



INVESTOR PRESENTATION

MARCH 2024



TRANQUILITY BAY BEACHFRONT RESORT

FORWARD LOOKING STATEMENTS

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, national and local economic and business conditions, including the impact of COVID-19 on occupancy rates at DiamondRock Hospitality Company’s (the “Company”) hotels and the demand for hotel products and services, and those risks and uncertainties discussed in the most recent Annual Report on Form 10-K, which the Company has filed with the Securities and Exchange Commission, and in our other public filings 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 the Company. Actual results could differ materially from the forward-looking statements made in this presentation. The forward-looking statements made in 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.

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This presentation contains statistics and other data that has been obtained or compiled from information made available by third-party service providers and believed to be reliable, but the accuracy and completeness of the information is not assured. The Company has not independently verified any such information.

USE OF NON-GAAP FINANCIAL MEASURES

We use the following non-GAAP financial measures that we believe are useful to investors as key measures of our operating performance: EBITDA, EBITDAre, Adjusted EBITDA, Hotel EBITDA, Hotel Adjusted EBITDA, FFO and Adjusted FFO. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with U.S. GAAP. EBITDA, EBITDAre, Adjusted EBITDA, Hotel EBITDA, Hotel Adjusted EBITDA, FFO and Adjusted FFO, as calculated by us, may not be comparable to other companies that do not define such terms exactly as the Company.

A detailed explanation of these non-GAAP financial measures and the reconciliation of such measures to the most directly comparable financial measures prepared in accordance with U.S. GAAP can be found in the Company’s fourth quarter 2023 earnings press release dated February 22, 2024.

PORTFOLIO



9,746 ROOMS



36 PROPERTIES



25 GEOGRAPHIC MARKETS

FINANCIAL SUMMARY

FY 2023

Revenue	\$1.1B
Corporate Adj. EBITDA	\$272MM
Total Debt ¹	\$1.2B
Net Debt ² to EBITDA	3.9x
Total Debt to Gross Book Value	29%

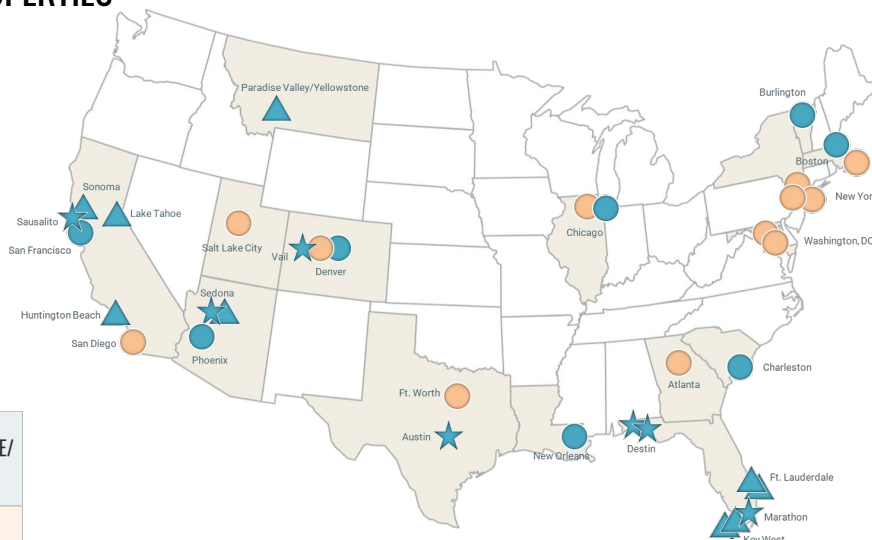
1. Excludes preferred capital

2. Cash includes corporate cash, excludes preferred capital

DIVERSIFIED GEOGRAPHY

MARKET	% OF 2023 EBITDA
Chicago	12.6%
Boston	10.9%
New York City	8.4%
Florida Keys	7.7%
Vail	5.6%
Fort Lauderdale	5.0%
Fort Worth	4.8%
Sedona	3.8%
Denver	3.7%
Destin	3.7%
Salt Lake City	3.7%
Sausalito	3.7%
Charleston	3.5%
San Diego	3.5%
Sonoma	2.7%
Burlington	2.6%
Huntington Beach	2.5%
New Orleans	2.4%
Paradise Valley/Yellowstone	2.3%
DC	2.1%
Atlanta	1.8%
Austin	1.5%
Lake Tahoe	1.2%
Phoenix	0.2%
San Francisco	0.1%
Total	100.0%

