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Hersha Hospitality Trust (HT)

44 Hersha Drive, Harrisburg, PA 17102

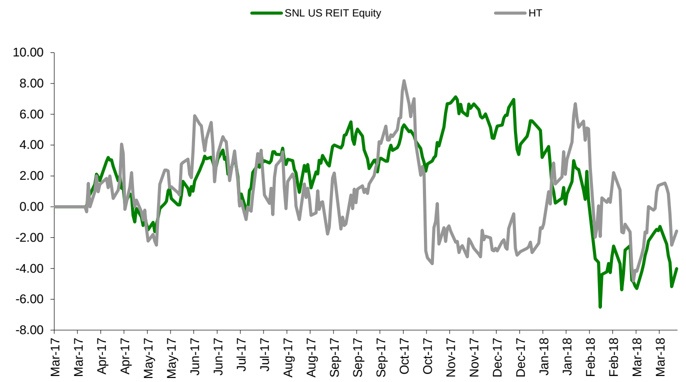
http://www.hersha.com
(717) 236-4400

Credit Ratings	Rating	Date	Direction	Watch
S&P	--	--	--	--
Moody's*	--	--	--	--
Fitch	--	--	--	--

*Senior Unsecured Rating

Current Market Information as of 03/26/2018		Closing Price ($):	17.37
Shares Outstanding (Shares)	39,824,051	Price Target	$ 24.00
52 week High - Low ($)	19.87 - 16.60	Price/ FFO (x)	15.0
Average Daily Volume (Shares)	514,414	Price/ LTM FFO (x)	10.5
Market Value ($M)	691.7	Price/ Trailing-four-quarter EPS (x)	9.7
Total Capitalization ($M)	2,208.2	Prem./Disc to NAV (%)	2.1
Total Enterprise Value ($M)	2,190.3	TEV/ Recurring EBITDA (x)	15.8
10 Year T Note (%)	2.85	Implied Return	38%

Total Return



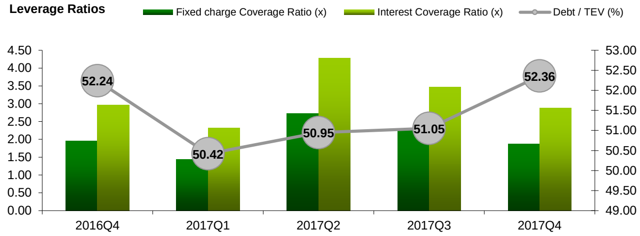
Insider Alignment as of 03/31/2017			
Title	**Name**	**Insider shares (Voting)**	**%**
CEO & Trustee	Jay H. Shah	1,212,827	2.90
President & COO	Neil H. Shah	1,131,271	2.71
Chairman of the Board	Hasu P. Shah	434,775	1.04
Total Shares Held by Insiders		**3,387,117**	**8.10**

Note: If multiple insiders share controlling interest in a group of shares, they may both show ownership of those shares in insider ownership data.

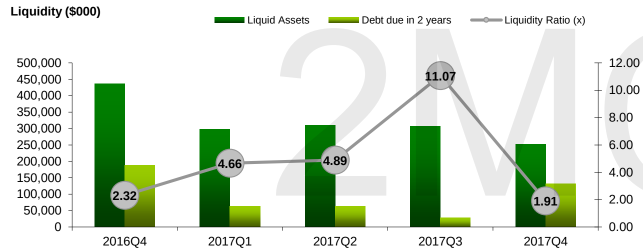
Institutional Ownership			
Owner	**Shares**	**%**	**As of**
BlackRock Inc.	6,637,774	15.95	12/31/2017
Vanguard Group Inc.	6,560,443	15.77	12/31/2017
Jennison Associates LLC	3,693,171	8.88	12/31/2017
State Street Global Advisors Inc.	1,666,792	4.01	12/31/2017
Invesco PowerShares Capital Management LLC	1,318,034	3.17	12/31/2017
Total - 201 Institutions	**39,841,521**	**99.87**	

