Equity Research Report

February 5, 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 +4.1% y/y last week; Stronger business/group travel for the week after MLK Day/Inauguration

Overall U.S. RevPAR was +4.1% y/y for the week ending 2/1/2025, per STR/CoStar, above the prior week's result of -0.2% y/y and slightly below the trailing 10-week average of +4.3% y/y.

Higher-rated hotels, group properties, and Top 25 markets generally had stronger results last week largely due to the continued impact of MLK Day shift being one week later in 2025 versus 2024. Last week was a non-holiday week following MLK Day and the Inauguration in the prior week; business travel was understandably stronger after the holiday week. Luxury and Upper Upscale RevPAR was +11-13% y/y on Tuesday/ Wednesday last week.

Major RevPAR statistics presented below:

- Luxury RevPAR: +8.2% y/y
- Upper Upscale RevPAR: +6.8% y/y
- Upscale RevPAR: +4.1% y/y
- Upper Midscale RevPAR: +3.4% y/y
- Midscale RevPAR: +2.4% y/y
- Economy RevPAR: +1.3% y/y
- Independent hotels (~ 1/3rd of the data set) RevPAR: -0.3% y/y; and
- Within Upper Upscale & Luxury class hotels:
  - Group: +7.7% y/y vs. -4.1% prior week;
  - Transient: +4.4% y/y vs. +4.9% prior week;
- Las Vegas RevPAR: -15.0% 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 +4.1% y/y vs. the running 28-day average of +1.7% y/y.
- **Occupancy:** Absolute occupancy was 56.5% vs. 54.0% for the running 28-day average.
- **Absolute Group occupancy:** 23.1% last week vs. 20.1% for the running 28 days.

The Lodging stocks:

- **Bottom line for the hotel companies/stocks: we continue to believe that for 4Q there will be modest upside to hotel RevPAR vs. both company and consensus expectations.** That said, we do not see RevPAR growth itself as a catalyst for the lodging sector though results for most of the C-Corps should reaffirm the compounding earnings drivers of modest RevPAR growth + mid-single digit net rooms growth (a very high margin business) + share repurchases combined with margin growth. Any outsized earnings growth for the C-Corps and any earnings growth for the hotel REITS (Ryman Hospitality Properties (RHP, Buy)) excluded) will need to come from other sources such as net rooms growth (C-Corps) and share repurchases. We look generally favorably on the hotel C-Corp sub-sector given their multiple drivers of earnings growth, and **we see shares of Wyndham Hotels (WH, Buy) as the stand-out value name in the group.**
- Hotel REITS, with the notable exception of RHP, will, in our view, continue to be challenged by cost increases slightly higher than revenue growth. Hotel REITS could have opportunity for earnings growth if they were to sell assets, which for the most part are valued higher on a stand-alone basis than as a part of the REIT (parts greater than the sum), and subsequently repurchase shares - though we do not envision this happening. Rather for the hotel REITS, we continue to see the primary

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opportunity for stock upside driven by investor sentiment around interest rate cuts happening sooner than expected (Source: Skift). While we are generally lethargic-to-unfavorable on the hotel REIT sector, we are positive on Ryman Hospitality (RHP) given its heavy exposure to Group (~70% of RHP's Hospitality segment EBITDA) and differentiated and proven business model. Additionally, recent news around expansion at the Rockies property (Source: Denver Business Journal) and what we see as a high ROIC investment initially sound encouraging.

