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

FORM 10-Q

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

For the quarterly period ended September 30, 2026

OR

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

For the transition period from _____ to _____

Commission File Number: 001-32514

DIAMONDROCK HOSPITALITY COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Maryland		**20-1180098**
(State of Incorporation)		**(I.R.S. Employer Identification No.)**
7373 Wisconsin Avenue, Suite 1900 Bethesda,	**Maryland**	**20814**
(Address of Principal Executive Offices)		**(Zip Code)**

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	DRH	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
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 pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

The registrant had 204,656,688 shares of its $0.01 par value common stock outstanding as of November 3, 2026.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

DIAMONDROCK HOSPITALITY COMPANY

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	September 30, 2026	December 31, 2025
ASSETS	**(Unaudited)**	**(Audited)**
Property and equipment, net	$ 2,547,000	$ 2,596,458
Right-of-use assets	85,876	89,041
Restricted cash	40,465	35,137
Due from hotel managers	185,451	137,787
Prepaid and other assets	98,097	77,194
Cash and cash equivalents	139,963	68,084
Total assets	**$ 3,096,852**	**$ 3,003,701**
LIABILITIES AND EQUITY		
Liabilities:		
Debt, net of unamortized debt issuance costs	$ 1,099,131	$ 1,098,850
Lease liabilities	96,260	87,053
Due to hotel managers	133,288	109,568
Deferred rent	80,493	77,405
Unfavorable contract liabilities, net	55,305	56,549
Accounts payable and accrued expenses	53,019	83,888
Distributions declared and unpaid	24,061	25,903
Deferred income related to key money, net	6,843	7,400
Total liabilities	1,548,400	1,546,616
Equity:		
Common stock, $0.01 par value; 400,000,000 shares authorized; 204,610,975 and 203,703,182 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	2,046	2,037
Additional paid-in capital	2,121,886	2,114,438
Accumulated other comprehensive income (loss)	3,972	(6,381)
Distributions in excess of earnings	(584,161)	(662,209)
Total stockholders' equity	1,543,743	1,447,885
Noncontrolling interests	4,709	9,200
Total equity	1,548,452	1,457,085
Total liabilities and equity	**$ 3,096,852**	**$ 3,003,701**

The accompanying notes are an integral part of these consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues:				
Rooms	$ 195,451	$ 189,088	$ 567,205	$ 550,443
Food and beverage	72,169	67,415	220,115	213,084
Other	29,985	28,881	86,733	82,430
Total revenues	297,605	285,384	874,053	845,957
Operating Expenses:				
Rooms	46,521	46,529	135,826	137,644
Food and beverage	48,998	47,181	145,724	144,146
Other departmental and support expenses	70,528	68,127	207,310	202,132
Management fees	7,921	7,096	21,798	19,520
Franchise fees	10,132	9,731	29,936	28,782
Other property-level expenses	22,921	24,967	65,268	77,883
Depreciation and amortization	28,530	28,340	85,911	84,388
Impairment losses	—	1,076	—	1,076
Corporate expenses	10,925	8,567	29,187	25,715
Total operating expenses	246,476	241,614	720,960	721,286
Interest expense	14,648	17,111	43,780	47,137
Interest (income) and other (income) expense, net	(1,264)	(2,298)	(3,858)	(4,526)
Loss (gain) on sale of hotel property, net	239	—	(31,352)	—
Loss on debt extinguishment	—	5,850	—	5,850
Income before income taxes	37,506	23,107	144,523	76,210
Income tax expense	(4,097)	(469)	(5,823)	(618)
Net income	33,409	22,638	138,700	75,592
Less: Net income attributable to noncontrolling interests	(88)	(113)	(435)	(375)
Net income attributable to the Company	33,321	22,525	138,265	75,217
Distributions to preferred stockholders	—	(2,454)	—	(7,362)
Net income attributable to common stockholders	$ 33,321	$ 20,071	$ 138,265	$ 67,855
Earnings per share:				
Earnings per share available to common stockholders—basic	$ 0.16	$ 0.10	$ 0.67	$ 0.33
Earnings per share available to common stockholders—diluted	$ 0.16	$ 0.10	$ 0.67	$ 0.33

