



# INVESTOR PRESENTATION

JUNE 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 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.

## 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 first quarter 2024 earnings press release dated May 2, 2024.

- 
- 1 HIGH PERFORMING, FOCUSED PORTFOLIO
  - 2 UNENCUMBERED AND LIQUID PORTFOLIO
  - 3 STREAMLINED & EXPERIENCED MANAGEMENT
  - 4 STRONG SECULAR OUTLOOK FOR GROUP AND LEISURE
  - 5 ROBUST GROWTH FROM ROI PIPELINE
  - 6 STRONG LIQUIDITY AND FLEXIBLE BALANCE SHEET
  - 7 ESG LEADERSHIP

## PORTFOLIO



**9,757** ROOMS



**36** PROPERTIES



**25** GEOGRAPHIC MARKETS

## FINANCIAL SUMMARY

**Q1 2024**

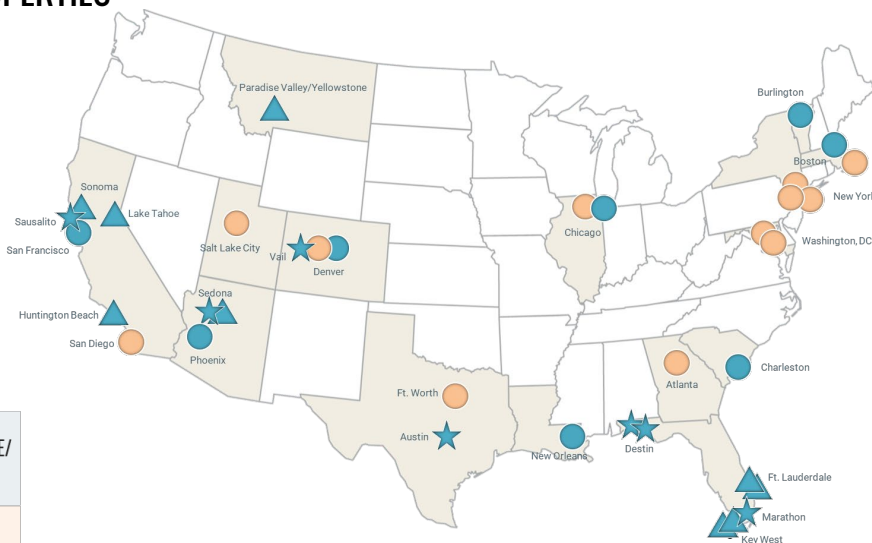
<b>TTM Revenue</b>	<b>\$1.1B</b>
<b>TTM Corporate Adj. EBITDA</b>	<b>\$271MM</b>
<b>Total Debt<sup>1</sup></b>	<b>\$1.2B</b>
<b>Net Debt<sup>2</sup> to TTM EBITDA</b>	<b>3.9x</b>
<b>Total Debt to Gross Book Value</b>	<b>29%</b>

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

## DIVERSIFIED GEOGRAPHY

MARKET	% OF 2023 EBITDA
Chicago	12.5%
Boston	10.8%
New York City	8.3%
Florida Keys	7.6%
Vail	5.6%
Fort Lauderdale	5.0%
Fort Worth	4.8%
Sedona	3.8%
Denver	3.7%
Salt Lake City	3.7%
Destin	3.7%
Sausalito	3.7%
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%
San Francisco	0.1%
<b>Total</b>	<b>100.0%</b>

## DIVERSIFIED PROPERTIES

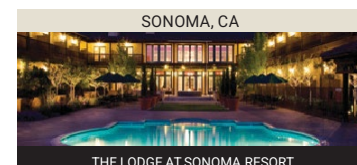
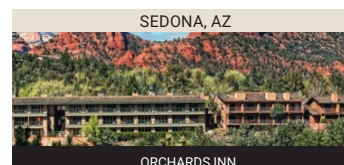
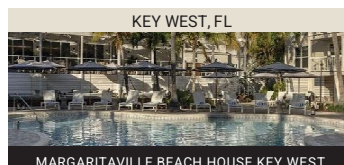
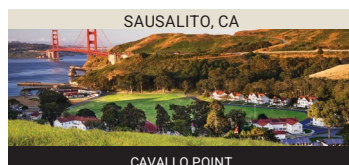
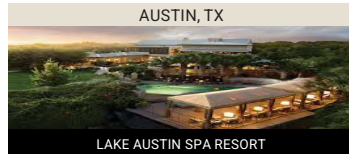