Current Dividend Information		% Change		
Dividend ($)	0.2800 –	0.00	Mst Rct Dividend Anncd Date	03/12/2018
Annual Dividend Rate ($)	1.1200 –	0.00	Mst Rct Ex-Dividend Date	03/28/2018
LTM Dividends Anncd ($)	1.1200		Most Recent Div Pay Date	04/13/2018
Current Dividend Yield (%)	6.45			
LTM Dividend Payout Ratio (%)	62.57			

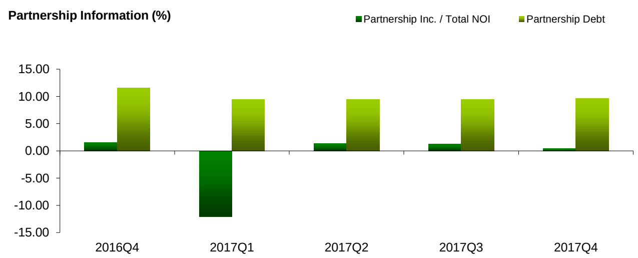
Leverage Ratios



Liquidity ($000)



Partnership Information (%)



Leverage Analysis	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Capitalization ($M)					
Implied Market Cap	959.1	842.1	829.9	837.0	750.6
Total Mezzanine Level Items	0.0	0.0	0.0	0.0	0.0
Total Preferred Equity	367.5	367.5	367.5	367.5	367.5
Noncontrolling Interest	0.0	0.0	0.0	0.0	0.0
Total Debt	1,103.3	1,070.3	1,070.2	1,083.2	1,093.0
Pref. OP-FASB 150/Fin 46 Adj.	0.0	0.0	0.0	0.0	0.0
Total Capitalization	**2,429.9**	**2,279.9**	**2,267.6**	**2,287.7**	**2,211.1**
(-) Cash & Cash Equivalents	185.6	47.6	59.6	57.5	17.9
Total Enterprise Value	**2,244.3**	**2,232.3**	**2,208.0**	**2,230.2**	**2,193.2**
Leverage Ratios (%)					
Debt/ Total Cap	45.41	46.95	47.19	47.35	49.43
Debt / TEV	52.24	50.42	50.95	51.05	52.36
Debt and Preferred/ TEV	67.62	66.10	66.79	66.74	68.27
Total Debt/ Gross Properties	52.87	47.32	44.43	44.90	45.79
Debt/ RE Value	54.06	51.49	50.45	50.75	52.73
Fixed charge Coverage Ratio (x)	1.95	1.44	2.72	2.25	1.87
Interest Coverage Ratio (x)	2.96	2.32	4.28	3.47	2.89
Debt/ EBITDA (x)	7.76	4.72	2.30	7.75	9.64
Debt/Assets	51.19	50.39	48.73	49.56	51.12
NOI/ Debt	13.83	12.05	19.26	15.98	14.37

Liquidity Analysis ($000)	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Cash and Equivalents	185,644	47,633	59,600	57,529	17,945
Revolving Credit Facilities	250,000	250,000	250,000	250,000	250,000
Revolving Credit Facilities Drawn	0	0	0	0	16,100
Liquid Assets	435,644	297,633	309,600	307,529	251,845
Debt Due this Fiscal Year	160,908	36,607	36,080	548	30,384
Debt Due during Next Fiscal Year	27,236	27,238	27,237	27,236	101,724
Debt Due this Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt Due during Next Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt due in 2 years	188,144	63,845	63,317	27,784	132,108
Liquidity Ratio (x)	2.32	4.66	4.89	11.07	1.91

Profitability Analysis (%)	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Implied Capitalization Rate	8.61	8.81	8.56	8.07	7.93
Rental NOI/ Avg Gross Pptys	0.00	0.00	0.00	0.00	0.00
Operating NOI/ Avg Gross Pptys	7.55	5.93	8.83	7.18	6.54
Total RE NOI/ Avg Gross Pptys	7.55	5.93	8.83	7.18	6.54
Partnership Income/ Total Revenue	17.72	-178.74	59.75	41.59	12.65

