



DIAMONDROCK

HOSPITALITY



Hotel Emblem, San Francisco

Recent Events



February 2020

- DiamondRock announces full year 2020 guidance:

RevPAR Growth	-0.5% to 1.0%
Total RevPAR Growth	0.5% to 3.0%
Adjusted EBITDA	\$245MM - \$255MM
Adjusted FFO	\$203MM - \$211MM
Adjusted FFO per share <i>(based on 203 million diluted shares)</i>	\$1.00/sh to \$1.04/sh

- 2020 group pace up 14% and over 72% of budgeted group business already under contract

January 2020

Names Aimbridge/Interstate as Manager of Westin Boston Waterfront

- Aimbridge/Interstate replaces brand management in January 2020
- Expected to generate several million dollars of incremental annual EBITDA
- Westin franchise expires 2026
- Only facility connected to Boston Convention & Exposition Center (BCEC), largest in Northeastern U.S.
- 2020 group booking pace (revenue) up over 30%



DiamondRock at a Glance

1

Resort Focus

Capturing Secular Growth

2

ROI Projects

Creating Shareholder Value

3

Frenchman's Reef Relaunch

Accelerating Earnings Growth

4

Opportunistic Recycling

Capturing Secular Growth

5

Asset Repositioning

Unlocking Asset Value

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2020 Setup

Group Pace up 14%

A scenic view of a lake and mountains from a rooftop patio. The patio features dark wicker furniture with light-colored cushions, a white lattice pergola, and a large pine tree. The background shows a clear blue sky, a calm lake, and snow-capped mountains in the distance.

COMPANY OVERVIEW

DiamondRock at a Glance



KEY STATISTICS

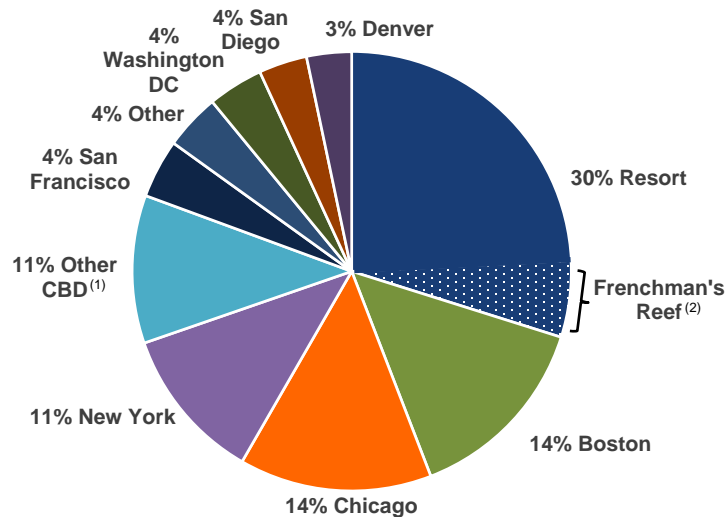
Hotels (Rooms)	31 (>10K)
Enterprise Value	\$3.1B
Market Cap	\$2.1B
Enterprise Value / Key	~\$305K
Dividend Yield	4.8%
YE19 Net Debt/EBITDA	3.7x

Market data as of 2/18/20

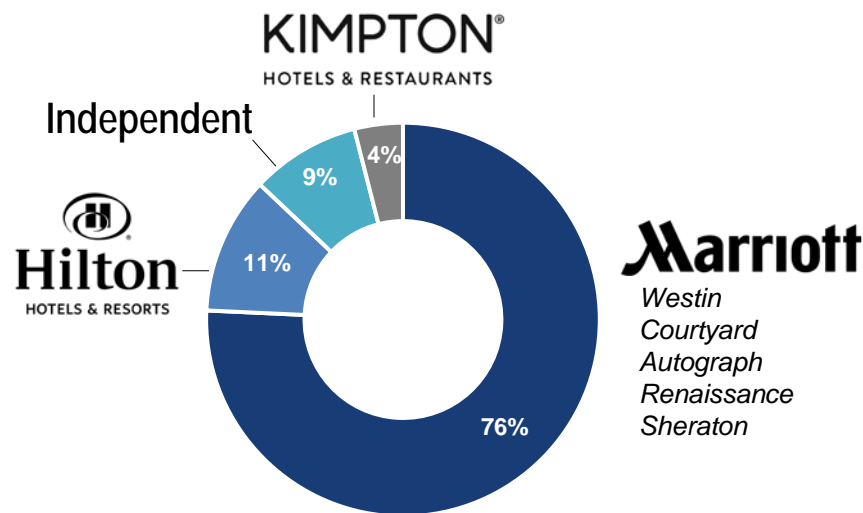
RECENT HIGHLIGHTS

- Q4 2019 Results
 - Total RevPAR up 1.6%
 - RevPAR up 1.5%
 - EBITDA Margin of 29.25%
 - Adj FFO per share of \$0.27
- Successfully settled Frenchman's Reef insurance claim for \$246.75MM

URBAN AND RESORT HOTELS IN TOP MARKETS



HIGH QUALITY BRANDS



(1) Other CBD includes Burlington Hilton, Salt Lake City Marriott, and Worthington Renaissance.
 (2) Based on 2016 actual EBITDA

High Quality Portfolio in Key Gateway Markets



SAN FRANCISCO

Hotel Emblem San Francisco
(Independent)



PHOENIX

Hotel Palomar Phoenix
(Intercontinental Hotel Group)



SAN DIEGO

Westin San Diego
(Marriott)



DENVER

JW Marriott Denver at Cherry Creek
(Marriott)



DENVER

Courtyard Denver Downtown
(Marriott)



NEW YORK

Lexington Hotel New York
(Marriott)



NEW YORK

Courtyard Manhattan/Midtown East
(Marriott)



NEW YORK

Courtyard Manhattan/Fifth Avenue
(Marriott)



NEW YORK

Hilton Garden Inn Times Square
(Hilton)



WASHINGTON, DC

Westin Washington, DC City Center
(Marriott)



BOSTON

Hilton Boston Downtown
(Hilton)



BOSTON

Westin Boston Waterfront
(Marriott)



CHICAGO

Chicago Marriott Downtown
(Marriott)



CHICAGO

The Gwen, a Luxury Collection Hotel
(Marriott)



ATLANTA

Atlanta Marriott Alpharetta
(Marriott)



DALLAS/FORT WORTH

Worthington Renaissance Fort Worth
(Marriott)



SALT LAKE CITY

Salt Lake City Marriott Downtown
(Marriott)