★	Luxury Resort	LIFESTYLE/ RESORT
▲	Lifestyle Resort	
●	Urban Lifestyle	URBAN
■	Urban Gateway	

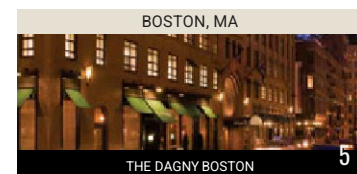
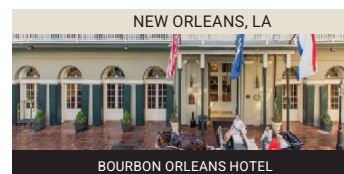
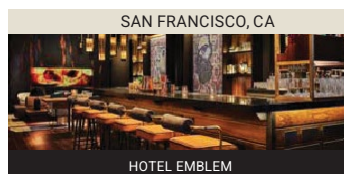
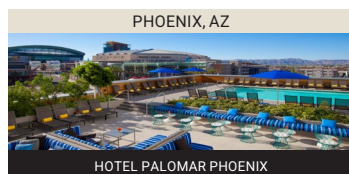
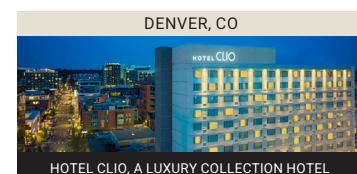
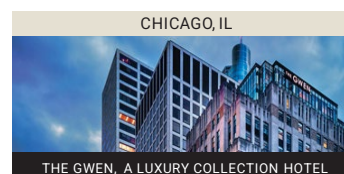
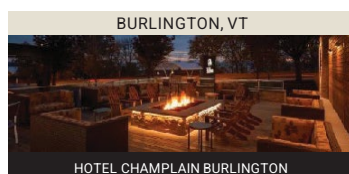


# WELL-POSITIONED PORTFOLIO: LEISURE AS A LONG-TERM SECULAR DRIVER

## LUXURY & LIFESTYLE RESORTS



## URBAN LIFESTYLE HOTELS



Notes: Revenue as of FY 2023

**24 Hotels**  
**4,345 Keys**

**56% of Portfolio**  
**by Revenue**

*13 Independent*  
*Hotels*

*100%*  
*Unencumbered*  
*by Management*

## URBAN GROUP HOTELS

**6 Hotels**  
**3,853 Keys**

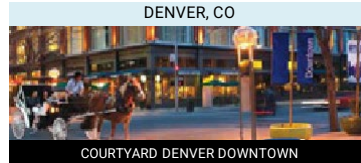
**32% of Portfolio by Revenue**  
*Strong Convention Markets*