Partnership Information (%)	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Partnership Inc. / Total NOI	1.54	-12.05	1.38	1.25	0.42
Partnership Revenue/ Revenue	0.52	-3.23	0.51	0.41	0.13
Partnership Debt	11.59	9.42	9.45	9.46	9.60
Partnership Income/ Avg Partnerships	17.72	-178.74	59.75	41.59	12.65

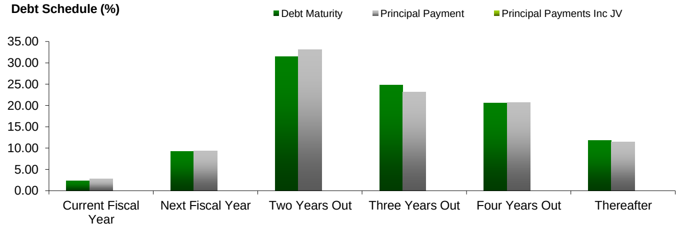
Debt Analysis (%)	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Tax-exempt Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Secured Debt/ Debt	35.28	29.17	29.14	28.73	28.15
Short-term Debt/ Debt	14.58	NA	NA	NA	2.78
Long-term Debt/ Debt	85.42	NA	NA	NA	97.22
Variable-rate Debt/ Debt	66.11	67.55	67.54	37.13	38.25
Fixed-rate Debt/ Debt	34.44	32.72	32.98	63.47	62.31
Hedged Debt/ Debt	18.43	18.16	22.83	53.48	52.44
Convertible Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Credit Lines Drawn/ Available	0.00	0.00	0.00	0.00	6.44

Same Store Analysis	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Same Store NOI Change (%)	NA	NA	NA	NA	NA
Same Store Rev % Chg (%)	NA	NA	NA	NA	NA
Same Store Exp % Chg (%)	NA	NA	NA	NA	NA
Same-store REVPAR ($)	165.73	156.43	197.03	186.90	184.59
Same-store ADR ($)	211.95	200.48	228.13	214.39	223.94
Same Store Occupancy (%)	78.20	78.00	86.40	87.20	82.40

Debt Maturity Schedules for the Period 2017Q4

	Debt Maturity		Principal Payment		Principal Payments Inc JV	
	($000)	(%)	($000)	(%)	($000)	(%)
Total Debt	1,093,013		1,093,013		1,093,013	
Current Fiscal Year	25,000	2.29	30,384	2.78	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Next Fiscal Year	101,358	9.27	101,724	9.31	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Two Years Out	344,325	31.50	362,121	33.13	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Three Years Out	271,056	24.80	252,477	23.10	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Four Years Out	225,000	20.59	226,507	20.72	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Thereafter	129,201	11.82	124,992	11.44	NA	NA
Avg Int Rate (%)	NA		NA		NA	

Debt Schedule (%)

