

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 12, 2024

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, 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 28, 2024 and our Quarterly Reports on Form 10-Q filed on May 3, 2024, August 2, 2024 and November 8, 2024. 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.

On November 15, 2024, DiamondRock Hospitality Company (the “Company”) issued a press release announcing the acquisition of the AC Hotel Minneapolis Downtown. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (“Current Report”) and is hereby incorporated by reference herein.

A copy of a slide presentation that the Company intends to use at investor meetings is attached to this Current Report as Exhibit 99.2 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.

The information in this Current Report, including the exhibits 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 12, 2024, the Company completed the acquisition of the 245-room AC Hotel Minneapolis Downtown, located in Minneapolis, Minnesota, for \$30.0 million.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are included with this report:

Exhibit No. Description

99.1 [Press Release, dated November 15, 2024](#)

99.2 [Investor Presentation - November 2024](#)

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: November 15, 2024

By: /s/ Briony R. Quinn
Briony R. Quinn
Executive Vice President, Chief Financial Officer and Treasurer



COMPANY CONTACTS

Briony Quinn
Chief Financial Officer
(240) 744-1196

Irene Chiao
Investor Relations
(240) 641-6903

FOR IMMEDIATE RELEASE

**DIAMONDROCK HOSPITALITY ACQUIRES THE AC HOTEL MINNEAPOLIS
DOWNTOWN**

BETHESDA, Maryland, November 15, 2024 – DiamondRock Hospitality Company (the “Company”) (NYSE: DRH) today announced it has acquired the fee simple interest in the 245-room AC Hotel Minneapolis Downtown (the “Hotel”) for \$30 million, or approximately \$122,000 per key with cash on hand. The Hotel, constructed in 2016, is located in downtown Minneapolis, which has one of the largest concentrations of Fortune 1000 companies in the world and is also a major hub for biotechnology and medical innovation.

“The AC Hotel Minneapolis Downtown represents an opportunity to acquire a recently constructed urban hotel with good in-place cash flow in a rapidly recovering hotel market with a strong roster of companies increasing their return to the office,” said Jeffrey Donnelly, Chief Executive Officer of DiamondRock Hospitality Company. “The acquisition is aligned with our strategic objectives as we evaluate our portfolio and look to recycle capital efficiently into hotels at a significant discount to replacement cost with minimal future capital requirements while also providing the Company with immediate yield.”

The acquisition represents a 8.2% capitalization rate on the Hotel’s forecasted 2024 net operating income and brings the total number of properties in the Company’s portfolio to 37 hotels. The acquisition of the Hotel was not contemplated in the Company’s updated full-year 2024 guidance issued on November 7, 2024. Given the timing of the acquisition, the Hotel will not contribute meaningfully to the Company’s full year 2024 Adjusted EBITDA or Adjusted FFO per share. However, the Hotel is expected to be included in the Company’s comparable metrics and add approximately 20 basis points to the Company’s comparable full-year RevPAR growth and 10 basis points to the comparable full-year Total RevPAR growth.

About the Company

DiamondRock Hospitality Company is a self-advised real estate investment trust (REIT) that is an owner of a leading portfolio of geographically diversified hotels concentrated in leisure destinations and top gateway markets. The Company currently owns 37 premium quality hotels and resorts with over 10,000 rooms. The Company has strategically positioned its portfolio to be operated both under leading global brand families as well as independent boutique hotels in the lifestyle segment. For further information on the Company and its portfolio, please visit DiamondRock Hospitality Company's website at www.drhc.com.

This press release 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," "forecast," "plan" 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: the adverse impact of any future pandemic, epidemic or outbreak of any highly infectious disease on the U.S., regional and global economies, travel, the hospitality industry, and the financial condition and results of operations of the Company and its hotels; national and local economic and business conditions, including the potential for additional terrorist attacks, that will affect occupancy rates at the Company's hotels and the demand for hotel products and services; operating risks associated with the hotel business; relationships with property managers; the ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; changes in travel patterns, taxes and government regulations which influence or determine wages, prices, construction procedures and costs; and other risk factors contained in the Company's filings with the Securities and Exchange Commission. 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 release is as of the date of this release, 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.

Reconciliation of Hotel Net Income to Hotel Net Operating Income

(Unaudited, in millions)

Hotel net income	\$ 1.6
Adjustment:	
Depreciation and amortization	1.3
Hotel EBITDA	<u>\$ 2.9</u>
Adjustment:	
Capital reserve	(0.4)
Hotel net operating income	<u>\$ 2.5</u>

Hotel EBITDA and net operating income are non-GAAP financial measures as defined under Securities and Exchange Commission (SEC) Rules. The Company's presentation of the hotel's forecasted EBITDA and forecasted net operating income after capital reserves should not be considered as an alternative to net income (computed in accordance with GAAP) as an indicator of the hotel's financial performance. The table above is a reconciliation of the hotel's forecasted EBITDA and net operating income after capital reserves calculations to hotel net income in accordance with GAAP. The Company has presented forecasted hotel EBITDA and forecasted hotel net operating income after capital reserves, because it believes these measures provide investors and analysts with an understanding of the hotel-level operating performance.



ABOUT THE HOTEL

The AC Hotel Minneapolis Downtown is located along the vibrant North Loop neighborhood in downtown Minneapolis and within close walking distance of Minneapolis' major entertainment venues. The hotel is connected to the Minneapolis Skyway and the METRO light rail system to access the Minneapolis Convention Center and stadium.