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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
9/7/2024	**-5.2%**	-4.0%	-5.5%	-5.6%	-5.0%	-5.1%	-5.0%	-6.7%	-1.4%	-18.3%	-0.4%	2.2%	-10.5%
9/14/2024	**-1.4%**	-0.5%	-0.2%	-1.1%	-2.5%	-2.0%	-3.7%	-3.6%	-6.6%	-5.1%	11.0%	20.5%	8.8%
9/21/2024	**2.5%**	1.5%	2.9%	1.9%	2.5%	1.3%	-0.4%	1.2%	-14.5%	16.7%	10.0%	5.1%	5.4%
9/28/2024	**10.2%**	25.3%	12.2%	10.3%	6.6%	4.3%	1.8%	7.6%	70.1%	19.0%	13.7%	25.5%	4.8%
10/5/2024	**-7.7%**	-10.4%	-13.5%	-7.3%	-3.6%	-1.2%	-2.8%	-9.2%	-8.7%	-7.8%	-12.0%	-25.8%	-12.6%
10/12/2024	**3.8%**	6.4%	2.2%	4.0%	5.1%	6.5%	5.7%	0.7%	10.9%	0.7%	-6.5%	10.5%	3.2%
10/19/2024	**4.2%**	11.1%	2.8%	3.7%	4.0%	4.9%	3.8%	1.5%	16.7%	6.1%	4.2%	17.3%	12.2%
10/26/2024	**9.3%**	15.7%	9.0%	9.1%	9.8%	9.4%	6.9%	5.4%	13.1%	16.0%	6.1%	18.3%	21.1%
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%

Strong business travel for the week after MLK Day/Inauguration

Luxury and Upper Upscale led chain scales

NYC and Boston led the 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
9/7/2024	**-1.0%**	-0.2%	-0.5%	-1.2%	-1.1%	-1.0%	-2.0%	-2.3%	1.0%	-7.7%	-2.8%	3.6%	-2.4%
9/14/2024	**0.2%**	-3.7%	0.3%	0.6%	0.0%	0.5%	-1.2%	-1.8%	-3.2%	0.3%	1.3%	15.5%	5.6%
9/21/2024	**2.0%**	-2.5%	2.0%	1.7%	2.1%	1.4%	0.1%	0.8%	-11.9%	11.5%	3.5%	3.9%	5.2%
9/28/2024	**7.5%**	14.3%	7.9%	6.6%	4.2%	2.7%	1.6%	5.9%	52.8%	13.7%	5.6%	13.6%	3.8%
10/5/2024	**-4.4%**	-4.6%	-6.2%	-3.8%	-2.0%	-0.6%	-1.7%	-5.5%	-6.2%	-3.5%	-4.8%	-16.6%	-4.2%
10/12/2024	**1.4%**	3.3%	1.5%	1.6%	2.2%	2.4%	1.6%	-0.6%	6.5%	1.0%	-3.6%	7.8%	-1.0%
10/19/2024	**2.5%**	7.7%	2.7%	2.7%	2.5%	2.0%	1.5%	-0.2%	10.9%	5.9%	3.4%	12.2%	6.8%
10/26/2024	**4.6%**	9.6%	5.3%	4.6%	4.7%	3.5%	2.4%	1.6%	9.8%	10.6%	0.5%	9.6%	15.1%
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%	1.7%
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%	-2.3%	11.5%	0.5%
1/11/2025	**-5.9%**	-5.2%	-7.6%	-4.3%	-2.4%	1.3%	3.1%	-9.0%	-0.3%	-3.9%	-7.7%	1.7%	-2.5%
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%	1.8%	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%	78.0%
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%	4.3%	3.5%

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%	1.5%	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%
4Q19	0.7%	2.4%	0.6%	-0.4%	-0.3%	-1.0%	-1.0%	1.9%	-3.7%	-5.5%	0.3%	-2.2%	3.9%
1Q20	-4.0%	1.6%	-1.4%	-2.9%	-3.1%	-3.8%	-3.8%	-2.3%	-8.6%	-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%	-52.3%	-58.9%	-40.5%	-53.7%	-48.8%
3Q20	-24.1%	-12.6%	-25.6%	-24.2%	-17.3%	-11.6%	-9.4%	-16.1%	-40.7%	-28.3%	-31.6%	-43.2%	-34.5%
4Q20	-27.2%	-11.1%	-29.0%	-26.9%	-17.8%	-10.4%	-5.9%	-20.9%	-54.1%	-46.5%	-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%	69.6%	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%	0.8%	0.0%	2.1%	9.8%	3.8%	0.2%	-2.1%	6.2%
4Q23	2.9%	-2.3%	2.7%	2.5%	0.8%	-0.3%	-1.3%	3.7%	9.6%	7.0%	0.0%	0.7%	3.5%
1Q24	2.2%	-2.4%	1.9%	1.1%	0.8%	-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	1.5%	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