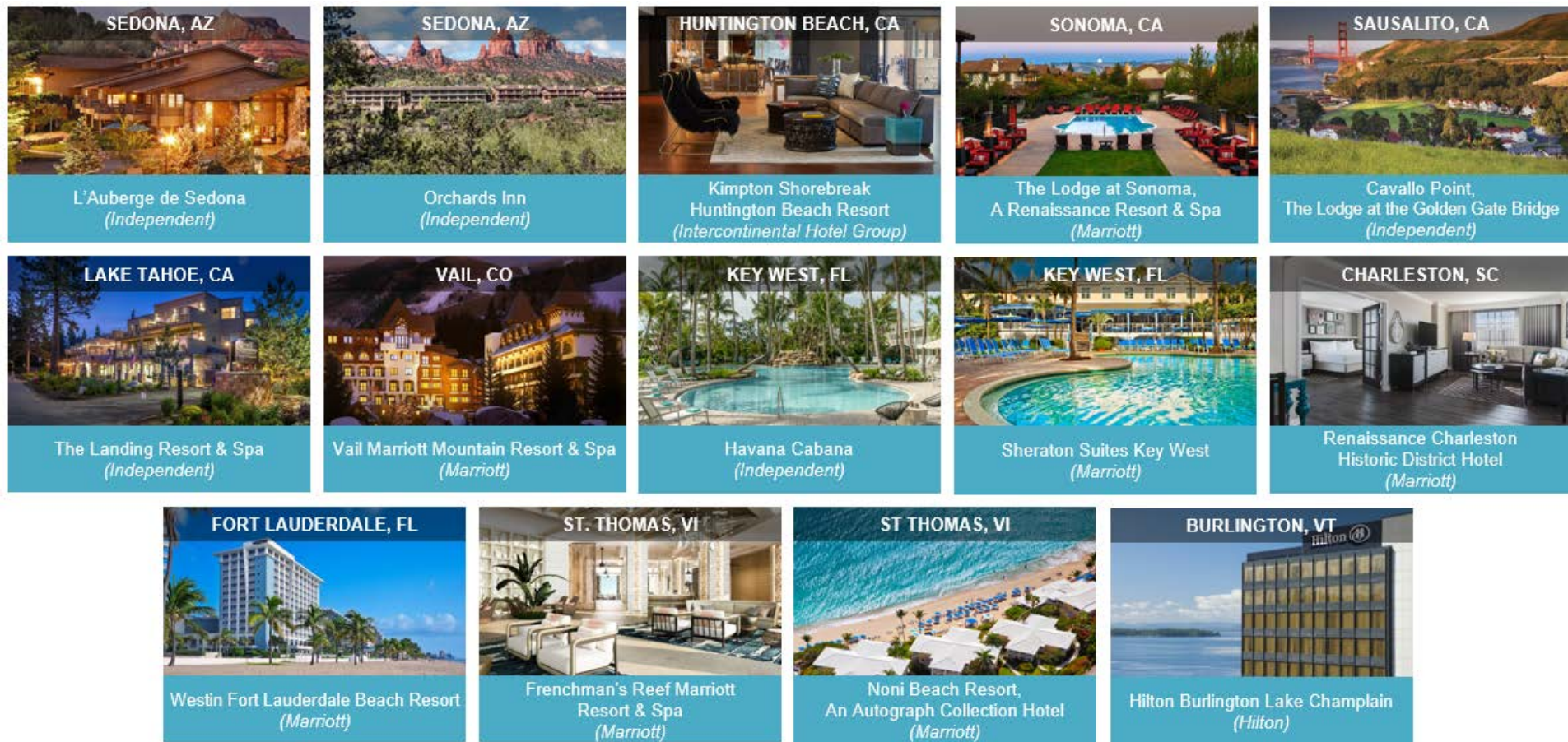


BETHESDA, MD

Bethesda Marriott Suites
(Marriott)

Approximately 2/3 of portfolio located in top, gateway markets.

Strong Resort Market Presence

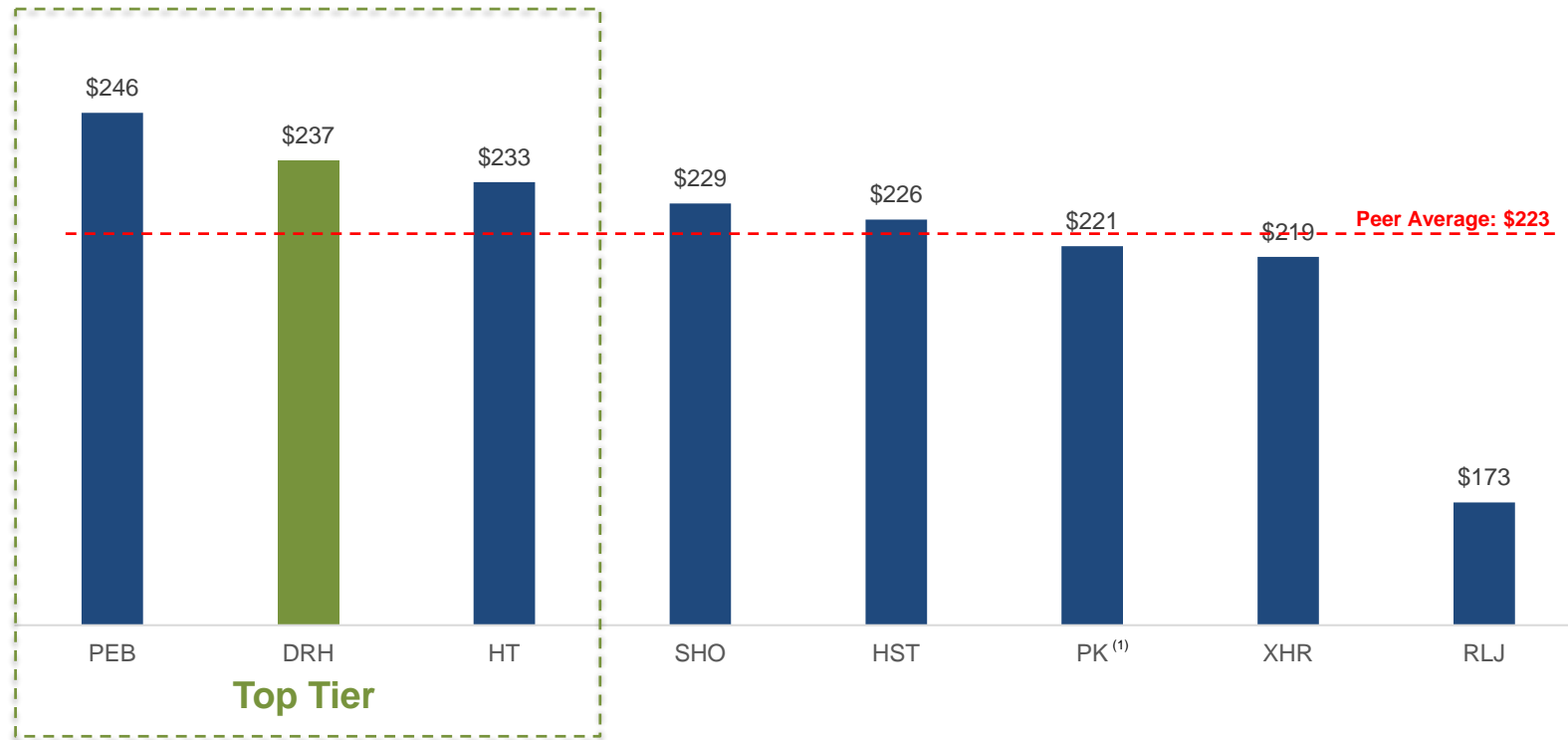


Approximately 1/3 of portfolio located in destination resort markets.

Top-Tier Portfolio Quality



2018 Portfolio Average Daily Rate



(1) Proforma for Chesapeake merger
Source: Company Filings as of Q4 2018.