KEY DEAL HIGHLIGHTS

- *Fee simple interest*
- *Terminable management agreement* with a high-quality third-party operator
- *8.2% capitalization rate* on 2024 forecasted net operating income
- Purchase price is *over a 60% discount to current replacement cost*
- *Minimal near-term capital requirements*; the hotel was completed in September 2016
- *Rapidly recovering hotel market* with the *largest concentration of Fortune 1000 companies in the world*
- *Major employers are increasing return-to-office in 2024-25*

ACQUISITION DATE	11/12/2024
PURCHASE PRICE	\$30.0 MILLION \$122K PER KEY
LOCATION	MINNEAPOLIS, MN
NUMBER OF ROOMS	245



This summary information sheet contains certain "forward-looking statements" relating to, among other things, hotel EBITDA and hotel net operating income after capital reserves. The forward-looking statements made are based on our beliefs, assumptions and expected performance, taking into account all information currently available to us. Actual results could differ materially from the forward-looking statements made on this summary information sheet. When we use the words "projected," "expected," "planned" and "estimated" or other similar expressions, we are identifying forward-looking statements. The forward-looking statements on this summary information sheet are subject to the safe harbor of the Private Securities Litigation Reform Act of 1995. All information on this sheet is as of November 12, 2024. We have no duty to update the information to conform to actual results or changes in our expectations. This fact sheet contains statistics and other data that has been obtained from information available from public sources. For additional information, please visit our website.



INVESTOR
PRESENTATION

NOVEMBER 2024

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 any future pandemic, epidemic or outbreak of any highly infectious disease on the U.S. that may impact 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 the 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 have 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 a representation of the Company. The Company has not independently verified any of the 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, 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 GAAP. EBITDA, EBITDAre, Adjusted EBITDA, Hotel EBITDA, Adjusted EBITDA, FFO and Adjusted FFO, as calculated by the Company, may not be comparable to other companies that do not use such terms exactly as the Company.

A detailed explanation of these non-GAAP financial measures and the reconciliation of such measures to the most comparable financial measures prepared in accordance with GAAP can be found in the Company's third quarter 2024 earnings press release dated November 7, 2024.

PORTFOLIO



10,004 ROOMS



37 PROPERTIES



26 GEOGRAPHIC MARKETS

FINANCIAL SUMMARY

Q3 2024

TTM Revenue	\$1.1B
TTM Corporate Adj. EBITDA	\$279MM
Total Debt ¹	\$1.1B
Net Debt ² to TTM EBITDA	3.7x
Total Debt to Gross Book Value	29%

1. Excludes preferred capital
2. Cash includes corporate cash, excludes preferred capital

DIVERSIFIED GEOGRAPHY

MARKET	% of 2023 EIT
Chicago	12.4%
Boston	10.8%
New York City	8.3%
Florida Keys	7.4%
Vail	5.6%
Fort Lauderdale	5.1%
Fort Worth	4.7%
Sedona	3.8%
Denver	3.7%
Salt Lake City	3.7%
Destin	3.7%
Sausalito	3.6%
Charleston	3.4%
San Diego	3.4%
Sonoma	2.6%
Burlington	2.6%
Huntington Beach	2.5%
New Orleans	2.4%
Phoenix	2.3%
DC	2.1%
Atlanta	1.8%
Austin	1.5%
Lake Tahoe	1.2%
Montana	0.8%
Minneapolis	0.7%
San Francisco	0.1%
Total	100.0%

DIVERSIFIED PROPERTIES



Icon	Property Type	Category
★	Luxury Resort	LIFESTYLE/ RESORT
▲	Lifestyle Resort	
●	Urban Lifestyle	URBAN
●	Urban Gateway	

ACQUISITION OF AC MINNEAPOLIS DOWNTOWN (MINNEAPOLIS, MN)



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WHAT'S NEW

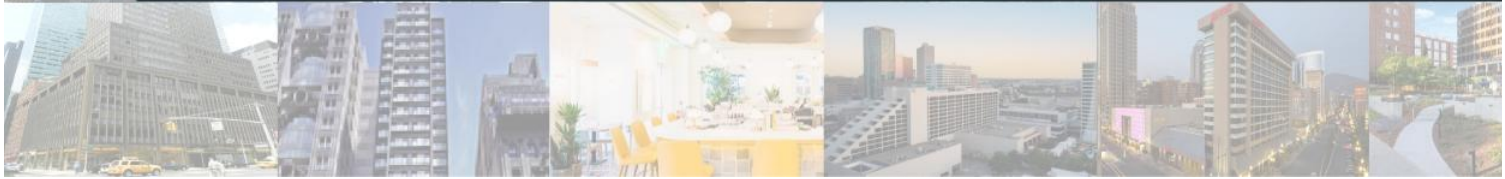
Focus on Driving AFFO¹ per Share Growth through:

- Optimizing Capital Allocation & Recycling
- Disciplined Capital Expenditure
- Driving Overhead Efficiency
- Aligned & Expedited Decision Making

WHAT'S NOT

Our strategy remains focused on delivering shareholder value through a leading portfolio concentrated in drive-to, leisure destinations and targeted urban markets

¹After capex



2024 GUIDANCE

METRIC
Comparable RevPAR Growth
Comparable Total RevPAR Growth
Adjusted EBITDA
Adjusted FFO
Adjusted FFO per Share

CURRENT GUIDANCE

LOW END	HIGH END
1.5%	2.0%
3.0%	3.5%
\$281MM	\$287MM
\$205MM	\$210MM
\$0.97	\$0.99

IMPACT OF AC MINNEAPOLIS ACQUISITION

+ 20 BPS
+ 10 BPS
N.M.
N.M.
N.M.

