

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT PURSUANT TO  
SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):

November 21, 2022

**DiamondRock Hospitality Company**

(Exact name of registrant as specified in charter)

Maryland  
(State or Other Jurisdiction  
of Incorporation)

001-32514  
(Commission  
File Number)

20-1180098  
(IRS Employer  
Identification No.)

2 Bethesda Metro Center, Suite 1400  
Bethesda, MD 20814  
(Address of Principal Executive Offices) (Zip Code)

(Registrant's telephone number, including area code): (240) 744-1150

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	DRH	New York Stock Exchange
8.250% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share	DRH Pr A	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

*This Current Report on Form 8-K (“Current Report”) contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as “believe,” “expect,” “intend,” “project,” “anticipate,” “position,” and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks include, but are not limited to national and local economic and business conditions, including the impact of COVID-19 on occupancy rates at our hotels and the demand for hotel products and services, and those risks and uncertainties described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K filed on February 22, 2022 and our Quarterly Reports on Form 10-Q filed on May 6, 2022, August 4, 2022 and November 4, 2022. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this Current Report is as of the date of this Current Report, and we undertake no obligation to update any forward-looking statement to conform the statement to actual results or changes in our expectations.*

#### **ITEM 7.01. Regulation FD Disclosure.**

A copy of a slide presentation that DiamondRock Hospitality Company (the “Company”) intends to use at investor meetings is attached to this Current Report on Form 8-K (“Current Report”) as Exhibit 99.1 and is incorporated by reference herein. Additionally, the Company has posted the slide presentation in the investor relations/presentations section of its website at [www.drhc.com](http://www.drhc.com).

The information in this Item 7.01, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section. The information in this Current Report, including Exhibit 99.1, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

#### **ITEM 8.01. Other Events.**

On November 21, 2022, the Company acquired the 40-room Lake Austin Spa Resort in Austin, TX for a net purchase price of \$75.6 million. The acquisition was funded with corporate cash.

#### **ITEM 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibits are included with this report:

Exhibit No. Description

99.1	<a href="#">Investor Presentation - December 2022</a>
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DIAMONDROCK HOSPITALITY COMPANY

Dated: December 7, 2022

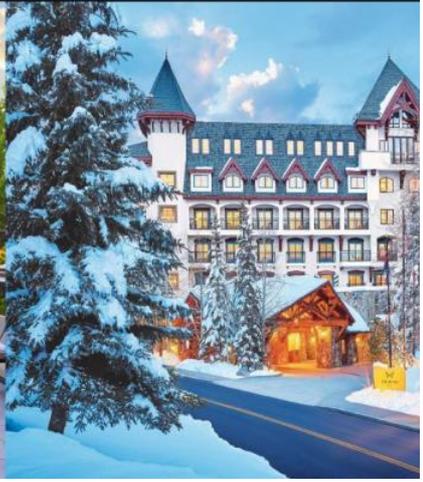
By: /s/ Briony R. Quinn  
Briony R. Quinn  
Senior Vice President and Treasurer



INVESTOR CONFERENCE

  
DIAMONDROCK  
HOSPITALITY

DECEMBER 2



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. 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 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.

## RECENT EVENTS

### ACQUIRED LAKE AUSTIN SPA RESORT – AUSTIN, TEXAS – \$75.6MM

- Ranked #3 Best Spa in the U.S. by Condé Nast Traveler
- 8%+ NOI yield on 2023 Forecast NOI
- 9%+ Stabilized NOI Yield in Three Years
- Expected to generate over \$175,000 per key of EBITDA in 2023
- Fee simple, unencumbered by management
- High barriers to entry – commercial development prohibited on lakefront
- Operating & ROI upside opportunities incremental to underwriting



## KEY TAKEAWAYS

- Record Third Quarter Revenue and Profits**
  - +8.7% RevPAR
  - +11.4% Total RevPAR
- Declared Common Dividends of \$0.09/sh in 2022**
- Completed \$1.2B Refinancing**
- Repurchased \$12M of Common Stock**
- ESG Excellence**
  - GRESB Sector Leader (Hotels/America)

## 2022 OUTLOOK<sup>(1)</sup>

### RECORD REVENUES

- Expect Total Revenue to exceed comparable 2019 (\$936MM)

### RECORD HOTEL ADJUSTED EBITDA

- Expect Hotel Adjusted EBITDA to exceed comparable 2019 (\$278MM)

### STRONG GROUP PACE

- 91% of 2022 group room revenue on-the-books 2022 vs 2019

*(1) As of Third Quarter 2022 Conference Call*

## ROI PROJECTS

### UPCOMING REPOSITIONINGS & CONVERSIONS

- Converting Hilton Burlington to a Curio in 2023
- Repositioning Hilton Boston to an urban lifestyle

### RECENTLY COMPLETED ROI PROJECTS

- Margaritaville Beach House Key West
- The Hythe, Luxury Collection
- The Clio, Luxury Collection
- The Lodge at Sonoma, Autograph Collection

# ACQUIRED LAKE AUSTIN SPA RESORT (AUSTIN, TEXAS)



## KEY DEAL HIGHLIGHTS

- Waterfront, all-inclusive wellness resort on 12 acres with extensive spa services, water sports, dining, and experiential activities for guests and small groups.
- Fee simple, unencumbered by management
- Forecast 2023 **Total RevPAR** nearly **\$1,600** per night
- Acquired for an **8.1% NOI** yield on 2023 Forecast
- High barriers to entry – zoning prohibits commercial uses on the entirety of Lake Austin. The Lake Austin Spa Resort is grandfathered as the only transient lodging facility on the lake



<b>ACQUISITION DATE</b>	<b>11/21/22</b>
<b>LOCATION</b>	<b>AUSTIN, TX</b>
<b>NET PURCHASE PRICE</b>	<b>\$75.6 MILLION</b>
<b>2023E NOI YIELD</b>	<b>8.1%</b>
<b>MANAGER</b>	<b>EOS HOSPITALITY</b>

## ACCOLADES FOR LAKE AUSTIN SPA RESORT

- #3 Best Spa Resort in the U.S., Condé Nast Traveler
- #5 Best Domestic Spa in the U.S., Travel + Leisure
- Best Winter Spa Resort, Southern Living
- #7 Best All-Inclusive Resorts, USA Today
- Top 15 Best Wellness Retreats, Town & Country
- #1 Resort in Austin, TripAdvisor
- Only resort with boat access to/from downtown Austin

## ACCOLADES FOR AUSTIN

- Fastest Growing Major Metropolitan area
- 2<sup>nd</sup> Fastest Growing Regional GDP in 2021
- 11<sup>th</sup> most populous city in the United States
- 80% of Texas population within 200 miles
- 6<sup>th</sup> Best Educated Metro, 5<sup>th</sup> Youngest Metro
- Live Music Capital – SXSW, Austin City Limits
- Apple's 3MM sq. ft. campus opening in 2022



## UPSIDE OPPORTUNITIES

- **Operational Upside:**
  - Owner operated for 25+ years.
  - Expand and improve distribution channels
  - Implement small group strategy (wedding, corporate)
  - Optimize revenue management, pricing strategies
  - Implement technology and labor management controls
  - Streamline spa offerings to enhance profitability
- **ROI Potential**
  - Opportunity to create ~4 additional lakeview suites
  - Longer term opportunity to add keys on excess land
  - Additional venues/marinas on underutilized lakefront



