



DIAMONDROCK
HOSPITALITY

INVESTOR PRESENTATION

Cavallo Point, the Lodge at Golden Gate Bridge

August 2019



DiamondRock at a Glance

KEY STATISTICS

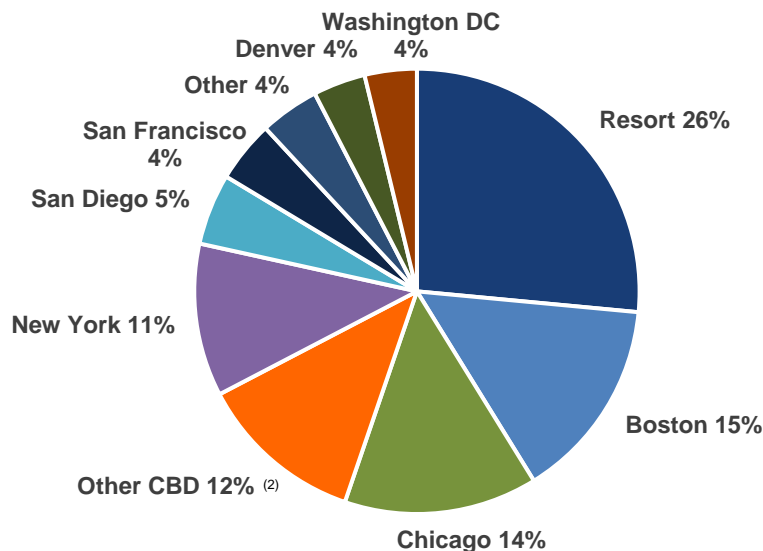
Hotels (Rooms)	31 (>10K)
Enterprise Value	\$2.9B
Market Cap	\$1.9B
Enterprise Value / Key	~\$291K
Dividend Yield	5.2%
YE19 Net Debt/EBITDA ⁽¹⁾	4.0x

Market data as of 8/9/19. Balance sheet data as of 6/30/19.

RECENT HIGHLIGHTS

- Q2 2019 Results
 - RevPAR up 1.1% and Total RevPAR up 3.4%
 - Adj. EBITDA of \$81.1M (4.9% growth)
 - Adj. FFO per share of \$0.32
- 1.0M shares of common stock repurchased at an average price of \$9.95/share

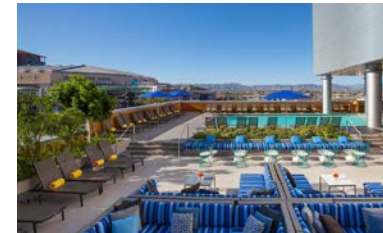
URBAN AND RESORT HOTELS IN TOP MARKETS



RECENT ACQUISITIONS ADDING VALUE



The Landing Lake Tahoe



Hotel Palomar Phoenix



L'Auberge De Sedona



Cavallo Point

(1) Based on PF 2019 EBITDA at guidance midpoint and current pro forma net debt.
 (2) Other CBD includes Burlington Hilton, Salt Lake City Marriott, and Worthington Renaissance.

Why DiamondRock?



Great Portfolio



Strong 2020 Setup
(Group Pace Up 21%)



Significant ROI Projects Underway
(\$200M NAV Creation)



External Growth Focus on Resorts Succeeding
(RevPAR up 4% in Q2)



Balance Sheet in Great Shape
(\$300M in Dry Powder)



Compelling Relative Valuation
(25% - 40% Discount to NAV)



Strong Capital Allocators



High-Quality Diversified Portfolio

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 Central
(Hilton)



WASHINGTON, DC

Westin Washington, D.C. City Center
(Marriott)



BOSTON

Hilton Boston Downtown
(Hilton)



BOSTON

Westin Boston Waterfront
(Marriott)



CHICAGO

Chicago Marriott Downtown Magnificent Mile
(Marriott)



CHICAGO

The Gwen, a Luxury Collection Hotel
(Marriott)



ATLANTA

Atlanta Marriott Alpharetta
(Marriott)



DALLAS/FORT WORTH

Worthington Renaissance Fort Worth Hotel
(Marriott)



SALT LAKE CITY

Salt Lake City Marriott Downtown
(Marriott)