## URBAN SELECT-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*





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



**BRIONY R. QUINN**  
CFO

- 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

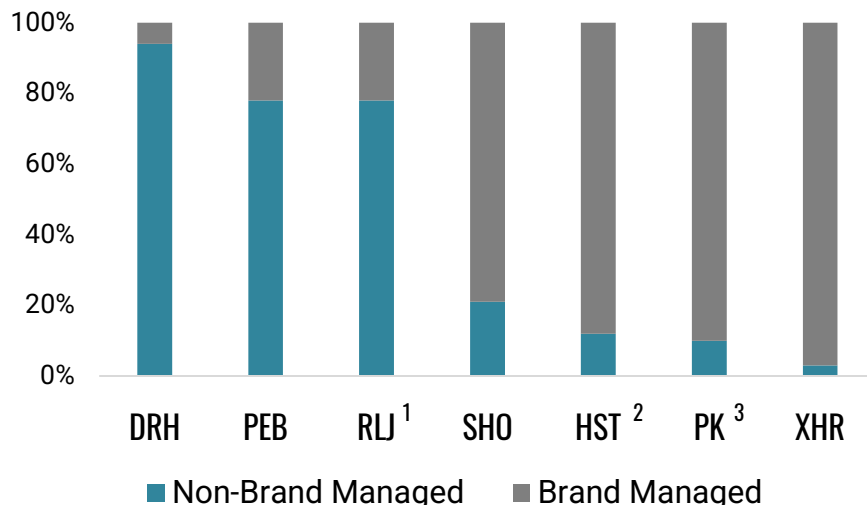
- Joined DRH in 2019 as EVP & CFO
- Previously, was MD of Equity Research at Wells Fargo Securities and co-founded Wells Fargo's Real Estate & Lodging Equity Research Platform, with direct responsibility of \$45B+ of equity transactions over a 22-year career
- Founder and Trustee of The Rubinstein-Taybi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



**JUSTIN LEONARD**  
PRESIDENT AND COO

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

## % OF BRAND MANAGED PROPERTIES



## GROUND LEASE EXPOSURE

COMPANY	% OF ROOMS	TENOR OF THE 5 SHORTEST LEASES	NO. OF LEASED HOTELS
PEB <sup>4</sup>	44%	26 Years	18 Hotels
HST	30%	18 Years	19 Hotels
PK	23%	21 Years	14 Hotels
PEER AVERAGE	23%	33 Years	11 Hotels
<b>DRH<sup>5</sup></b>	<b>20%</b>	<b>58 Years</b>	<b>6 Hotels</b>
SHO <sup>6</sup>	18%	48 Years	1 Hotels
RLJ	17%	17 Years	13 Hotels
XHR <sup>7</sup>	7%	71 Years	2 Hotels

**Notes**

Source: Company 2023 Annual Reports

<sup>1</sup>RLJ reflects only Hilton brand managed hotels, as other brand managed properties were not disclosed

<sup>2</sup>HST reflects % of rooms that are brand-managed since properties are not disclosed

<sup>3</sup>PK reflects an estimate as numbers were not disclosed

<sup>4</sup>Includes restaurant ground lease at Southernmost Beach Resort

<sup>5</sup>Excludes the Kimpton Palomar Phoenix lease due to perpetual purchase rights and Hotel Clio patio ground lease which is not critical to operations

<sup>6</sup>Excludes JW Marriott New Orleans airspace lease

<sup>7</sup>Excludes Hyatt Regency Santa Clara due to purchase rights

## BENEFITS OF SHORT-TERM AGREEMENTS

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

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



**TOTAL REVENUE**

**TREVPAR**

**REVPAR**

**ADR**

**OCCUPANCY**

## PORTFOLIO

**\$256.4MM**

**\$288.92**

**\$184.23**

**\$269.53**

**68.4%**

**+3.8%**  
vs 2023

**+2.4%**  
vs 2023

**(0.4%)**  
vs 2023

**(2.5%)**  
vs 2023

**+1.5% PTS**  
vs 2023

## URBAN

**\$210.70**

**\$142.37**

**\$210.09**

**67.8%**

**+5.6%**  
vs 2023

**+2.0%**  
vs 2023

**(1.3%)**  
vs 2023

**+2.2% PTS**  
vs 2023

## RESORTS

**\$522.71**

**\$309.33**

**\$441.28**

**70.1%**

**(1.9%)**  
vs 2023

**(4.0%)**  
vs 2023

**(2.8%)**  
vs 2023

**(0.9% PTS)**  
vs 2023

## 2024 GUIDANCE

METRIC	LOW END	HIGH END
Comparable RevPAR Growth	2%	4%
Adjusted EBITDA	\$270MM	\$290MM
Adjusted FFO	\$194MM	\$214MM
Adjusted FFO per Share	\$0.91 per Share	\$1.00 per Share

