Equity Research Report

August 5, 2026

CONSUMER: Lodging

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Reasons for this report

✓ Sector Update
✓ Data-Driven Analysis

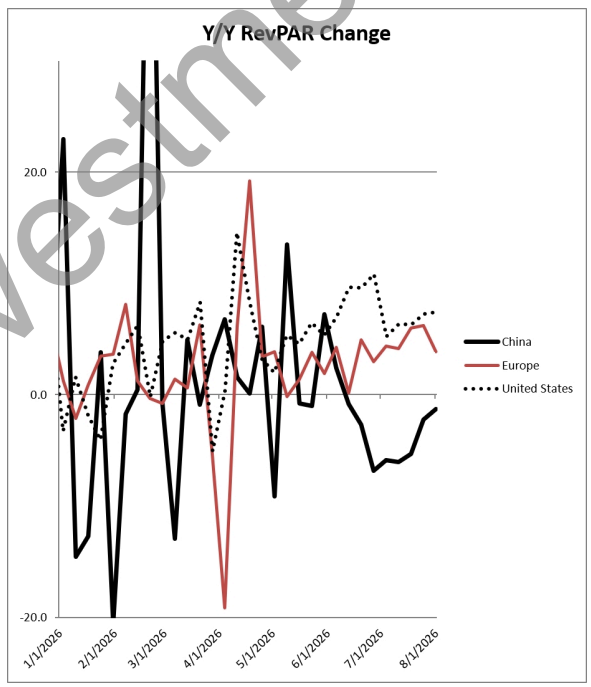
Lodging - International hotels' RevPAR last week: China -1.3% y/y, Europe +6.2% y/y

China: Per STR/CoStar for the week ending August 1st, hotel RevPAR in China in local currency was -1.3% y/y vs. -2.3% y/y in the prior week. This compares to the 10-week trailing average of -2.1%. *By comparison for 2026 (no quarterly guide), Hilton (HLT, Hold) expects China RevPAR to be down low-single digits y/y and Marriott (MAR, Hold) expects China to be +2-3% y/y*. Last week's RevPAR was up against a -4.3% y/y comparable result in 2025 vs. -5.2% y/y in the prior week. Results in China have softened the past several months which we believe due to China's cooling economy.

Europe: RevPAR in Europe in Euros was +6.2% y/y vs. +6.0% y/y in the prior week. This compares to the 10-week trailing average of +3.9%. *By comparison for 2026 (no quarterly guide), HLT expects Europe's RevPAR to grow mid-single digits y/y*. Last week's RevPAR was up against a -4.6% y/y comparable result in 2025 and -4.5% y/y in the prior week.

Overall U.S. RevPAR was +7.3% y/y, above the prior week's result of +6.3% y/y and fairly in-line with the trailing 10-week average of +7.4% y/y.

Exhibit 1:



Source: STR/CoStar, Truist Securities

RevPAR detail for week ending August 1st vs. trailing 28 days:

China (local currency):

- RevPAR was -1.3% y/y for the week ending August 1st, **above** the -3.9% y/y for the trailing 28 days.
- ADR was -0.4% y/y for the week ending August 1st, **above** the -1.1% y/y for the trailing 28 days.
- Occupancy was -0.9% y/y for the week ending August 1st, **above** the -2.8% y/y for the trailing 28 days.

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Europe (in Euros):

- RevPAR was +6.2% y/y for the week ending August 1st, **above** the +5.6% y/y for the trailing 28 days.
- ADR was +3.9% y/y for the week ending August 1st, **below** the +4.4% y/y for the trailing 28 days.
- Occupancy was +2.2% y/y for the week ending August 1st, **above** the +1.2% y/y 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%. 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 4Q25; figures may not round to 100%):

- Choice Hotels (CHH, Buy):
  - Domestic: 76%
  - Asia-Pacific: 5%
  - Europe/Middle East: 11%
  - Americas (excluding U.S.): 8%
- H (includes owned/leased hotels):
  - United States: 45%
  - Americas (ex U.S.): 17%
  - Greater China: 14%
  - Asia Pacific (ex Greater China): 10%
  - Europe: 11%
  - Middle East/Africa: 3%
- HLT:
  - US: 64%
  - Americas: 6%
  - Europe: 10%
  - Middle East/Africa: 3%
  - Asia Pacific: 17%
- IHG:
  - Americas: 52%
  - EMEAA: 28%
  - Greater China: 20%
- MAR (ex-timeshare):
  - North America: 61%
  - Europe: 10%
  - Middle East/Africa: 5%
  - Asia Pacific: 20%
  - Caribbean/Latin America ("CALA"): 5%
- WH:
  - US: 58%
  - Canada: 5%
  - Greater China: 15%
  - Rest of Asia: 5%
  - Europe/Middle East/Africa: 12%
  - Latin America: 5%