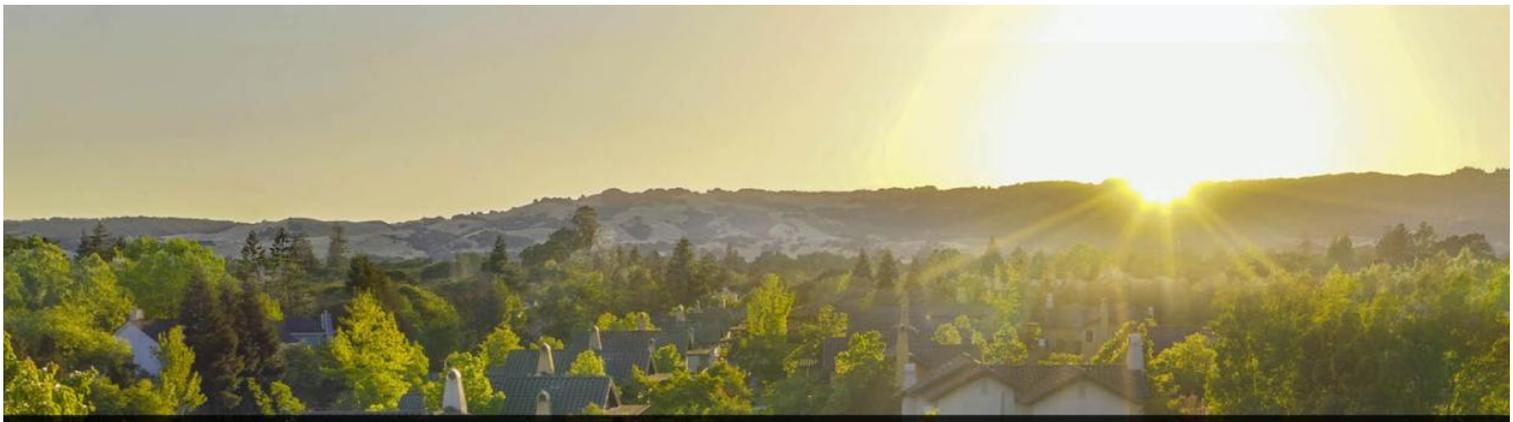


# WHY DIAMONDROCK

Henderson Beach Resort

- 1 POSITIVE MARKET OUTLOOK
- 2 OPERATIONAL EXCELLENCE
- 3 2023 – 2024 SET UP
- 4 COMPELLING ROI PIPELINE
- 5 CAPACITY FOR GROWTH
- 6 ESG EXCELLENCE





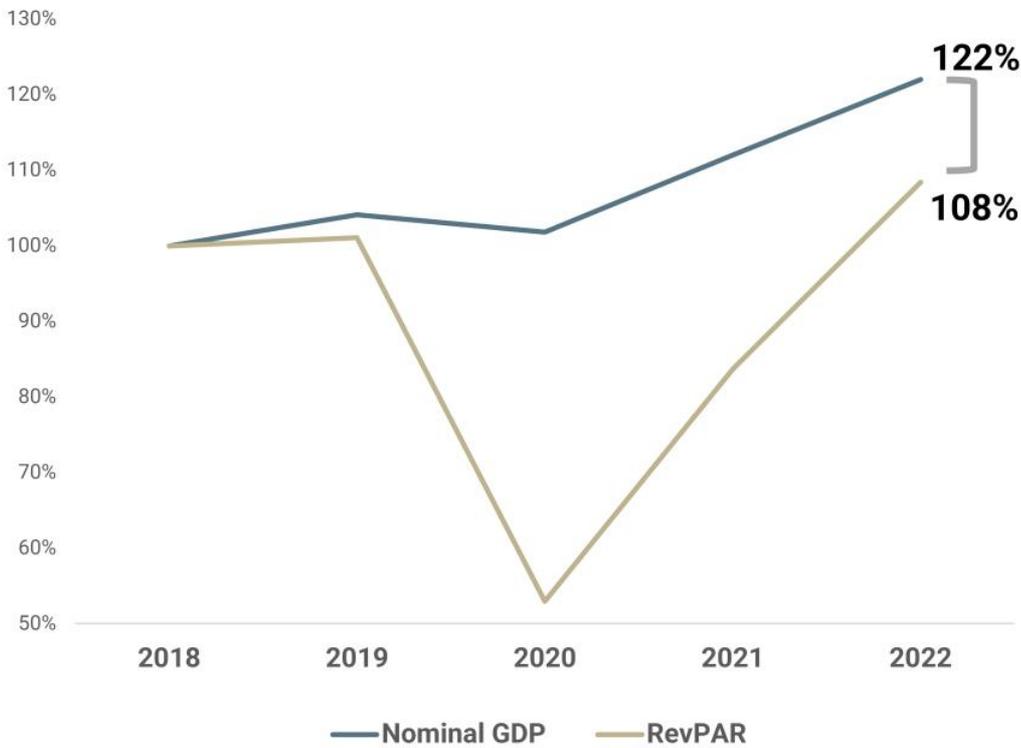
# POSITIVE MARKET OUTLOOK



*The Lodge at Sonoma, Autograph Collection*

Runway remaining for recovery compared against GDP

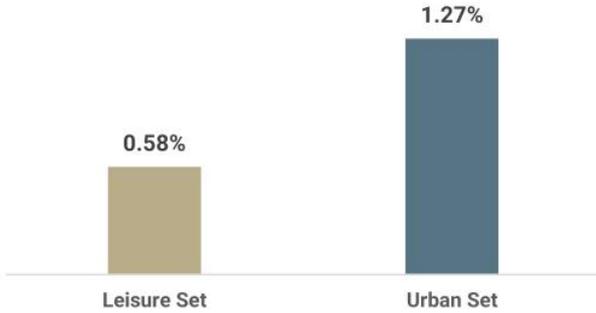
GDP AND REVPAR INDEXED TO 2018



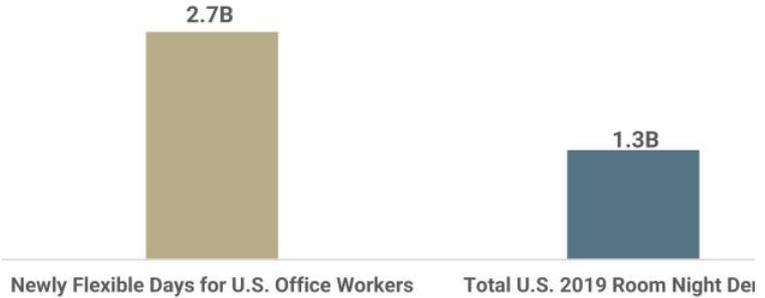
**13%** Upside  
To Trendline

## Undersupply of Leisure Hotels Should Benefit From Accelerating Demand

2000-2020 Supply CAGR



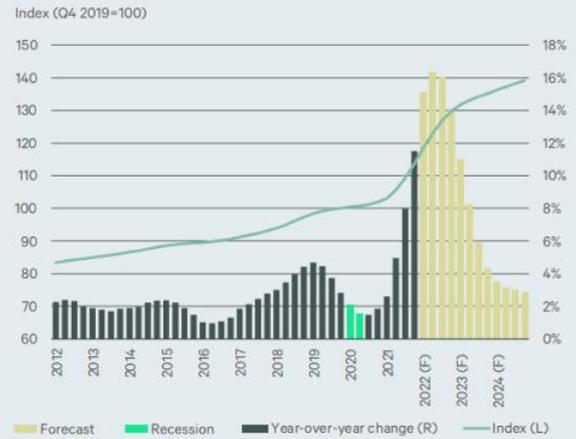
New "Work from Anywhere Paradigm" Incremental Days of Location Flexibility vs. 2019 Total U.S. Room Night Demand



In 2019, the average US office worker spent 4.4 days per week in the office. CBRE forecasts that to stabilize per week. On a base of 50M U.S. office workers, the result is an incremental 2.7B days of worker locational f

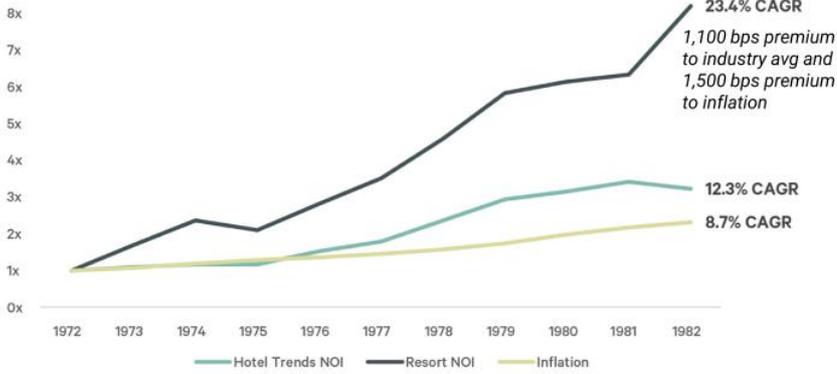
### Restraints on Incremental Competitive Supply

