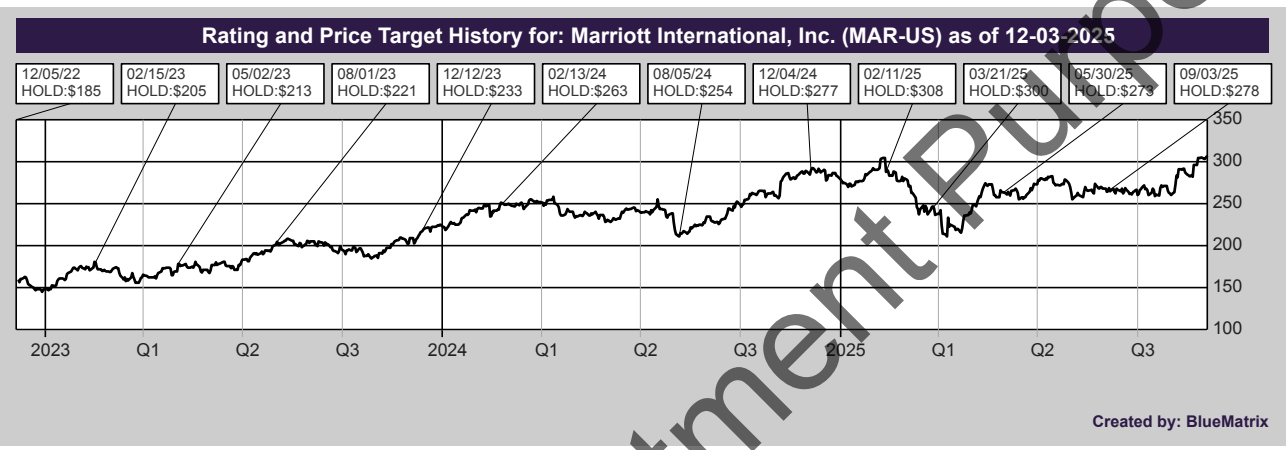
As a matter of policy and practice, the firm prohibits the offering of favorable research, a specific research rating or a specific target price as consideration or inducement for the receipt of business or compensation. In addition, associated persons preparing research reports are prohibited from owning securities in the subject companies.

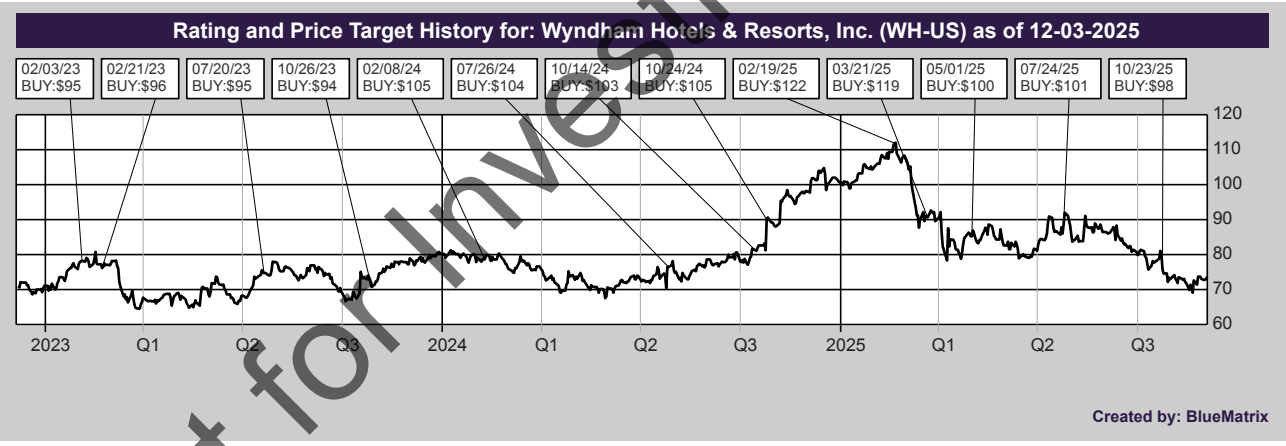



Not for Investment Purposes




Not for Investment Purposes

## Important Disclosures on Equity Research Dissemination, Ratings, Designations, and Coverage Universe

**Dissemination of Research**

Truist Securities, Inc. ("Truist Securities") seeks to make all reasonable efforts to provide research reports simultaneously to all eligible clients. Reports are available as published in the restricted access area of our website to all eligible clients who have requested a password. Institutional investors, corporates, and members of the Press may also receive our research via third party vendors including: Thomson Reuters, Bloomberg, FactSet, and S&P Capital IQ. Additional distribution may be done by sales personnel via email, fax, or other electronic means, or regular mail.