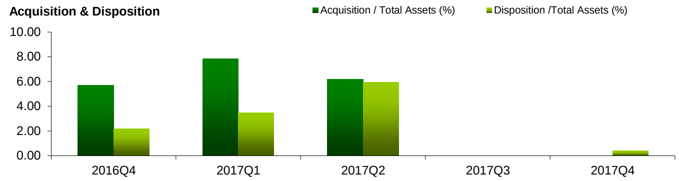


Source: SNL Financial

Property Analysis

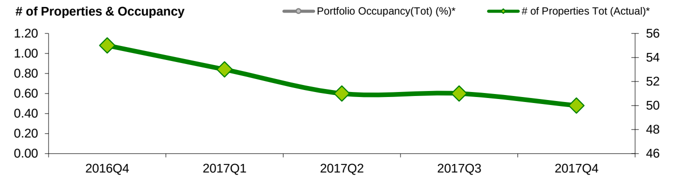
Property Financials	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
# of Properties Tot (Actual)*	55	53	51	51	50
Portfolio Occupancy(Tot) (%)*	NA	NA	NA	NA	NA
Total Acquisitions ($000)	123,187	166,399	136,124	0	0
Total Dispositions ($000)	47,000	73,623	130,500	0	8,400
Development Pipeline ($000)	NA	NA	NA	NA	NA
Development Cost Incurred ($000	NA	NA	NA	NA	NA
Net Property Investment ($000)	1,766,620	1,922,645	2,049,795	2,032,138	2,000,069
Gross Leasable Area (sq. ft.)	NA	NA	NA	NA	NA
Acquisition / Total Assets (%)	5.71	7.83	6.20	0.00	0.00
Disposition /Total Assets (%)	2.18	3.47	5.94	0.00	0.39

* If total value is filed as NA for all periods by the company, it will give the individual portfolio level information.



Top 10 Markets*

Name	% of NOI	% of Rev.	% Change SS Occupancy %
None			



*Based on reported market exposure. SS here stands for Same Store

Top 10 Most Recent Acquisitions

Property Name	Portfolio Acq. Yes/No?	Acq. Date	Owned %	Price ($000)[1]	Size (Owned Sq. Ft.)[3]
Westin-Philadelphia	No	06/29/2017	100.00	134,951	352,800
Pan Pacific-Seattle	No	02/21/2017	100.00	79,000	183,600
Ritz-Carlton-Coconut Grove-Miam	No	02/01/2017	100.00	36,783	138,000
The Ambrose Hotel-Santa Monica	No	12/01/2016	100.00	47,500	92,400
Courtyard-Sunnyvale	No	10/20/2016	100.00	75,687	174,000
Autograph Collection-Envoy	No	07/21/2016	100.00	112,625	163,200
Hilton Garden Inn-M Street	No	03/09/2016	100.00	106,597	285,600
Sanctuary Beach Resort-Marina	No	01/28/2016	100.00	40,164	72,000
Ritz-Carlton-Georgetown	No	12/29/2015	100.00	50,679	103,200
Towneplace Suites-Sunnyvale	No	08/25/2015	100.00	27,884	112,800

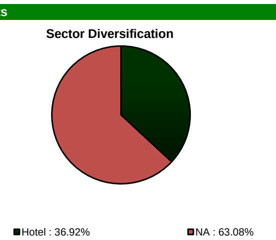
[1] If the transaction is a portfolio acquisition than the price will be a portfolio Acq. Price.

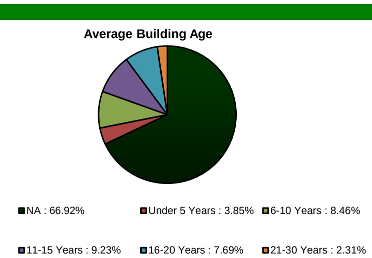
Top 10 Most Recent Dispositions

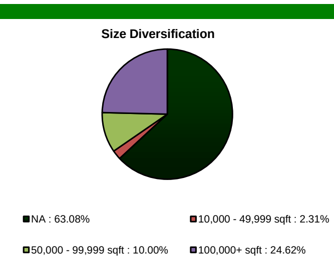
Property Name	Portfolio Dis. Yes/No?	Dis. Date	Owned %	Price ($000)[2]	Size (Owned Sq. Ft.)[3]
Hampton Inn-Manhattan/Downtown-Financial D	No	03/14/2018	100.00	32,400	97,200
Hyatt House-Gaithersburg	No	02/16/2018	100.00	19,000	168,000
Holiday Inn Express-Chester Monroe	No	12/07/2017	100.00	8,400	96,000
Hyatt House-Pleasant Hill	Yes	06/08/2017	100.00	192,500	170,400
Hyatt House-Pleasanton	Yes	06/08/2017	100.00	192,500	153,600
Hyatt House-Scottsdale	Yes	06/08/2017	100.00	192,500	196,800
Courtyard-Alexandria Pentagon South	Yes	01/05/2017	100.00	192,500	243,600
Residence Inn-Greenbelt	Yes	01/05/2017	100.00	192,500	144,000
Hilton-Hartford	Yes	01/03/2017	8.80	8,500	41,501
Marriott-Hartford Downtown	Yes	01/03/2017	15.00	8,500	73,620