- **Scarcity of Developable Resort Land**
- **Labor**
  - Wage & Benefit Inflation
  - Availability
- **Materials**
  - Raw Material Price Inflation
  - Longer Supply Chain Lead Times
  - Higher Shipping Costs



Hotel NOI growth has historically outpaced inflation, with smaller resorts having consistently higher RevPAR, even during recession years;  
Household income continues to break away from medium-term trend

CAGR Comparison from 1972 – 1982 (Indexed to 1972)



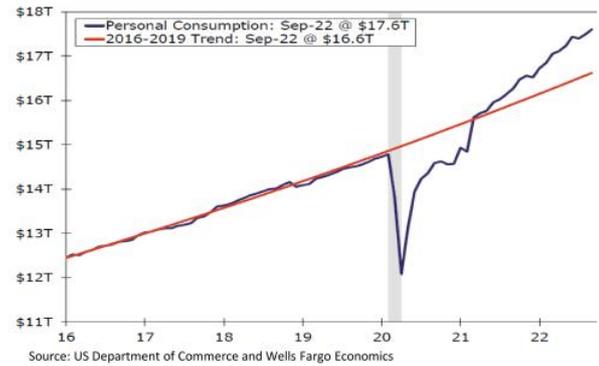
Main Tailwinds

- Healthy labor market
- Wealthier average consumer and high-end consu spending more resilient compared with the overa
- WFH flexibility increases leisure demand
- Hybrid and remote work necessitate more freque
- Still upside in RevPAR recovery
  - Resort occupancy remains below pre-covid levels
  - Inbound international travel spending remains belo levels

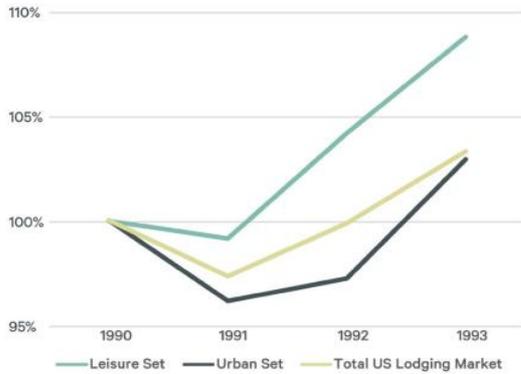
RevPAR Comparison from 1987 – 2022



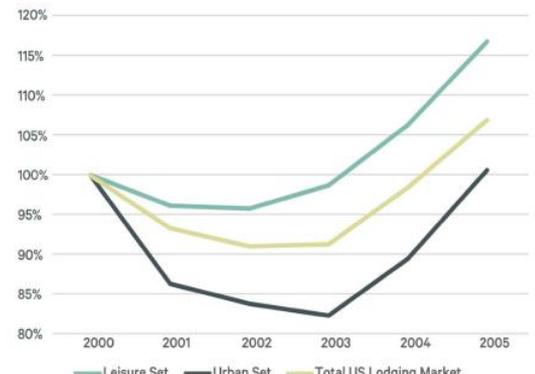
Personal Consumption Expenditures



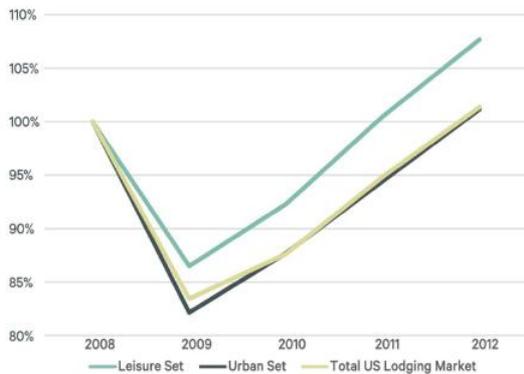
Leisure-focused markets have consistently outperformed during economic crises, Resorts benefit from higher RevPAR starting point relative to 2019



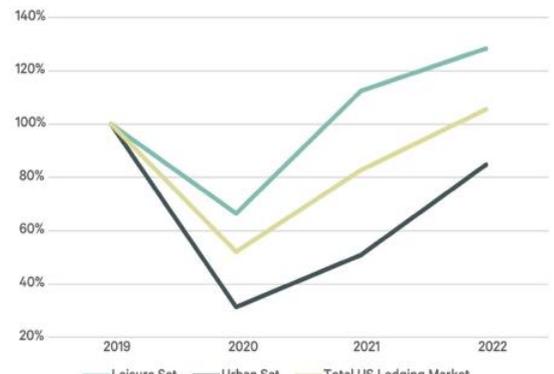
GULF WAR / SAVINGS AND LOAN CRISIS



9/11 AND DOT COM BUBBLE BURST



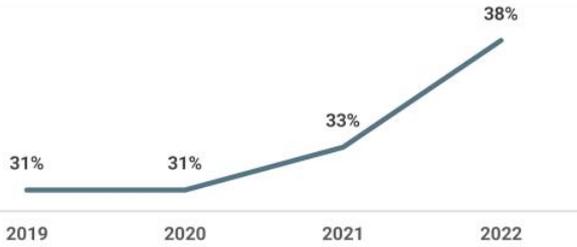
GREAT FINANCIAL CRISIS



COVID PANDEMIC

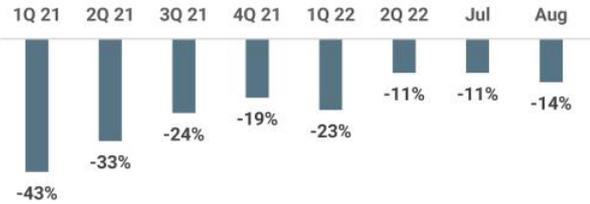
Remote and hybrid work models are boosting travel with longer, blended trips and more frequent, smaller business travel;  
**Skift estimates Digital Nomads to be a new \$1B market in the US**

Business Trips that Contain a Weekend



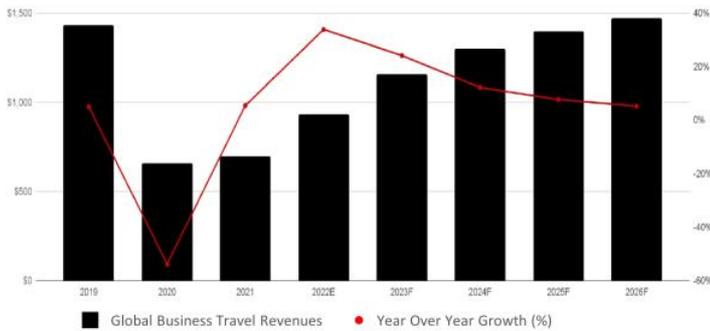
Source: TripActions (April 2022), Skift Research

Urban Occupancy vs 2019



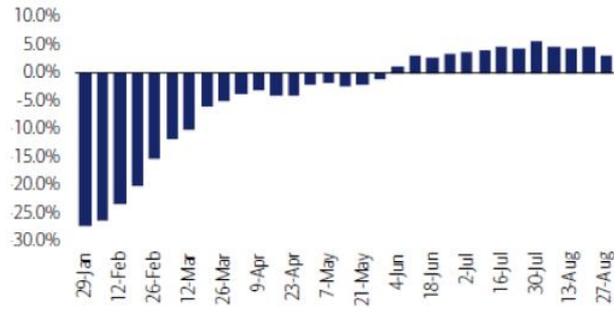
Source: Bank of America Research

Global Business Travel Revenues (\$ Billion)