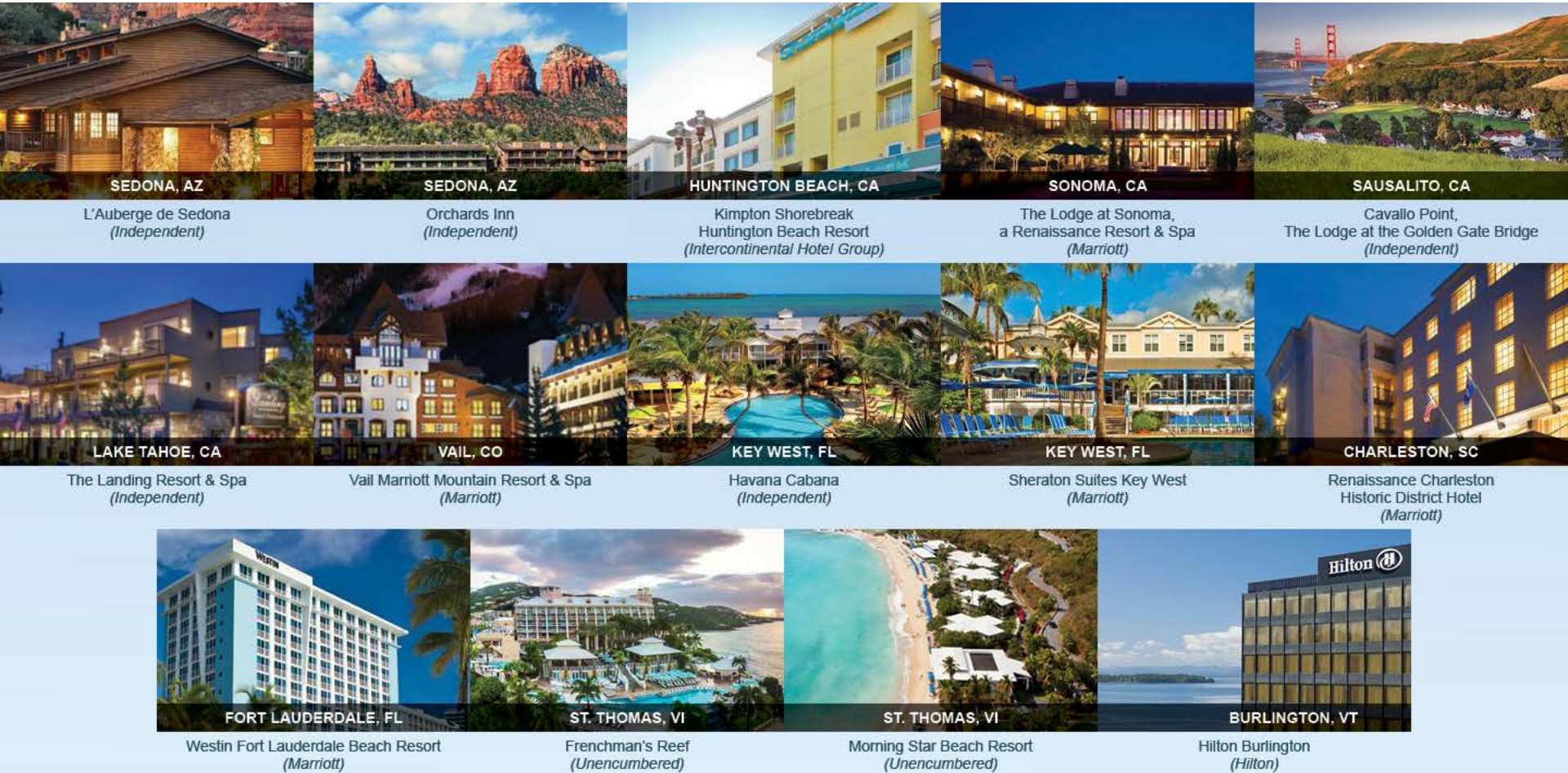


BETHESDA, MD

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

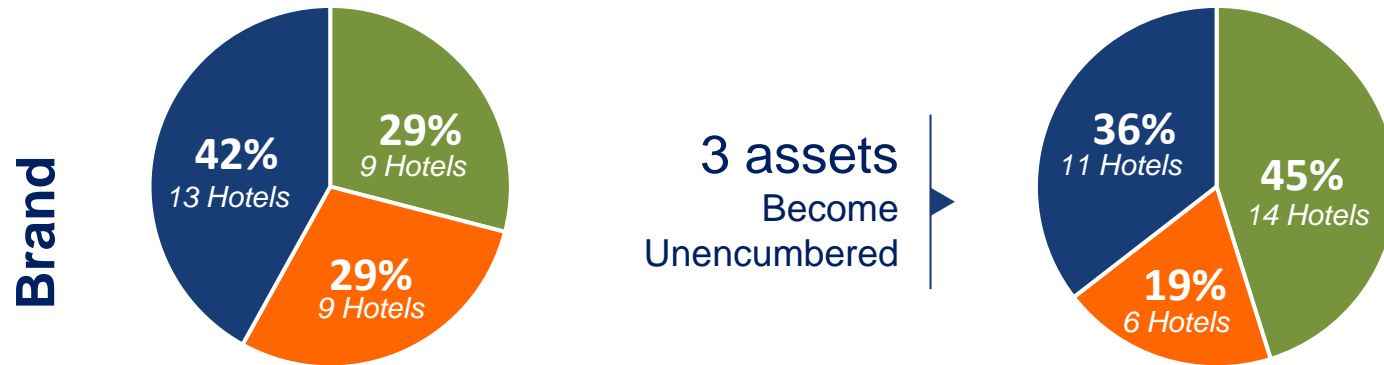


(1) Proforma for Chesapeake merger
Source: Company Filings as of Q4 2018.

Short Term Agreements Driving Value



One of the least encumbered portfolios among all full-service REITs.



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

(1) Agreements terminable at will.
(2) Assumes the asset remains unencumbered when current agreements ends.

2019 Full-Year Guidance



2019 Guidance		
Metric	Low End	High End
RevPAR Growth	0.0%	1.5%
Adjusted EBITDA	\$256 million	\$265 million
Adjusted FFO	\$206 million	\$214 million
Adjusted FFO per share (based on 205 million diluted shares)	\$1.01 per share	\$1.05 per share

Note: Includes Frenchman's Reef business interruption agreed upon to date.

Frenchman's Reef business interruption income of \$8.8M has been agreed upon for partial year 2019. We believe we are entitled to at least \$16M of business interruption income for the full year 2019.

Share Repurchase Plan: 7.8M Shares



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

Implied Valuation	
2019 EBITDA Multiple	11.8x
2019 NOI Cap Rate	8.0%
Discount to NAV	25% - 40%

DRH 2020 Outlook Favorable



- Total 2020 booking pace **up over 20%**
- Chicago combined pace **up 27%**
- Boston combined pace **up over 40%**
- DC pace **up nearly 10%**
- NYC supply additions to **decline by 30%+**
- Frenchman's Reef & Morning Star Resort **to Reopen**



External Growth: Recent Acquisitions Outperform



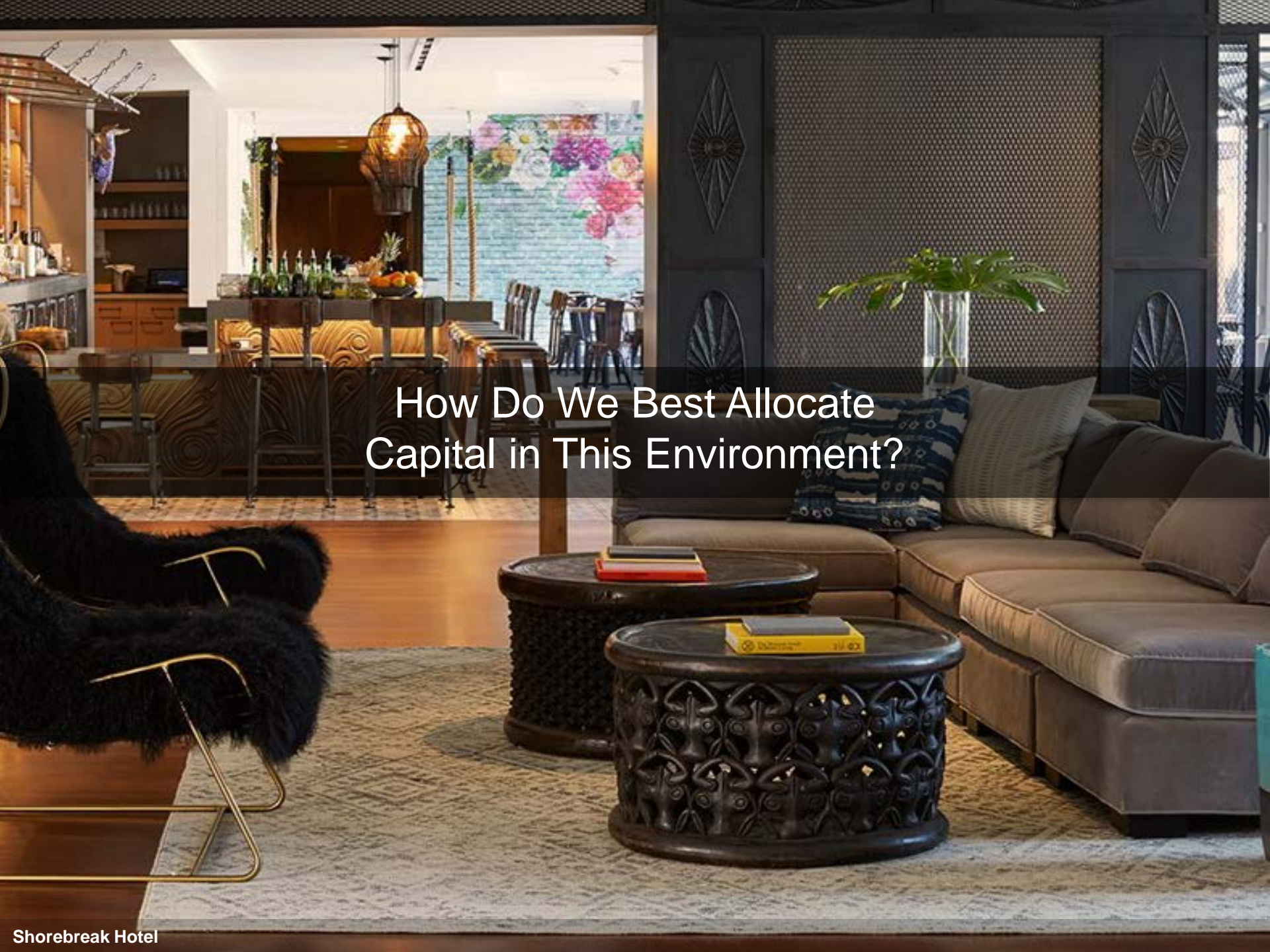
	Acquisition Date	2019 RevPAR Growth
Cavallo Point	Dec-18	1.5%
The Landing Resort & Spa	Mar-18	5.0%
Palomar	Mar-18	8.0%
Sedona - L'Auberge	Feb-17	4.6%
Sedona - Orchards Inn	Feb-17	2.7%
Total		4.3%