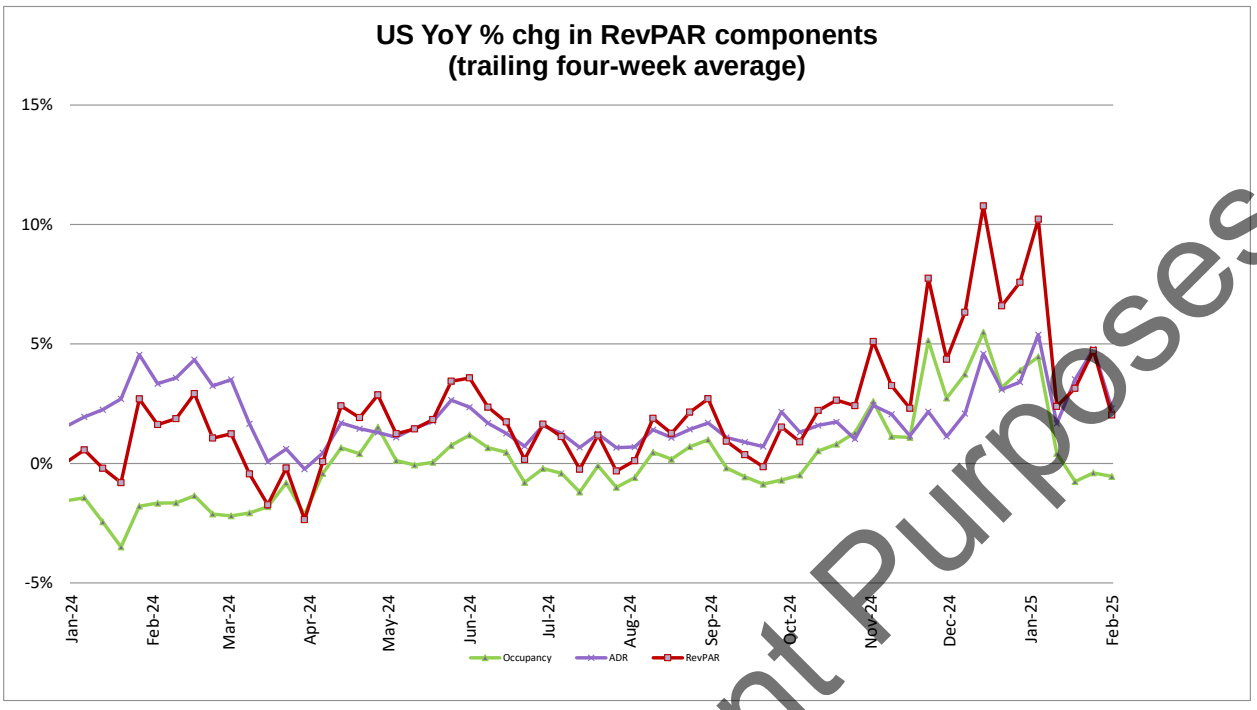
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde-pendent	New York	Boston	LA	Chicago	DC
9/7/2024	**-4.2%**	-3.7%	-5.1%	-4.4%	-4.0%	-4.2%	-3.1%	-4.5%	-2.4%	-11.4%	2.4%	-1.3%	-8.3%
9/14/2024	**-1.7%**	3.4%	-0.5%	-1.7%	-2.5%	-2.5%	-2.5%	-1.9%	-3.5%	-5.4%	9.5%	4.4%	3.0%
9/21/2024	**0.5%**	4.0%	0.8%	0.2%	0.3%	-0.1%	-0.6%	0.4%	-2.9%	4.7%	6.3%	1.2%	0.2%
9/28/2024	**2.6%**	9.6%	4.0%	3.4%	2.3%	1.5%	0.2%	1.6%	11.4%	4.7%	7.7%	10.5%	0.9%
10/5/2024	**-3.4%**	-6.1%	-7.9%	-3.6%	-1.6%	-0.6%	-1.1%	-4.0%	-2.6%	-4.4%	-7.5%	-11.0%	-8.7%
10/12/2024	**2.4%**	3.0%	0.7%	2.4%	2.8%	4.0%	4.0%	1.3%	4.1%	-0.3%	-3.1%	2.5%	4.3%
10/19/2024	**1.6%**	3.1%	0.2%	0.9%	1.5%	2.8%	2.3%	1.7%	5.3%	0.2%	0.8%	4.5%	5.1%
10/26/2024	**4.5%**	5.2%	3.6%	4.3%	4.9%	5.7%	4.4%	3.7%	3.0%	4.9%	5.5%	8.0%	5.1%
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%	46.2%	32.2%	20.7%	11.6%	7.2%	8.0%	12.8%	47.1%	19.4%	48.7%	46.0%
11/30/2024	**-7.7%**	-15.8%	-20.8%	-13.1%	-6.5%	-2.2%	2.3%	-2.7%	-2.8%	-12.0%	-2.7%	-15.1%	-16.4%
12/7/2024	**0.5%**	1.4%	-1.0%	-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%**	14.1%	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%	6.7%	0.9%	-1.0%	-2.4%	0.8%	6.1%	13.6%	2.8%	4.8%	11.8%	6.0%
1/11/2025	**-7.7%**	-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	**-3.4%**	-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%