Source: GBTA, "Business Travel Index Outlook" (August 2022), Skift Research

Tuesday – Thursday RevPAR vs 2019



Source: Bank of America Research



# OPERATIONAL EXCELLENCE

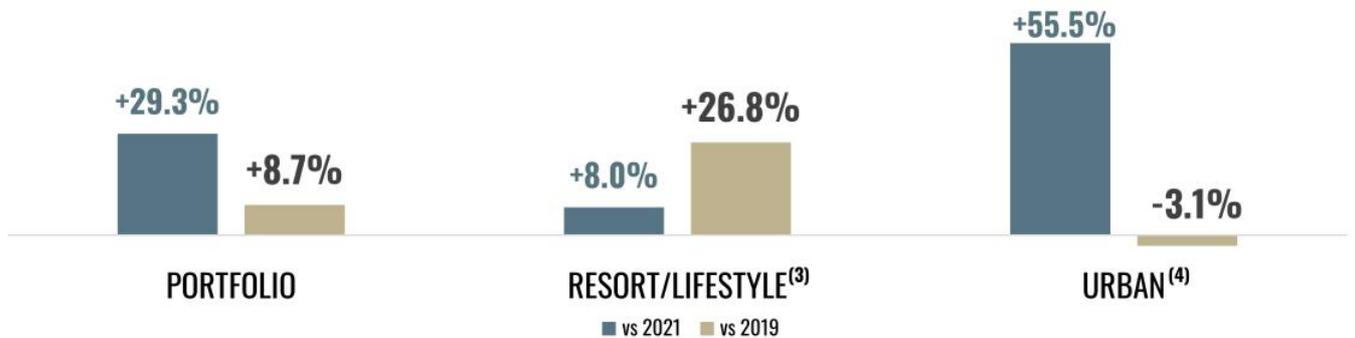
*The Gwen, a Luxury Collection Hotel*

## RECORD THIRD QUARTER REVENUE AND PROFITS

### 2022 COMPARABLE OPERATING RESULTS<sup>(1)</sup>

	Occ (%)	ADR (\$)	RevPAR (\$)	RevPAR B/(W) 2019	Revenue (\$000s)	Revenue B/(W) 2019
<b>Q1</b>	55.8%	279.09	155.76	(3.5%)	197,263	(4.4%)
<b>Q2</b>	74.9%	297.36	222.70	6.9%	279,445	7.4%
<b>Q3</b>	75.1%	281.36	211.40	8.7%	266,952	11.7%
<b>Jul</b>	74.9%	286.18	214.31	10.6%	89,790	12.7%
<b>Aug</b>	74.6%	261.49	195.19	5.6%	83,760	9.8%
<b>Sep</b>	75.9%	296.63	225.13	9.8%	93,401	12.5%
<b>Oct<sup>(2)</sup></b>	<b>74.8%</b>	<b>306.32</b>	<b>229.24</b>	<b>6.7%</b>	<b>99,005</b>	<b>8.0%</b>

### Q3 REVPAR VS PREVIOUS YEARS



(1) Comparable operating information excludes the Kimpton Fort Lauderdale Beach Resort as it was not operating in 2019  
 (2) Preliminary results  
 (3) "Resort/Lifestyle" refers to Luxury Resort, Lifestyle Resort, and Urban Lifestyle hotels  
 (4) "Urban" refers to Urban Gateway hotels

# CONSISTENT OUTPERFORMANCE AGAINST PEERS

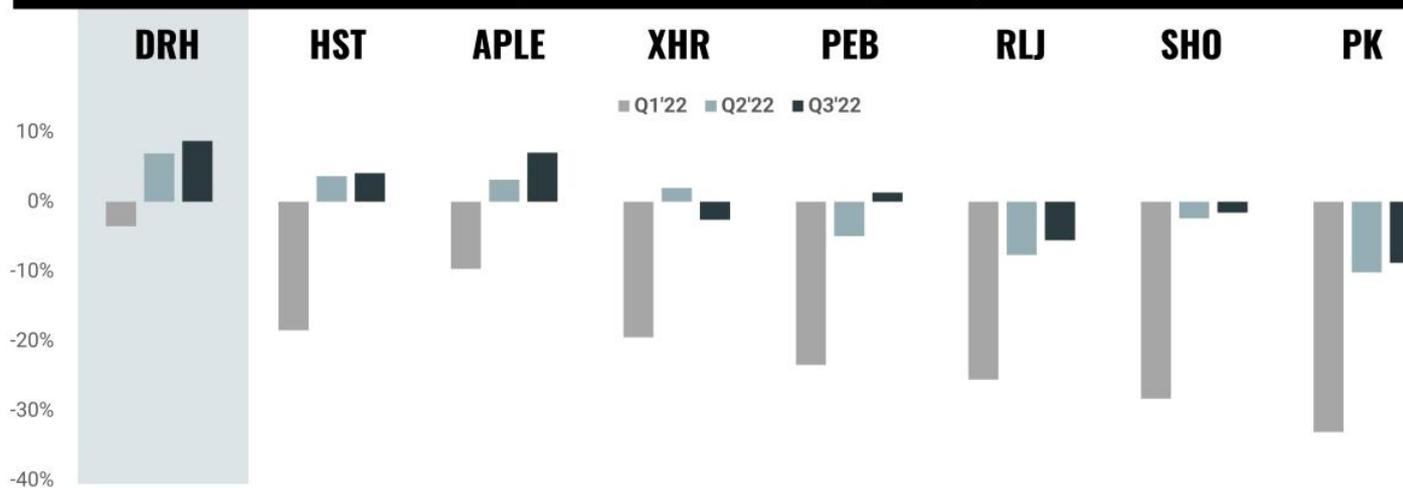


## Q3 2022 PEER PERFORMANCE (vs. 2019)

	<b>DRH</b>	XHR	HST	APLE	PEB	RLJ	SHO	PK	A
ADR Growth	<b>+18%</b>	16%	21%	13%	20%	6%	16%	8%	+7
Occupancy Growth	<b>-8%</b>	-16%	-14%	-5%	-15%	-10%	-15%	-15%	-1
RevPAR Growth	<b>+9%</b>	-3%	4%	7%	1%	-5%	-2%	-9%	-
Hotel EBITDA Growth	<b>+16%</b>	1%	5%	5%	-10%	-11%	-21%	-24%	-
Adj. FFO Growth	<b>+4%</b>	-34%	9%	0%	-15%	-13%	-17%	-38%	-1