The accompanying notes are an integral part of these consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME - (CONTINUED)
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Comprehensive Income:				
Net income	$ 33,409	$ 22,638	$ 138,700	$ 75,592
Other comprehensive income:				
Unrealized gain (loss) on interest rate derivative instruments	6,514	(664)	10,075	(4,505)
Unrealized (loss) gain on Rabbi Trust assets	(39)	215	363	607
Amounts reclassified from accumulated other comprehensive income	(11)	(15)	(56)	(699)
Comprehensive income	39,873	22,174	149,082	70,995
Comprehensive income attributable to noncontrolling interests	(103)	(111)	(466)	(352)
Comprehensive income attributable to the Company	$ 39,770	$ 22,063	$ 148,616	$ 70,643

The accompanying notes are an integral part of these consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except share and per share amounts)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Par Value						
Balance at December 31, 2025	203,703,182	$ 2,037	$ 2,114,438	$ (6,381)	$ (662,209)	$ 1,447,885	$ 9,200	$ 1,457,085
Net income	—	—	—	—	14,464	14,464	69	14,533
Unrealized gain on interest rate derivative instruments	—	—	—	1,701	—	1,701	5	1,706
Unrealized loss on Rabbi Trust assets	—	—	—	(95)	—	(95)	(1)	(96)
Amounts reclassified from accumulated other comprehensive income	—	—	—	(22)	—	(22)	—	(22)
Distributions on common stock/units ($0.09 per common share/unit)	—	—	—	—	(18,688)	(18,688)	(62)	(18,750)
Share-based compensation	785,700	8	1,580	—	—	1,588	117	1,705
Shares redeemed to satisfy withholdings on vested share-based compensation	(318,978)	(3)	(2,846)	—	—	(2,849)	—	(2,849)
Redemption of Operating Partnership units	445,120	4	4,110	—	—	4,114	(4,114)	—
Other	—	—	68	—	—	68	—	68
Balance at March 31, 2026	204,615,024	$ 2,046	$ 2,117,350	$ (4,797)	$ (666,433)	$ 1,448,166	$ 5,214	$ 1,453,380
Net income	—	—	—	—	90,480	90,480	278	90,758
Unrealized gain on interest rate derivative instruments	—	—	—	1,849	—	1,849	6	1,855
Unrealized gain on Rabbi Trust assets	—	—	—	496	—	496	1	497
Amounts reclassified from accumulated other comprehensive income	—	—	—	(23)	—	(23)	—	(23)
Distributions on common stock/units ($0.09 per common share/unit)	—	—	—	—	(18,679)	(18,679)	(62)	(18,741)
Share-based compensation	86,430	1	2,995	—	—	2,996	103	3,099
Shares redeemed to satisfy withholdings on vested share-based compensation	(6,363)	—	(66)	—	—	(66)	—	(66)
Common stock repurchased and retired	(189,265)	(2)	(1,854)	—	—	(1,856)	—	(1,856)
Other	—	—	—	—	(8)	(8)	—	(8)
Balance at June 30, 2026	204,505,826	$ 2,045	$ 2,118,425	$ (2,475)	$ (594,640)	$ 1,523,355	$ 5,540	$ 1,528,895
Net income	—	—	—	—	33,321	33,321	88	33,409
Unrealized gain on interest rate derivative instruments	—	—	—	6,496	—	6,496	18	6,514
Unrealized loss on Rabbi Trust assets	—	—	—	(38)	—	(38)	(1)	(39)
Amounts reclassified from accumulated other comprehensive income	—	—	—	(11)	—	(11)	—	(11)
Distributions on common stock/units ($0.11 per common share/unit)	—	—	—	—	(22,842)	(22,842)	(65)	(22,907)
Share-based compensation	7,986	1	2,522	—	—	2,523	105	2,628
Shares redeemed to satisfy withholdings on vested share-based compensation	(2,692)	(1)	(36)	—	—	(37)	—	(37)
Redemption of Operating Partnership units	99,855	1	975	—	—	976	(976)	—
Balance at September 30, 2026	204,610,975	$ 2,046	$ 2,121,886	$ 3,972	$ (584,161)	$ 1,543,743	$ 4,709	$ 1,548,452