2020 Full-Year Guidance



		2020 Guidance	
	Metric	Low End	High End
	RevPAR Growth	-0.5%	1.0%
	Total RevPAR Growth	0.5%	3.0%
	Hotel Adjusted EBITDA Growth	-1.5%	2.0%
	Adjusted EBITDA	\$245 million	\$255 million
	Adjusted FFO	\$203 million	\$211 million
	Adjusted FFO per share (based on 203 million diluted shares)	\$1.00 per share	\$1.04 per share

Share Repurchase Plan: 7.8MM Shares



- \$250MM Plan Authorization
- \$75MM repurchased at \$9.58 per share under current 10b5-1
- \$175MM remaining under repurchase authorization

Implied Valuation	
2019 EBITDA Multiple	11.2x
2019 NOI Cap Rate	8.2%
Discount to NAV	25% - 40%

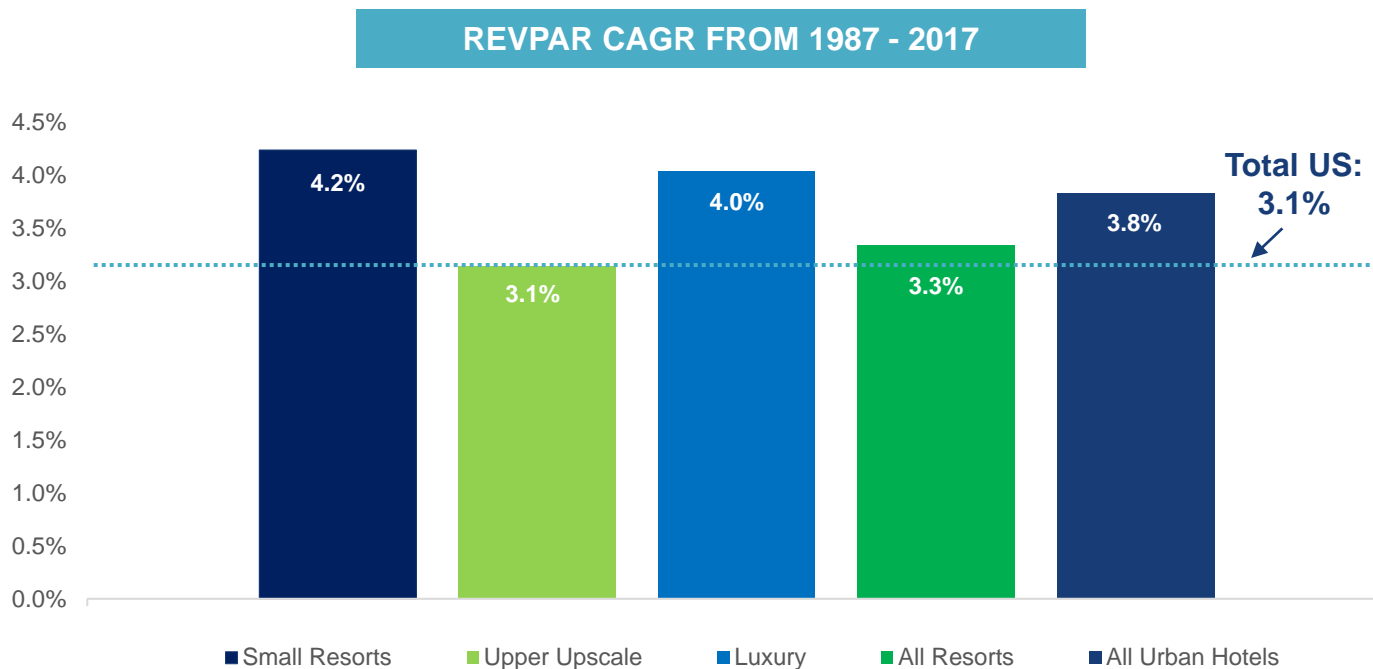


RESORT STRATEGY RATIONALE

Research Demonstrates Small Resorts Outperform



- According to CBRE/PKF research study, small resorts⁽¹⁾ have:
 - Less downside risk due to larger stream of reliable non-rooms revenue
 - Preserved the most ADR through the recession of the early 2000s
 - Achieved superior levels of ADR growth since 2009 to all other market classes



Source: CBRE Hotels Research.

(1) Collection of non-golf resorts with less than 200 rooms

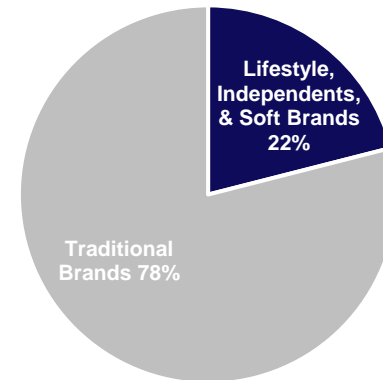
DRH Lifestyle & Independent Strategy



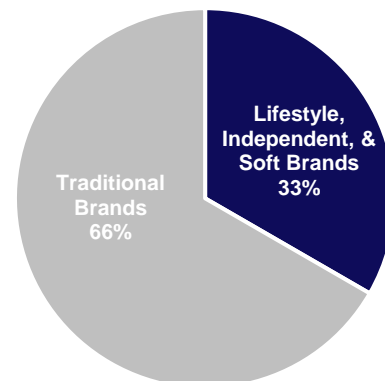
RATIONALE FOR TARGETING LIFESTYLE HOTELS, INDEPENDENTS, & SOFT BRANDS

- To grow with shift towards experiential travel
- Reduces reliance on traditional brands
- Balances portfolio
- Greater opportunity for smaller deals
- Target allocation will be achieved through acquisitions of lifestyle hotels, independents and soft brands and dispositions of traditional boxes