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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
3/7/2026	**4.9%**	6.5%	4.5%	1.7%	3.0%	0.0%	-1.6%	10.0%	-2.5%	0.8%	1.0%	-3.9%	5.6%
3/14/2026	**5.6%**	9.9%	6.2%	5.2%	4.3%	2.4%	0.0%	5.4%	0.2%	-3.6%	1.9%	16.8%	-6.0%
3/21/2026	**4.9%**	5.5%	2.9%	4.5%	5.7%	5.6%	3.8%	5.4%	-4.3%	-8.8%	8.9%	-12.7%	15.2%
3/28/2026	**8.3%**	12.8%	8.2%	8.0%	7.6%	5.4%	3.1%	8.2%	6.1%	-0.4%	1.1%	12.4%	13.2%
4/4/2026	**-5.1%**	4.5%	-9.3%	-8.2%	-8.1%	-7.9%	-6.5%	-0.2%	-2.7%	-18.7%	-3.5%	-4.8%	-21.2%
4/11/2026	**0.4%**	5.1%	-5.4%	-1.9%	1.6%	2.3%	0.7%	3.3%	-3.0%	-10.5%	4.8%	-0.2%	-9.5%
4/18/2026	**14.6%**	9.5%	20.0%	18.8%	18.1%	14.4%	6.9%	7.0%	-6.9%	11.9%	11.7%	41.2%	57.7%
4/25/2026	**8.5%**	9.4%	11.7%	8.9%	7.7%	3.8%	1.3%	7.2%	-0.5%	12.5%	-0.1%	20.4%	17.4%
5/2/2026	**3.2%**	4.5%	1.9%	1.6%	3.3%	2.7%	0.0%	4.7%	-4.1%	8.9%	-8.1%	1.9%	3.2%
5/9/2026	**2.0%**	3.7%	1.1%	1.4%	2.3%	1.8%	0.1%	2.0%	-5.9%	-17.7%	5.5%	15.8%	-4.1%
5/16/2026	**5.4%**	10.8%	5.0%	4.2%	4.6%	3.4%	1.1%	5.8%	8.8%	4.2%	1.6%	-3.4%	14.0%
5/23/2026	**4.6%**	7.6%	4.4%	2.5%	4.0%	1.0%	-0.2%	6.6%	1.6%	-14.7%	1.8%	9.7%	7.0%
5/30/2026	**6.5%**	12.6%	7.0%	4.0%	5.1%	1.9%	0.6%	8.6%	2.9%	7.3%	3.6%	6.2%	14.6%
6/6/2026	**5.3%**	10.5%	6.7%	3.9%	3.9%	1.9%	0.7%	5.6%	4.9%	0.8%	5.0%	23.9%	3.0%
6/13/2026	**7.0%**	11.7%	5.8%	5.9%	6.1%	6.1%	5.2%	7.6%	18.9%	5.7%	14.0%	16.6%	11.6%
6/20/2026	**9.7%**	17.4%	13.8%	8.8%	6.4%	2.9%	1.7%	9.9%	13.9%	6.4%	15.5%	16.2%	25.2%
6/27/2026	**9.6%**	20.7%	9.5%	7.8%	6.8%	5.5%	3.7%	11.1%	16.7%	26.5%	18.1%	26.1%	13.2%
7/4/2026	**10.9%**	24.5%	13.6%	12.2%	7.9%	5.1%	2.7%	9.1%	22.6%	22.0%	21.5%	21.2%	57.3%
7/11/2026	**5.2%**	14.2%	3.4%	3.1%	3.4%	2.9%	1.7%	7.7%	9.7%	21.2%	13.7%	9.8%	7.2%
7/18/2026	**6.3%**	19.2%	5.8%	5.7%	4.6%	4.0%	1.7%	6.7%	40.3%	3.8%	2.7%	5.8%	13.4%
7/25/2026	**6.3%**	17.2%	7.6%	5.9%	4.0%	3.9%	2.6%	5.2%	35.0%	10.9%	8.5%	23.3%	15.4%
8/1/2026	**7.3%**	12.9%	9.6%	7.8%	6.1%	4.9%	2.9%	5.6%	21.2%	10.7%	9.3%	13.7%	18.8%
		Bifurcation of chain scales but the rising tide lifts all boats			Luxury and Upper Upscale led chain scales				New York and Washington, D.C. led top 5 markets				
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	3.6%	6.9%	3.0%	3.4%	4.4%	4.7%	4.3%	0.1%	10.9%	2.0%	0.2%	12.3%	5.8%
1Q25	2.2%	7.5%	3.7%	1.3%	1.3%	2.0%	2.7%	-1.0%	5.4%	0.9%	4.9%	6.5%	11.6%
2Q25	-0.5%	4.4%	-0.2%	-1.2%	-1.9%	-1.7%	-3.4%	-1.1%	4.6%	1.0%	3.8%	4.2%	-5.4%
3Q25	-1.4%	2.4%	-1.5%	-2.2%	-2.0%	-2.0%	-5.0%	-1.4%	4.2%	-5.5%	-6.6%	4.0%	-8.5%
4Q25	-1.1%	5.8%	1.0%	-2.0%	-2.8%	-4.6%	-7.9%	-2.0%	5.0%	-3.3%	-1.1%	0.4%	-6.5%
1Q26	3.8%	7.0%	3.4%	3.1%	3.4%	0.9%	-1.8%	4.3%	4.4%	-4.9%	4.3%	4.8%	-6.3%