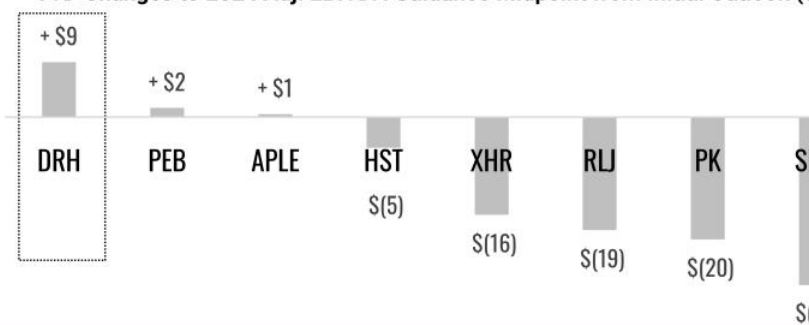
UPDATED ASSUMPTIONS

- **Corporate Expenses:** \$30.5MM - \$31.5MM¹
- **Interest Expense:** ~\$66.0MM
- **Income Tax Expense:** \$0.5MM - \$1.5MM
- **Available Rooms:** 3,570,423

¹Excludes executive transition costs which are not included in Adjusted EBITDA and Adjusted FFO

PEER GUIDANCE REVISIONS

YTD Changes to 2024 Adj. EBITDA Guidance Midpoint from Initial Outlook (\$MM)



- 
- 1 ALIGNED MANAGEMENT TO DRIVE GROWTH & VALUE
 - 2 STRONG SECULAR OUTLOOK FOR GROUP AND LEISURE
 - 3 FLEXIBLE BALANCE SHEET & STRONG LIQUIDITY
 - 4 HIGH-PERFORMING & LIQUID PORTFOLIO

DiamondRock announced leadership changes in April to expedite decision-making and increase G&A efficiency



BRIONY R. QUINN
EVP, CFO AND TREASURER

- Joined DRH in 2007 as Assistant Controller and has held the positions of Corporate Controller, Chief Accounting Officer, and SVP and Treasurer
- Previously held senior positions at Meristar Hospitality Corporation and a number of audit and consulting firms



JEFFREY J. DONNELLY
CEO AND DIRECTOR

- Joined DRH in 2019 as EVP & CFO
- Previously, was MD of Equity Research at Wells Fargo Securities and co-founded Wells Fargo's Real Estate & Lodging Equity Research Platform, with direct responsibility of \$45B+ of equity transactions over a 22-year career
- Founder and Trustee of The Rubinstein-Taybi Syndrome Children's Foundation



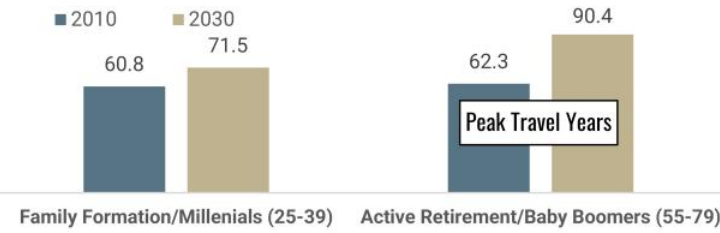
JUSTIN LEONARD
PRESIDENT, COO

- Joined DRH in 2022 as EVP & COO
- Previously held various positions at Walt Street Capital for 23 years, most recently Senior Principal with oversight of the firm hotel investments
- Involved in \$3B+ in hospitality transaction and directed asset management of 60 branded and independent hotels

DEMOGRAPHIC DRIVERS OF GROWTH

U.S. Population Growth in Heaviest Traveling Segments

Population by Age Segment Over Time (in MM)



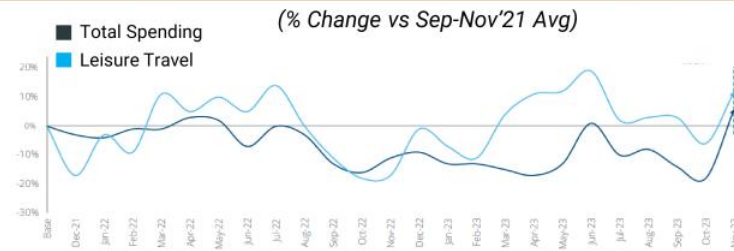
Source: CBRE Hotels Research

Upside Opportunity with Locational Flexibility

4.4 Days Per Week **3.4 Days Per Week** **2.7B Days**

2019 Average Days Per Week in Office Post-Pandemic Average Days Per Week in Office Incremental of Locational Flexibility

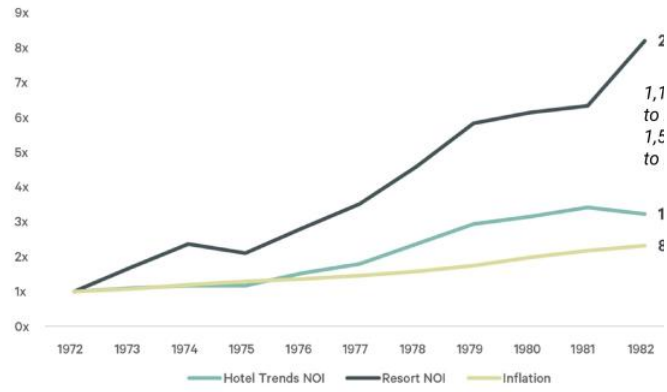
Intent to Spend on Leisure Travel Outperforms Overall Spending