CURRENT ALLOCATION⁽¹⁾



LONG-TERM TARGET ALLOCATION

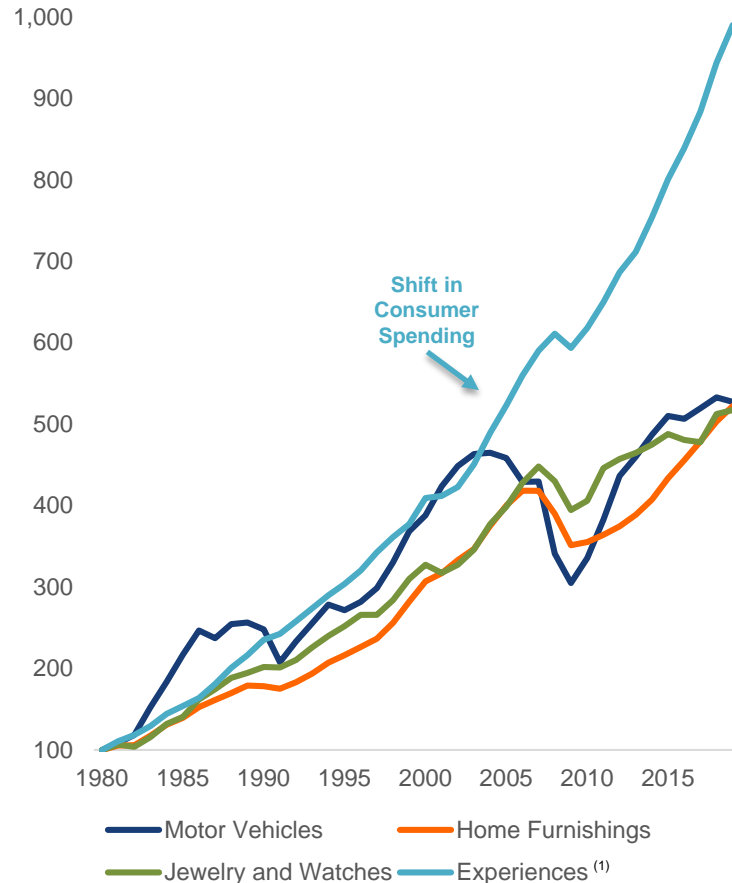


(1) Independent, lifestyle and soft brand hotels include the Havana Cabana, Cavallo Point, Hotel Emblem, L'Auberge de Sedona, Orchards Inn, The Landing, Palomar Phoenix, Shorebreak Hotel, the Lexington and The Gwen. Soft brands, including Autograph and Luxury Collection, are included as lifestyle / boutique. Based on 2019A EBITDA for all properties except Frenchman's Reef and Havana Cabana where 2016A used due to closure. Pro forma for full year for acquisitions.

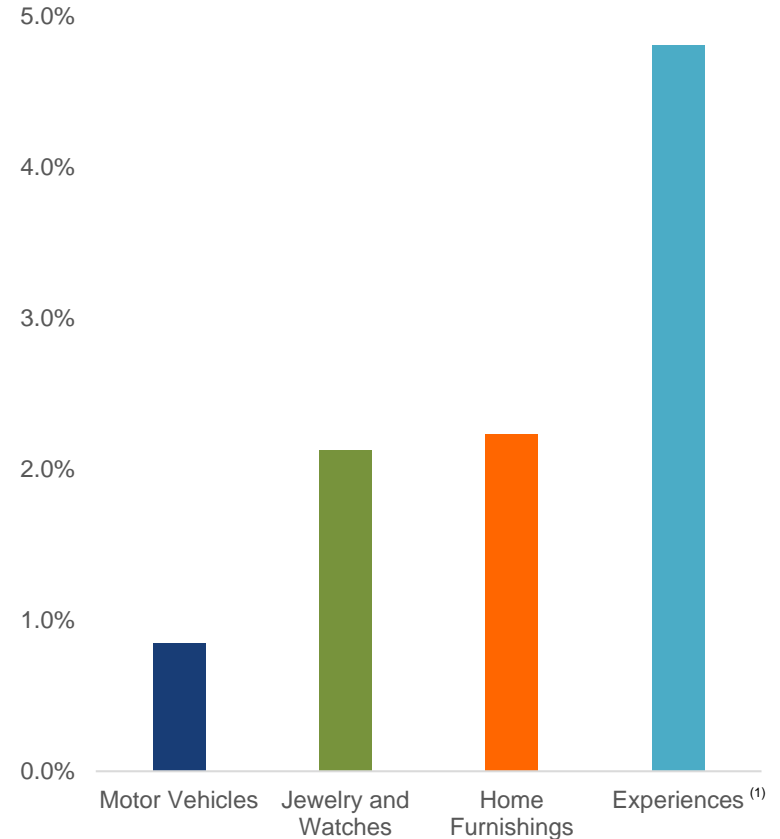
Consumers Spending More on Experiences Than Material Goods



Indexed Spending Growth (1980-2019)



15-Year Spending CAGR (2004-2019)



Source: Bureau of Economic Analysis.

Note: Represents personal consumption expenditures by category indexed to 100 for the year 1980.

(1) Experiences include the following Bureau of Economic Analysis categories: accommodations, air travel, foreign travel by US residents, membership clubs, sports centers, parks, theaters, museums, casino gambling, and food services.

Resort Thesis Already Proven Successful



	Investment (\$MM)	EBITDA Multiple @		EBITDA Increase
		Purchase	YE 2019	\$MM
Burlington Hilton	\$64	16.5x	8.9x	\$3.9
Cavallo Point	\$154	13.8x	13.9x	\$0.1
Charleston Renaissance	\$43	11.9x	7.0x	\$2.9
Fort Lauderdale Westin	\$167	14.8x	10.7x	\$5.5
Frenchman's Reef & Morning Star	\$266	7.1x	10.6x	\$14.4
Havana Cabana	\$54	12.2x	15.8x	(\$0.5)
Key West Suites	\$109	14.9x	18.3x	(\$0.4)
The Landing Resort & Spa	\$44	17.8x	25.9x	(\$0.7)
Sedona - L'Auberge	\$67	15.8x	8.6x	\$3.6
Sedona - Orchards Inn	\$31	13.7x	14.2x	\$0.0
Shorebreak	\$63	14.6x	11.5x	\$1.5
Sonoma Renaissance	\$40	10.7x	5.7x	\$4.0
Vail Marriott Mountain Resort	\$96	13.4x	8.7x	\$6.2
Total Resort	\$1,197	13.1x	10.9x	\$40.5

Note: Frenchman's Reef PF Stabilized EBITDA. Cavallo Point and Key West Suites adjusted for renovation disruption.



ROI PROJECTS



ROI Projects Drive Shareholder Value



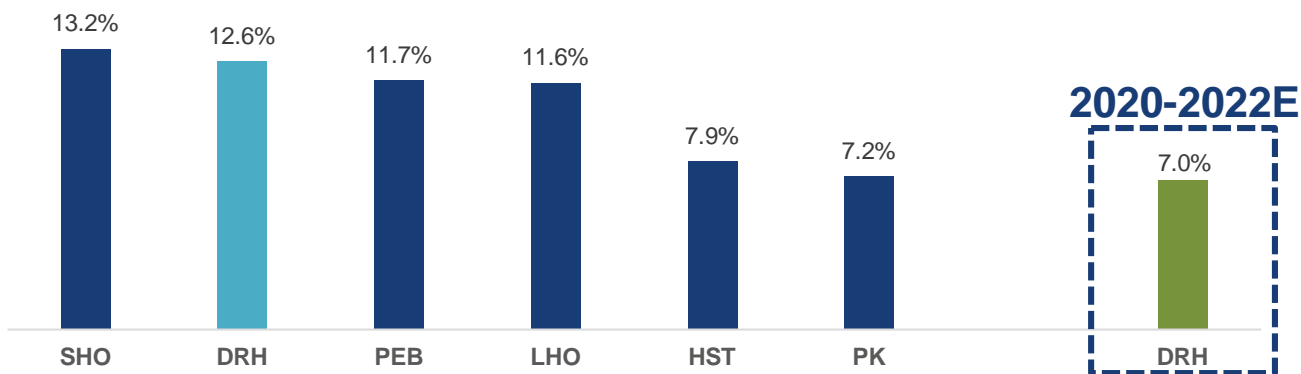
Property	Project	Incremental Capital Spend (\$MM)	Incremental EBITDA (\$MM)	Incremental Value (\$MM)	Project Status	Projected Completion
Hotel Emblem	Complete Renovation and Repositioning	\$5.1	\$1.5M - \$1.8	\$25 - \$30	Complete	Q1 2019
Worthington Renaissance	Restaurant and Lobby Renovation	\$7.8	\$1.7	\$20	Complete	Q4 2019
JW Marriott Denver	Renovation and Restaurant Repositioning	\$2.4	\$1.3	\$17	In Progress	Q1 2020
The Lodge at Sonoma	Reposition as Autograph Collection	\$5.0	\$1.2	\$17	In Progress	Q2 2020
Sheraton Key West	Reposition as an Independent Hotel	\$10.7	\$1.7 - \$2.2	\$23 - \$31	In Progress	Q2 2020
Hilton Boston Downtown	29 Additional Guestrooms	\$5.5	\$1.0	\$14	In Progress	Q3 2020
Sedona - Orchards Inn	Reposition as Cliffs at L'Auberge	\$17.6	\$3.7	\$53	<i>In Planning</i>	<i>2021</i>
The Landing Resort & Spa	Additional 17 Keys and Resort Enhancements	\$5.7	\$0.9	\$12	<i>In Planning</i>	<i>2021</i>
Vail Marriott	Resort Renovation and Repositioning	\$27.0	\$3.0 - \$4.0	\$41 - \$55	<i>In Planning</i>	<i>2021</i>
Total		\$86.8	\$16.0 - \$17.8	\$222 - \$249		