Palomar Phoenix, Phoenix, AZ



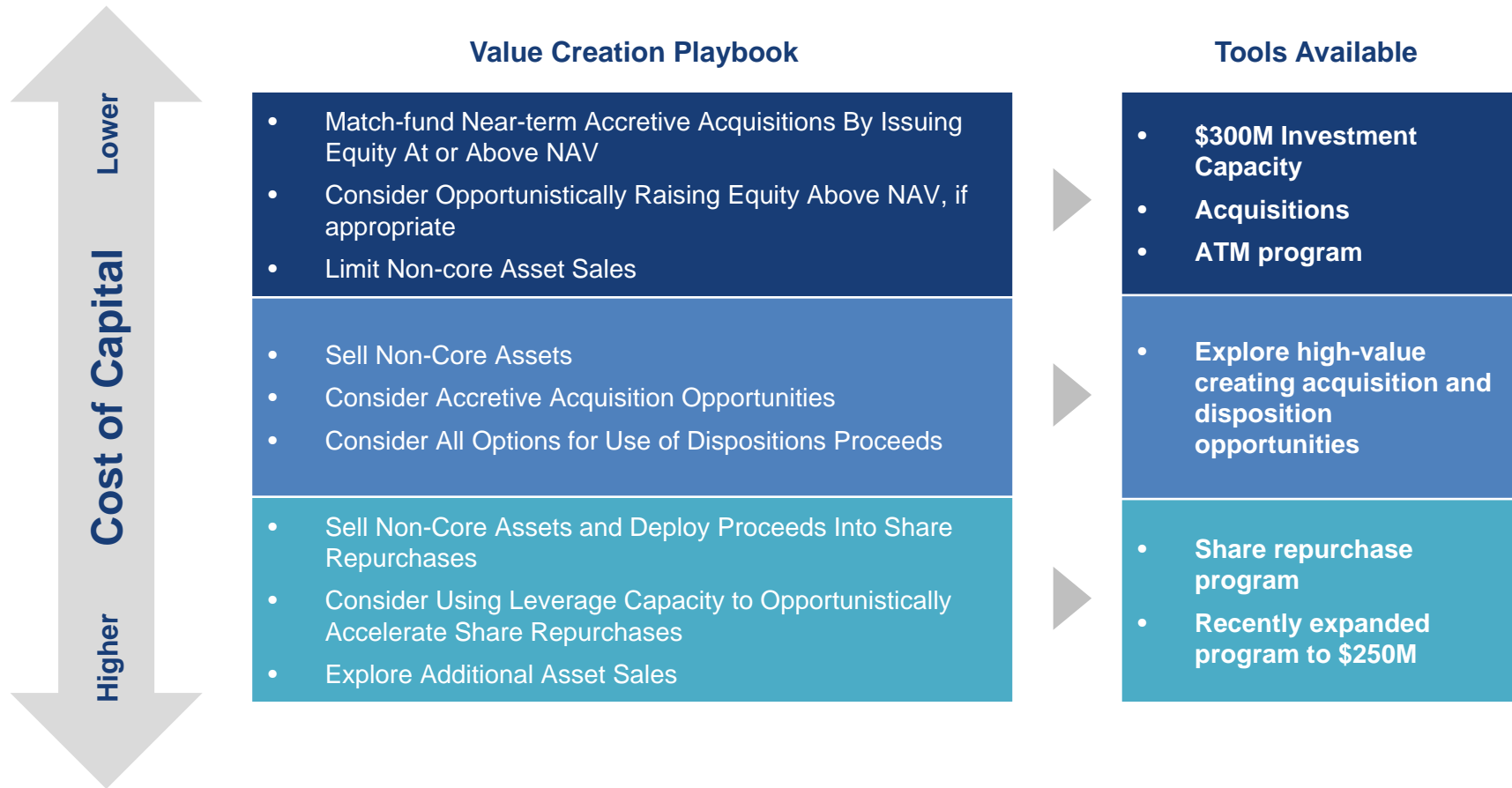
Cavallo Point, Sausalito, CA





How Do We Best Allocate
Capital in This Environment?

Creating Value Throughout Cycle



A photograph of a two-story building with a white pediment and two large white columns. The address number '3420' is visible above the columns. A classic orange and white car is parked in front of the building. The text 'External Growth Strategy' is overlaid in the center.

External Growth Strategy

Portfolio Strategy to Drive Performance



DIVERSIFICATION

**10% Allocation in Any One
Market Reduces Risk**

LIFESTYLE HOTELS, INDEPENDENTS AND SOFT BRANDS⁽¹⁾

1/3 of Portfolio

RESORTS

**Historically Have Outperformed:
Target 50% of Portfolio**

(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 2018F EBITDA for all properties except Frenchman's Reef and Havana Cabana where 2016A used due to closure. Pro forma for full year for acquisitions.

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 \$2M in revenue
- Entitlement allows for an additional 83 Keys



Project
Details

Purchase Price
\$152M

Yield on TTM NOI
6.7%

Total RevPAR
\$809

EBITDA Multiple
12.8x

Over \$380M of NAV Created in Resort Portfolio



	Investment (\$M)	EBITDA Multiple @		EBITDA Increase
		Purchase	YE 2018	\$M
Burlington Hilton	\$62	16.5x	8.8x	\$3.8
Cavallo Point	\$152	13.8x	13.8x	\$0.0
Charleston Renaissance	\$42	11.9x	7.1x	\$2.6
Fort Lauderdale Westin	\$166	14.8x	11.1x	\$4.9
Frenchman's Reef & Morning Star ⁽¹⁾	\$178	7.1x	10.7x	\$6.0
Havana Cabana ⁽¹⁾	\$59	12.2x	15.6x	(\$0.2)
Key West Suites	\$96	14.9x	12.7x	\$1.3
The Landing Resort & Spa ⁽¹⁾	\$42	17.8x	17.8	NA
Sedona - L'Auberge	\$69	15.8x	9.4x	\$3.1
Sedona - Orchards Inn	\$31	13.7x	10.5x	\$0.7
Shorebreak	\$63	14.6x	12.9x	\$0.9
Sonoma Renaissance	\$40	10.7x	5.1x	\$4.9
Vail Marriott Mountain Resort	\$89	13.4x	9.6x	\$4.6
Total Resort	\$1,088	13.1x	10.7x	\$32.4

DRH values its resort portfolio at a 6.5% cap rate, which implies over \$380M of NAV value over investment⁽²⁾.

Note: Historical RevPAR and EBITDA results pro forma for acquisitions for full period year prior to acquisition. Havana Cabana excluded due to natural disaster closure. Frenchman's Reef uses pre-hurricane figures due to closure.