Source: Deloitte 2024 Travel Outlook

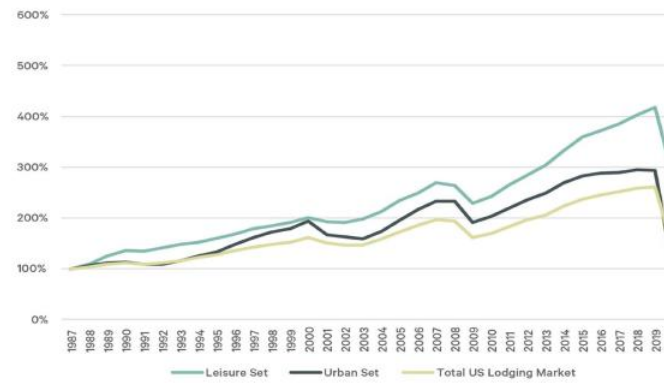
RESILIENCY OF LEISURE OVER CYCLES

NOI CAGR 1972 - 1982 (High Inflation Period)



Source: CBRE Hotels Research

RevPAR Comparison from 1987 - 2022



Source: CBRE Hotels Research

STRONG GROUP PACE & OTHER REVENUE SPENDING



CITY CONVENTION CALENDAR

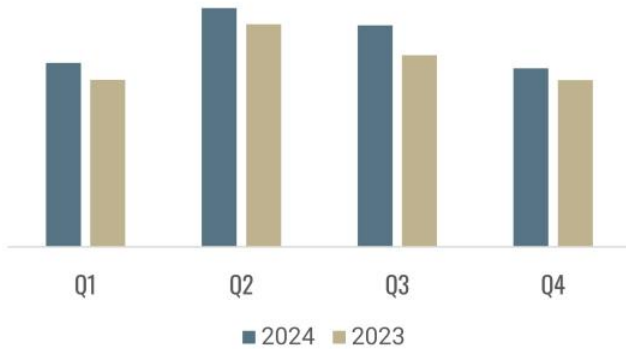
Units: Room Nights in '000s

MARKET	% of 2023A EBITDA	2019	2022	2023	2024E	2025E
CHICAGO	13%	1,142	1,153	1,047	1,220	1,078
BOSTON	11%	349	330	426	437	321
SAN DIEGO	3%	732	660	797	870	829
PHOENIX	2%	291	305	368	381	356
WASHINGTON, DC	2%	387	400	290	417	346
TOTALS	32%	2,901	2,848	2,928	3,325	2,930
<i>% of 2019¹</i>		100%	98%	101%	115%	101%

¹ Room nights currently on the books vs FY 2019 total, 2024 and 2025 may not reflect full year forecast

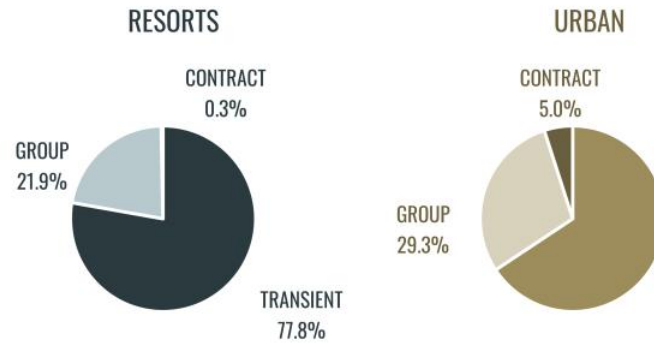
2024 GROUP REVENUE PACE

95% of 2024 Budgeted Group Room Revenue on the Books
15.6% Increase vs 2023 as of End of Q3'24



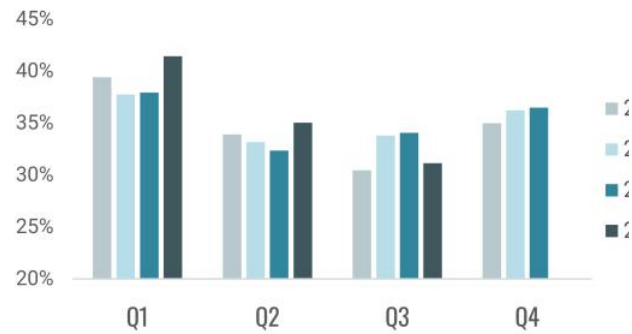
DIAMONDROCK SEGMENTATION

Q3 2024 TTM Room Revenue



GROWING OUT-OF-ROOM SPEND

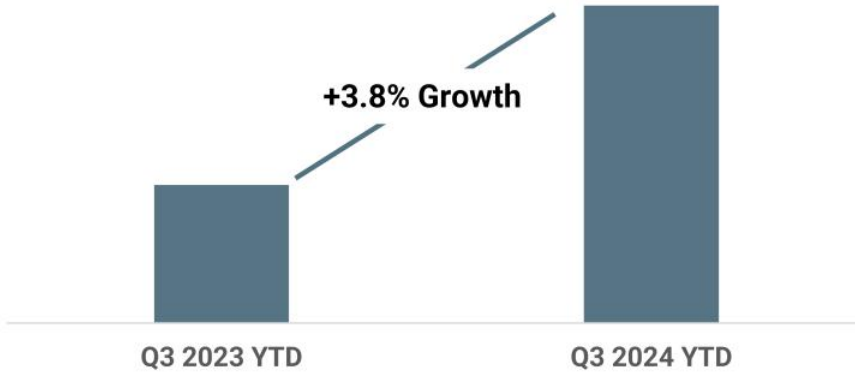
Non-Room Revenue as % of Total Revenue for Group Hotel