## UPDATED ASSUMPTIONS

- **Corporate Expenses:** \$29.5MM - \$30.5MM<sup>1</sup>
- **Interest Expense:** \$65.2MM - \$66.2MM
- **Income Tax Expense:** \$0 - \$1.0MM
- **Available Rooms:** 3,571,062 available

<sup>1</sup>Excludes expected executive transition costs which will be excluded from Adjusted EBITDA and Adjusted FFO

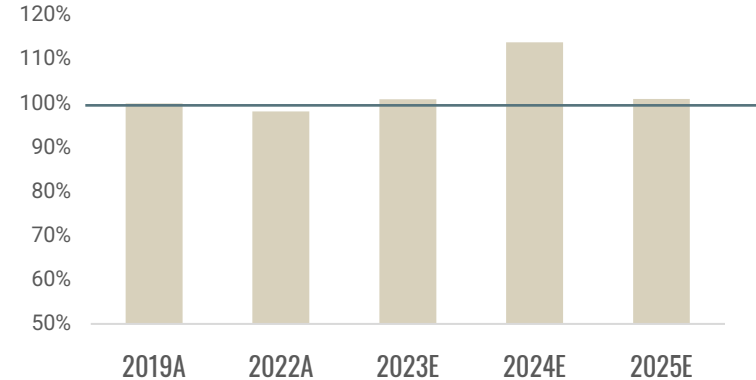


## CITY CONVENTION CALENDAR

Units: Thousands of Room Nights

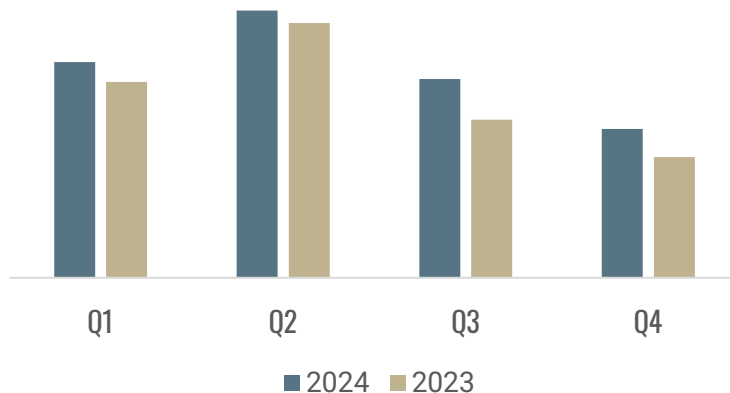
MARKET	% of 2023A EBITDA	2019	2022	2023	2024E	2025E
CHICAGO	13%	1,142	1,153	1,047	1,199	1,069
BOSTON	11%	349	330	426	437	399
SAN DIEGO	3%	732	660	797	898	820
PHOENIX	2%	291	305	368	344	299
WASHINGTON, DC	2%	387	400	290	425	343
<b>TOTALS</b>	<b>32%</b>	<b>2,901</b>	<b>2,848</b>	<b>2,928</b>	<b>3,303</b>	<b>2,930</b>

## CONVENTION VOLUME FORECAST INDEXED TO 2019



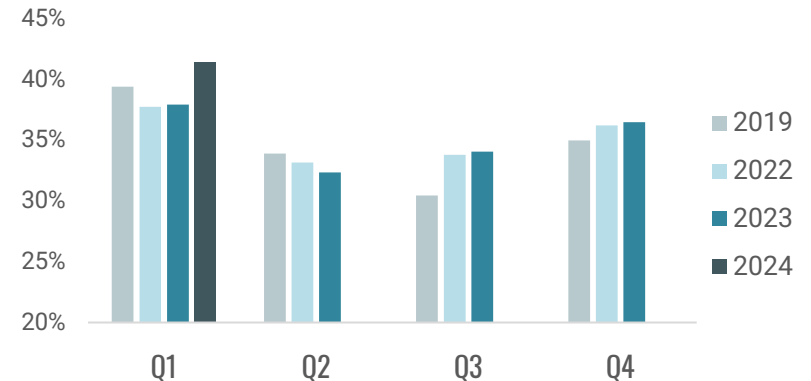
## 2024 GROUP ROOM REVENUE ON BOOKS

85% of 2024 Budgeted Group Room Revenue on the Books  
14% Increase vs 2023 as of End of Q1'24