	Preferred Stock		Common Stock							
	Shares	Par Value	Shares	Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2024	4,760,000	$ 48	207,592,210	$ 2,076	$ 2,268,521	(1,360)	$ (679,050)	$ 1,590,235	$ 8,697	$ 1,598,932
Net income	—	—	—	—	—	—	11,857	11,857	58	11,915
Unrealized loss on interest rate derivative instruments	—	—	—	—	—	(2,535)	—	(2,535)	(13)	(2,548)
Unrealized gain on Rabbi Trust assets	—	—	—	—	—	54	—	54	—	54
Amounts reclassified from accumulated other comprehensive income	—	—	—	—	—	(670)	—	(670)	(3)	(673)
Distributions on common stock/units ($0.08 per common share/unit)	—	—	—	—	—	—	(16,781)	(16,781)	(91)	(16,872)
Distributions on preferred stock ($0.5156 per preferred share)	—	—	—	—	—	—	(2,454)	(2,454)	—	(2,454)
Share-based compensation	—	—	1,379,495	14	1,180	—	—	1,194	108	1,302
Shares redeemed to satisfy withholdings on vested share-based compensation	—	—	(585,127)	(6)	(4,882)	—	—	(4,888)	—	(4,888)
Common stock repurchased and retired	—	—	(1,413,643)	(15)	(11,101)	—	—	(11,116)	—	(11,116)
Balance at March 31, 2025	4,760,000	$ 48	206,972,935	$ 2,069	$ 2,253,718	$ (4,511)	$ (686,428)	$ 1,564,896	$ 8,756	$ 1,573,652
Net income	—	—	—	—	—		40,835	40,835	204	41,039
Unrealized loss on interest rate derivative instruments	—	—	—	—	—	(1,287)	—	(1,287)	(6)	(1,293)
Unrealized gain on Rabbi Trust assets	—	—	—	—	—	336	—	336	2	338
Amounts reclassified from accumulated other comprehensive income	—	—	—	—	—	(11)	—	(11)	—	(11)
Distributions on common stock/units ($0.08 per common share/unit)	—	—	—	—	—	—	(16,674)	(16,674)	(91)	(16,765)
Distributions on preferred stock ($0.5156 per preferred share)	—	—	—	—	—	—	(2,454)	(2,454)	—	(2,454)
Share-based compensation	—	—	86,958	1	2,471	—	—	2,472	108	2,580
Common stock repurchased and retired	—	—	(1,684,299)	(17)	(12,571)	—	—	(12,588)	—	(12,588)
Balance at June 30, 2025	4,760,000	$ 48	205,375,594	$ 2,053	$ 2,243,618	$ (5,473)	$ (664,721)	$ 1,575,525	$ 8,973	$ 1,584,498
Net income	—	—	—	—	—		22,525	22,525	113	22,638
Unrealized loss on interest rate derivative instruments	—	—	—	—	—	(660)	—	(660)	(4)	(664)
Unrealized gain on Rabbi Trust assets	—	—	—	—	—	214	—	214	1	215
Amounts reclassified from accumulated other comprehensive income	—	—	—	—	—	(15)	—	(15)	—	(15)
Distributions on common stock/units ($0.08 per common share/unit)	—	—	—	—	—	—	(16,537)	(16,537)	(90)	(16,627)
Distributions on preferred stock ($0.5156 per preferred share)	—	—	—	—	—	—	(2,454)	(2,454)	—	(2,454)
Share-based compensation	—	—	52,379	1	1,747	—	—	1,748	107	1,855
Shares redeemed to satisfy withholdings on vested share-based compensation	—	—	(24,091)	—	(165)	—	—	(165)	—	(165)
Common stock repurchased and retired	—	—	(1,500,000)	(15)	(11,800)	—	—	(11,815)	—	(11,815)
Balance at September 30, 2025	4,760,000	$ 48	203,903,882	$ 2,039	$ 2,233,400	$ (5,934)	$ (661,187)	$ 1,568,366	$ 9,100	$ 1,577,466