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%

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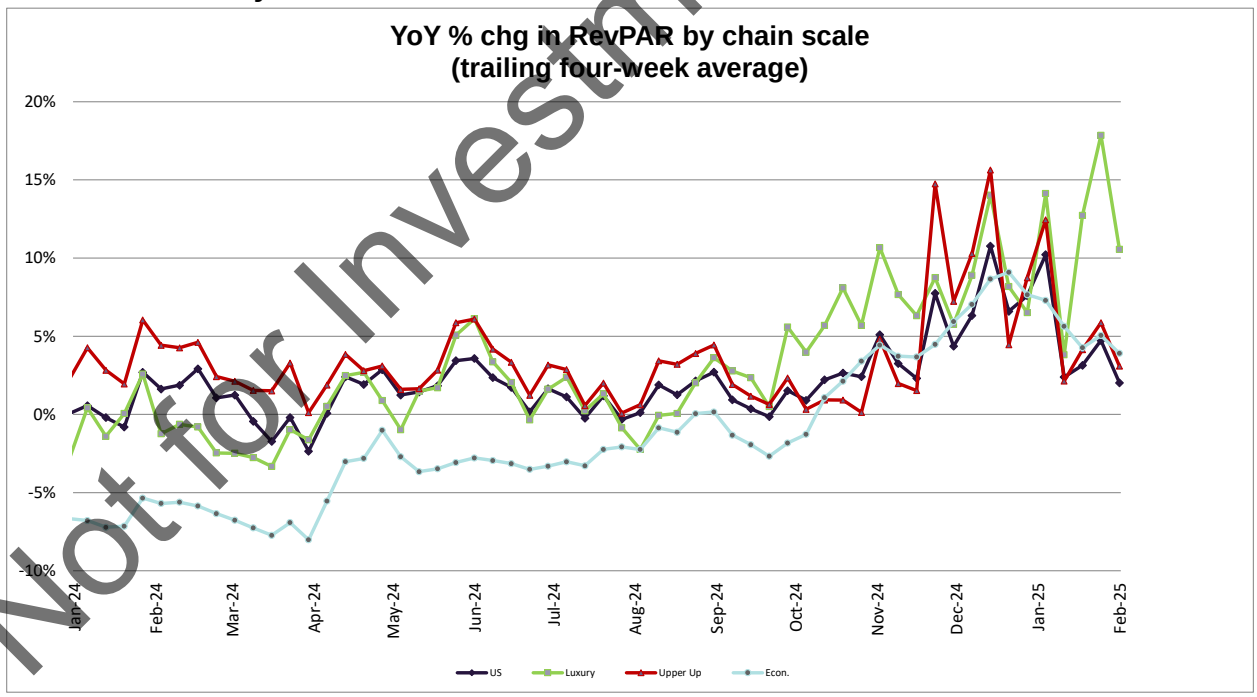
Source: STR data, Truist Securities research