DIVERSIFIED PROPERTIES



★	Luxury Resort	LIFESTYLE/ RESORT
▲	Lifestyle Resort	
●	Urban Lifestyle	
●	Urban Gateway	URBAN

WELL-POSITIONED PORTFOLIO: LEISURE AS A LONG-TERM SECULAR DRIVER

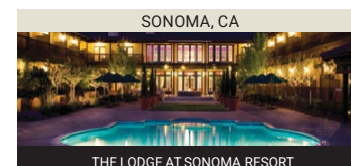
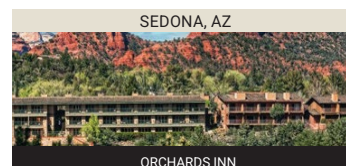
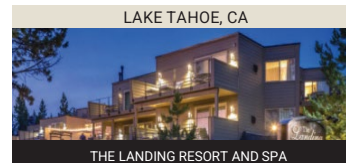
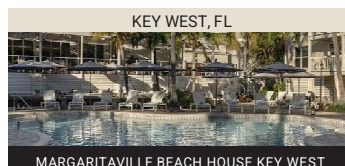
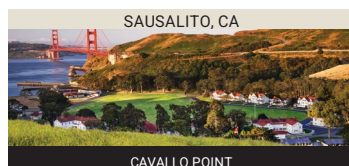
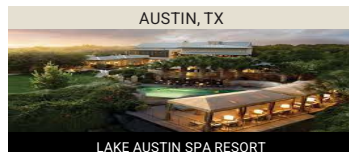
24 Hotels
4,334 Keys

56% of Portfolio
by Revenue

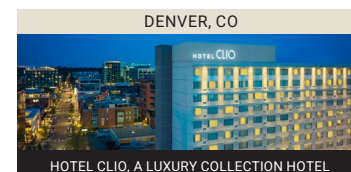
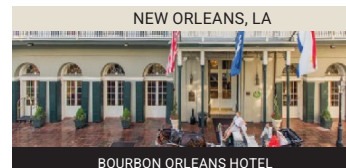
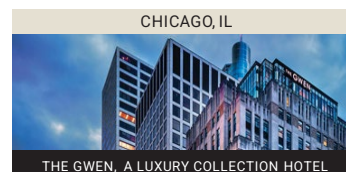
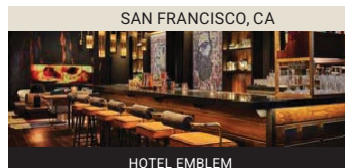
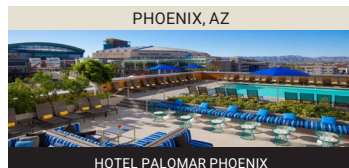
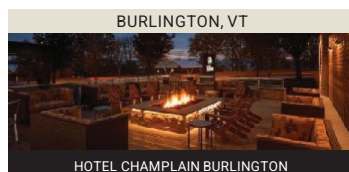
15 Independent
Hotels