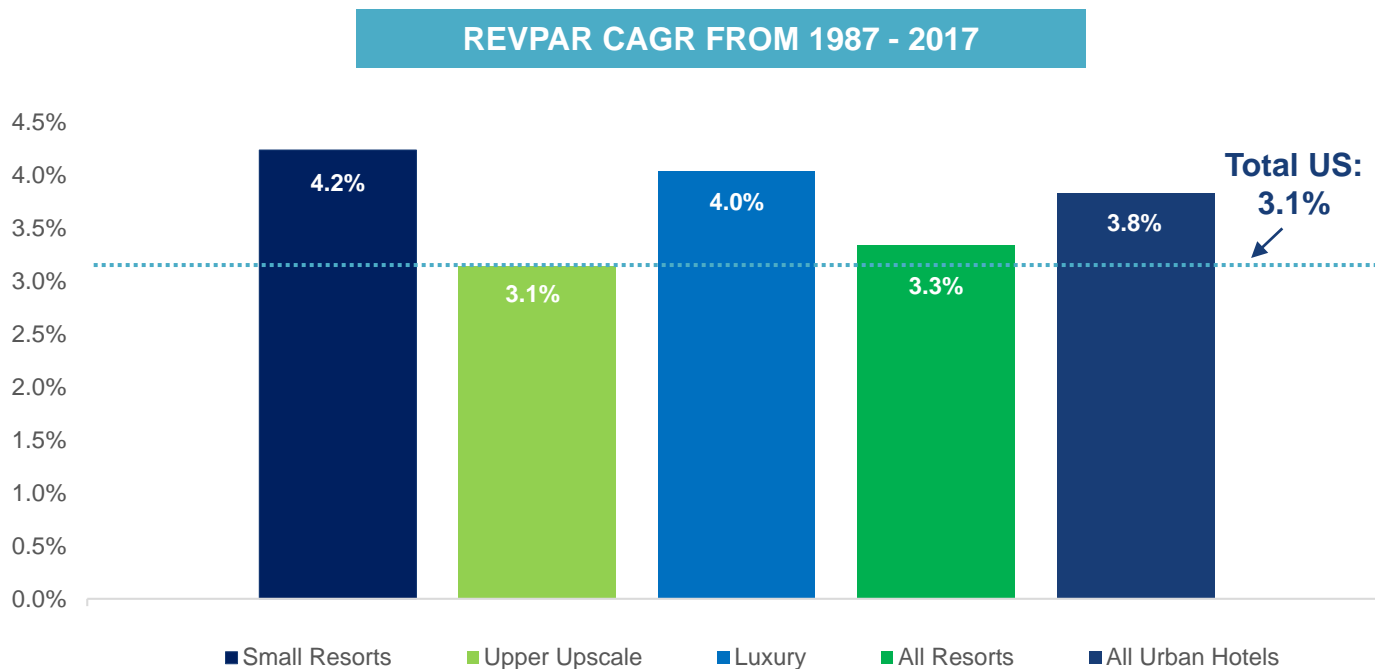
(1) Landing EBITDA adjusted for transition disruption post-acquisition. Frenchman's and Havana Cabana EBITDA adjusted for hurricane disruption.

(2) Valuation calculated using 2018 net operating income with 6.5% cap rate. Frenchman's valuation calculated using 8.5% cap rate.

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



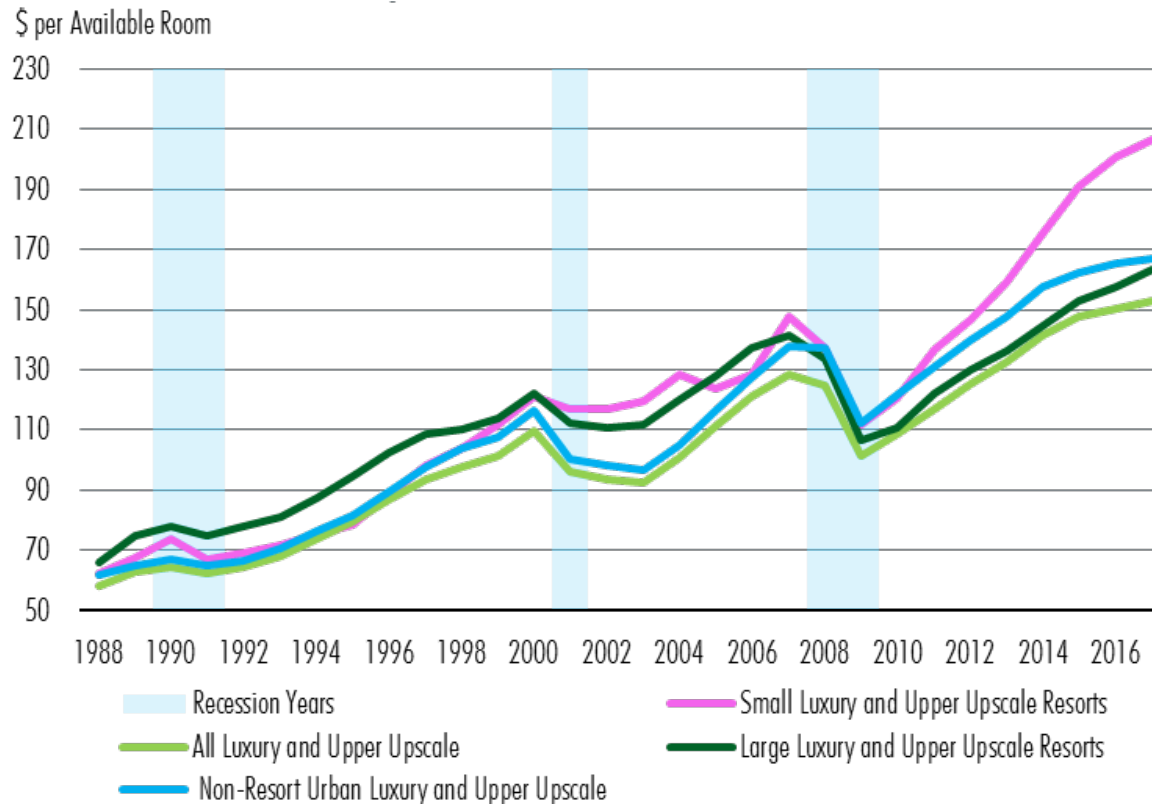
Source: CBRE Hotels Research.