RevPAR Component Trends



Source: STR data, Truist Securities research

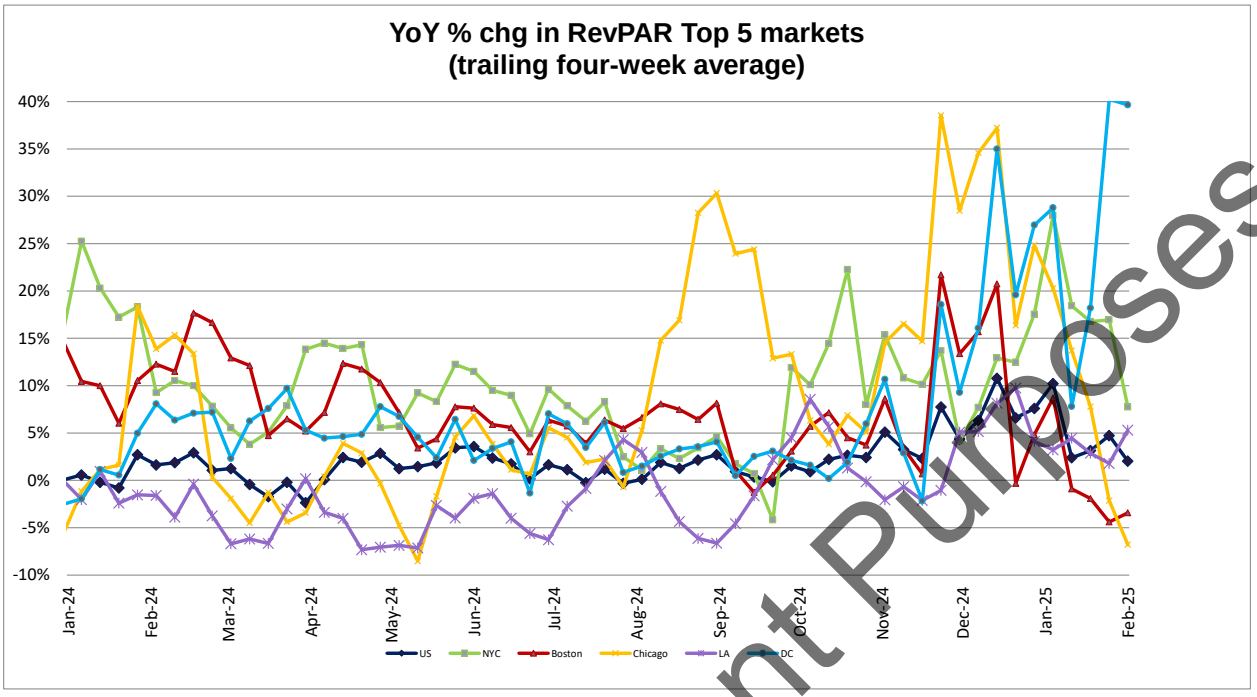
RevPAR Trends by Chain Scale



Source: STR data, Truist Securities research