(1) Excludes DRH

## QUARTERLY REVPAR GROWTH (vs. 2019)

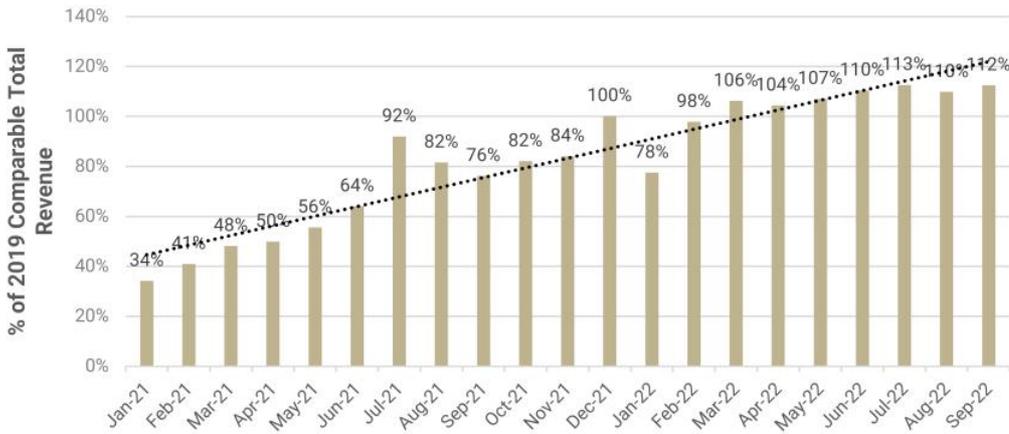


Source: Company filings

# ROBUST REVENUE AND EBITDA RECOVERY

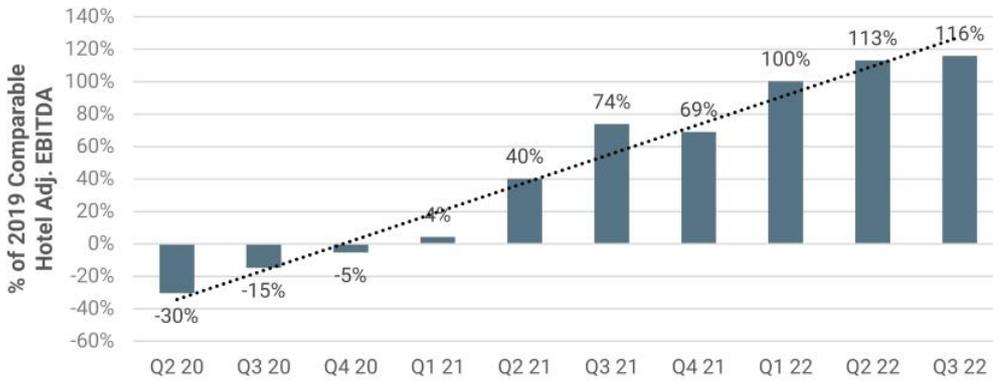


## REVENUE RECOVERY ACCELERATING



Note: Excludes the Kimpton Ft. Lauderdale

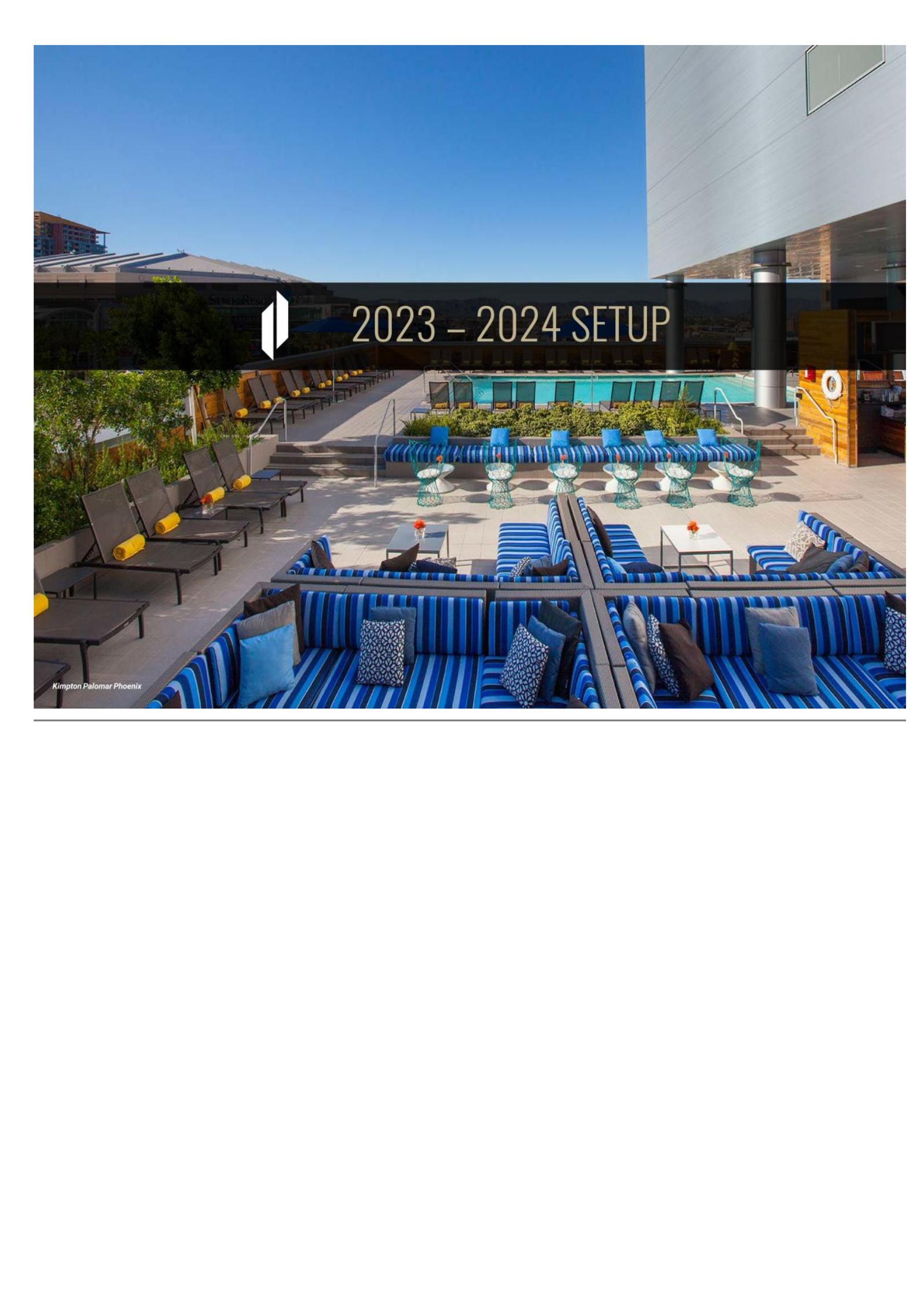
## ROBUST EBITDA RECOVERY



Note: Excludes the Kimpton Ft. Lauderdale

## RECENT TRENDS & OUTLOOK

- CONSUMER SPEND SHIF**  
 Consumers continue to spend on experiences rather than goods.
- NECESSITY OF TRAVEL**  
 Due to remote and hybrid work adoption, smaller but more frequent meetings.
- ENCOURAGING OUTLOOK**  
 Robust demand for both leisure business; strong Group room booking expected to be over 90% of 2022.
- RECORD Q3 HOTEL EBITDA**
- CONTINUED HOTEL EBITDA RECOVERY**  
 Strong quarter-on-quarter growth in recovery of Hotel Adjusted EBITDA.



# 2023 - 2024 SETUP

## LIFESTYLE/RESORT PORTFOLIO DRIVERS

### DURABLE RESORT RATES

- ADR 35% above Q3'19, Over 5pp of occupancy upside to Q3'19

### ROBUST OUT OF ROOM SPEND

- Sep'22 revenues outside of the room 31% above Sep'19

### UP-BRANDINGS OF FOUR LIFESTYLE/RESORT HOTELS (2021-22)

- The Lodge at Sonoma Autograph Collection
- The Hythe, a Luxury Collection Hotel
- Margaritaville Beach House
- Hotel Clio, a Luxury Collection Hotel