The accompanying notes are an integral part of these consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income	$ 138,700	$ 75,592
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	85,911	84,492
Gain on sale of hotel property, net	(31,352)	—
Loss on debt extinguishment	—	5,850
Non-cash lease expense and other amortization	3,906	3,862
Amortization of debt issuance costs	1,277	1,550
Impairment losses	—	1,076
Amortization of deferred income related to key money	(232)	(259)
Share-based compensation	7,432	5,737
Changes in assets and liabilities:		
Prepaid expenses and other assets	(7,027)	(1,274)
Due to/from hotel managers	(23,708)	(15,915)
Accounts payable and accrued expenses	(652)	15,019
Net cash provided by operating activities	174,255	175,730
Cash flows from investing activities:		
Capital expenditures	(59,240)	(60,941)
Net proceeds from sale of hotel property	29,871	89,023
Payment of ground lease extension	(630)	—
Net cash (used in) provided by investing activities	(29,999)	28,082
Cash flows from financing activities:		
Mortgage debt principal payments	—	(295,808)
Proceeds from senior unsecured term loan	—	300,000
Draws on senior unsecured credit facility	—	60,000
Repayments of senior unsecured credit facility	—	(60,000)
Payment of financing costs	—	(11,574)
Distributions on common stock and units	(62,241)	(81,868)
Distributions on preferred stock	—	(7,362)
Repurchases of common stock	(1,856)	(35,519)
Shares redeemed to satisfy tax withholdings on vested share-based compensation	(2,952)	(5,053)
Net cash used in financing activities	(67,049)	(137,184)
Net increase in cash, cash equivalents, and restricted cash	77,207	66,628
Cash, cash equivalents, and restricted cash at beginning of period	103,221	128,789
Cash, cash equivalents, and restricted cash at end of period	$ 180,428	$ 195,417

The accompanying notes are an integral part of these consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS - (CONTINUED)
(In thousands)
(Unaudited)

Supplemental Disclosure of Cash Flow Information:

	Nine Months Ended September 30,	
	2026	**2025**
Cash paid for interest	$ 41,945	$ 43,972
Cash paid for income taxes, net	$ 4,827	$ 726
Non-cash investing and financing activities:		
Unpaid dividends and distributions declared	$ 24,061	$ 17,430
Accrued capital expenditures	$ 2,733	$ 3,934
Right-of-use asset upon lease commencement	$ 10,384	$ —
Lease liability upon lease commencement	$ 13,086	$ —
Redemption of Operating Partnership units for common stock	$ 5,090	$ —

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets to the amount shown within the consolidated statements of cash flows:

	September 30, 2026	**December 31, 2025**
Cash and cash equivalents	$ 139,963	$ 68,084
Restricted cash	40,465	35,137
Total cash, cash equivalents and restricted cash	$ 180,428	$ 103,221

The accompanying notes are an integral part of these consolidated financial statements.

DIAMONDROCK HOSPITALITY COMPANY

Notes to the Consolidated Financial Statements
(Unaudited)

1. Organization

DiamondRock Hospitality Company (the "Company", "we" or "our") is a lodging-focused real estate company that owns a portfolio of premium hotels and resorts. As of September 30, 2026, we owned 34 hotels with 9,400 guest rooms. Our portfolio is concentrated in major urban markets and destination resort locations. We are an owner, as opposed to an operator, of the hotels in our portfolio. As an owner, we receive all operating profits or losses generated by our hotels after we pay fees to the hotel managers and hotel brands, which are based on the revenues and profitability of the hotels. Each hotel is uniquely positioned to maximize the cash flow and value; accordingly, nearly 40% of our portfolio is operated as an independent hotel and the remainder is operated under a brand owned by one of the leading global lodging brand companies.