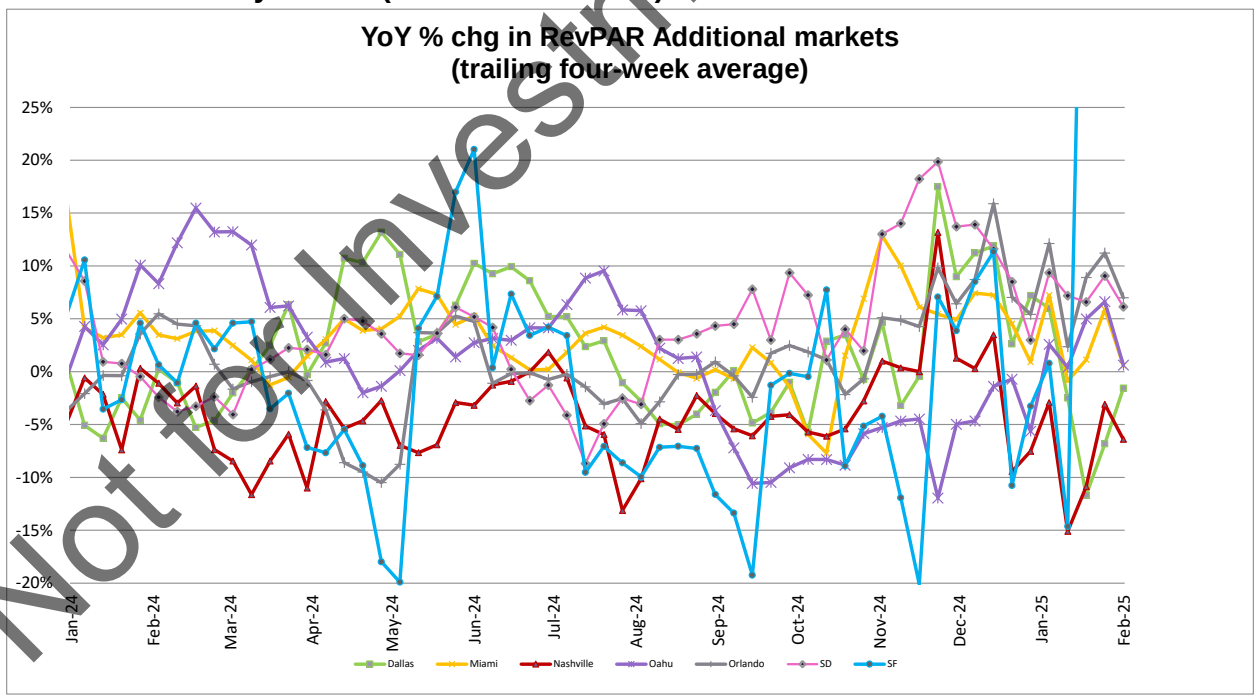
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RevPAR Trends by Market (Top 5 markets)



Source: STR data, Truist Securities research

RevPAR Trends by Market (Additional markets)