## GROWING OUT-OF-ROOM SPEND

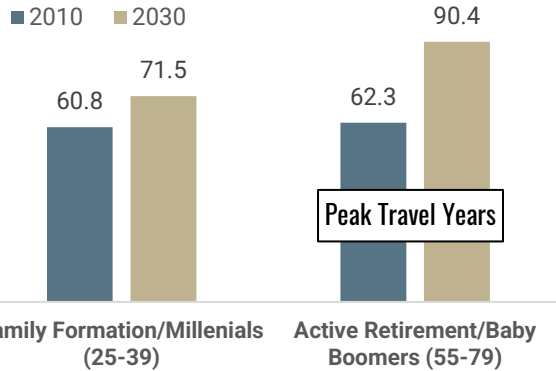
Non-Room Revenue as % of Total Revenue for Group Hotels<sup>1</sup>



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

## MORE PEOPLE

U.S. Population by Age Segment Over Time (in MM)



Source: CBRE Hotels Research

## MORE FLEXIBILITY

Upside Opportunity with Locational Flexibility

**4.4 Days Per Week**

2019 Days Per Week in Office of an Average US Office Worker

**3.4 Days Per Week**

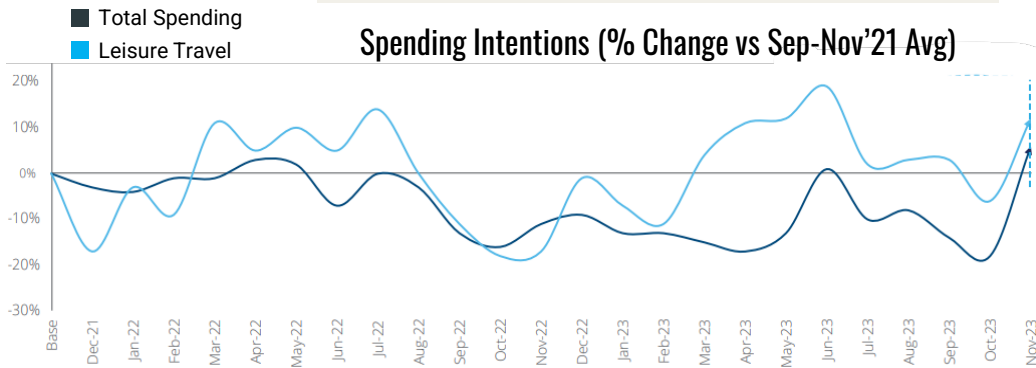
Post-Pandemic Days Per Week in Office of an Average US Office Worker

**2.7B Incremental Days of Locational Flexibility**

Per CBRE, **population growth** in heaviest traveling segments (Millennials & Baby Boomers) with **more flexibility, money, and desire for more experiences** should lead to **more leisure travel**

## MORE EXPERIENTIAL SPENDING

Spending Intentions (% Change vs Sep-Nov'21 Avg)



Intent to spend on leisure travel outperforms the overall spending trend

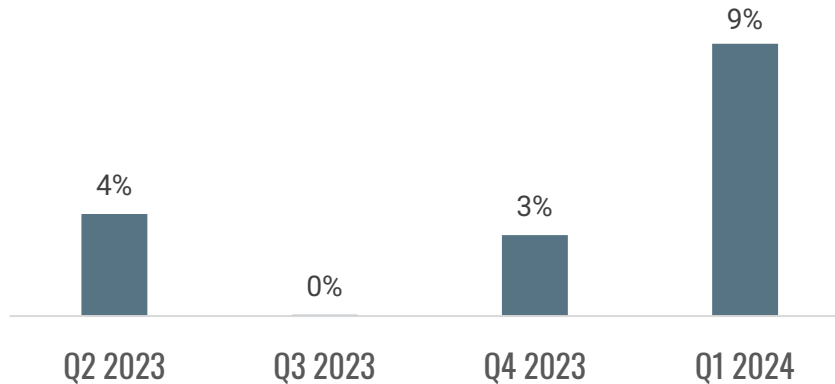
Source: Deloitte 2024 Travel Outlook

**EXTRAORDINARY LEISURE DEMAND**



## CONTINUED INCREMENTAL GROWTH IN BUSINESS TRAVEL

Q1'24 Business Transient Revenue Up 9.4% 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