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

Strong RevPAR Growth for Small Resorts



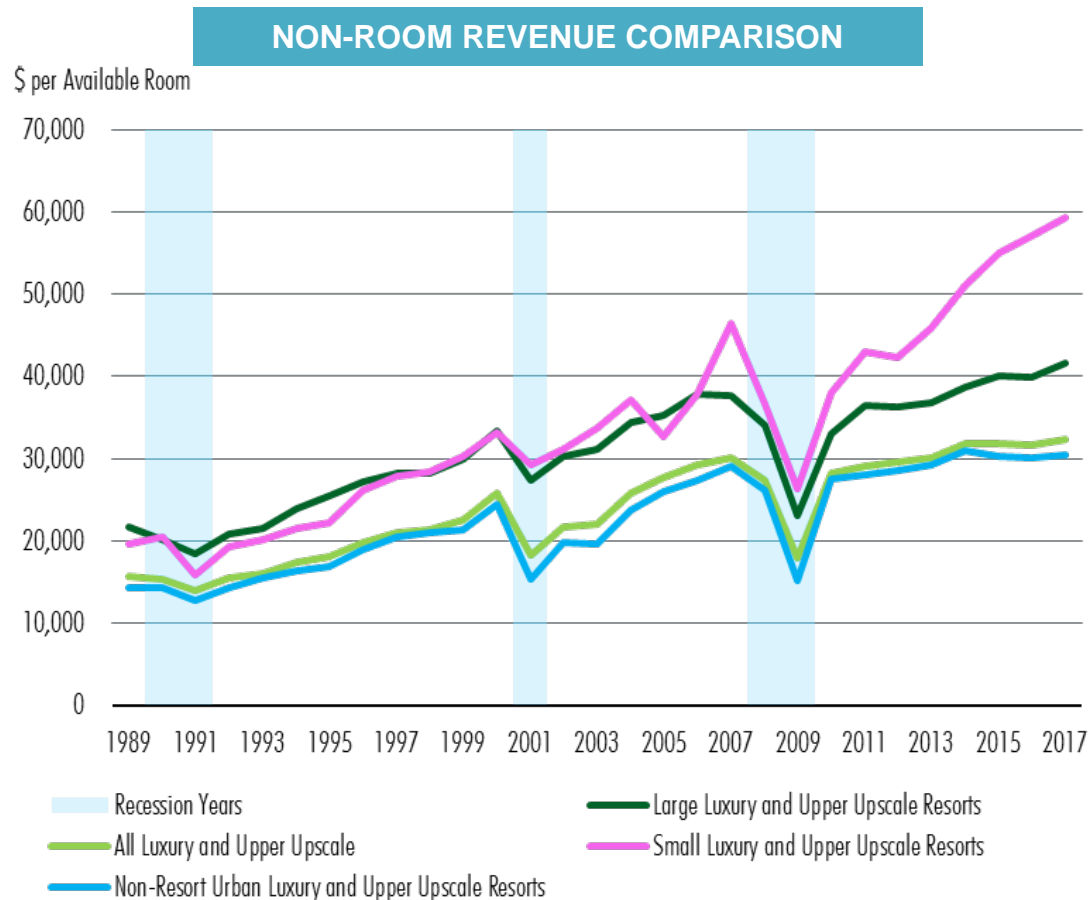
REVPAR COMPARISON FROM 1987 - 2017



- Small Resorts have operated with a consistently higher RevPAR during the post-Great Recession period
- May be result of a strategy to pursue higher rates at the expense of occupancy
 - Allowed for strong RevPAR with reduced variable expenses and higher income

Above trend line growth expected to continue.

Significant Contribution from Non-Rooms Revenue

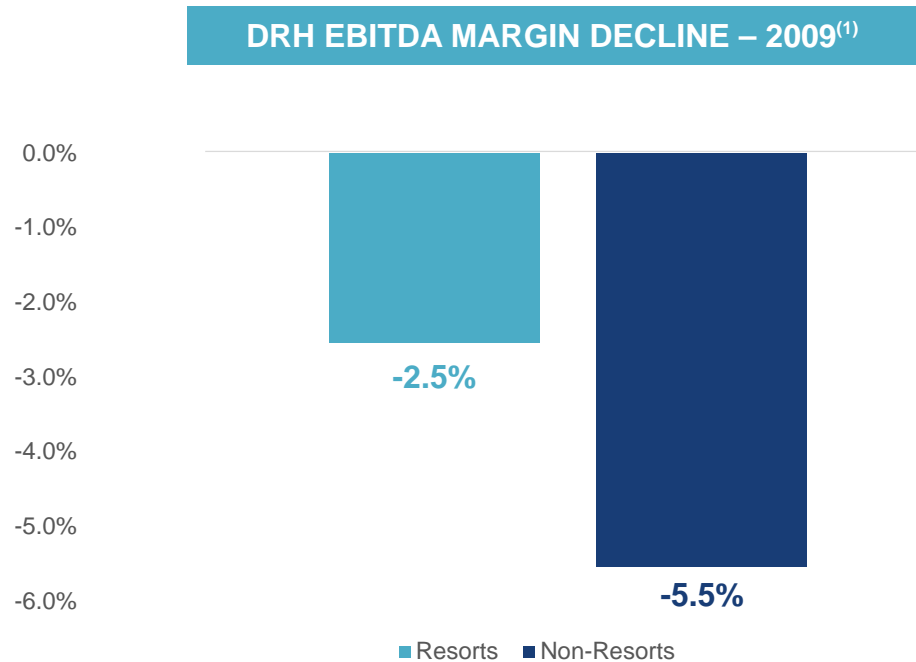


- Both small and large resorts have increasingly relied on non-room revenues
 - Non-room revenues have grown more quickly and regularly than that of other benchmark groups
- Since 1989, small resort non-room revenue approx. tripled while non-room revenue only doubled in other groups
 - Much of this growth premium was realized during the post-Great Recession period

DRH Resorts Resilient During Downturns



- DiamondRock selectively acquires small, upscale resorts in high barrier to entry markets that are more resistant to downturns
- Significantly lower supply in DRH resort markets
- During the 2009 global recession, DiamondRock's resorts outperformed the rest of the portfolio in EBITDA margin



(1) Includes resorts owned during prior recession or current resorts with comparable data at time of recession. Resorts included are Burlington Hilton, Frenchman's Reef, Griffin Gate, Havana Cabana, Sheraton Suites Key West, Sonoma Renaissance, and Vail Marriott. Non-resorts include all DRH owned non-resort hotels in 2009.



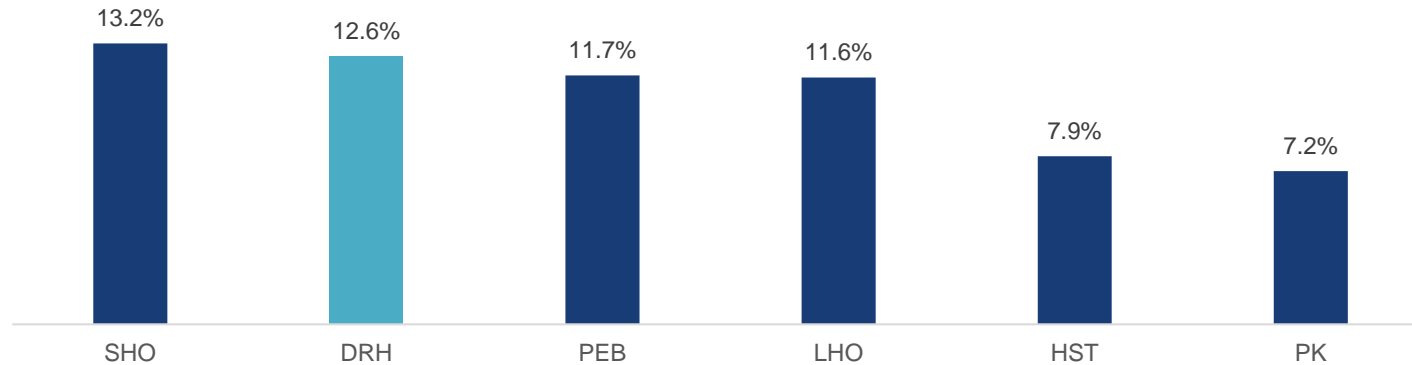
How Do We Maximize Internal Growth?

DRH to Benefit from Renovated Portfolio

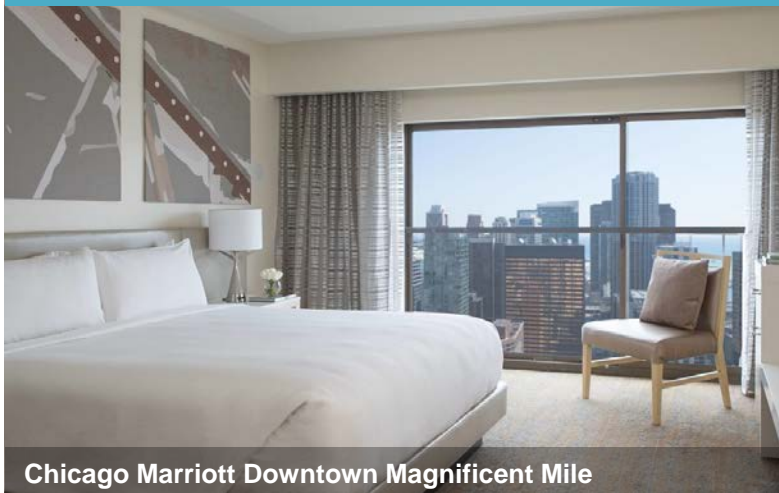


>70% of DRH portfolio has been renovated in recent years.