2019-2021 Value-Add Investments Are Expected To Create \$0.67/sh to \$0.80/sh of Value

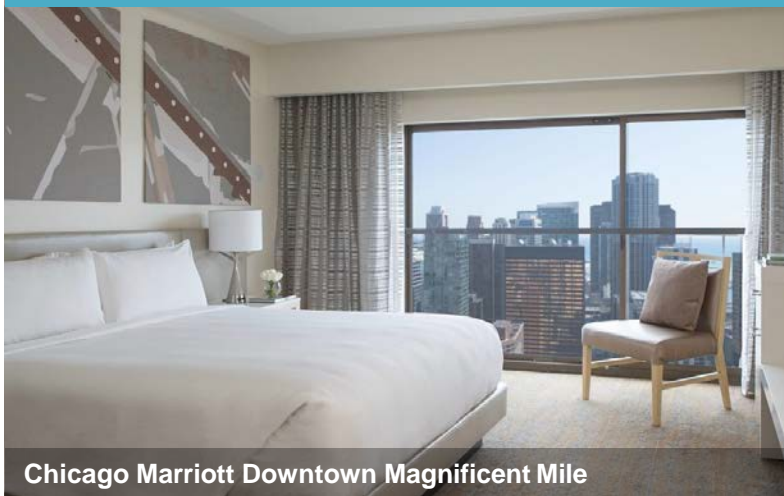
DRH to Benefit from Renovated Portfolio

>70% of DRH portfolio has been renovated in recent years.

CapEx as a % of Revenue (3-Year Average)



\$110 Million Renovation Complete



\$27 Million Renovation Complete



Cavallo Point: 10 Years of ROI Opportunities



Newly acquired luxury resort located in Golden Gate National Recreation Area in Sausalito, CA.

Situational Overview

- Famous luxury resort in highly desirable Sausalito
- Situated at the base of the Golden Gate Bridge with sweeping views of the San Francisco Bay
- Average daily rate over \$400
- Independently branded with third-party operator
- Low-to-zero supply growth market
- 2019 RevPAR growth expected to exceed national average



Numerous Upside Opportunities

- Owner-operated with upside from asset management best practices
- Convert former unused guard house at resort's entrance into a bakery and F&B outlet – incremental \$2MM in revenue
- Entitlement allows for an additional 83 Keys



Project
Details

Purchase Price
\$152MM

Yield on TTM NOI
6.7%

Total RevPAR
\$809

EBITDA Multiple
12.8x

An aerial photograph of a tropical beach resort. The top half of the image shows the turquoise ocean with white foam from waves breaking onto a sandy beach. The bottom half shows the resort's buildings, which have white, gabled roofs and are surrounded by lush greenery and palm trees. A large area of the beach is covered with numerous blue beach umbrellas and lounge chairs, indicating a popular swimming and sunbathing spot. The text "FRENCHMAN'S REEF RELAUNCH" is overlaid in white capital letters on a dark, semi-transparent horizontal band across the middle of the image.

FRENCHMAN'S REEF RELAUNCH

Frenchman's Reef Re-Opening Q4 2020



Project Update

Insurance Claim Settled
Q4 2019

Anticipated Opening
Q4 2020

Branding Established
Marriott/Autograph

Management Selected
Aimbridge

Stabilized EBITDA
\$25M



Noni Beach Pool Area Rendering



Coco's Beach Club Rendering

Frenchman's Reef Return on Investment

Pre Hurricane EBITDA

2012	2013	2014	2015	2016	5 Year Average
\$10.9MM	\$12.5MM	\$14.9MM	\$15.6MM	\$16.6MM	\$14.1MM

- Frenchman's Reef and Noni Beach are expected to generate a combined \$25MM of EBITDA upon stabilization
 - This implies ~\$11MM of incremental EBITDA compared to pre hurricane five year average

Stabilized EBITDA return on investment expected to be in the mid teens

Hotel Development Act

- The Hotel Development Act (Bill 33-0104), passed in 2019, permits certain hotels with sufficient damage to recoup costs uncovered by insurance
- Costs are reimbursed through retention of 50% of 12.5% occupancy tax
- Does not limit the recapture or time frame of collection
- DRH estimates \$3MM⁽¹⁾ of potential annual reimbursement that is **incremental** to our proforma



Beach Rendering

(1) Any reimbursement will be recognized as a reduction to our investment basis and not recognized as EBITDA

Best-in-Class Rebuild Team



Kollin Altomare Architects

Four Seasons Punta Mita Resort & Spa
The Ritz-Carlton Laguna Niguel
The Fairmont Scottsdale Princess Resort
The Ritz Carlton, Kapalua Maui



WhiteSpace (Design)

Four Seasons Scottsdale at Troon North
Four Seasons Hotel Austin
Ritz-Carlton Half Moon Bay



The Johnson Studio (F&B Design)

The Ritz-Carlton Grand Cayman
(Blue, Seven, Taikun, Ritz Lobby Bar)
Lobster Sea Bar Grille (Miami Beach)
Del Frisco's Double Eagle Steakhouse (Dallas)



Maris Collective (Retail, Concepts, Programming)

Four Seasons Maui
Four Season Anguilla
Fairmont Kea Lani, Maui



Richard Sandoval Group (Celebrity Chef)

Four Seasons Nevis
Four Seasons Punta Mita
Maya (NYC, Dubai)
Toro (Abu Dhabi)