YoY % change in ADR

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
3/7/2026	**3.6%**	4.2%	3.9%	1.1%	1.6%	-0.5%	-2.0%	8.0%	2.2%	-0.1%	2.3%	-0.2%	0.8%
3/14/2026	**3.2%**	5.4%	2.7%	2.4%	2.4%	0.1%	-1.4%	3.9%	2.5%	-0.3%	4.2%	7.1%	-6.8%
3/21/2026	**2.2%**	4.6%	1.3%	2.0%	2.6%	1.7%	0.2%	3.0%	0.7%	-2.0%	6.4%	-13.4%	6.8%
3/28/2026	**5.4%**	8.1%	5.2%	4.5%	4.6%	2.5%	0.4%	6.2%	8.1%	-0.3%	0.5%	2.4%	6.8%
4/4/2026	**-0.1%**	10.0%	-2.2%	-2.1%	-2.7%	-2.8%	-3.3%	3.2%	0.9%	-8.3%	0.1%	-4.3%	-14.7%
4/11/2026	**1.5%**	9.5%	0.2%	0.3%	1.5%	1.5%	-0.3%	3.3%	-0.7%	-5.9%	3.3%	-0.4%	-6.8%
4/18/2026	**5.7%**	0.1%	7.8%	6.9%	7.3%	5.5%	1.4%	2.9%	-3.1%	8.2%	9.4%	17.0%	30.7%
4/25/2026	**4.3%**	2.4%	4.6%	3.9%	3.6%	1.5%	-0.8%	4.5%	-1.1%	7.5%	-0.9%	8.9%	6.7%
5/2/2026	**2.0%**	2.7%	1.2%	0.8%	1.8%	1.8%	-0.7%	3.6%	-1.7%	6.3%	-1.3%	1.6%	-1.5%
5/9/2026	**1.7%**	4.3%	1.6%	1.0%	1.5%	1.3%	-0.7%	2.2%	-1.3%	-8.1%	6.0%	7.9%	-3.4%
5/16/2026	**3.9%**	7.1%	3.3%	2.7%	2.7%	2.3%	0.1%	5.1%	8.4%	5.3%	2.6%	-0.5%	8.6%
5/23/2026	**3.7%**	8.0%	3.8%	2.1%	2.5%	1.1%	-0.7%	5.8%	4.5%	-5.4%	2.8%	5.2%	3.9%
5/30/2026	**4.5%**	6.4%	3.9%	2.8%	2.8%	1.6%	0.0%	6.6%	4.0%	7.4%	2.9%	3.2%	7.6%
6/6/2026	**4.0%**	6.4%	3.8%	3.1%	2.5%	2.0%	0.2%	4.6%	5.4%	2.5%	6.1%	14.5%	1.2%
6/13/2026	**4.9%**	9.7%	4.3%	4.6%	3.7%	3.9%	2.4%	5.8%	17.1%	10.8%	13.7%	8.7%	6.1%
6/20/2026	**8.4%**	14.8%	11.0%	8.0%	5.2%	3.2%	1.3%	8.7%	16.9%	11.6%	14.9%	12.4%	12.3%
6/27/2026	**9.2%**	19.9%	10.4%	8.9%	6.6%	4.3%	2.6%	9.6%	22.1%	28.2%	18.1%	18.5%	9.5%
7/4/2026	**6.7%**	16.5%	7.8%	7.2%	4.0%	2.0%	0.4%	5.6%	23.8%	22.0%	15.6%	12.0%	34.8%
7/11/2026	**4.5%**	15.1%	4.4%	4.0%	2.7%	1.5%	0.0%	5.8%	10.9%	21.8%	14.1%	7.0%	0.4%
7/18/2026	**5.2%**	21.6%	4.9%	4.8%	3.2%	1.8%	-0.5%	5.9%	41.5%	4.2%	3.5%	4.7%	6.0%
7/25/2026	**4.9%**	13.7%	5.7%	4.5%	2.6%	2.1%	0.4%	4.9%	28.1%	6.7%	4.3%	17.1%	8.1%
8/1/2026	**4.5%**	7.7%	5.3%	5.1%	3.2%	2.1%	0.8%	4.1%	13.3%	6.9%	2.9%	9.6%	8.5%
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%	4.5%	1.8%	1.8%	2.4%	2.7%	2.1%	-0.7%	7.7%	1.3%	-0.8%	6.7%	3.7%
1Q25	1.9%	5.8%	2.4%	1.2%	1.3%	2.1%	1.8%	-0.7%	4.7%	1.1%	0.7%	4.8%	11.1%
2Q25	1.0%	5.3%	0.9%	0.1%	-0.1%	-0.8%	-1.3%	0.6%	4.5%	2.1%	2.5%	2.1%	-2.1%
3Q25	0.1%	3.2%	0.2%	-1.0%	-0.8%	-1.4%	-3.0%	0.7%	5.3%	-2.9%	-1.7%	0.1%	-3.7%
4Q25	1.0%	4.5%	1.7%	-0.3%	-0.7%	-2.2%	-4.8%	1.3%	5.3%	0.7%	0.9%	0.4%	-1.7%
1Q26	2.4%	4.4%	2.6%	1.9%	1.7%	-0.5%	-2.6%	3.0%	4.5%	-0.1%	4.3%	0.1%	-6.5%