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

MARKET	% OF 2023 EBITDA	SUPPLY FORECAST <sup>1</sup>	MARKET	% OF 2023 EBITDA	SUPPLY FORECAST <sup>1</sup>
<b>RESORT MARKETS</b>			<b>URBAN MARKETS</b>		
Florida Keys	7.6%	●	Chicago	12.5%	●
Vail	5.6%	●	Boston	10.8%	●
Fort Lauderdale	5.0%	●	New York City	8.3%	●
Sedona	3.8%	●	Fort Worth	4.8%	●
Destin	3.7%	●	Denver	3.7%	●
Sonoma	2.6%	●	Salt Lake City	3.7%	●
Paradise Valley	0.8%	●	Sausalito	3.7%	●
Lake Austin	1.5%	●			
Lake Tahoe	1.2%	●			

<sup>1</sup> Methodology: 3 year average of CoStar 12 month supply change forecast (2024 – 2026); green light < 1%, yellow light <1-3%, red light 3%+



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

## 2020

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

2020

## 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**

2022

**\$7MM**  
ROI Spend

## 2024 – 2025

- **Relocations Underway:**
  - Hilton Burlington (brand conversion)
  - Havana Cabana (F&B)
- **Integrating Orchards Inn with L'Auberge and Installing New Cliffside Pool**
- **Installing New Marina at Tranquility Bay**
- **Adding 14 Keys at The Landing**

2024 – 2025

**~\$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
- **Relocations 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 Relocation 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 at Cavallo Point**

# ROI CASE STUDY – 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 95 hotels** as of May 30, 2024



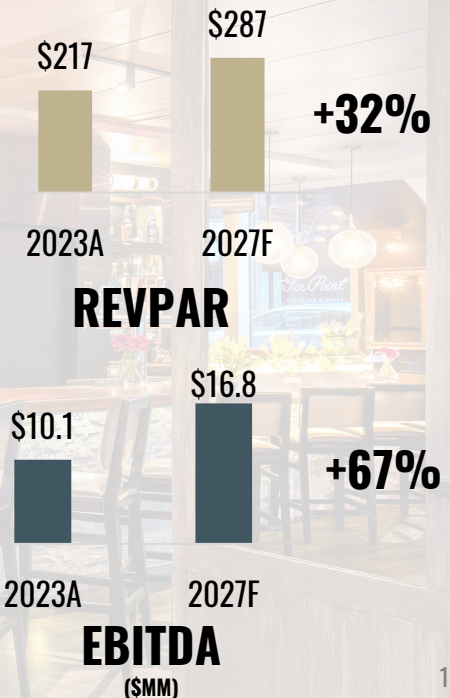
*Conversion from Hilton brand to an independent lifestyle hotel with renovated guest rooms and bathrooms, a new state-of-the-art gym, improved meeting spaces, and a new sense of arrival*

- **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 was relaunched on August 1, 2023, and has exceeded expectation.**

### Performance vs. Q1'24 budget:

- Top line revenue beat by +\$99K
- EBITDA margin beat by +149bp
- EBITDA beat by +\$101k or +32%
- TripAdvisor ranking improved 53 spots from March 2023 to April 2024
- TripAdvisor’s #3 Travelers’ Choice