Source: STR data, Truist Securities research

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Price Target/Risks Summary

Lodging	TKR	Price 2/4/25	Rating	PT*	% upside/ down-side	Truist Securities Valuation EBITDA excluding Stock Based Comp/Other 2023A EBITDA ($M)* **	2024E EBITDA ($M)* **	2025E EBITDA ($M)* **	As Reported/Consensus/Data Aggregator "Headline" EBITDA 2023A EBITDA ($M)*	2024E EBITDA ($M)* **	2025E EBITDA ($M)* **	Target EV/EBITDA Multiple	Risks
Choice Hotels	CHH	$150.23	Hold	$136	-9%	$519	$578	$581	$540	$599	$603	14.0X	Upside risk: conservative growth of new brands; market share gains. Downside risk: slowdown in development opportunities; market share losses.
DiamondRock Hospitality	DRH	$8.64	Hold	$10	16%	$272	$285	$283	$272	$285	$283	11.5X	Upside risk: faster demand improvement in corporate travel than expected. Brand changes (e.g. Vail) lead to material EBITDA improvement. Leisure hotels hold/improve on RevPAR and margins despite the challenging macro. Downside risk: lodging recovery takes longer than expected, weaker results from ROI projects than forecasted, poor performance of recently acquired assets.
Hilton	HLT	$258.74	Hold	$220	-15%	$2,986	$3,340	$3,627	$3,089	$3,402	$3,689	17.6X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Hilton Grand Vacations	HGV	$40.85	Buy	$51	25%	$1,136	$1,037	$1,122	$1,186	$1,078	$1,165	8.9x	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.
Host Hotels & Resorts	HST	$16.39	Hold	$20	22%	$1,630	$1,637	$1,643	$1,630	$1,637	$1,643	11.0X	Upside risk: faster demand improvement in corporate/convention travel than expected. Dispositions at higher multiple than expected, stronger than expected performance by luxury leisure resorts on both top-line and margins through the valuation year. Downside risk: extended industry downturn with particular impact to large big box hotels, weak recovery of international travel during the valuation period, macro demand shock to acquired resort assets, labor issues.
Hyatt Hotels	H	$157.76	Buy	$158	0%	$966	$1,044	$1,163	$1,041	$1,114	$1,233	15.1X	Downside risk: lodging recovery takes longer than expected. Planned dispositions take longer than expected. Material labor issues to owned hotels. Pipeline growth slower than expected. Apple Leisure Group underperforms.
Marriott International	MAR	$290.75	Hold	$277	-5%	$4,256	$4,488	$4,959	$4,656	$4,948	$4,948	16.7X	Upside risk: Macro lodging trends improve beyond expectations. Faster than expected net unit growth. Downside risk: slowing pipeline. Deep recession.
Marriott Vacations	VAC	$84.37	Buy	$142	68%	$730	$673	$735	$761	$705	$770	10.4x	Downside risk: M&A story fades and multiples revert to historical levels
Park Hotels & Resorts	PK	$13.10	Buy	$18	37%	$641	$630	$630	$659	$648	$648	11.5X	Downside risk: weak recovery of international travel during the valuation period especially Oahu, macro demand shock impact to major resort assets, labor issues.
Pebblebrook Hotel Trust***	PEB	$12.77	Hold	$13	2%	$344	$334	$340	$356	$348	$354	12.0X	Upside Risks: Material near-term incremental EBITDA from Legacy LHO assets. Faster than expected San Francisco recovery. Downside Risks: Incremental EBITDA from major CapEx investments take longer than anticipated, contributing to multiple contraction. Very slow recovery in San Francisco.
Playa Hotels & Resorts	PLYA	$12.88	Hold	$13	1%	$259	$238	$231	$272	$254	$247	10.0X	Upside risks: Strong occupancy (important for operating efficiencies for all-inclusives), rising room rates that we still view with upside potential, generally strong forward booking and pricing statistics, an incrementally easier company to model/explain to investors, and the high-margin growth opportunity from additional third-party management contracts. Downside risk: demand shocks, hurricanes, reduced airlift, new supply, country-specific risks (emerging market portfolio)
RLJ Lodging Trust***	RLJ	$9.64	Buy	$11	14%	$340	$336	$347	$364	$357	$369	11.0X	Downside risk: Slower than expected recovery of corporate business travel; scope/timing and/or upside from repositionings underwhelms investor expectations
Ryman Hospitality Properties	RHP	$104.00	Buy	$136	31%	$665	$740	$773	$691	$770	$804	13.0X	Downside risk: Group demand slower than expected. Property-specific risks given a small portfolio.
Sunstone Hotel Investors	SHO	$11.01	Hold	$12	9%	$253	$216	$259	$263	$227	$261	13.0X	Upside risk: faster demand improvement in corporate travel than expected. Renovations lead to faster than expected EBITDA improvements. SHO buys hotels at accretive terms and quickly adds incremental EBITDA during the valuation period. Downside risk: Lodging recovery takes longer than expected, labor issues, weak recovery of international travel to gateway markets, natural disaster risk. Montage/Four Seasons EBITDA stabilizes well lower than expected.
Vail Resorts, Inc.	MTN	$167.47	Buy	$247	47%	$847	$869	$954	$847	$873	$964	13.0X	Downside risks: MTN is subject to prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries.
Travel + Leisure Co.	TNL	$55.09	Buy	$61	11%	$879	$897	$940	$908	$926	$971	8.4x	Downside risk: The timeshare business is especially vulnerable to economic softness. There are potential execution risks post the spin off.
Wyndham Hotels & Resorts	WH	$106.03	Buy	$105	-1%	$620	$693	$708	$659	$693	$751	15.0X	Downside risk: Slowdown in development opportunities. Weaker than expected transient trends.