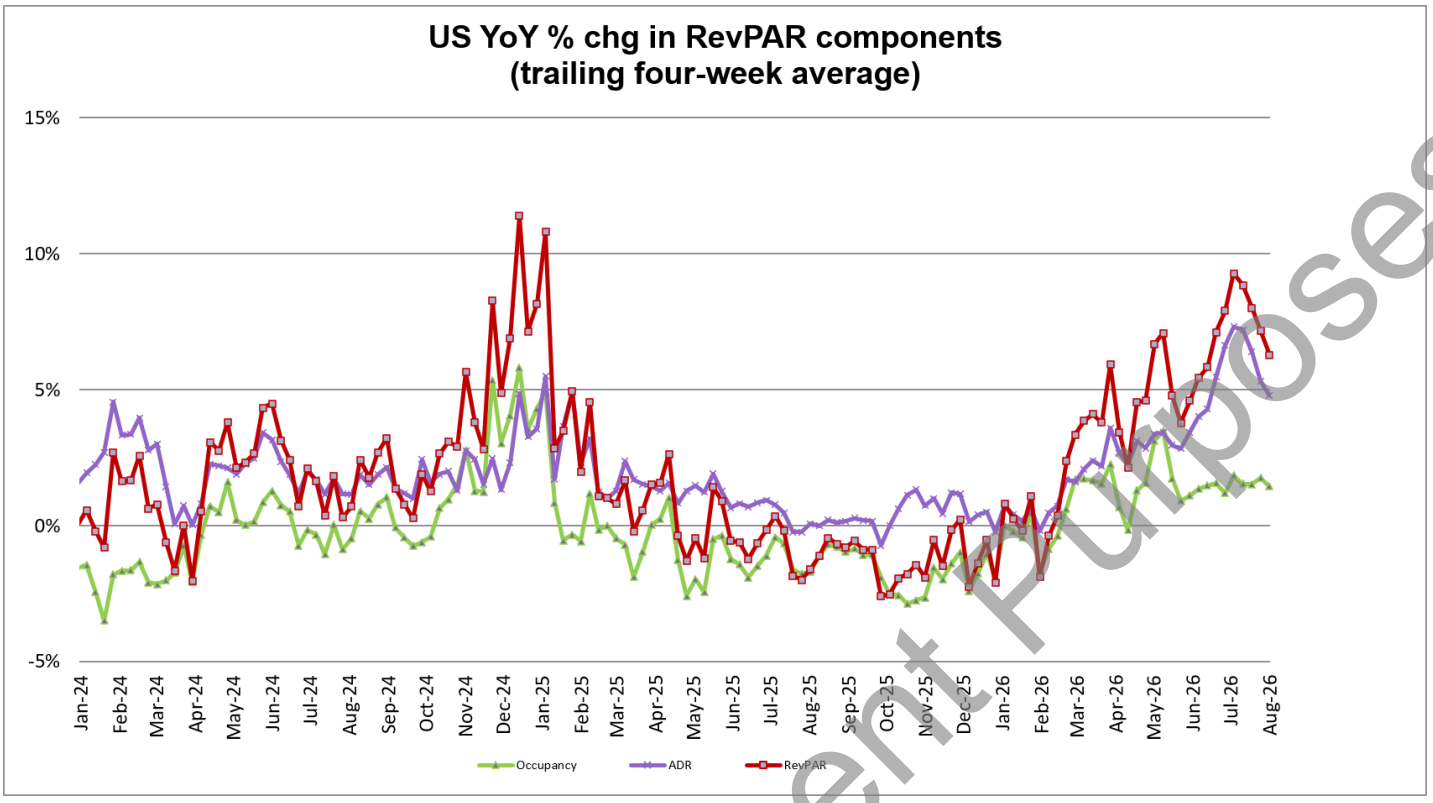
YoY % change in Occupancy

	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
3/7/2026	**1.2%**	2.2%	0.6%	0.6%	1.4%	0.5%	0.4%	1.8%	-4.6%	0.9%	-1.3%	-3.6%	4.8%
3/14/2026	**2.3%**	4.3%	3.4%	2.8%	1.9%	2.2%	1.4%	1.4%	-2.3%	-3.3%	-2.2%	9.1%	0.8%
3/21/2026	**2.7%**	0.9%	1.5%	2.4%	3.1%	3.9%	3.7%	2.3%	-5.0%	-6.9%	2.4%	0.8%	7.9%
3/28/2026	**2.8%**	4.3%	2.9%	3.3%	2.8%	2.8%	2.7%	1.9%	-1.8%	-0.1%	0.6%	9.7%	6.0%
4/4/2026	**-5.0%**	-4.9%	-7.3%	-6.2%	-5.5%	-5.3%	-3.3%	-3.3%	-3.6%	-11.3%	-3.6%	-0.5%	-7.5%
4/11/2026	**-1.1%**	-4.0%	-5.7%	-2.2%	0.1%	0.8%	1.0%	0.0%	-2.3%	-4.9%	1.5%	0.2%	-2.9%
4/18/2026	**8.4%**	9.4%	11.3%	11.1%	10.0%	8.5%	5.4%	4.0%	-4.0%	3.5%	2.1%	20.7%	20.6%
4/25/2026	**4.0%**	6.8%	6.8%	4.8%	3.9%	2.2%	2.1%	2.6%	0.7%	4.6%	0.8%	10.5%	10.0%
5/2/2026	**1.2%**	1.7%	0.7%	0.8%	1.5%	0.8%	0.7%	1.1%	-2.5%	2.5%	-6.9%	0.3%	4.8%
5/9/2026	**0.3%**	-0.5%	-0.4%	0.4%	0.8%	0.4%	0.8%	-0.2%	-4.6%	-10.4%	-0.5%	7.3%	-0.8%
5/16/2026	**1.5%**	3.4%	1.6%	1.5%	1.8%	1.1%	1.0%	0.6%	0.4%	-1.1%	-1.0%	-2.9%	4.9%
5/23/2026	**0.8%**	-0.3%	0.6%	0.4%	1.5%	0.0%	0.5%	0.7%	-2.9%	-9.9%	-0.9%	4.3%	3.0%
5/30/2026	**1.9%**	5.9%	3.0%	1.2%	2.2%	0.3%	0.6%	1.9%	-1.0%	-0.1%	0.7%	2.9%	6.5%
6/6/2026	**1.3%**	3.8%	2.8%	0.8%	1.4%	-0.1%	0.5%	0.9%	-0.5%	-1.6%	-1.1%	8.3%	1.9%
6/13/2026	**1.9%**	1.8%	1.5%	1.3%	2.3%	2.1%	2.7%	1.6%	1.5%	-4.6%	0.3%	7.3%	5.2%
6/20/2026	**1.2%**	2.3%	2.5%	0.8%	1.2%	-0.3%	0.4%	1.1%	-2.6%	-4.7%	0.5%	3.4%	11.5%
6/27/2026	**0.4%**	0.7%	-0.8%	-0.9%	0.2%	1.1%	1.0%	1.4%	-4.4%	-1.4%	0.0%	6.4%	3.4%
7/4/2026	**3.9%**	6.8%	5.4%	4.7%	3.7%	3.0%	2.3%	3.4%	-0.9%	0.0%	5.1%	8.3%	16.7%
7/11/2026	**0.7%**	-0.8%	-1.0%	-0.8%	0.6%	1.4%	1.8%	1.9%	-1.1%	-0.5%	-0.3%	2.6%	6.8%
7/18/2026	**1.1%**	-2.0%	0.8%	0.8%	1.3%	2.1%	2.2%	0.8%	-0.9%	-0.4%	-0.8%	1.1%	7.0%
7/25/2026	**1.3%**	3.1%	1.8%	1.3%	1.3%	1.8%	2.2%	0.2%	5.4%	3.9%	4.0%	5.3%	6.7%
8/1/2026	**2.6%**	4.8%	4.1%	2.6%	2.8%	2.7%	2.1%	1.4%	7.0%	3.6%	6.2%	3.7%	9.5%
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	1.7%	2.3%	1.1%	1.6%	2.0%	1.9%	2.2%	0.8%	3.0%	0.7%	1.0%	5.3%	2.0%
1Q25	0.4%	1.6%	1.3%	0.1%	0.0%	-0.1%	0.9%	-0.3%	0.7%	-0.2%	4.2%	1.6%	0.4%
2Q25	-1.4%	-0.9%	-1.0%	-1.3%	-1.9%	-0.9%	-2.1%	-1.7%	0.1%	-1.1%	1.3%	2.0%	-3.4%
3Q25	-1.5%	-0.8%	-1.6%	-1.2%	-1.3%	-0.6%	-2.1%	-2.1%	-1.1%	-2.7%	-5.0%	3.8%	-5.0%
4Q25	-2.1%	1.2%	-0.8%	-1.8%	-2.1%	-2.5%	-3.3%	-3.2%	-0.3%	-3.9%	-1.9%	0.0%	-5.0%
1Q26	1.4%	2.5%	0.8%	1.2%	1.7%	1.4%	0.8%	1.2%	-0.1%	-4.8%	0.0%	4.7%	0.3%