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



\$110 Million Renovation Complete



Chicago Marriott Downtown Magnificent Mile

\$27 Million Renovation Complete



The Gwen, Luxury Collection

Asset Management Philosophy



Proven three-pillared approach to successful asset management

Revenue Growth

Improve market penetration with cutting-edge revenue management program



Sedona

Cost Focus

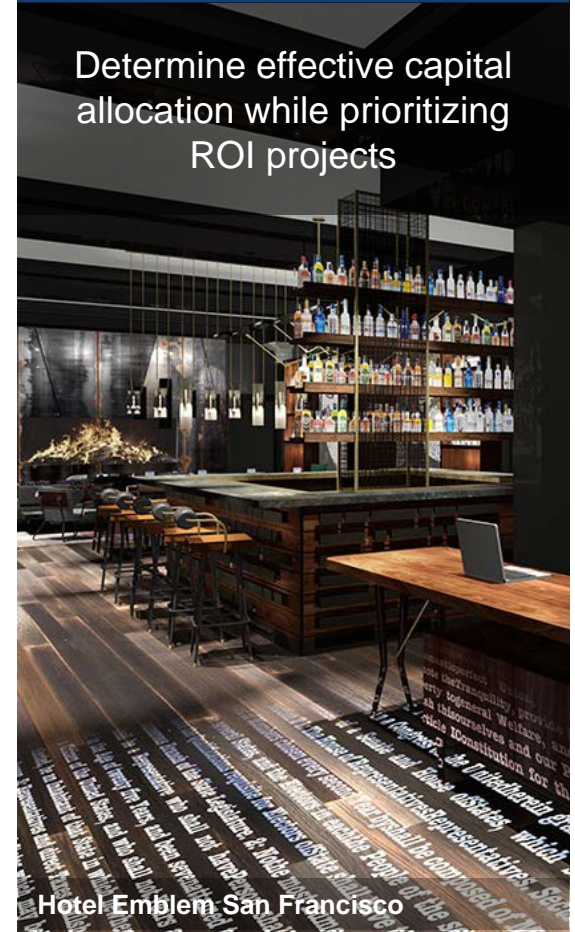
Enhance margins through business intelligence tools and operator collaboration



The Gwen, Luxury Collection

Capital Management

Determine effective capital allocation while prioritizing ROI projects



Hotel Emblem San Francisco

Case Study – L'Auberge de Sedona



Since acquisition, Hotel ADR has grown \$114 and EBITDA has grown \$2.9M.

DRH acquired the property in February of 2017

Our team identified opportunity to drive incremental ADR with a premium room-type strategy

Garden/Spa Cottage



ADR increase of \$112

2018 ADR: **\$499**

2016 ADR: **\$387**

Vista Cottage



ADR increase of \$197

2018 ADR: **\$706**

2016 ADR: **\$509**

Creekside Cottage



ADR increase of \$128

2018 ADR: **\$732**

2016 ADR: **\$603**

Cost Control Focus: Millions in Cost Savings



Focusing on the largest variable expenses to drive NOI.



Labor Management

Estimated Savings:

\$6.2M

Implemented in:

12 Hotels

Implemented labor management system to reduce expenses and improve productivity



Energy Efficiency

Estimated Savings:

\$1.5M

Implemented in:

19 Hotels

Completed lighting retrofits throughout our portfolio



Food Cost

Estimated Savings:

\$1.1M

Implemented in:

15 Hotels

Implemented company-wide procurement program to promote best-practices

Operating Initiatives – Labor Management System



New labor management system with total estimated savings of \$6.2M.

Implemented in:

12 Hotels by YE 2018



Results with new labor management system:

- Total estimated savings of **\$6.2M** upon implementation throughout the portfolio
- 2018 productivity improved **1.7%**

Opportunities with new system:

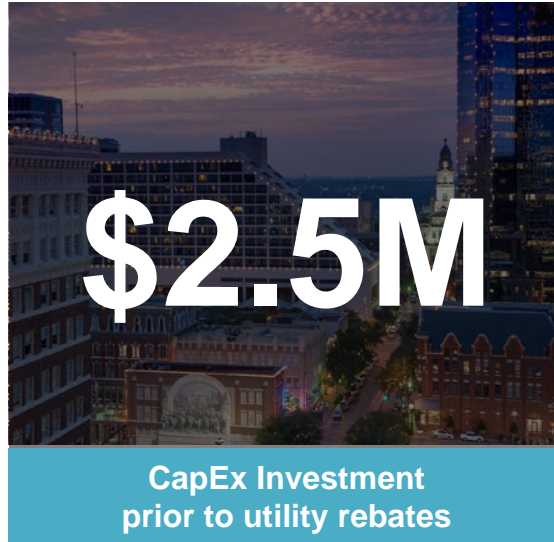
- 2018 productivity only increased **0.5%** at hotels without new labor management system

Goal: Implement system in all DRH hotels by 2019 to further improve productivity.

Operating Initiatives – Option One Energy



Conducted comprehensive lighting efficiency audits and LED lighting conversions across the portfolio.



100% of hotels will be fully LED by the end of 2019.

Operating Initiatives – Food Cost



Asset Management implementing best practices with new partners.



Estimated
2019 Savings



Food Margin
Improvement



Properties to have implemented
New System by YE 2019

Last quarter, margin improvement for properties that implemented new food cost system outperformed other properties by 190bps.

>\$200M Value Creation Opportunities



Property	Project	Incremental Capital Spend	Incremental EBITDA	Incremental Value
JW Marriott Denver	Renovation and Restaurant Repositioning	\$2.4M	\$1.25M	\$17M
Hotel Emblem	Complete Renovation and Repositioning	\$5.1M	\$1.5M - \$1.8M	\$25M - \$30M
Sheraton Key West	Reposition as an Independent Hotel	\$10.7M	\$1.7M - \$2.2M	\$23M - \$31M
The Lodge at Sonoma	Reposition as Autograph Collection	\$5.0M	\$1.2M	\$17M
Hilton Boston Downtown	28 Additional Guestrooms	\$2.7M	\$1.0M	\$14M
Sedona - Orchards Inn	Reposition as Cliffs at L'Auberge	\$10.8M	\$2.7M	\$37M
Worthington Renaissance	Restaurant, Lobby and Courthouse Conservatory	\$13.8M	\$3.0M	\$36M
The Landing Resort & Spa	Additional 22 Keys and Resort Enhancements	\$9.4M	\$1.8M	\$27M
Vail Marriott	Resort Renovation and Repositioning	\$27.0M	\$3.0M - \$4.0M	\$41M - \$55M
Total		\$89.3M	\$17 - \$19M	\$237 - \$264M

Value-Add Opportunities to be implemented from 2019-2021.

An aerial photograph of a tropical resort. The top half shows the turquoise ocean with white foam from waves breaking onto a sandy beach. The bottom half shows the resort's white-roofed buildings, palm trees, and a beach area with many blue umbrellas and lounge chairs. A semi-transparent dark band across the middle contains the text.