Frenchman's Reef Lobby Rendering



Frenchman's Reef Guestroom Rendering



Noni Beach Lobby Rendering

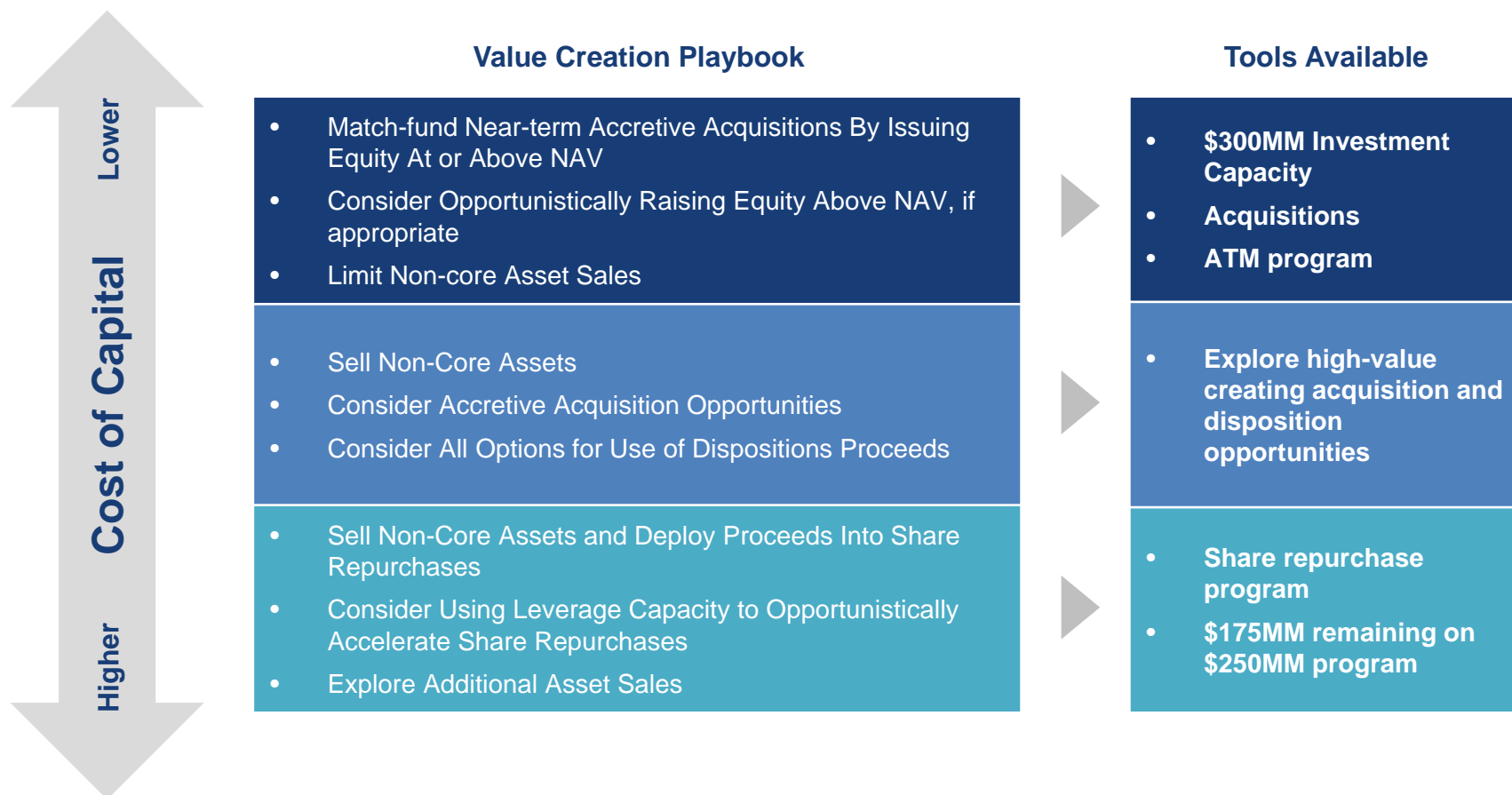


Noni Beach Guestroom Rendering

An aerial night photograph of a city skyline, likely San Diego, featuring several prominent skyscrapers with illuminated windows and green neon outlines on their upper sections. The scene is captured from a high vantage point, showing a dense urban environment with various building styles, including modern glass-fronted towers and older brick structures. A semi-transparent blue rectangular overlay is positioned in the center of the image, containing the text 'OPPORTUNISTIC CAPITAL RECYCLING' in white, bold, sans-serif capital letters. The sky is a deep blue, and the city lights create a warm, golden glow against the dark background. In the bottom left corner, the text 'The Westin San Diego' is visible in white.

OPPORTUNISTIC CAPITAL RECYCLING

Creating Value Throughout Cycle



Opportunistic Capital Recycling

Similar to most lodging REIT peers, DRH currently trades at >25% discount to NAV per share

Region	Hotel NOI	Cap Rate			Estimated Value ⁽²⁾			
	2019	Low	Mid	High	Low	Mid	High	Mid / Key ⁽³⁾
Boston	\$36.8	6.0%	6.5%	7.0%	\$525.1	\$565.5	\$612.6	\$473
Chicago	\$34.8	6.5%	7.0%	7.5%	\$463.5	\$496.6	\$534.8	\$329
Dallas / Fort Worth	\$11.4	7.0%	7.5%	8.0%	\$142.5	\$152.0	\$162.8	\$302
Denver	\$8.5	6.0%	6.5%	7.0%	\$121.5	\$130.8	\$141.7	\$351
New York City	\$26.8	5.0%	5.5%	6.0%	\$446.2	\$486.7	\$535.4	\$321
San Diego	\$10.7	6.5%	7.0%	7.5%	\$142.4	\$152.5	\$164.3	\$350
San Francisco	\$10.8	5.0%	5.5%	6.0%	\$179.7	\$196.1	\$215.7	\$831
Washington, DC	\$14.2	6.5%	7.0%	7.5%	\$189.9	\$203.5	\$219.1	\$298
Other Urban	\$22.2	6.5%	7.0%	7.5%	\$296.5	\$317.7	\$342.1	\$297
Resorts	\$62.9	6.0%	6.5%	7.0%	\$898.1	\$967.2	\$1,047.8	\$468
Resorts Under Development	\$20.0	8.0%	8.5%	9.0%	\$222.2	\$235.3	\$250.0	\$737
Total	\$259.0	6.1%	6.6%	7.1%	\$3,627.4	\$3,903.9	\$4,226.3	\$394