We are a real estate investment trust ("REIT") for U.S. federal income tax purposes. We conduct our business through a traditional umbrella partnership real estate investment trust, or UPREIT, in which our hotel properties are owned by our operating partnership, DiamondRock Hospitality Limited Partnership, or subsidiaries of our operating partnership. The Company is the sole general partner of our operating partnership and owned 99.7% of the limited partnership units ("common OP units") of our operating partnership as of September 30, 2026. The remaining 0.3% of the common OP units are held by third parties and executive officers of the Company. See Note 8 for additional disclosures related to common OP units.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim consolidated financial statements and related notes have been prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"). We have condensed or omitted certain disclosures normally included in annual financial statements presented in accordance with U.S. GAAP; however, we believe the disclosures made are adequate to prevent the information presented from being misleading. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2025. In our opinion, the accompanying consolidated financial statements reflect all adjustments, including normal recurring items, considered necessary for a fair presentation of the interim periods. Interim results are not necessarily indicative of full-year performance, as a result of the impact of seasonal and other short-term variations and the acquisitions and/or dispositions of hotel properties.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2024-03 ("ASU 2024-03"), *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, requiring public entities to disclose additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of adopting ASU 2024-03.

3. Property and Equipment

Property and equipment consists of the following (in thousands):

	September 30, 2026	December 31, 2025
Land	$ 570,419	$ 570,386
Land improvements	2,400	2,400
Buildings and site improvements	2,875,393	2,877,236
Furniture, fixtures and equipment	236,348	222,001
Construction in progress	17,235	16,096
	3,701,795	3,688,119
Less: accumulated depreciation	(1,154,795)	(1,091,661)
	$ 2,547,000	$ 2,596,458

As of September 30, 2026 and December 31, 2025, we had accrued capital expenditures of $2.7 million and $2.5 million, respectively. During the three and nine months ended September 30, 2025, we recorded an impairment loss of $1.1 million related to the write-off of construction in progress that was determined not to be recoverable. No impairment loss was recorded during the three and nine months ended September 30, 2026.

4. Hotel Dispositions

On May 1, 2026, we sold the Courtyard New York Manhattan/Fifth Avenue for $33.0 million. We received net proceeds of $29.9 million from the transaction, which included customary working capital and other closing adjustments. During the nine months ended September 30, 2026, we recognized a pre-tax gain on sale of $31.4 million.

5. Debt

The following table sets forth information regarding the Company's debt (dollars in thousands):

			Principal Balance as of	
Loan	**Interest Rate**	**Maturity Date**	**September 30, 2026**	**December 31, 2025**
Term 1 Loan	SOFR + 1.35% (1)	January 2028 (2)	$ 500,000	$ 500,000
Term 3 Loan	SOFR + 1.35% (1)	January 2029 (2)	300,000	300,000
Term 2 Loan	SOFR + 1.35% (1)	January 2030	300,000	300,000
Senior unsecured credit facility	SOFR + 1.40%	January 2030 (2)	—	—
Total debt			1,100,000	1,100,000
Unamortized debt issuance costs (3)			(869)	(1,150)
Debt, net of unamortized debt issuance costs			$ 1,099,131	$ 1,098,850
Weighted-Average Interest Rate (4)	5.07%			

(1) As of September 30, 2026, the interest rate on the portion of variable-rate debt subject to interest rate swaps was 4.91%, and the interest rate on the remaining variable-rate debt was 5.22%.
(2) Maturity date may be extended for two additional six-month periods upon the payment of applicable fees and the satisfaction of certain customary conditions.
(3) Excludes debt issuance costs related to the revolving credit facility, which are included within Prepaid and Other Assets on the accompanying consolidated balance sheets.
(4) Includes the effect of interest rate swaps. See Note 6 for additional disclosures on interest rate swaps.