## URBAN PORTFOLIO DRIVERS

### STRONG URBAN RATES & POSITIVE DEMAND TRAJECTORY

- ADR up +5% vs Q3'19, Over 6pp of occupancy upside to Q3

### BUSINESS TRANSIENT GAINING MOMENTUM

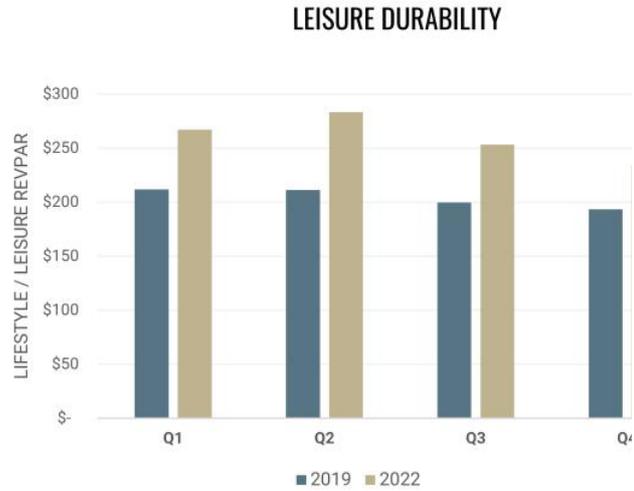
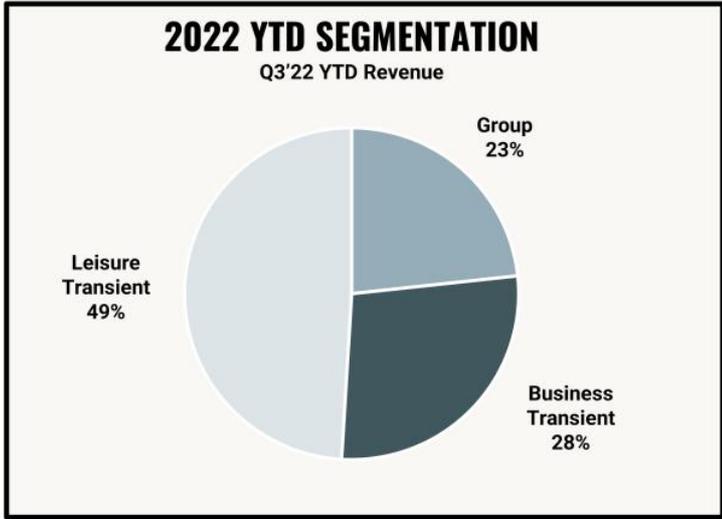
- Q3 BT revenues increased to 91.2% of 2019 vs 87.6% of 20

### IMPROVING GROUP TRENDS

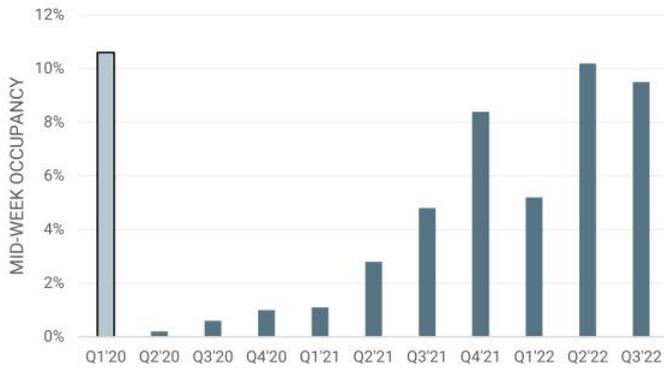
- 91% of group room revenue on-the-books in 2022 vs 2019
- City-wide room nights in 2023/2024 expected to see gains

### UP-BRANDINGS OF TWO URBAN HOTELS

- Hilton Boston Downtown and Burlington Lake Champlain



### BUSINESS TRANSIENT RECOVERY MID-WEEK URBAN OCCUPANCY



### IMPROVING GROUP BOOKING PACE



WELL-POSITIONED FOR GROUP RECOVERY

- **ENCOURAGING CITY-WIDE TRENDS**  
Convention centers in major-markets forecast to surpass 2019 room nights

**11%** Growth in City-Wide Room Nights (2022-24)

- **LUCRATIVE BANQUETS RETURNING**  
Quality of group demand on-the-books improves as we move through the year

**\$30 million** Upside Potential in Full-Year Group Revenue

CITYWIDE CONVENTION ROOM NIGHTS				
MARKET	% of 2019A EBITDA	2019	2022E	2023E
BOSTON	15%	349,030	330,927	438,015
CHICAGO	15%	1,141,525	1,152,616	1,108,912
WASHINGTON, DC	6%	387,442	400,059	390,418
SAN DIEGO	4%	732,411	659,976	800,806
PHOENIX	3%	290,541	305,057	316,250
<b>TOTALS<sup>(1)</sup></b>	<b>43%</b>	<b>2,900,949</b>	<b>2,848,005</b>	<b>3,053,681</b>

<sup>(1)</sup> As of November 1, 2022. Source: Convention & Visitor Bureaus





# COMPELLING ROI PIPELINE

Margaritaville Beach House Key West

# ROI PIPELINE: \$85MM+ OF ROI PROJECTS AT 40%+ IRRs



PROPERTY	PROJECT	ESTIMATED CAPITAL SPEND <sup>(1)</sup>	UNDERWRITTEN INCREMENTAL EBITDA <sup>(1)</sup>	ESTIMATED IRR <sup>(2)</sup>
LODGE AT SONOMA	Autograph Collection Conversion	\$9.8	\$1.4	25%
THE HYPHE, LUXURY COLLECTION	Luxury Collection Conversion	\$8.4	\$3.4	88%
HOTEL CLIO, LUXURY COLLECTION	F&B and Public Space Renovation	\$2.5	\$0.5	42%
	Luxury Collection Conversion	\$3.6	\$1.2	74%
MARGARITAVILLE BEACH HOUSE	Rebranding	\$3.5	\$1.3	82%
EMBASSY SUITES BETHESDA	Brand Conversion	\$3.3	\$0.5	28%
CHARLESTON RENAISSANCE	F&B Repositioning	\$2.1	\$0.5	52%
THE GWEN	Rooftop Conversion	\$1.5	\$0.3	42%
	<b>Recently Completed</b>	<b>\$34.7</b>	<b>\$9.1</b>	<b>58%</b>
BOSTON HILTON	Repositioning/Rebranding	\$6.4	\$1.1	34%
BURLINGTON HILTON	Curio Brand Conversion	\$2.6	\$0.8	68%
	F&B Repositioning	\$1.3	\$0.4	68%
KIMPTON FORT LAUDERDALE	Rooftop Conversion	\$2.2	\$0.3	23%
HAVANA CABANA	F&B Repositioning	\$1.1	\$0.4	78%
KIMPTON PALOMAR PHOENIX	Rooftop Repositioning	\$3.7	\$0.6	32%
BOURBON ORLEANS	Lobby/Pool/Retail/F&B Repositioning	\$8.8	\$1.2	23%
THE LANDING	Additional 14 Keys	\$6.1	\$1.2	42%
ORCHARDS INN	Resort Repositioning	\$19.8	\$2.6	22%
	<b>Total in Planning</b>	<b>\$52.0</b>	<b>\$8.6</b>	<b>33%</b>
	<b>Recently Completed &amp; Active ROI Pipeline</b>	<b>\$86.7</b>	<b>\$17.7</b>	<b>44%</b>

(1) Estimated Capital Spend and Estimated Incremental EBITDA based upon management proformas  
(2) Estimated IRRs are calculated assuming a 3-year stabilization period and a 10.0x terminal multiple

RECENTLY COMPLETED PROJECTS



SONOMA RENAISSANCE

VAIL MARRIOTT

SHERATON KEY WEST

JW MARRIOTT CHER...



THE LODGE  
• AT SONOMA •



THE HYPHE  
VAIL



MARGARITAVILLE  
Beach House  
KEY WEST

HOTEL

CLIC

PROJECT COST \$9.8MM

IRR 25%

Completed Jul 2021

PROJECT COST \$8.4MM

IRR 88%

Completed Nov 2021

PROJECT COST \$3.5MM

IRR 82%

Completed Nov 2021

PROJECT COST

IRR

Completed

Estimated IRRs are calculated assuming a 3-year stabilization period and a 10.0x terminal multiple



CAPACITY FOR GROWTH

L'Auberge de Sedona

## COMPLETED \$1.2B REFINANCING IN SEPTEMBER 2022

- Doubled weighted-average debt maturity
- No meaningful debt maturities until 2025
- Increased liquidity and balance sheet flexibility with undrawn revolver
- Retained attractive pricing grid starting at 135 basis points over SOFR
- Proceeds used to repay 2023 maturities by end of 2022