100%
Unencumbered
by Management

LUXURY & LIFESTYLE RESORTS



URBAN LIFESTYLE HOTELS



Notes: Revenue as of FY 2023

URBAN GROUP HOTELS

6 Hotels
3,853 Keys

32% of Portfolio by Revenue
Strong Convention Markets



URBAN LIMITED-SERVICE HOTELS

4 Hotels
969 Keys

9% of Portfolio by Revenue
100% Unencumbered by Management



SUBURBAN HOTELS

2 Hotels
590 Keys

3% of Portfolio by Revenue
100% Unencumbered by Management



2023 KEY TAKEAWAYS

- **Another DRH Record:** 2023 Comparable Total Revenue up 4.0% vs 2022 and up 11.3% vs 2019
- 2023 Comparable RevPAR up 3.1% vs 2022 and up 8.7% vs 2019
- 2023 Adj. FFO per Share of \$0.93 in line with guidance
- Repurchased 318,454 shares at an average price of \$7.60 per share
- Acquired fee-simple interest in Chico Hot Springs Resort in Q3
- Invested \$86M+ in capital improvements at our hotels including the renovation and rebranding of The Dagny Boston in Q3, which had significantly above-budget Q4 results
 - Revenue \$870K above budget
 - EBITDA margin growth 233 bps ahead of budget
 - December RevPAR index to the competitive set increased 15 points to 110% index premium
 - TripAdvisor ranking improved 15 spots from June 2023 to December 2023
- 2023 Group Room Revenue up 3% vs 2019

RESORTS

**2023 Comparable
TRevPAR**

vs 2022
↓ 4.9%

vs 2019
↑ 27.4%

Resort RevPAR
Indexed to 2022

Q4'23 RevPAR vs 2022

Margaritaville Beach House Key West	+11.6%
Tranquility Bay Resort	+5.8%
Westin Ft. Lauderdale	+5.8%
The Landing Resort & Spa	+4.4%

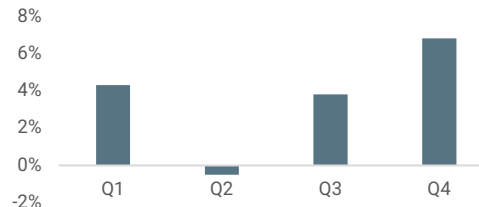
URBAN

**2023 Comparable
TRevPAR**

vs 2022
↑ 9.7%

vs 2019
↑ 2.5%

2023 Group Revenue vs 2019



**Continued Sequential Year-Over-Year
RevPAR Improvement in Resorts**

**Group Revenue Up 3%+ from 2019 & Strong
Convention Calendar**

Margaritaville Beach House Key West



2024 GUIDANCE

METRIC	LOW END	HIGH END
Comparable RevPAR Growth	2%	4%
Adjusted EBITDA	\$260MM	\$290MM
Adjusted FFO	\$187MM	\$217MM
Adjusted FFO per Share	\$0.88 per Share	\$1.02 per Share

Assumptions

- **Corporate Expenses:** \$33MM - \$34MM
- **Interest Expense:** \$61.2MM - \$63.2MM
- **Income Tax Expense:** \$0 - \$2MM
- **Available Rooms:** 3,571,062 available

OUTLOOK

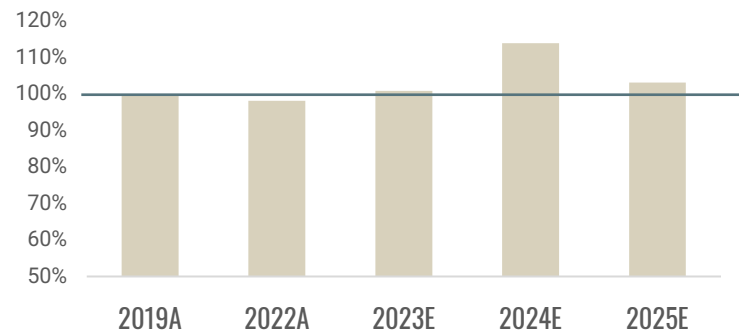
- Strong Group Revenue Pace up 21%
- Large Group Footprint in Strong Citywide Convention Markets
- Positive Lodging Demand and Supply Set Up
- Improving Performance at Resorts
- Full Year Renovation Benefit from The Dagny