Frenchman's Reef & Morning Star Beach Resort

Morning Star Beach Resort

Frenchman's Reef Resort & Morning Star Beach Resort



Key Facts & Figures

MID 2020

Projected Reopening

\$22.25M

Brand Support

\$30M

USVI Support

\$350+

Stabilized ADR

\$25M

Stabilized 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)



Morning Star Pool Area Rendering



Morning Star Lobby Rendering



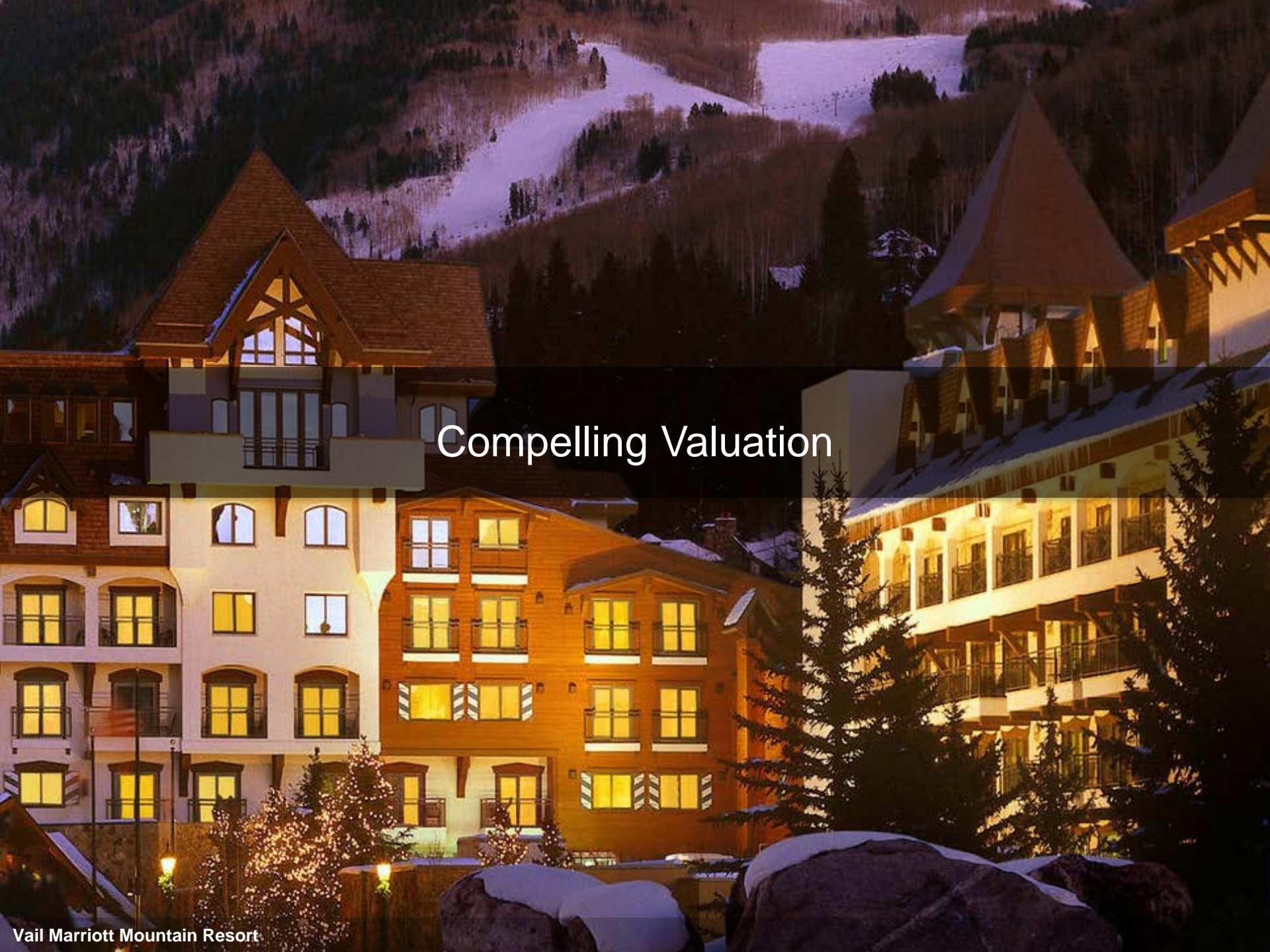
Morning Star Guestroom Rendering



Frenchman's Reef Lobby Rendering



Frenchman's Reef Guestroom Rendering

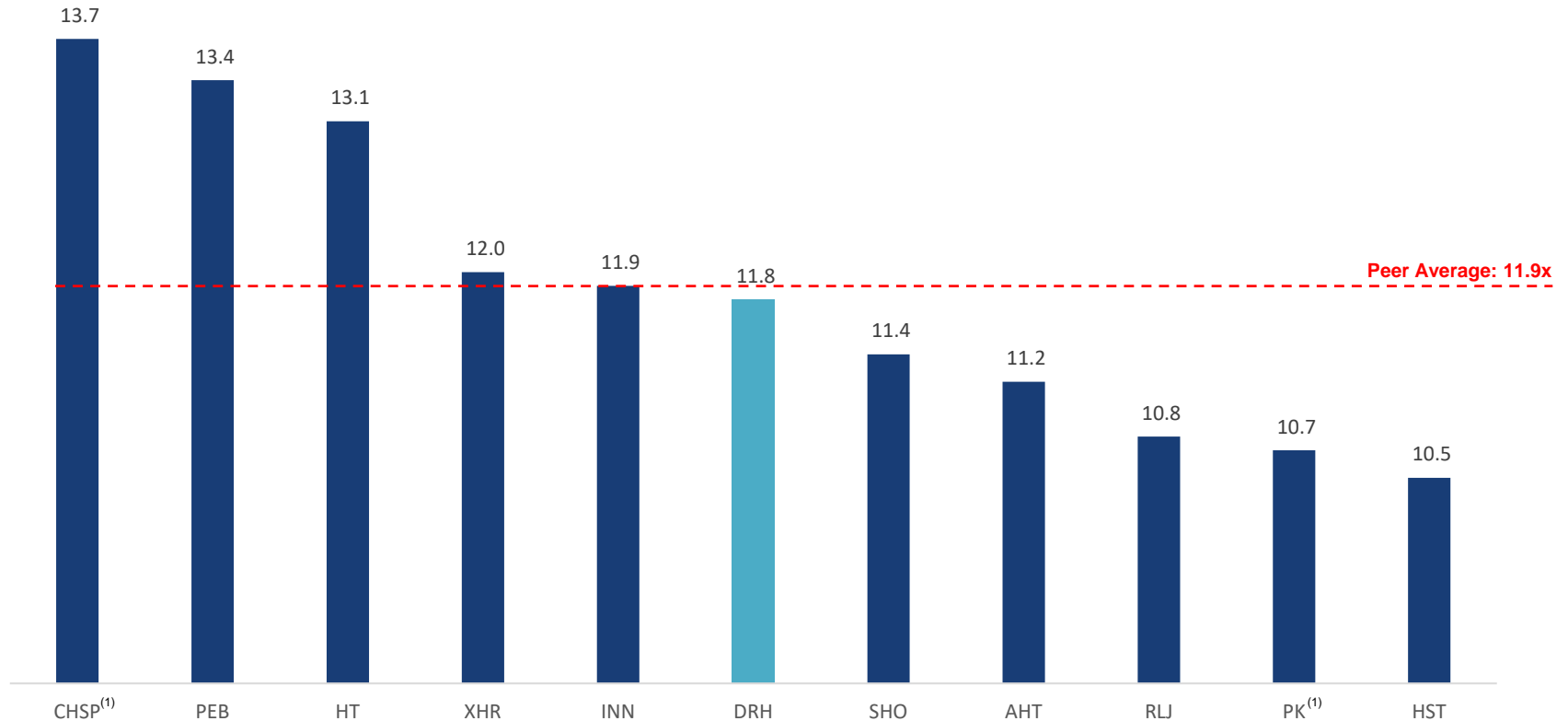


Compelling Valuation

Compelling Valuation



2019 EBITDA Multiple



Source: Company Filings, FactSet Data as of 7/12/19.