For access to third party vendors or our Research website: https://truistresearch.bluematrix.com/client/library.jsp

Please email the Research Department at EquityResearchDepartment@truist.com or contact your Truist Securities sales representative.

**Truist Securities Rating System for Equity Securities**

Truist Securities, Inc. ("Truist Securities") 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)** – Truist Securities does not have an investment rating or opinion on the stock

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

Truist Securities 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 Truist Securities 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

Truist Securities ratings distribution (as of 12/03/2025):

| Coverage Universe | | | Investment Banking Clients Past 12 Months | | |
|---|---|---|---|---|---|
| **Rating** | **Count** | **Percent** | **Rating** | **Count** | **Percent** |
| Buy | 471 | 66.90% | Buy | 65 | 13.80% |
| Hold | 229 | 32.53% | Hold | 32 | 13.97% |
| Sell | 4 | 0.57% | Sell | 0 | 0.00% |

## Other Disclosures

Certain information contained herein has been derived from third-party sources believed to be reliable but is not guaranteed as to accuracy and does not purport to be a complete analysis of the security, company or industry involved. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any security. Truist Securities, Inc. and/or its officers or employees may have positions in any securities, options, rights or warrants. The firm and/or associated persons may sell to or buy from customers on a principal basis. Investors may be prohibited in certain states from purchasing some over the-counter securities mentioned herein. Opinions expressed are subject to change without notice.

Truist Securities, Inc.'s research is primarily provided to and intended for use by Institutional Accounts as defined in FINRA Rule 4512(c). The term "Institutional Account" shall mean the account of: (1) a bank, savings and loan association, insurance company or registered investment company; (2) an investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions); or (3) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least $50 million. In addition, certain affiliates of Truist Securities, Inc., including Truist Investment Services, Inc. (an SEC registered broker-dealer and a member of FINRA, SIPC) and Truist Advisory Services, Inc. (an investment adviser registered with the SEC), may make Truist Securities, Inc. research available, upon request, to certain of their clients from time to time.

Truist Securities, Inc. is a registered broker-dealer and a member of FINRA and SIPC. It is a service mark of Truist Financial Corporation. Truist Securities, Inc. is owned by Truist Financial Corporation and affiliated with Truist Investment Services, Inc. Despite

Not for Investment Purposes

this affiliation, securities recommended, offered, sold by, or held at Truist Securities, Inc. or Truist Investment Services, Inc. (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Truist Bank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. Truist Bank may have a lending relationship with companies mentioned herein. Certain clients may compensate Truist Securities, Inc. for research via hard dollar payments, and Truist Securities, Inc. may be deemed to be an investment adviser to such clients as a result of such payments.

Please see our Disclosure Database to search by ticker or company name for the current required disclosures, including valuation and risks. Link: https://truist.bluematrix.com/sellside/Disclosures.action

Please visit the Truist Securities Equity Research Portal for coverage universe, current reports, and analyst roster with contact information. Link: https://truist-portal.bluematrix.com

Truist Securities, Inc., member FINRA and SIPC. Truist, Truist Bank, Truist Securities, Truist Investment Services, and Truist Advisory Services are service marks of Truist Financial Corporation.

If you no longer wish to receive this type of communication, please request removal by sending an email to EquityResearchDepartment@truist.com

© Truist Securities, Inc. 2025. All rights reserved. Reproduction or quotation in whole or part without permission is forbidden. Without Truist Securities' prior written consent, the contents of this report may not be used, in whole or in part, in connection with the training, development, fine-tuning or operation of a machine learning or artificial intelligence system, tool or application.

ADDITIONAL INFORMATION IS AVAILABLE at our website, TruistSecurities.com, or by writing to: Truist Securities, Research Department, 740 Battery Avenue SE, 3rd Floor, Atlanta, GA 30339-3107

Not for Investment Purposes