CITY CONVENTION CALENDAR

Units: Thousands of Room Nights

MARKET	% of 2023A EBITDA	2019	2022	2023E	2024E	2025E
CHICAGO	13%	1,142	1,153	1,047	1,193	1,084
BOSTON	11%	349	330	426	437	399
SAN DIEGO	4%	732	660	797	898	836
PHOENIX	<1%	291	305	368	345	293
WASHINGTON, DC	2%	387	400	290	433	380
TOTALS	30%	2,901	2,848	2,927	3,305	2,992

CONVENTION VOLUME FORECAST INDEXED TO 2019



2024 GROUP REVENUE PACE VS PEERS



Source: Company Q4 2023 earnings calls

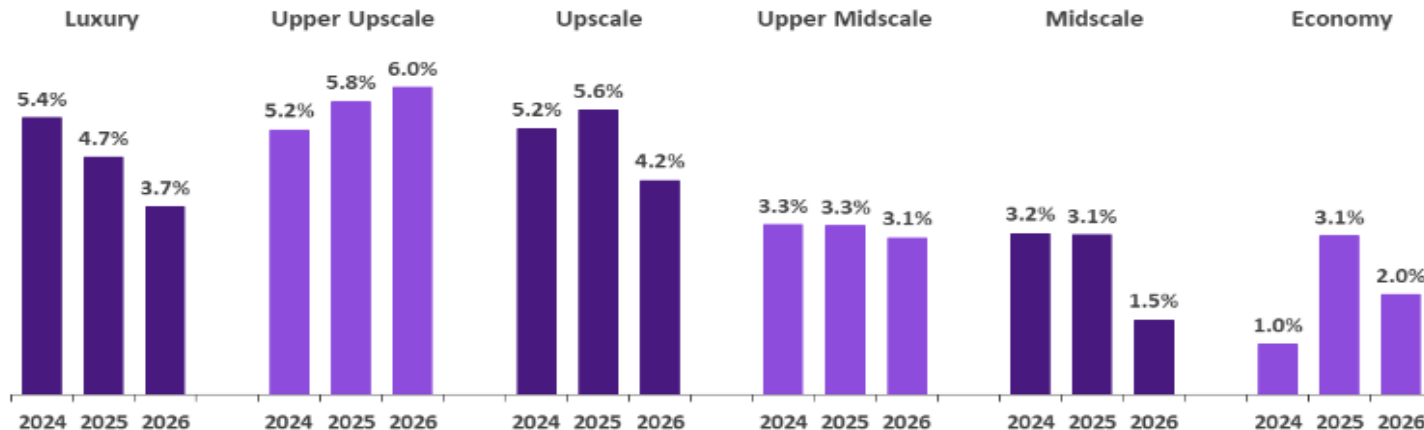
Modest Growth After Record ADR and RevPAR Highs in 2023

STR Forecasts	2023 Actual	2024 Forecast	2025 Forecast	2026 Forecast	Other 2024 RevPAR Forecasts
Occupancy	63.0%	63.6%	64.0%	64.1%	<ul style="list-style-type: none"> LARC – 3.6% (Dec 2023) CBRE – 3.0% (Dec 2023) PWC – 2.7% (Nov 2023) <ul style="list-style-type: none"> Luxury: 2.7% Upper Upscale: 3.7%
ADR Change	4.3%	3.1%	2.8%	3.1%	
RevPAR Change	4.9%	4.1%	3.5%	3.2%	
2019 Real RevPAR Index	-5.0%	-3.5%	-2.1%	-1.0%	