NAV Per Share	\$13.09	\$14.47	\$16.08
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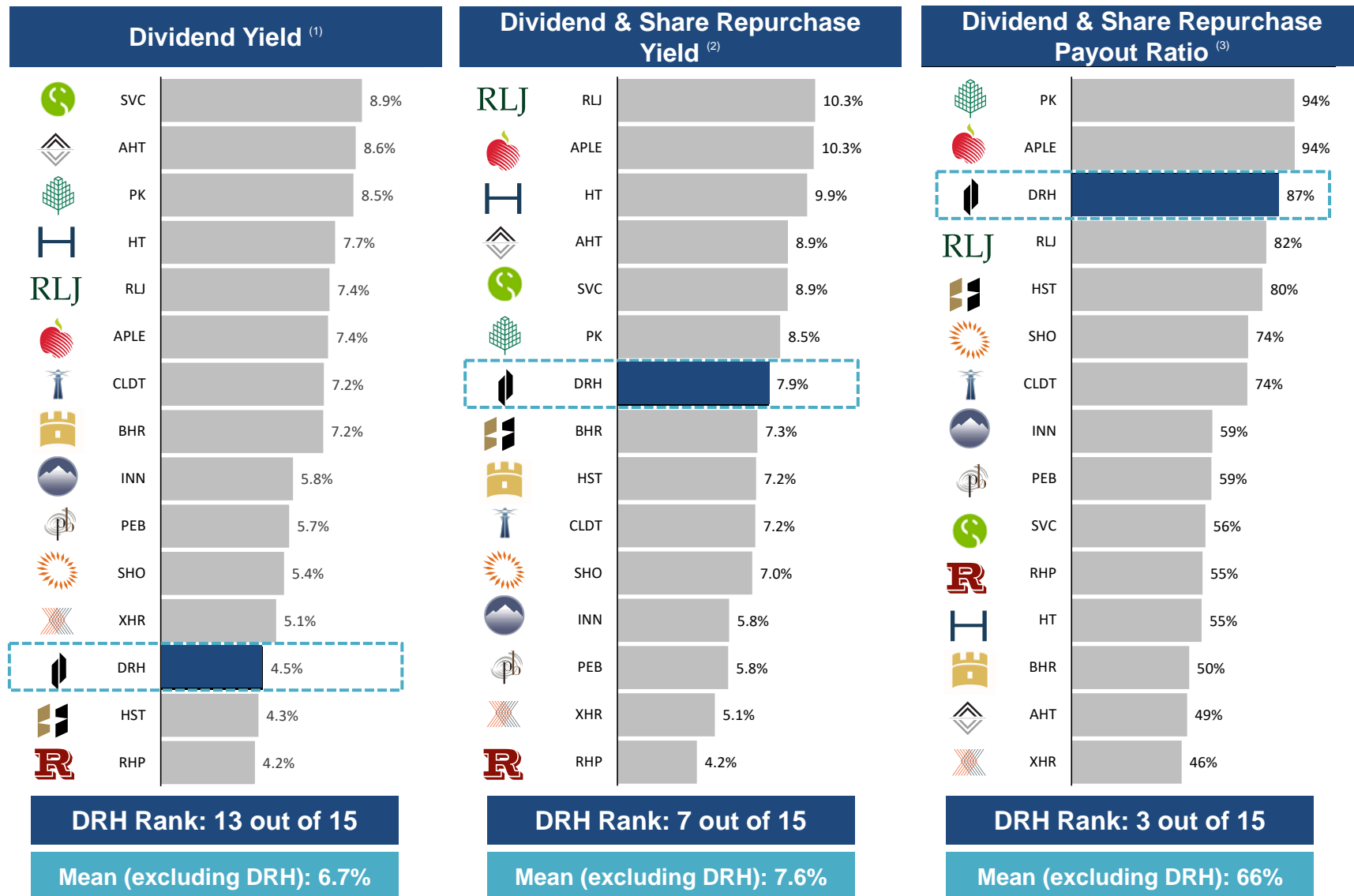
Note: Frenchman's Reef using stabilized NOI as proxy for multiple.

(1) Share price as of 1/21/20

(2) Dollar amounts in millions

(3) Dollar amounts in thousands

DRH Return of Capital



Source: FactSet as of December 31, 2019.

Note: Excludes lodging REITs that were not publicly trading prior to 2018 and lodging REITs with an equity market capitalization <\$250 million.

(1) Represents last quarter annualized dividend yield, except for SHO, which is depicted on a last 12 month basis.

(2) Represents dividend yield plus last 12 month stock repurchases as a percentage of equity market capitalization.

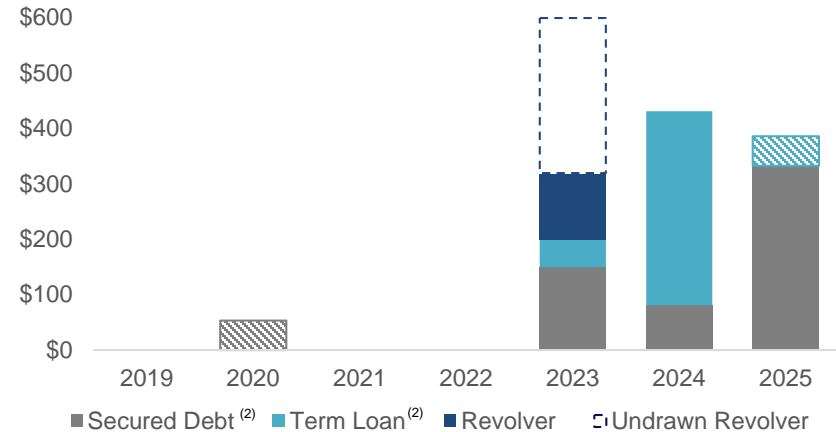
(3) Represents last 12 month common dividends paid and stock repurchases as a percentage of cash flow from operations.

\$300MM of Investment Capacity

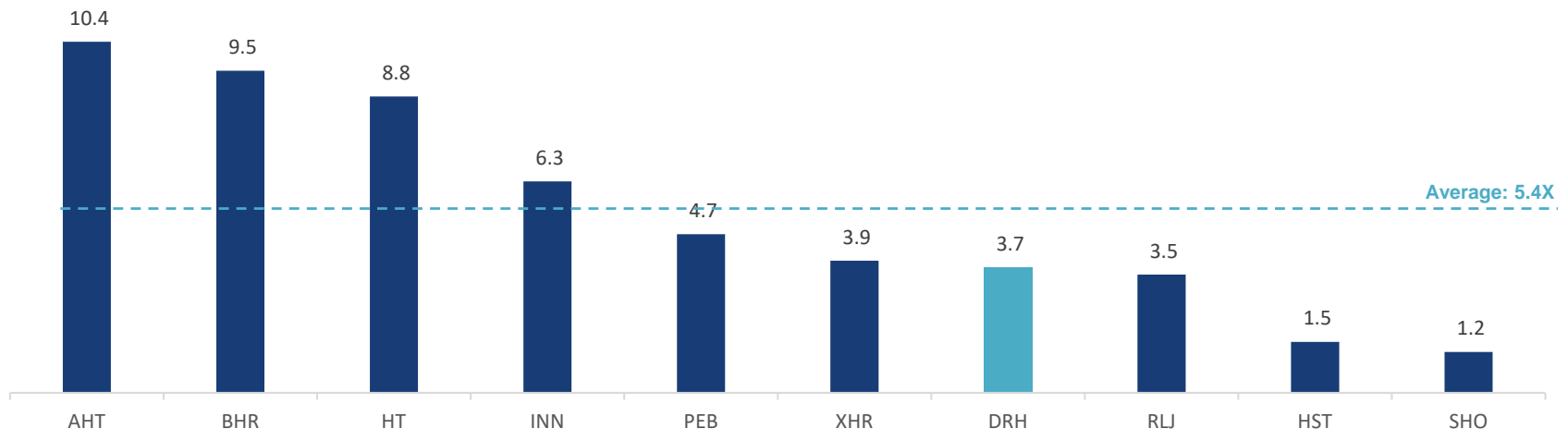
CONSERVATIVE BALANCE SHEET STRATEGY ⁽¹⁾

- 23 unencumbered hotels
- Well-laddered maturity schedule with no maturities until November 2020
- \$300 million of investment capacity
- No more than 25% floating rate debt
- 2020 mortgage maturity payable in May 2020

2019 CREDIT RECAST EXTENDED MATURITIES



LEVERAGE BELOW PEER AVERAGE ⁽³⁾



(1) Source: Company Filings, Wall Street Research.