## PROFORMA BALANCE SHEET

*Units in \$MM*



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

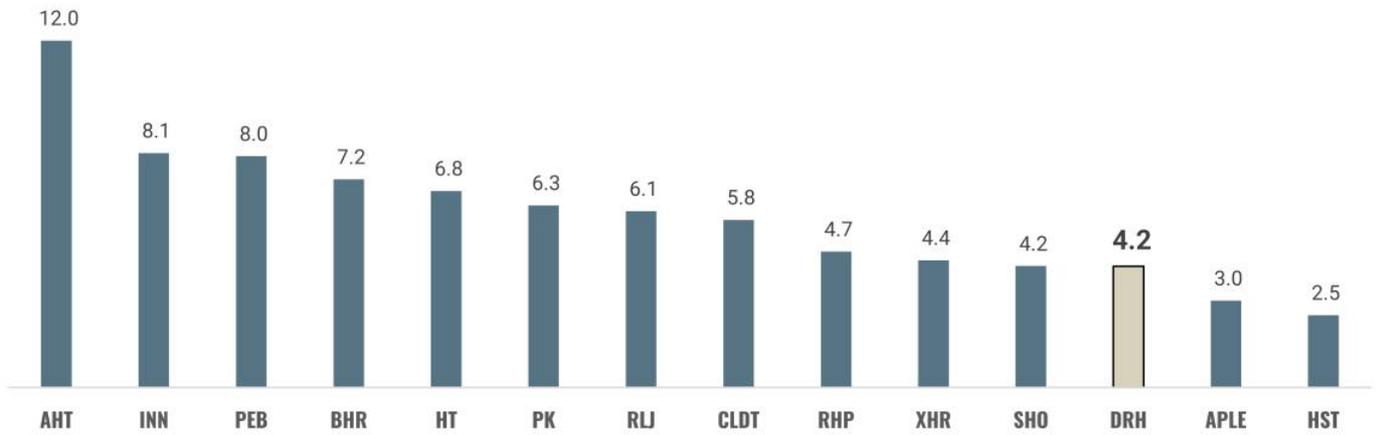
**\$550M+**  
Total Available Liquidity

**56%**  
Fixed Rate<sup>(1)</sup>

**89%**  
Unencumbered  
by Year End<sup>(2)</sup>

(1) Includes debt and perpetual preferred capital  
(2) Percentage of hotels unencumbered by debt

PEER (NET DEBT + PREFERRED) / EBITDA



Source: Baird Comp Sheet (12/5/22), Net Debt + Preferred / EBITDA 2022

**6**

**HOTELS ACQUIRED IN THE PAST TWO YEARS**

**39%**

**OVER 2019A REVPAR<sup>(1)</sup>**

**\$5MM**

**AHEAD OF 2022 HOTEL A EBITDA UNDERWRITING**

BOURBON ORLEANS HOTEL (NEW ORLEANS, LA)



HENDERSON PARK INN (DESTIN, FL)



HENDERSON BEACH RESORT (DESTIN, FL)



TRANQUILITY BAY (MARATHON, FL)



KIMPTON FORT LAUDERDALE BEACH (FT LAUDERDALE, FL)



LAKE AUSTIN SPA RESORT (AUSTIN, TX)



(1) Excludes recently acquired hotels: Lake Austin Spa (acquired November 2022) and Kimpton Fort Lauderdale (acquired April 2022).



# PORTFOLIO



Tranquility Bay Resort

# DIAMONDROCK AT A GLANCE



**9,607 ROOMS**



**35 PROPERTIES**



**24 GEOGRAPHIC MARKETS**

## BALANCE SHEET SUMMARY

PRO FORMA Q3 2022

Total Debt <sup>1</sup>	\$1.2B
Net Debt <sup>1</sup> to LTM EBITDA <sup>2</sup>	4.2X
Total Debt <sup>1</sup> to Undepreciated Assets <sup>2</sup>	31%
% Fixed Rate <sup>3</sup>	56%

(1) As presented in the September 28, 2022 press release.  
 (2) As of end of Q3'22  
 (3) Includes debt and perpetual preferred capital.

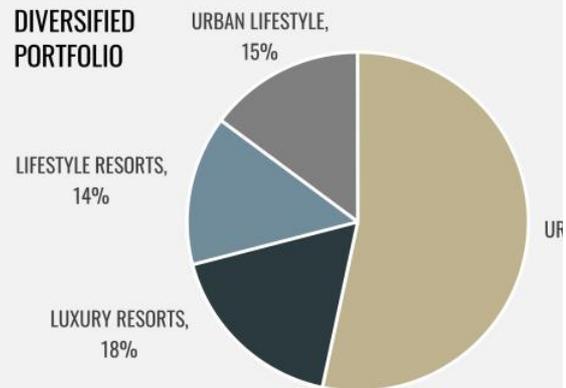
## DIVERSIFIED GEOGRAPHY

MARKET	% OF EBITDA
Boston, MA	14.3%
Chicago, IL	14.2%
New York, NY	6.1%
Fort Lauderdale, FL	5.9%
Washington, DC	5.3%
Dallas-Fort Worth, TX	4.6%
Florida Keys	4.4%
San Diego, CA	4.1%
Salt Lake City, UT	3.9%
Sausalito, CA	3.7%
Vail, CO	3.7%
Destin, FL	3.4%
Sedona, AZ	3.4%
Denver, CO	3.3%
Austin, TX	2.6%
Phoenix, AZ	2.5%
Burlington, VT	2.4%
Sonoma, CA	2.4%
New Orleans, LA	2.4%
Atlanta, GA	2.3%
Charleston, SC	2.1%
Huntington Beach, CA	1.9%
Lake Tahoe, CA	0.6%
<u>San Francisco, CA</u>	<u>0.6%</u>
<b>TOTALS</b>	<b>100%</b>

## PORTFOLIO MAP



## DIVERSIFIED PORTFOLIO



Note: 2021A results used for Henderson Beach Resort and Lake Austin Spa Resort, 2022 Forecast used for Kimpton Goodland, 2019A results used for all other hotels.

# PORTFOLIO: DATA TABLE



2019 PRO FORMA	KEYS	REVPAR (\$)	TREVPAR (\$)	REVENUE/KEY (\$000s)	EBITDA/KEY (\$000s)	% of E
LUXURY RESORT	987	\$301	\$534	\$191	\$52	
LIFESTYLE RESORT	1,312	\$185	\$302	\$110	\$32	
LIFESTYLE URBAN	1,493	\$185	\$256	\$93	\$29	
RESORT/LIFESTYLE	3,792	\$215	\$344	\$125	\$36	
URBAN GATEWAY	5,815	\$176	\$240	\$88	\$27	
<b>TOTAL</b>	9,607	\$191	\$281	\$102	\$31	

*Note: 2021A results used for Henderson Beach Resort and Lake Austin Spa Resort, 2022 Forecast used for Kimpton Goodland, 2019A results used for all other hotels.*

# STRONG RESORT MARKET PRESENCE



LUXURY RESORT	<p>SAUSALITO, CA</p> <p>CAVALLO POINT</p>	<p>SEDONA, AZ</p> <p>L'AUBERGE DE SEDONA</p>	<p>VAIL, CO</p> <p>THE HYPHE, A LUXURY COLLECTION HOTEL</p>	<p>DESTIN, FL</p> <p>HENDERSON PARK INN</p>
	<p>MARATHON, FL</p> <p>TRANQUILITY BAY RESORT</p>	<p>DESTIN, FL</p> <p>HENDERSON BEACH RESORT</p>	<p>AUSTIN, TX</p> <p>LAKE AUSTIN SPA RESORT</p>	
	<p>FORT LAUDERDALE, FL</p> <p>WESTIN FORT LAUDERDALE BEACH RESORT</p>	<p>FORT LAUDERDALE, FL</p> <p>KIMPTON SHOREBREAK FORT LAUDERDALE BEACH RESORT</p>	<p>KEY WEST, FL</p> <p>HAVANA CABANA</p>	<p>KEY WEST, FL</p> <p>MARGARITAVILLE BEACH HOUSE KEY</p>
	<p>LAKE TAHOE, CA</p> <p>THE LANDING RESORT AND SPA</p>	<p>SEDONA, AZ</p> <p>ORCHARDS INN</p>	<p>SONOMA, CA</p> <p>THE LODGE AT SONOMA RESORT</p>	<p>HUNTINGTON BEACH, CA</p> <p>KIMPTON SHOREBREAK RESORT</p>
URBAN LIFESTYLE	<p>BURLINGTON, VT</p> <p>HILTON BURLINGTON LAKE CHAMPLAIN</p>	<p>CHARLESTON, SC</p> <p>RENAISSANCE CHARLESTON HISTORIC DISTRICT HOTEL</p>	<p>CHICAGO, IL</p> <p>THE GWEN, A LUXURY COLLECTION HOTEL</p>	<p>DENVER, CO</p> <p>HOTEL CLIO, A LUXURY COLLECTION</p>
	<p>PHOENIX, AZ</p> <p>KIMPTON PALOMAR PHOENIX</p>	<p>SAN FRANCISCO, CA</p> <p>HOTEL EMBLEM</p>	<p>NEW ORLEANS, LA</p> <p>BOURBON ORLEANS HOTEL</p>	