## Conversion to Curio brand and a new chef-driven restaurant

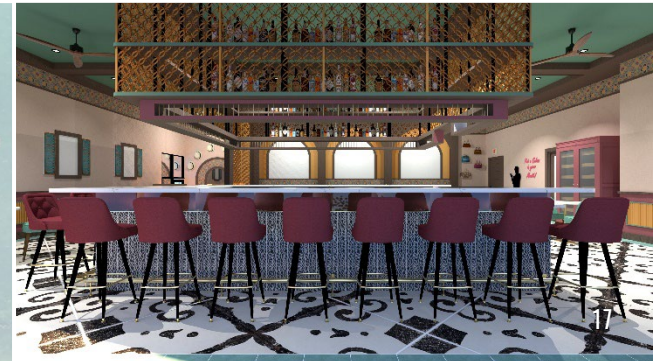
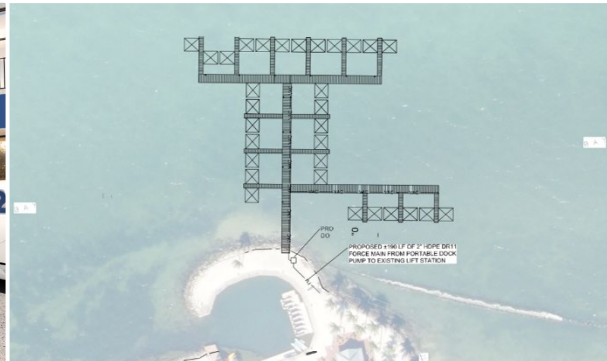
- **Est. Completion:** Summer 2024
- **Total Est. Cost:** \$8.6MM
- **Stabilized Yield on Cost:** 10%
- Adds an additional lifestyle hotel to the portfolio
- Expected to enhance exit value