[2] If the transaction is a portfolio sales than the price will be a portfolio disposition Price.

Property Charts

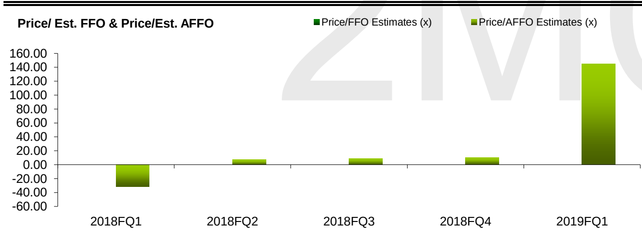


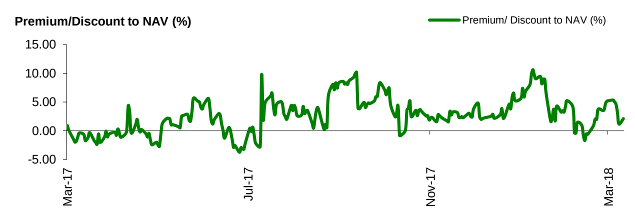




NA = Not Available

Estimates Data





Estimates Information	2018FQ1	2018FQ2	2018FQ3	2018FQ4	2019FQ1
FFO Estimates					
FactSet Mean FFO Estimate ($)					
FactSet High FFO Estimate ($)					
FactSet Low FFO Estimate ($)					
FactSet No. of FFO Estimates (Actual)					
Closing Price ($)	17.37	17.37	17.37	17.37	17.37
Price/FFO Estimates (x)					
AFFO Estimates					
SNL Mean AFFO Estimate ($)	-0.14	0.60	0.49	0.42	0.03
SNL High AFFO Estimate ($)	-0.08	0.64	0.53	0.43	0.04
SNL Low AFFO Estimate ($)	-0.17	0.57	0.46	0.42	0.02
SNL No. of AFFO Estimates (Actual)	3	3	3	3	2
Price/AFFO Estimates (x)	-31.77	7.20	8.92	10.26	144.75
EBITDA Estimates					
FactSet Mean EBITDA Estimate ($000)					
FactSet High EBITDA Estimate ($000)					
FactSet Low EBITDA Estimate ($000)					
FactSet No. of EBITDA Estimates (Actual)					
Shares Outstanding (Shares)	39,824,051	39,824,051	39,824,051	39,824,051	39,824,051
Total Enterprise Value ($M)	2,190.3	2,190.3	2,190.3	2,190.3	2,190.3
Price/ Est. EBITDA per Share (x)					
Current TEV/ Est. EBITDA (x)					

NAV	Consensus Estimate	Median	High	Low	Std Dev
NAV per Share ($)	17.01	18.74	19.73	10.82	4.18
Price/ NAV	1.02	0.93	0.88	1.61	
Premium/Discount to NAV (%)	2.12	-7.31	-11.96	60.54	
Number of NAV per Share Estimates (actual)	4				

Commentary:

Hersha Hospitality (HT) is one of the more expensive stocks in 2CHYP on a relative basis as it trades fairly close to the median multiple of its sector. Its operations, however, are well above median with Hersha's hotels outperforming their submarkets. Hersha has simultaneously increased its NAV and its RevPAR through a combination of dispostions, share buybacks and luxury hotel acquisitions. If we are truly in a rising rate environment as everyone seems to be fearing, hotels are a great place to be.