# HIGH QUALITY PORTFOLIO IN KEY GATEWAY MARKETS



## URBAN GATEWAY

ATLANTA, GA



ATLANTA MARRIOTT ALPHARETTA

BOSTON, MA



HILTON BOSTON DOWNTOWN-FANEUIL HALL

BOSTON, MA



WESTIN BOSTON SEAPORT

CHICAGO, IL



CHICAGO MARRIOTT MAGNIFICENT M

DENVER, CO



COURTYARD DENVER DOWNTOWN

FORT WORTH, TX



THE WORTHINGTON

NEW YORK, NY



COURTYARD MANHATTAN/FIFTH AVENUE

NEW YORK, NY



COURTYARD MANHATTAN/MIDTOWN E

NEW YORK, NY



HILTON GARDEN TIMES SQUARE CENTRAL

SALT LAKE CITY, UT



SALT LAKE CITY MARRIOTT DOWNTOWN

SAN DIEGO, CA



WESTIN SAN DIEGO BAYVIEW

WASHINGTON, DC

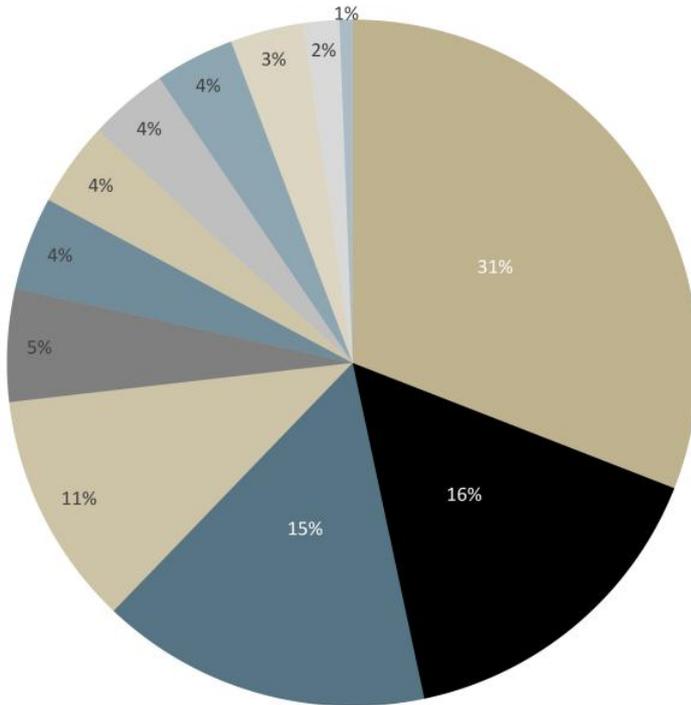


EMBASSY SUITES BETHESDA

WASHINGTON, DC



WESTIN WASHINGTON, D.C. CITY CENTER



- Aimbridge
- HEI Hotels & Resorts
- Marriott
- Sage Hospitality
- EOS Hospitality
- Kimpton
- Evolution Hospitality
- Passport Resorts
- Vail Resorts
- Highgate Hotels
- Ocean Properties
- Viceroy

Note: 2021A results used for Henderson Beach Resort and Lake Austin Spa Resort, 2022 Forecast used for Kimpton Goodland, 2019A results used for all other hotels.

## BENEFITS OF SHORT-TERM AGREEMENTS

- **SUPERIOR COST CONTROLS**
  - Utilize most cost-effective procurement & services
  - Identify cost-effective product alternatives
- **OWNER-CENTRIC CASH/CAPITAL MANAGEMENT**
  - Owner controls cash management and distribution
  - Owner dictates capital investment / purchase decisions
- **HIGHER PROFITABILITY, LOWER COST OF OPERATIONS**
  - Management fees lower
  - Operating cost savings
  - Better profitability and flow-through

**VALUATION PREMIUM:  
UNENCUMBERED VS.  
ENCUMBERED HOTELS**

**15  
TO  
20**



# ESG EXCELLENCE



GRESB ANNUAL RESULTS

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

**2022 Updates**

- Sector Leader status for Hotels / Americas
- Awarded 4 Green Stars as Top Performer and Sector Leader
- Ranked 1<sup>st</sup> out of 6 in Hotel/Americas
- Ranked 3<sup>rd</sup> out of 14 in Hotel/Listed sector

2022 GRESB Rating ★★★★★☆

GRESB REAL ESTATE sector leader 2021

GRESB REAL ESTATE ★★★★★ 2021

GRESB REAL ESTATE Sector Leader 2020

GRESB REAL ESTATE ★★★★★ 2020

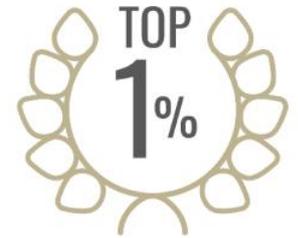
ISS ESG RANKINGS<sup>(2)</sup>

3 ENVIRONMENTAL

2 SOCIAL

4 GOVERNANCE

ISS-ESG CORPORATE RANKING



Currently Ranked in **Top 1%** of all US Real estate companies

DiamondRock ranks in the **top 5%** of the Worldwide Real Estate Sector, earning an **ISS ESG Prime** designation



As of October 2022



# SEASONED EXECUTIVE TEAM



*The Hythe, a Luxury Collection Hotel*

# EXTENSIVE MANAGEMENT AND HOSPITALITY EXPERIENCE



**MARK W. BRUGGER**  
CO-FOUNDER  
PRESIDENT, CEO AND DIRECTOR

- Co-founded DRH in 2004 and successfully led its IPO in 2005
- Named Forbes' list of America's Most Powerful CEOs 40 and Under and a finalist for the E&Y Entrepreneur of the Year Award
- Extensive background in real estate, capital markets, and structured finance



**JEFFREY J. DONNELLY**  
EXECUTIVE VP AND CFO

- Joined as CFO in 2019
- Previously Managing Director at Wells Fargo Securities where he co-founded Real Estate & Lodging Equity Research
- Served as AVP at AEW Capital Management, LP overseeing asset management and capital market transactions for diversified commercial real estate portfolio



**JUSTIN L. LEONARD**  
EXECUTIVE VP AND COO

- Joined as COO
- Previously Managing Director at Walton Street LLC for 23 years, recently as Principal of hotel investment. During his tenure he oversaw hotel management included 600,000 sq ft and independent totaling over 100,000 rooms



**WILLIAM J. TENNIS**  
EXECUTIVE VP, GENERAL COUNSEL  
AND CORPORATE SECRETARY

- Joined as General Counsel in 2010
- Previously worked for Marriott for 17 years initially as Assistant General Counsel and then as Senior Vice President for the Global Asset Management Group
- Prior to joining Marriott, worked as an Associate at a New York law firm



**TROY G. FURBAY**  
EXECUTIVE VP AND CIO

- Joined as CIO in 2014
- Previously was Chief Investment Officer at Loews Hotels & Resorts
- Prior to that, served in senior investment roles with Kimpton Hotels and MeriStar Hospitality Corporation



**BRIONY R. QUINN**  
SENIOR VP AND TREASURER

- Joined DRH in 2018
- Promoted to Senior VP of Accounting in 2014 and Treasurer in 2018
- Prior to DRH, worked as Senior VP of Finance & Accounting at MeriStar Hospitality Corporation