(1) On May 6, 2019, PK announced the \$2.7bn acquisition of CHSP. CHSP EBITDA multiple as of May 3, 2019, the day prior to announcement

DiamondRock Currently Trades At a Steep Discount to NAV



Currently trading at >33% discount to NAV per share.

	Hotel NOI	Cap Rate			Estimated Value ⁽²⁾			
Region	TTM Q2 2019	Low	Mid	High	Low	Mid	High	Mid / Key ⁽³⁾
Boston	\$34.7	6.0%	6.5%	7.0%	\$496	\$534	\$579	\$446
Chicago	\$33.9	6.5%	7.0%	7.5%	\$452	\$484	\$521	\$320
Dallas / Fort Worth	\$13.3	7.0%	7.5%	8.0%	\$167	\$178	\$190	\$352
Denver	\$9.0	6.0%	6.5%	7.0%	\$129	\$139	\$150	\$372
New York City	\$27.6	5.0%	5.5%	6.0%	\$460	\$502	\$552	\$331
San Diego	\$12.6	6.5%	7.0%	7.5%	\$168	\$180	\$193	\$412
San Francisco	\$11.5	5.0%	5.5%	6.0%	\$192	\$210	\$231	\$890
Washington, DC	\$13.5	6.5%	7.0%	7.5%	\$180	\$193	\$208	\$284
Other Urban	\$20.5	6.5%	7.0%	7.5%	\$274	\$293	\$316	\$274
Resorts	\$64.4	6.0%	6.5%	7.0%	\$920	\$991	\$1,073	\$479
Resorts Under Development	\$20.0	8.0%	8.5%	9.0%	\$222	\$235	\$250	\$737
Total	\$261.2	6.1%	6.6%	7.1%	\$3,660	\$3,939	\$4,265	\$397

NAV Per Share

\$13.03

\$14.42

\$16.03

- Note: San Francisco NOI includes Cavallo Point Resort as if owned for full-year 2018
Havana Cabana, Palomar Phoenix, Hotel Emblem, Frenchman's Reef and Landing Resort are included using stabilized NOI as proxy for multiple.
- (1) Share price as of 8/10/19
(2) Dollar amounts in millions
(3) Dollar amounts in thousands

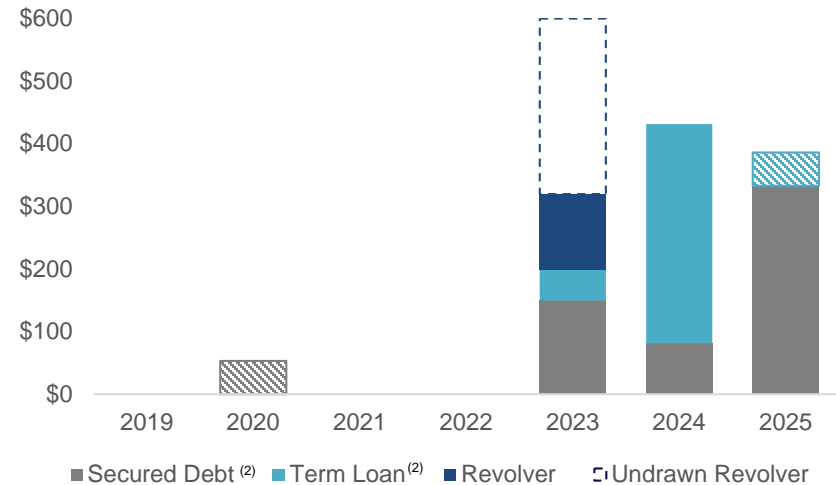
Excellent Balance Sheet: \$300M of Investment Capacity



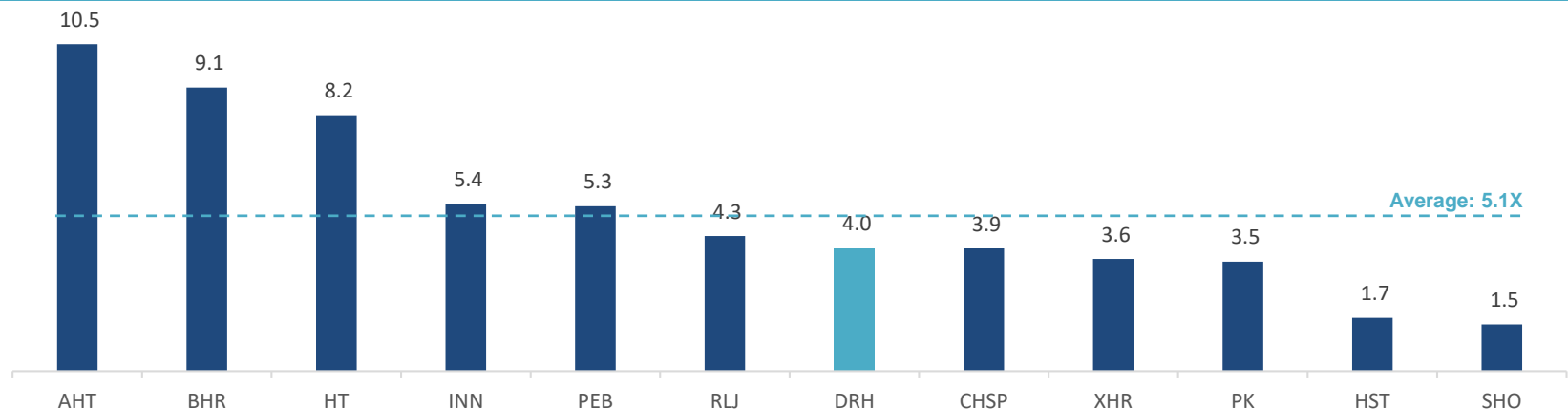
CONSERVATIVE BALANCE SHEET STRATEGY ⁽¹⁾

- Net Debt to 2019 EBITDA of 4.0x
- 23 unencumbered hotels
- Well-laddered maturity schedule with no maturities until November 2020
- \$30 million of investment capacity
- No more than 35% floating rate debt

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



DIAMONDRock
HOSPITALITY

Certain statements made during this presentation are forward-looking statements that are subject to risks and uncertainties. Forward-looking statements generally include the words “believe,” “expect,” “anticipate,” “plan,” “estimate,” “project,” “will,” “intend” or other similar expressions. Forward-looking statements include, without limitation, statements regarding, industry outlook, results of operations, cash flows, business strategies, growth and value opportunities, capital and other expenditures, financing plans, expense reduction initiatives and projected dispositions.

Factors that could cause actual results to materially differ from those contained in the forward-looking statements include, without limitation, those risks and uncertainties discussed in the Company’s most recent Annual Report on Form 10-K, quarterly report on Form 10-Q and current reports on Form 8-K, which have been filed with the Securities and Exchange Commission, all of which you should carefully review. The forward-looking statements made are based on our beliefs, assumptions and expectations of future performance, taking into account all information currently available to us. Actual results could differ materially from the forward-looking statements made during this presentation. The forward-looking statements made during this presentation are subject to the safe harbor of the Private Securities Litigation Reform Act of 1995.

Any forward-looking statement speaks only as of the date on which it is made. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this presentation is as of the date of this presentation, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

This presentation contains statistics and other data that has been obtained or compiled from information made available by third-party service providers.