¹ Group hotels include Chicago Marriott Magnificent Mile, Westin Boston Seaport, The Worthington Lake City Marriott Downtown, Westin San Diego Bayview, and Westin Washington DC City Center

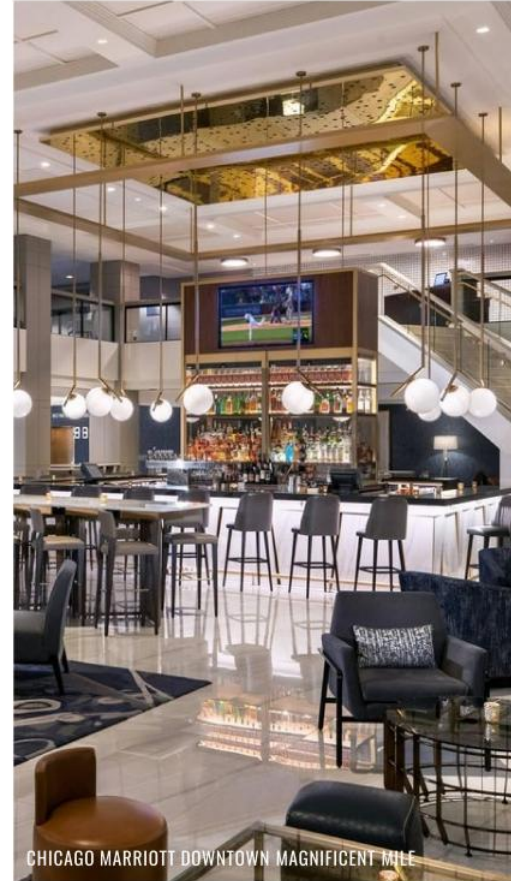
CONTINUED INCREMENTAL GROWTH IN BUSINESS TRAVEL

Business Transient Revenue Up Nearly 2% vs 2023



CONTINUED BUSINESS TRANSIENT GROWTH

- USTA forecasts 2024 business travel to reach 95% of 2019 levels—up from 89% in 2023, though slowing economic growth may push full business travel recovery to 2026
- Deloitte projects corporate travel spending to reach 95% of 2019 levels by the second half of 2024
- Airlines are seeing growing travel bookings by Fortune 500 companies



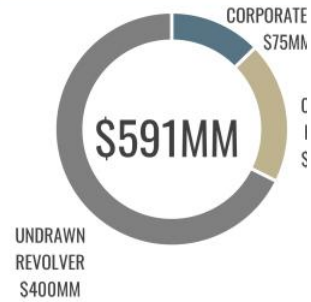
BALANCE SHEET



Notes
 Mortgages reflect balance at scheduled maturity
¹Reflects one-year extension executed in Q3
²Including effect of interest rate swaps
³Reflects current variable rate

As of YE 2024	Debt Amount (\$MM)	Weighted Avg Interest Rate	% of Total Debt
Fixed ²	\$521	4.42%	48%
Floating	\$575	6.17% ³	52%
Total Debt	\$1,096	5.34%	100%

SIGNIFICANT LIQUIDITY AVAILABLE AT END OF Q3 2024



NET DEBT + PREFERRED / EBITDA



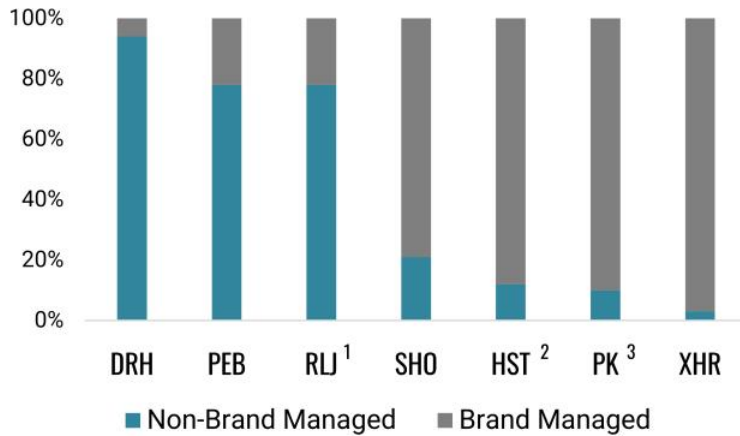
Source: September 2, 2024 Baird Comp Sheet (Net Debt + Preferred / EBITDA 2024)

- 
- 1 LOW RISK PROFILE ENHANCES LIQUIDITY & PERFORMANCE
 - 2 WELL-MAINTAINED, HIGH PERFORMING PRODUCT
 - 3 LOW SUPPLY THREAT
 - 4 ROBUST GROWTH FROM ROI PIPELINE