## Installation of a new marina

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

## New hotel pool bar at Havana Cabana

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





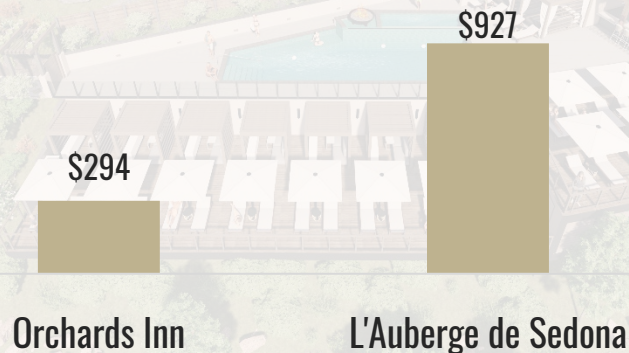


## Integration of Orchards Inn with L'Auberge de Sedona

- 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





Proceeding with Adding  
20% More Guest Rooms



Franchise Expiration in 2026  
Value Creation Opportunity

**WESTIN**<sup>®</sup> The Westin Boston  
HOTELS & RESORTS Seaport District



Franchise Expiration in 2027  
Potential Upbranding and Expansion

**COURTYARD**<sup>®</sup> Courtyard Denver  
BY MARRIOTT Downtown



Exploring Adding New Cabins

Est. 1900  
**CHICO**  
HOT SPRINGS RESORT  
& DAY SPA



Exploring Adding More  
Waterfront Guest Rooms

  
**LAKE AUSTIN**  
SPA RESORT

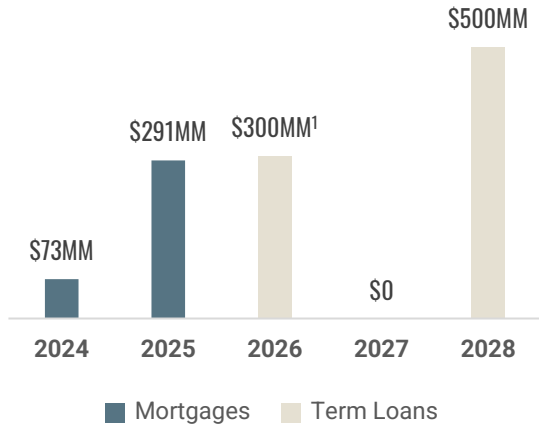


Exploring Spa Expansion

 **cavallopoint**  
the lodge at the golden gate

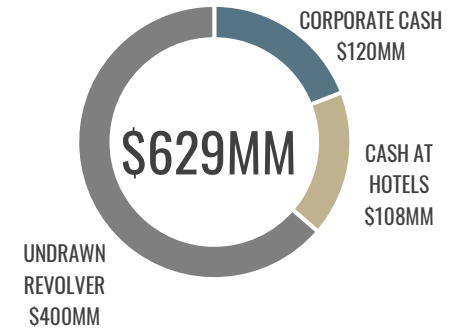


## BALANCE SHEET



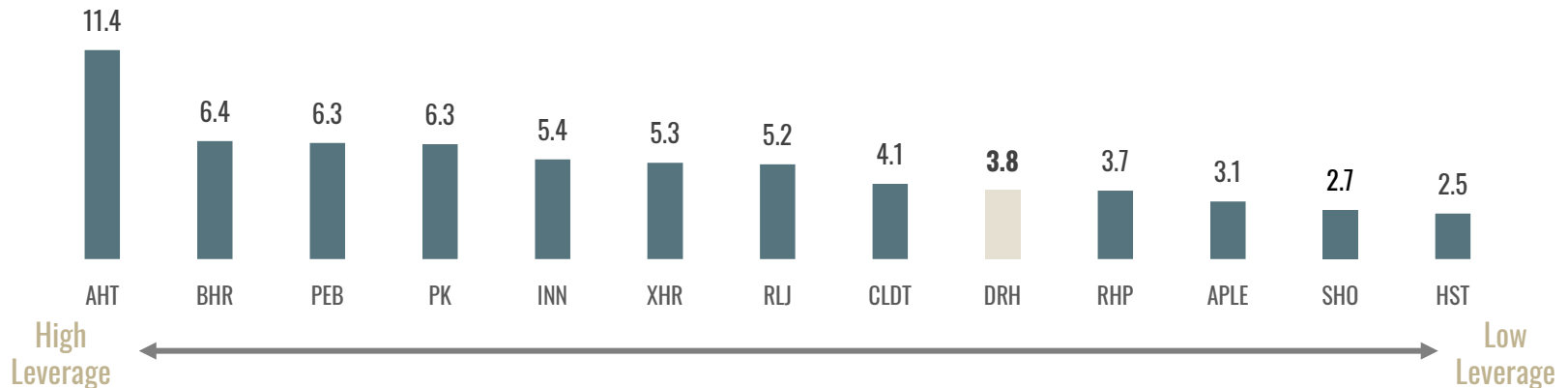
As of YE 2024	Debt Amount (\$MM)	Weighted Avg Interest Rate	% of Total Debt
Fixed <sup>2</sup>	\$446	4.38%	41%
Floating	\$650	6.77% <sup>3</sup>	59%
<b>Total Debt</b>	<b>\$1,096</b>	<b>5.80%</b>	<b>100%</b>

### SIGNIFICANT LIQUIDITY AVAILABLE AT END OF Q1 2024



*Notes*  
 Mortgages reflect balance at scheduled maturity  
<sup>1</sup>Term loan reflects exercise of one-year extension  
<sup>2</sup>Including effect of interest rate swaps  
<sup>3</sup>Reflects current rate

## NET DEBT + PREFERRED / EBITDA

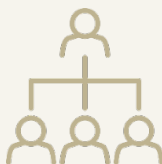


Source: May 24, 2024 Baird Comp Sheet (Net Debt + Preferred / EBITDA 2024)



# 4<sup>th</sup> Consecutive Year Recognized as Sector Leader

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



## 2023 DRH GRESB SCORE & RECOGNITION



**GRESB Score** **Green Star**  
GRESB Average 75 Peer Average 77

### GRESB Public Disclosure Level



Global Average: B  
Comparison Group Average: B



GRESB  
REAL ESTATE  
sector leader 2023



GRESB  
★★★★☆ 2023

### GRESB REAL ESTATE ASSESSMENT

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

### GRESB PUBLIC DISCLOSURE

- Ranked 1<sup>st</sup> 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
<b>DRH GRESB Score</b>	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%