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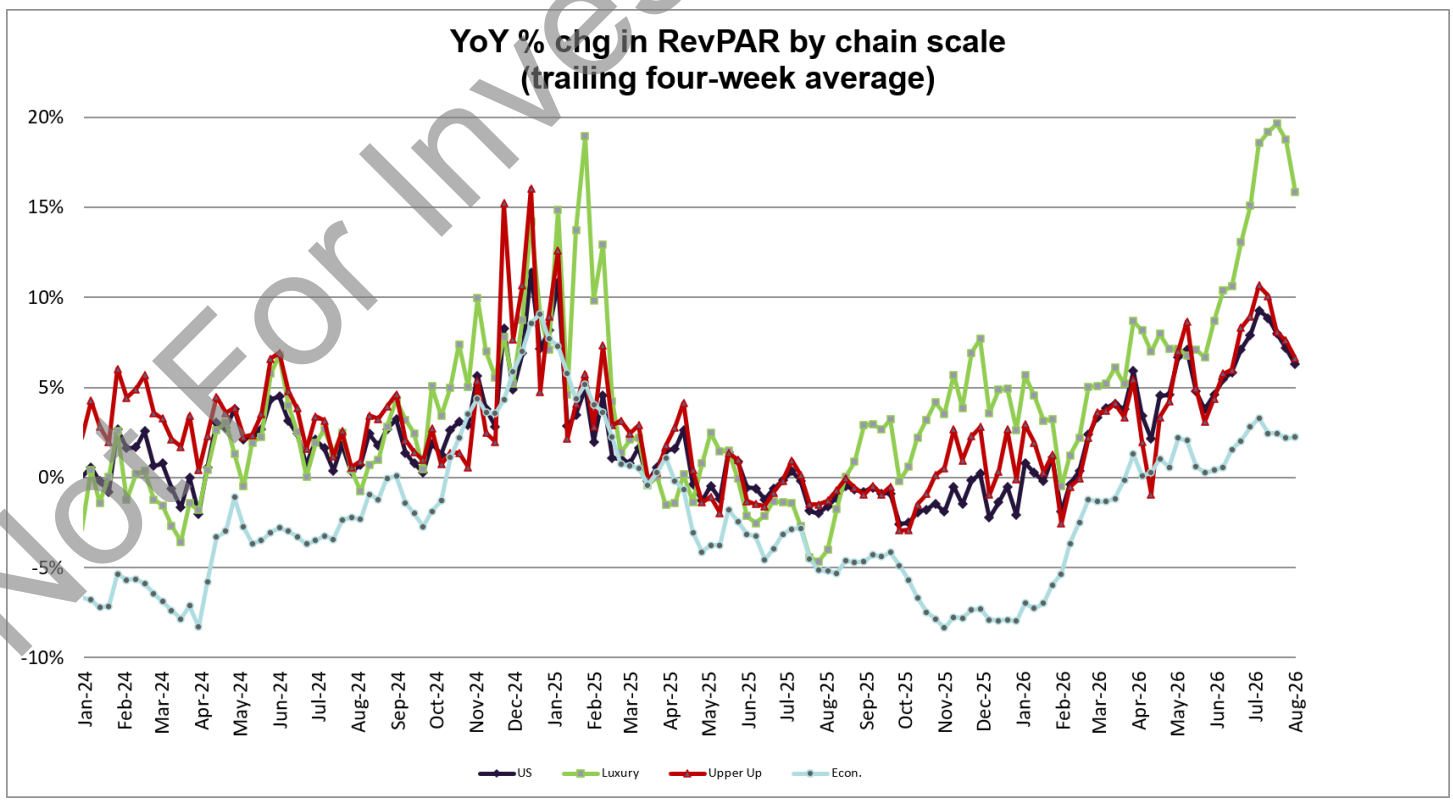
Source: STR data, Truist Securities research