** All of our Lodging price targets are derived by applying a target EV/EBITDA multiple to our estimate for 2025 EBITDA*
*** Valuation EBITDA excludes select items for specific companies including stock-based compensation.*
**** Covered by Gregory J. Miller - gregory.j.miller@truist.com*

Cruise Lines	TKR	Price 2/4/25	Rating	PT*	% upside/ down-side	2023A EPS	2024E EPS	2025E EPS	2026E EPS	Target PE Multiple	Risks
Carnival Corp.	CCL	$27.09	Hold	$30	11%	$0.00	$1.32	$1.94	$0.00	11.0X	Upside risks include the company exceeds its own guidance and consensus expectations and consumer spending increases meaningfully.
Norwegian Cruise Line	NCLH	$27.89	Buy	$35	24%	$0.70	$1.64	$2.12	$0.00	10.5X	Upside risks: the company exceeds its own guidance and consensus expectations and consumer spending increases meaningfully. Downside risks: delays of new ship deliveries and macro-economic issues
Royal Caribbean Cruises	RCL	$263.59	Buy	$272	3%	$6.77	$11.56	$14.81	$0.00	13.0x	Upside risks: the company exceeds its own guidance and consensus expectations and consumer spending increases meaningfully. Downside risks: delays of new ship deliveries and macro-economic issues
Viking Holdings	VIK	$51.45	Hold	$49	-4%	$0.00	$1.42	$2.33	$2.90	17.0X	Upside risks: Continued industry leading ROIC generation, sector leading capacity growth, and a sector best balance sheet. Downside risks: Geographic concentration as River vessels are concentrated in Europe, CCL/NCLH/RCL potentially entering the River cruise sector, volatility with river water levels

Online Travel Agencies	TKR	Price 2/4/25	Rating	PT*	% upside/ down-side	2023A EPS	2024E EPS	2025E EPS	2026E EPS	Target PE Multiple	Target EV/EBITDA Multiple	Risks
Airbnb Inc.	ABNB	130.74	Hold	$123	-6%	$7.25	$3.92	$4.46	$5.24		22.8X	Upside Risks: faster than expected revenue growth, higher profitability, improved travel demand. Downside Risks: adverse macro/lower travel demand, lower listings growth and/or guest retention, reduced ad efficiency and competition.
Booking Holdings**	BKNG	4678.94	Hold	$4,720	1%	$152.22	$181.02	$214.75		22.0X		Upside risks: Re-acceleration of lodging fundamentals, market share gains, and reduced competition from other OTAs/tech firms/travel suppliers. Downside risks: Government regulations and fines, travel demand shocks, increased competition from tech companies/travel suppliers/fintech, and overtourism ramifications.
Expedia Group**	EXPE	168.47	Hold	$163	-3%	$9.69	$12.13	$14.21		11.5X		Upside risks: Travel re-acceleration, market share gains, multiple re-rate on company-specific metrics. Downside risks: Many macro risks including government regulation, travel demand shocks, overtourism ramifications, and tech industry competitive threats.
Tripadvisor Inc.	TRIP	17.43	Hold	$21	20%	$0.07	$0.15	$0.62	$0.71		6.7X	Upside risks: improved travel demand. Downside risks: reduced efficacy of advertising on the site, reduced visitation or user engagement, lower travel demand.

** All of our Cruise Line price targets are derived by applying a target PE multiple to our estimate for 2024 EPS*
*** Covered by Gregory J. Miller - gregory.j.miller@truist.com*

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Companies Mentioned in This Note

Airbnb, Inc. (ABNB, $129.60, Hold, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, $151.15, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, $8.57, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, $158.56, Buy, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, $41.18, Buy, C. Patrick Scholes)
Hilton Worldwide Holdings Inc. (HLT, $257.85, Hold, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, $16.37, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, $292.39, Hold, C. Patrick Scholes)
Vail Resorts, Inc. (MTN, $166.56, Buy, C. Patrick Scholes)
Pebblebrook Hotel Trust (PEB, $12.64, Hold, Gregory Miller)
Park Hotels & Resorts Inc. (PK, $13.06, Buy, C. Patrick Scholes)
Playa Hotels & Resorts N.V. (PLYA, $12.88, Hold, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, $102.91, Buy, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, $9.63, Buy, Gregory Miller)
Sunstone Hotel Investors, Inc. (SHO, $10.92, Hold, C. Patrick Scholes)
Travel + Leisure Co. (TNL, $55.36, Buy, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, $83.74, Buy, C. Patrick Scholes)
Wyndham Hotels & Resorts, Inc. (WH, $106.06, Buy, C. Patrick Scholes)

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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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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Sell	1	0.14%	Sell	0	0.00%

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