(2) Assumes Salt Lake City mortgage to be refinanced into 5-year term loan upon maturity in 2020

(3) Source: Baird, Net Debt plus preferred / 2019 Consensus EBITDA

Note: Leverage calculation is not adjusted for estimated EBITDA contribution from Frenchman's Reef



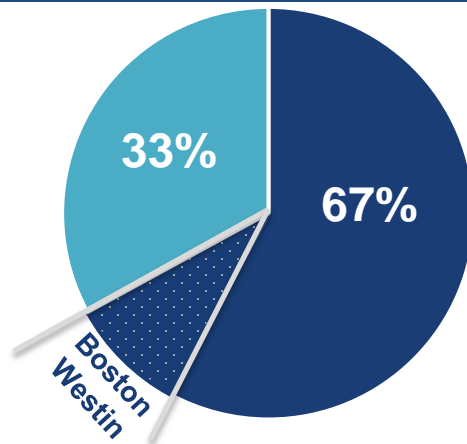
ASSET REPOSITIONING

Short Term Agreements Driving Value

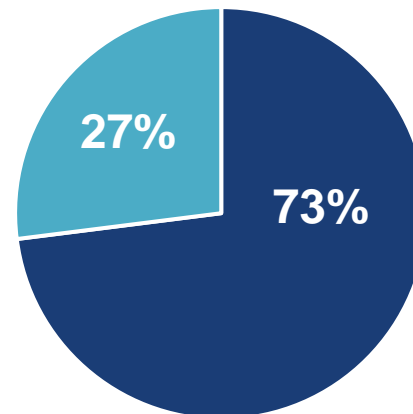
Over 70% of EBITDA Not Encumbered by Brand and Management in 2026
One of the least encumbered portfolios among all full-service REITs

Management

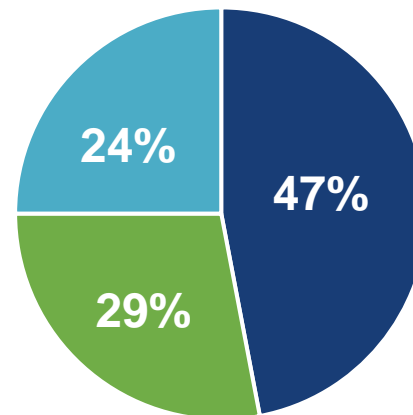
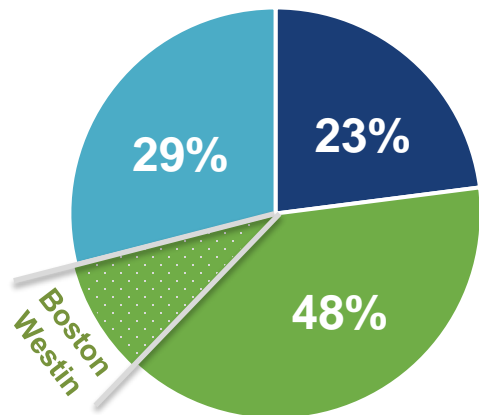
2020



2026



Brand



■ Terminable Franchise Agreements⁽¹⁾⁽²⁾ ■ Encumbered⁽¹⁾⁽²⁾ ■ Unencumbered

Note: Based on 2019 EBITDA

(1) Agreements terminable at will.

(2) Assumes the asset remains unencumbered when current agreements ends.

Management Transitions Unlock Profitability



Westin Fort Lauderdale Beach Resort

(Case Study)

- December 2014 Acquisition
- Replaced brand manager with HEI in 2015
 - Eliminated >\$5M of annual expenses in first year with continued overhaul of expense structure and operations subsequently
- Full guestroom renovation completed in 2018, with F&B and lobby repositioning completed in 2017
 - Repositioned Siren's Table into Lona Cocina and Tequileria
 - Lona forecasted to generate ~\$6MM revenue in 2019, compared to ~\$2.6MM revenue from Siren's Table
 - Halo effect continues to drive business at the hotel

PERFORMANCE SINCE ACQUISITION

	2014	2019	Increase
RevPAR	\$148.94	\$166.99	12%
EBITDA	\$9.6MM	\$15.6MM	63%
EBITDA Margin	21.9%	30.5%	860bps
EBITDA Multiple⁽¹⁾	14.8x	10.7x	28%

Westin Boston Waterfront

Aimbridge/Interstate Replaces Brand Manager in January 2020

2020 INCREMENTAL EBITDA

Net Incremental Fees/Costs	-\$4.0MM	Departmental Profit	+\$1.2MM
		Gen. & Admin/Other	+\$2.9MM
		Sales & Marketing	+\$2.3MM
Total Cost	-\$4.0MM	Total Benefit	+\$6.4MM
		Incremental EBITDA	+\$2.4MM

Source: Aimbridge/Interstate vs. Marriott Proforma Budget



A wide-angle photograph of the Boston Harbor skyline. In the foreground, a dark metal mooring post with a thick chain is attached to a stone pier. The water is blue with gentle ripples. In the background, a dense cluster of skyscrapers rises against a bright blue sky with scattered white clouds. The text "2020 OUTLOOK" is centered over the middle of the image.

2020 OUTLOOK

DRH 2020 Outlook Favorable

- Total 2020 booking pace **up 14%**
- Chicago combined pace **up 20%**
- Boston combined pace **up 30%**
- Fort Worth pace **up 15%**
- Frenchman's Reef Marriott Resort & Spa and Noni Beach, an Autograph Hotel **Reopening 4Q 2020**



2020 Key Market Outlook



	Portfolio %	DRH Asset Outlook	Demand ⁽¹⁾	Supply ⁽¹⁾	DRH / Market Notes
Resorts	30%		0.7%	1.1%	<ul style="list-style-type: none"> Resorts expected to outperform in 2020 as leisure travel continues to outpace corporate travel
Boston	14%		3.1%	3.4%	<ul style="list-style-type: none"> Combined group pace up 30% Boston Hilton under renovation and adding additional guestrooms
Chicago	14%		2.6%	1.5%	<ul style="list-style-type: none"> Combined group pace up 20% Large corporate groups expected to continue driving outside-the-room revenue
New York City	11%		3.7%	5.5%	<ul style="list-style-type: none"> NYC supply growth expected to remain elevated through 2020
Fort Lauderdale	5%		3.5%	2.4%	<ul style="list-style-type: none"> Weak convention calendar in 2020 Re-concepted "Lona Cocina" opened late 2017 and continues to deliver strong revenue growth
Fort Worth	5%		7.1%	7.4%	<ul style="list-style-type: none"> Group pace up 15% Newly renovated "Toro Toro" steakhouse opened in 2019 and ramping throughout 2020
San Diego	4%		2.0%	1.4%	<ul style="list-style-type: none"> Citywide room nights up mid-single digits in 2020 Supply growth appears to be peaking
San Francisco	4%		1.3%	0.7%	<ul style="list-style-type: none"> Low supply growth in market Hotel Emblem expected to continue significant outperformance
Washington DC	4%		1.1%	1.4%	<ul style="list-style-type: none"> Group pace up 5% Strong convention calendar (+26%) in 2020
Denver	3%		4.9%	2.9%	<ul style="list-style-type: none"> Combined group pace up 14% Double-digit Total RevPAR growth forecasted in 2020

(1) Based on PKF Upper Priced Forecast



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