RevPAR Component Trends



Source: STR data, Truist Securities research

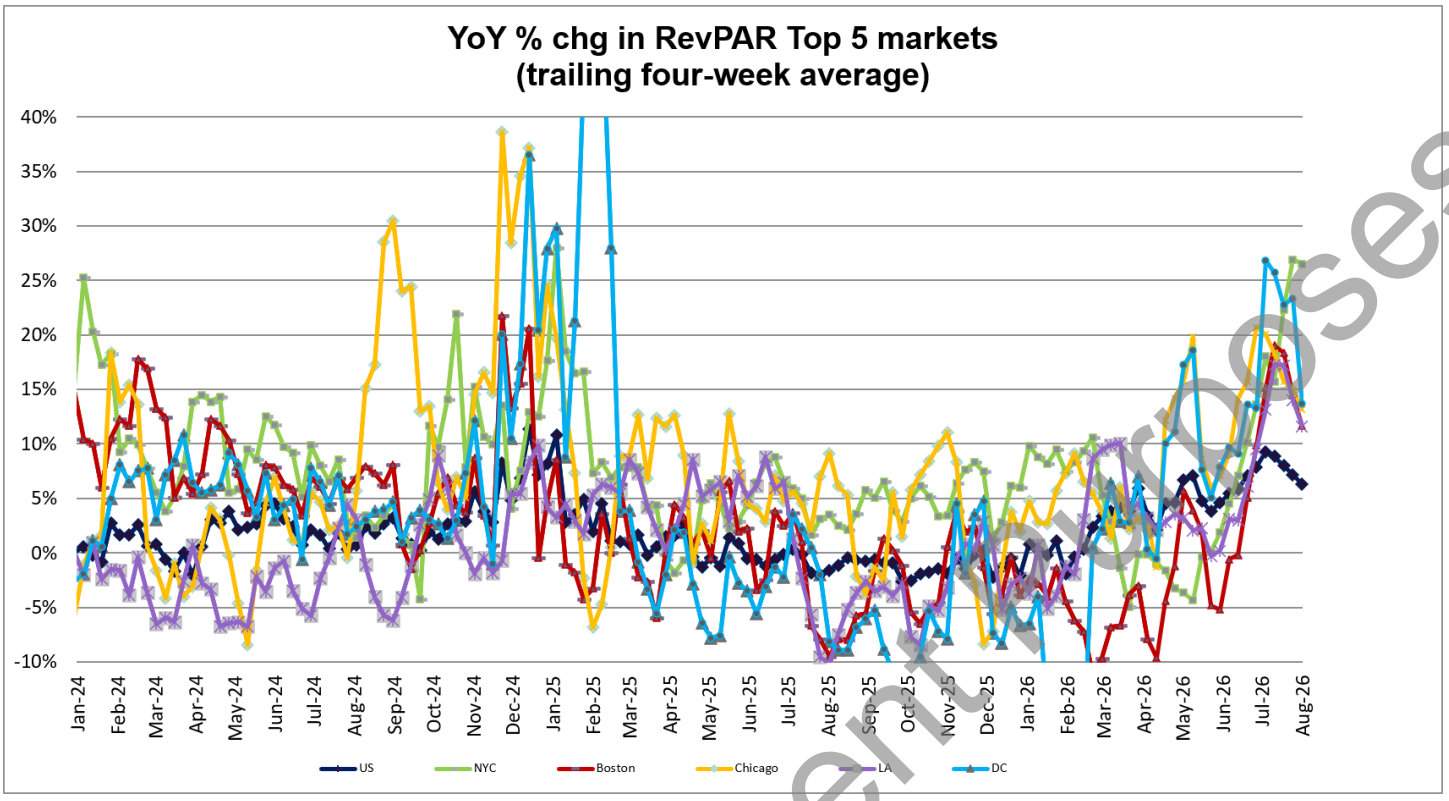
RevPAR Trends by Chain Scale



Source: STR data, Truist Securities research

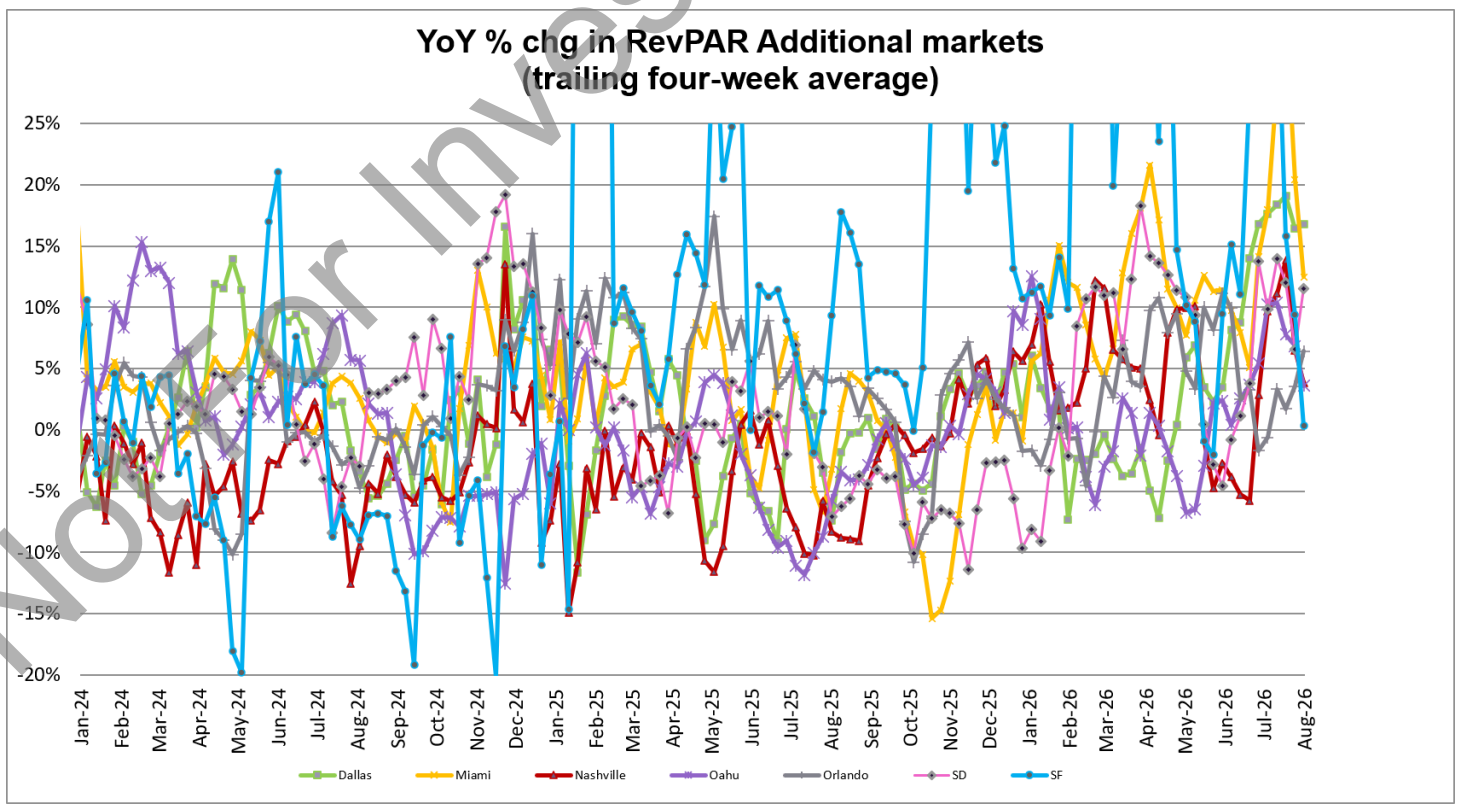
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RevPAR Trends by Market (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