MOST LIQUID PORTFOLIO AMONGST PEERS



% OF BRAND MANAGED PROPERTIES



Notes
 Source: Company 2023 Annual Reports
¹RLJ reflects only Hilton brand managed hotels, as other brand managed properties were not disclosed
²HST reflects % of rooms that are brand-managed since properties are not disclosed
³PK reflects an estimate as numbers were not disclosed

GROUND LEASE EXPOSURE

COMPANY	% OF ROOMS	TENOR OF THE 5 SHORTEST LEASES	NO. OF LEASE HOTEL
PEB ⁴	44%	26 Years	18 Hotels
HST	30%	18 Years	19 Hotels
PK	23%	21 Years	14 Hotels
PEER AVERAGE	23%	33 Years	11 Hotels
DRH⁵	20%	61 Years	6 Hotels
SHO ⁶	18%	48 Years	1 Hotel
RLJ	17%	17 Years	13 Hotels
XHR ⁷	7%	71 Years	2 Hotels

⁴Includes restaurant ground lease at Southernmost Beach Resort
⁵Excludes the Kimpton Palomar Phoenix lease due to perpetual purchase rights and Hotel Clio patio ground lease not critical to operations; includes extension of Courtyard Fifth Avenue to 2121
⁶Excludes JW Marriott New Orleans airspace lease
⁷Excludes Hyatt Regency Santa Clara due to purchase rights

BENEFITS OF SHORT-TERM, THIRD-PARTY AGREEMENTS

- Terminable at Will
- Enhanced Flexibility to Optimize Performance
- Superior Cost Controls
- Asset Liquidity Enhanced
- 50 to 100 bps Better Exit Cap Rate

VALUATION PREMIUM: 15%
UNENCUMBERED VS. TO
ENCUMBERED HOTELS 20%

STRONG Q3 COMPARABLE RESULTS



% Change	PORTFOLIO		URBAN		RESORTS	
	vs Q3 2023	vs Q3 2019	vs Q3 2023	vs Q3 2019	vs Q3 2023	vs Q3 2019
TREVPAR	+2.3%	+13.5%	+3.0%	+8.9%	+0.8%	+21.2%
REVPAR	+2.8%	+9.9%	+4.2%	+6.4%	-0.8%	+19.2%
ADR	+3.2%	+17.5%	+5.6%	+13.4%	-3.6%	+28.0%
OCCUPANCY	-0.4%	-6.5%	-1.3%	-6.2%	+2.8%	-6.8%
HOTEL ADJ. EBITDA	+2.2%	+10.4%	+0.2%	+4.0%	+7.1%	+28.3%

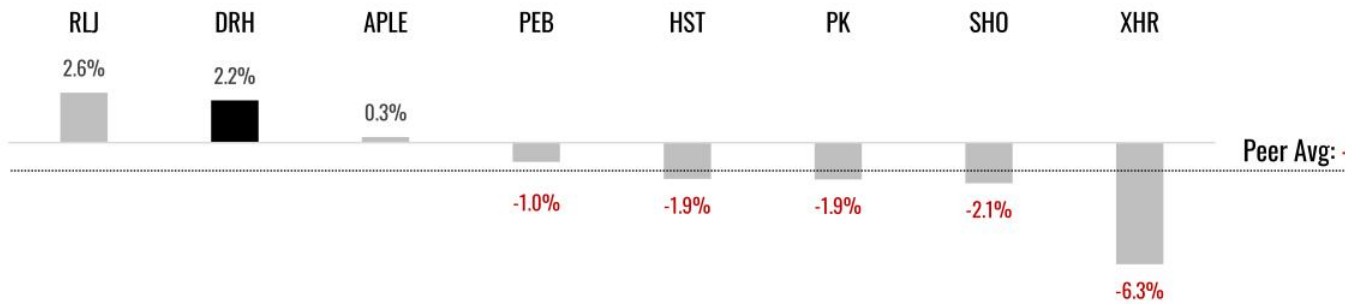


Q3 2024 COMPARABLE METRIC GROWTH VS 2023

	TRevPAR ¹	RevPAR	Occupancy	ADR	Hotel Adj. EBITDA Margin
DRH	2.3%	2.8%	-0.4%	3.2%	-9 bps
<i>PEER AVERAGE</i>	2.5%	1.3%	1.8%	-0.5%	-104 bps
PK	3.8%	3.3%	3.3%	0.0%	-160 bps
HST	3.1%	0.8%	-0.3%	1.0%	-130 bps
RLJ	3.0%	2.0%	1.4%	0.6%	-11 bps
PEB	2.7%	2.2%	4.1%	-1.9%	-100 bps
APLE	1.8%	0.8%	-0.4%	1.2%	-60 bps
XHR	1.6%	1.5%	5.0%	-3.3%	-200 bps
SHO	1.3%	-1.3%	-0.4%	-0.9%	-70 bps

¹Reflects total revenue change as TRevPAR was not provided for RLJ and APLE

Q3 2024 COMPARABLE HOTEL ADJ. EBITDA GROWTH VS 2023



DRH hotels are located in low supply markets, with some resort markets having negligible supply growth

MARKET	% OF 2023 EBITDA	SUPPLY FORECAST ¹	MARKET	% OF 2023 EBITDA	SUPP FOREC,
RESORT MARKETS			URBAN MARKETS		
Florida Keys	7.6%	●	Chicago	12.5%	●
Vail	5.6%	●	Boston	10.8%	●
Fort Lauderdale Beach	5.0%	●	Manhattan	8.3%	●
Sedona	3.8%	●	Fort Worth	4.8%	●
Destin	3.7%	●	Denver	3.7%	●
Sonoma	2.6%	●	Salt Lake City	3.7%	●
Lake Austin	1.5%	●	Sausalito	3.7%	●
Lake Tahoe	1.2%	●			
Paradise Valley	0.8%	●			