Source: STR, CoStar, Tourism Economics, February 2024

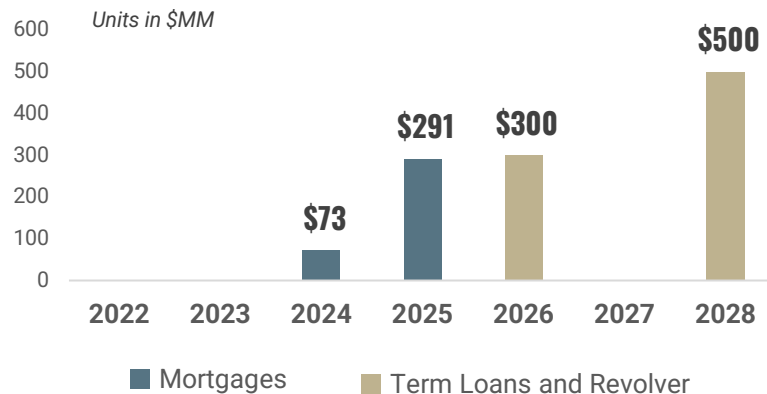
Growth Across All Chain Scales but Majority Concentrated in Upscale to Luxury Segments

STR RevPAR Forecast by Chain Scale (YoY Change)

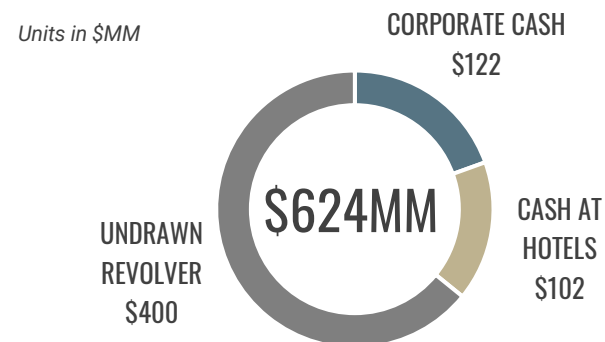


Source: STR, CoStar, Tourism Economics, February 2024

PROFORMA BALANCE SHEET

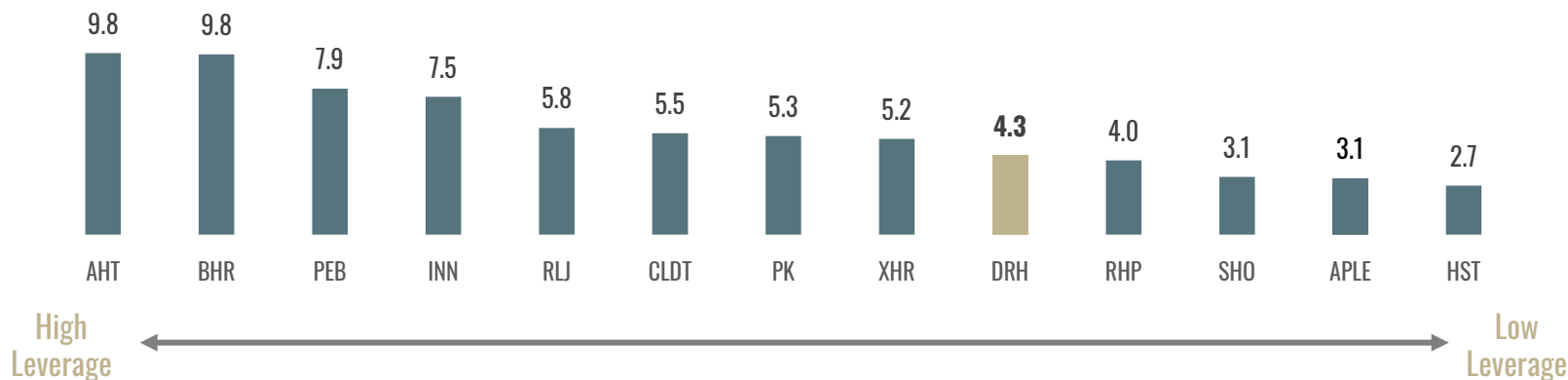


Note: Mortgages reflect balance at scheduled maturity, Term Loan reflects exercise of one-year extension