Source: STR data, Truist Securities research

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H: Valuation and Risks

Our price target of $187 is derived by applying a 16.9x target EV/EBITDA multiple (a blended average of the industry multiples for each business segment) to our estimate for 2027 EBITDA. Our sum-of-the-parts analysis on our 2027 segment multiple assumptions include (12.5x owned EBITDA u/c, 17.5x fees EBITDA (up from 16.5x 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 $356 price target is based on a 17.8x blended multiple on our 2027E 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.

HLT: Valuation and Risks

We apply a blended multiple of 18.9x (11.0x for Owned/leased and 19.0x for Managed/franchised) to our 2027 adjusted EBITDA estimate to derive a price target of $312. 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 $107 for WH is based on a 14.0x target EV/EBITDA multiple (in line with portfolio quality/RevPAR relative to peers) of our 2027 EBITDA estimate.

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

CHH: Valuation and Risks

Our price target of $128 for CHH is derived by applying a 12.0x target EV/EBITDA multiple (slightly above industry average and in the midpoint of CHH's historical trading multiple range) to our 2027 EBITDA estimate.

Risks to our rating and price target include: Downside risks: slowdown in development opportunities, high construction costs, newly created brands grow slower than expectations, and underperformance by Radisson.

Companies Mentioned in This Note

Choice Hotels International, Inc. (CHH, $108.61, Buy, C. Patrick Scholes)
Hyatt Hotels Corporation (H, $173.60, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, $312.07, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, $345.20, Hold, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, $76.03, 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.