¹ Methodology: 5 year average of CoStar 12 month supply change forecast (2024 – 2028); green light < 1%, yellow light <1-3%, red light 3%+

ROBUST ROI PIPELINE: \$10-20MM ANNUAL ROI SPEND

2020

- **Commenced 4 Relocationings:**
 - Sheraton Key West (Margaritaville)
 - JW Marriott Cherry Creek (Hotel Clio)
 - Sonoma Renaissance (Autograph)
 - Vail Marriott (Luxury Collection)
- **Unencumbered 6 Marriott Management Agreements**

2022

- **Acquired 3 Resorts (\$180MM):**
 - Tranquility Bay Resort
 - Shorebreak Fort Lauderdale Beach
 - Lake Austin Spa Resort
- **Completed Brand Conversion of Embassy Suites Bethesda**
- **Celebrity Chef Restaurant Added to The Lindy Charleston**
- **Added Second Rooftop Venue to The Gwen, Chicago**

\$7MM
ROI Spend

2024 – 2025

- **Completed Relocationing of Hotel Champlain**
- **Completed New Bar at Havana Cabana**
- **Integrating Orchards Inn with L'Auberge and Installing New Cliffside Pool**
- **Installing New Marina at Tranquility Bay**
- **Adding 14 Keys at The Landing**

~\$40MM
ROI Spend

2021

- **Acquired 3 Lifestyle Hotels (\$230MM):**
 - Henderson Beach Resort
 - Henderson Park Inn
 - Bourbon Orleans Hotel
- **Sold 2 Non-Core Hotels (\$220MM):**
 - Frenchman's Reef
 - Lexington Hotel New York
- **Relocationings Completed:**
 - Margaritaville Beach House Key West
 - Hotel Clio, a Luxury Collection Hotel
 - The Lodge at Sonoma Resort
 - The Hythe, a Luxury Collection Hotel

\$28MM
ROI Spend

2023

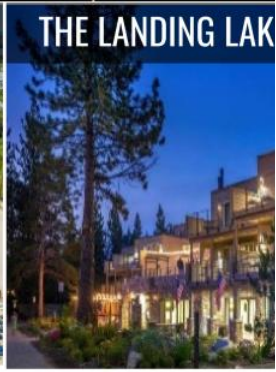
- **Completed Relocationing of Hilton Boston (The Dagny)**
- **Completed Rooftop Conversions:**
 - Kimpton Fort Lauderdale
 - Kimpton Palomar Phoenix

\$12MM
ROI Spend

2026+

- **Franchise Expirations**
 - The Westin Boston Seaport District
 - Courtyard Denver Downtown
- **Additional Key Opportunities**
 - Lake Austin Spa Resort
 - Chico Hot Springs Resort
- **Potential Spa Expansion Cavallo Point**

2024 & 2025 ROI PROJECTS IN PROGRESS



Bourbon Orleans Hotel
Rooms Renovation and Public Space Refresh

- **Rooms Completed:** Q3 2024
- **Total Est. Cost:** \$8MM
- Reduced previous ROI scope by \$5MM or ~40%
- Current scope still supports resort fee implementation

Havana Cabana
Flama Cabana, New Bar Outlet

- **Completed:** Oct 2024
- **Total Est. Cost:** \$1.5MM
- Enhances guest experience and expected to significantly increase F&B revenue at a 25%+ margin

Tranquility Bay
Construction of a New Marina

- **Est. Completion:** 2025
- **Total Est. Cost:** \$1.5MM
- Marina creates 32 slips with the ability to add boat lifts
- Creates opportunity for ancillary revenue

The Landing Lak
Adding Guest Rooms and New Event Space

- **Est. Completion:**
- **Total Est. Cost:**
- Increase key count
- Adds additional event space
- Existing rooms and restaurant will also be renovated (part of budget)