**SIGNIFICANT LIQUIDITY AVAILABLE
AT YEAR-END 2023**

NET DEBT + PREFERRED / EBITDA



ROI CASE STUDY – CONVERSION FROM HILTON BOSTON TO THE DAGNY

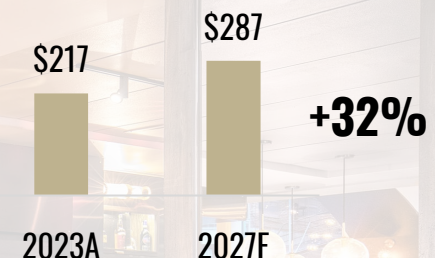
Conversion from Hilton brand to an independent lifestyle hotel with renovated guest rooms and bathrooms, a new state-of-the-art gym, improved meeting spaces, and a new sense of arrival



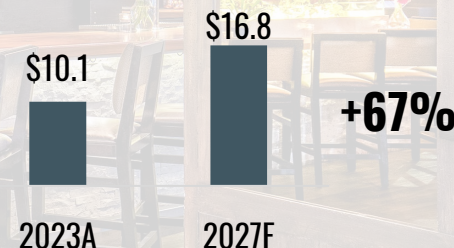
- **Completion:** August 1, 2023
- **Total Cost:** \$32MM
- **Increase Cost over Hilton Renovation:** \$5MM
- **Incremental NOI for Independent hotel:** \$1MM
- **Exit value increase:** \$14MM-30MM (50-100 bps on cap rate)

The Dagny relaunched on August 1, 2023 and has outperformed 2023 budgets:

- Top line revenue up +\$870K
- EBITDA margin growth of +233 bps
- December Comp Set RevPAR Index increased 15 points
- TripAdvisor ranking improved 15 spots from June 2023 to December 2023
- Now ranked Top 5 hotel in Boston's Financial District (TripAdvisor)



REVPAR



EBITDA
(\$MM)

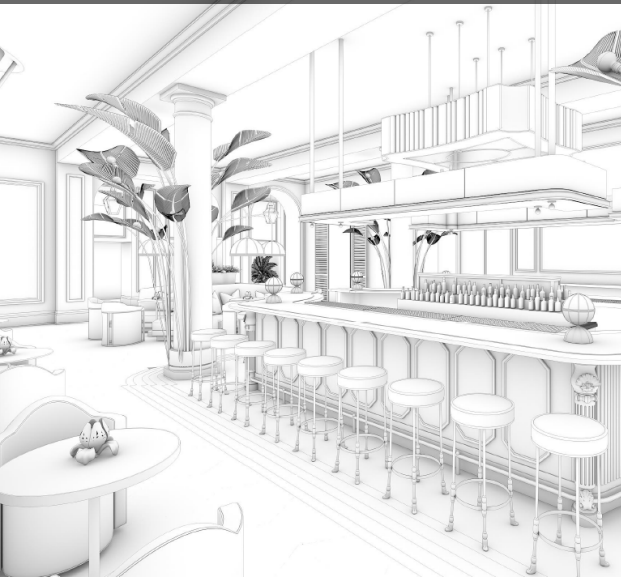
Hilton Burlington Lake Champlain



Conversion to Curio brand and a new chef-driven restaurant

- **Est. Completion:** Summer 2024
- **Total Cost:** \$8.6MM
- **Stabilized Yield on Cost:** 10%
- Adds an additional lifestyle hotel to the portfolio
- Expected to enhance exit value

Bourbon Orleans Hotel



Repositioning and rebranding the hotel to a lifestyle boutique

- **Est. Completion:** Late 2024
- **Total Cost:** \$12.7MM
- **Stabilized Yield on Cost:** 10%