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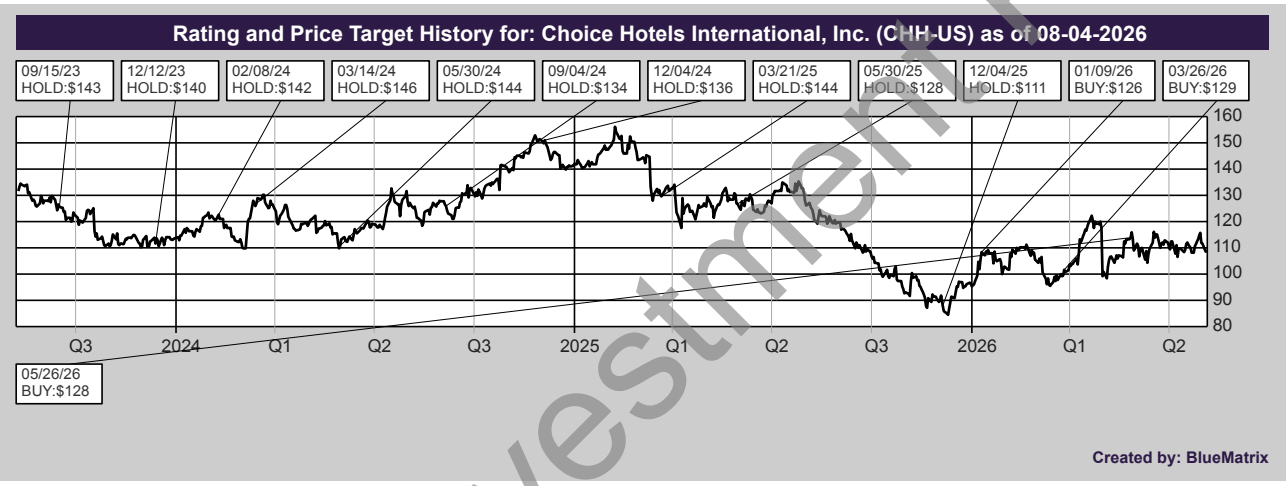
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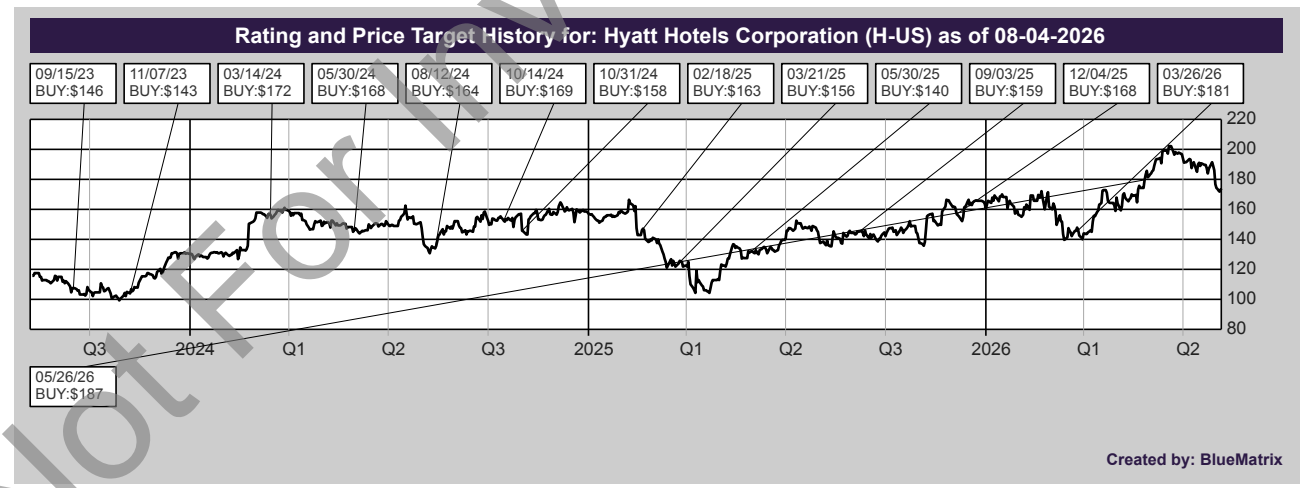
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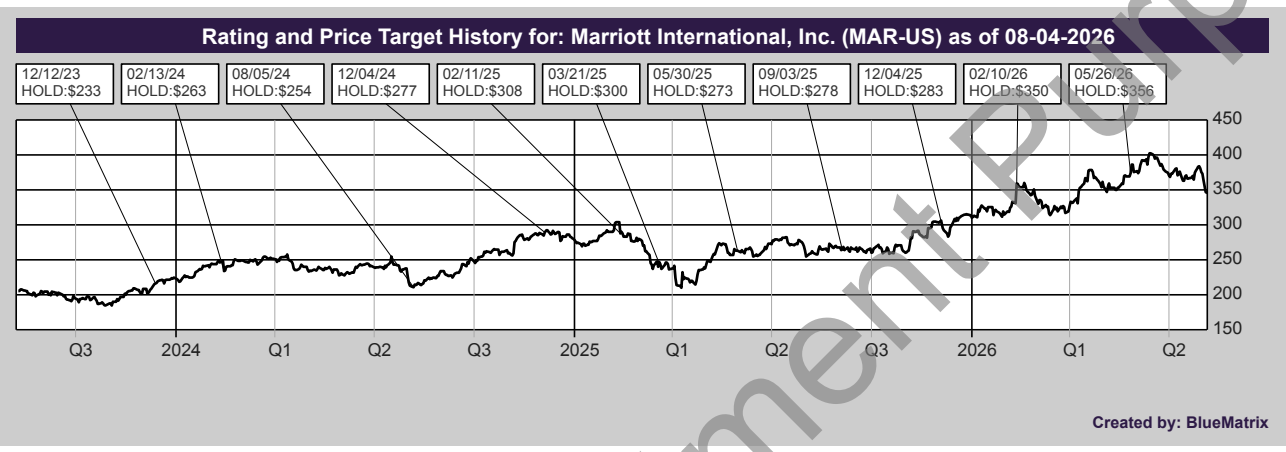
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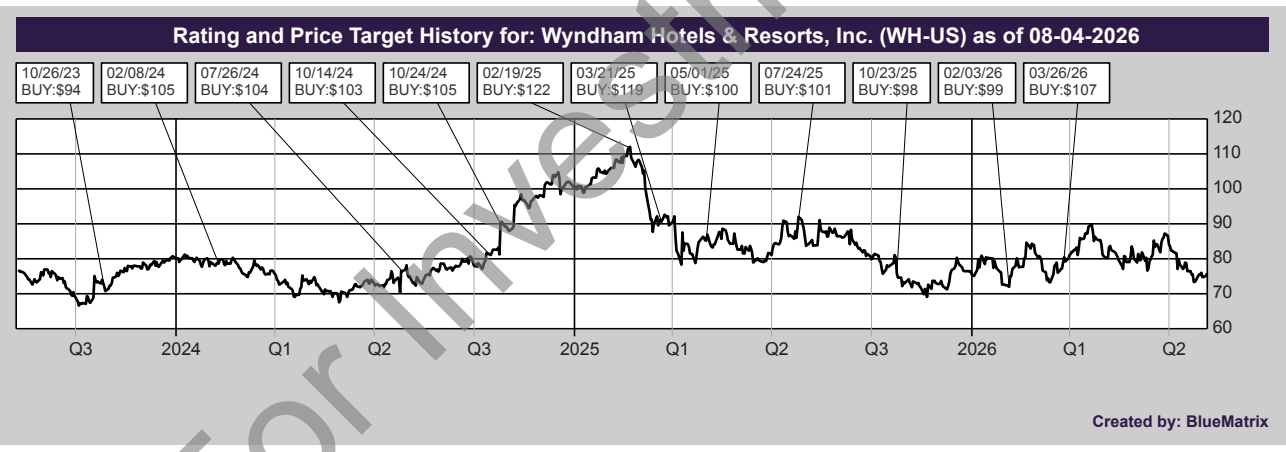




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Legend for Rating and Price Target History Charts:

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H = Hold

S = Sell

D = Drop Coverage

CS = Coverage Suspended

NR = Not Rated

I = Initiate Coverage

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Coverage Universe			Investment Banking Clients Past 12 Months		
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Hold	241	33.20%	Hold	61	25.31%
Sell	1	0.14%	Sell	0	0.00%

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