THE CLIFFS AT L'AUBERGE DE SEDONA

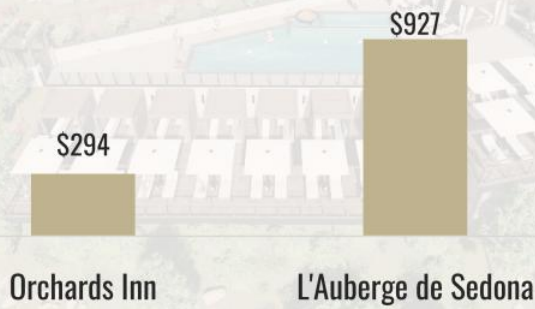


Integration of Orchards Inn
L'Auberge de Sedona

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

2023 ADR COMPARISON

3x Difference in ADRs



ORCHARDS INN

Franchise Expiration in 2026
Value Creation Opportunity

WESTIN[®] The Westin Boston
HOTELS & RESORTS Seaport District



Franchise Expiration in 2027
Potential Upbranding and Expansion

COURTYARD[®] Courtyard Denver
BY MARRIOTT Downtown



Exploring Adding New Cabin
& Employee Housing

Est. 1900
CHICO
HOT SPRINGS RESORT
& DAY SPA



Exploring Adding More
Waterfront Guest Rooms


LAKE AUSTIN
SPA RESORT



Exploring Spa Expansion

 **cavallopoint**
the lodge at the golden gate



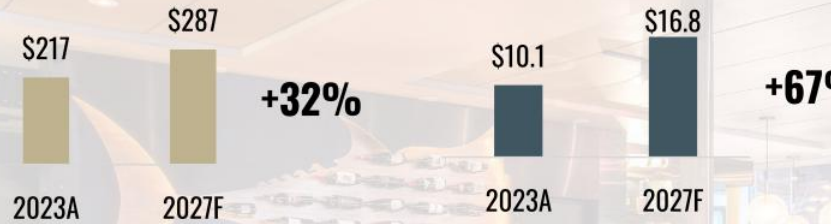
COMPLETED ROI PROJECT – CONVERSION FROM HILTON BOSTON TO THE DAGNY



Since conversion to The Dagny, the hotel's TripAdvisor ranking has improved from #56 out of 99 hotels in Boston in Q1 2023 to **#2 out of 97 hotels** as of September 1, 2024



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



REVPAR

EBITDA (SMM)

Performance at The Dagny has Exceeded Expectation

Q3'24 YTD Performance vs. Budget:

- Top line revenue slightly above
- Hotel Adj. EBITDA margin beat by +90bps
- Hotel Adj. EBITDA beat by +\$265K
- TripAdvisor's #3 Travelers' Choice Award

- **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)



Conversion of Hilton Burlington Lake Champlain to Hotel Champlain, Curio Collection by Hilton

- Completed in July 2024 at a total cost of ~\$9MM
- Scope included:
 - New community outdoor spaces and upgraded front entrance
 - Upgraded state-of-the-art fitness center
 - New signature seafood restaurant, Original Skiff Fish + Oysters by Chef Eric Warnstedt and a new all-day-café
- Transformation represents a strong ROI opportunity and increased exit value



5th Consecutive Year Recognized as Sector Leader

ISS ESG RANKINGS⁽²⁾



DRH GRESB SCORE & RECOGNITION



GRESB Score Green Star
 GRESB Average: 76 | Peer Average: 80



GRESB Public Disclosure



GRESB REAL ESTATE ASSESSMENT (2024)

- Awarded Sector Leader status across multiple public and private sectors:
 - Global Listed Sector Leader/Hotel
 - Regional Listed Sector Leader/Americas/Hotel
 - Regional Sector Leader Americas/Hotel
- Achieved Green Start Status for 7th consecutive year
- Achieved Sector Leader Status in America's Hotel Listed Sector for 4th consecutive year

GRESB PUBLIC DISCLOSURE (2024)

- Ranked 1st within the U.S. a score of "A" compared to Group Average of "B" and 1 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%

As of July 2024

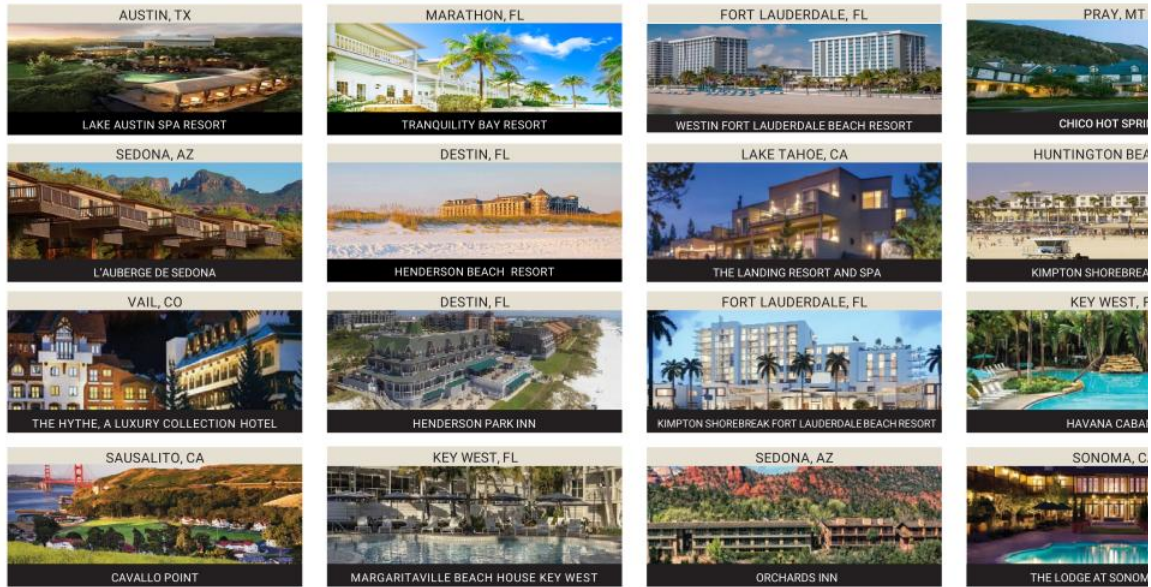
24 Hotels
4,347 Keys

56% of Portfolio
by Revenue

13 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

31% of Portfolio by Revenue
Strong Convention Markets



URBAN SELECT-SERVICE HOTELS

5 Hotels
1,214 Keys

10% of Portfolio by Revenue
100% Unencumbered by Management



SUBURBAN HOTELS

2 Hotels
590 Keys

3% of Portfolio by Revenue
100% Unencumbered by Management



Notes: Revenue as of FY 2023