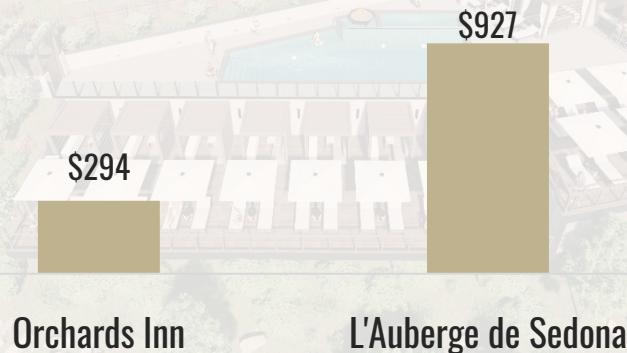


Integration of Orchards Inn with L'Auberge de Sedona

- New cliff side pool and bar with some of the best views of Sedona's red rocks
- Significant rate opportunity
- **Total Cost: ~\$20MM**
- **Est. Completion: 2025**

2023 ADR COMPARISON

3x Difference in ADRs



Exploring Adding More
Waterfront Guest Rooms



Exploring Adding 20%
More Guest Rooms



Franchise Expiration in 2027
Potential Upbranding and Expansion



Franchise Expiration in 2026
Value Creation Opportunity



Currently 37 Rooms Entitled
for 135 Ocean-Front Units



Exploring Spa Expansion



Exploring Installation of a New Marina



Exploring Adding New Cabins



4th Consecutive Year Recognized as Sector Leader

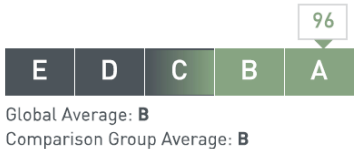
ISS ESG RANKINGS⁽²⁾



2023 DRH GRESB SCORE & RECOGNITION



GRESB Public Disclosure Level



GRESB REAL ESTATE ASSESSMENT

- Ranked 1st GRESB Score among U.S. Listed Hotels
- Ranked 2nd GRESB Score among Listed Hotels
- Ranked 18th GRESB Score among U.S. Listed Companies (Top 15%)

GRESB PUBLIC DISCLOSURE

- Ranked 1st within the U.S. Hotels with a score of “A” compared to the Peer Group Average of “B” and the GRESB Global Average of “B”

GRESB ANNUAL RESULTS VS PEER GROUP

	2017	2018	2019	2020	2021	2022	2023
DRH GRESB Score	53	75	81	84	86	82	85
Peer Score Average	57	58	69	69	72	65	77
Index to Peer Score Avg	93%	129%	117%	122%	119%	126%	110%



ENERGY REDUCTION

↓ **13%**

Reduction in **Energy Intensity** (kWh per ft²) Since 2019

Common Practices at Properties

- Energy Star Portfolio Manager Benchmarking
- Preventive Maintenance Plans

↓ **18%**

Reduction in **Emissions Intensity** (kgCO₂e per ft²) Since 2019

- LED Light Bulbs
- Digital Thermostats in Guest Rooms
- Occupancy Sensors and Other Energy Conservation Measures

↑ **27%**

Increase in % **Renewables** Since 2019



WATER REDUCTION

↓ **18%**

Reduction in **Water Intensity Gallons per ft²** Since 2019

Common Practices at Properties

- Low Flow Showerheads & Faucets
- Low or Dual Flow Toilets

↑ **34%**

Increase in **Water Intensity Gallons per Occupied Room** Since 2019

Due to reduced occupancy rates during pandemic and post-pandemic periods, along with enhanced cleaning and sanitization procedures to minimize the risk of Covid-19 transmission

- Water Efficiency Programs
- Native or Drought Tolerant Landscaping
- Smart Irrigation Systems



WASTE REDUCTION

↓ **27%**

Reduction in **Waste Intensity Pounds per occupied room** Since 2019

Common Practices at Properties

- Compost Food Waste
- Elimination/Reduction of Single Use Plastics

↑ **15 percentage points**

Increase in **Waste Diversion Rate** Since 2019

- Donation of Excess Food to Community Kitchens
- Food Waste Measurement
- Recent Waste Stream Audit or Waste Assessment