Senior Unsecured Credit Facility and Unsecured Term Loans

We are party to a Seventh Amended and Restated Credit Agreement (the "Credit Facility") that provides for a $400.0 million revolving credit facility (the "Revolving Credit Facility") and three term loan facilities in the aggregate amount of $1.1 billion. The Revolving Credit Facility matures on January 22, 2030. The term loan facilities consist of a $500.0 million term loan that matures on January 3, 2028 (the "Term 1 Loan"), a $300.0 million term loan that matures January 22, 2030 (the "Term 2 Loan") and a $300.0 million term loan that matures on January 22, 2029 (the "Term 3 Loan"). The maturity date of the Revolving Credit Facility, Term 1 Loan and Term 3 Loan may be extended for two additional six-month periods upon the payment of applicable fees and satisfaction of certain standard conditions. We have the right to increase the aggregate capacity of the Credit Facility to $1.8 billion upon the satisfaction of certain standard conditions. As of September 30, 2026, we had $400.0 million of borrowing capacity under the Revolving Credit Facility.

Interest is paid on the periodic advances on the Revolving Credit Facility and amounts outstanding on the term loans at varying rates, based upon the Secured Overnight Financing Rate ("SOFR"), as defined in the Credit Facility, plus an applicable margin. The applicable margin is based upon our leverage ratio, as follows:

Leverage Ratio	Applicable Margin for Revolving Loans	Applicable Margin for Term Loans
Less than 30%	1.40%	1.35%
Greater than or equal to 30% but less than 35%	1.45%	1.40%
Greater than or equal to 35% but less than 40%	1.50%	1.45%
Greater than or equal to 40% but less than 45%	1.60%	1.55%
Greater than or equal to 45% but less than 50%	1.80%	1.75%
Greater than or equal to 50% but less than 55%	1.95%	1.85%
Greater than or equal to 55%	2.25%	2.20%

The Credit Facility contains various financial covenants. A summary of the most significant covenants is as follows:

	Covenant	Actual at September 30, 2026
Maximum leverage ratio [1]	60%	22.0%
Minimum fixed charge coverage ratio [2]	1.50x	4.65x
Secured recourse indebtedness	Less than 45% of Total Asset Value	None
Maximum unencumbered leverage ratio	60%	28.8%
Minimum unencumbered implied debt service coverage ratio	1.20x	2.60x

(1) Leverage ratio is net indebtedness, as defined in the Credit Facility, divided by total asset value, defined in the Credit Facility as the value of our owned hotels based on hotel net operating income divided by a defined capitalization rate.

(2) Fixed charge coverage ratio is Adjusted EBITDA, generally defined in the Credit Facility as EBITDA less FF&E reserves, for the most recent trailing 12 month period, to fixed charges, which is defined in the Credit Facility as interest expense, all regularly scheduled principal payments and payments on capitalized lease obligations, for the same 12 month period.

The components of the Company's interest expense consist of the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Unsecured term loan interest	$ 13,887	$ 14,223	$ 41,036	$ 35,853
Mortgage debt interest	—	1,414	—	7,205
Credit facility fees	279	504	782	1,124
Amortization of debt issuance costs	426	494	1,277	1,550
Finance lease expense [1]	56	476	$ 685	$ 1,405
	$ 14,648	$ 17,111	$ 43,780	$ 47,137

(1) Represents interest expense related to the Courtyard New York Manhattan/Fifth Avenue ground lease, which was sold on May 1, 2026, and the L'Auberge de Sedona lease. Following a July 2026 extension of the lease term, the L'Auberge de Sedona lease was reclassified from an operating lease to a finance lease.

6. Derivatives

We have the following derivatives (dollars in thousands):

Hedged Debt	Type	Fixed Rate	Index	Effective Date	Maturity Date	Notional Amount	Fair Value of Assets (Liabilities) September 30, 2026	Fair Value of Assets (Liabilities) December 31, 2025
Unsecured term loans	Swap	3.36 %	SOFR	March 1, 2023	January 1, 2028	$ 75,000	$ 1,048	$ (138)
Unsecured term loans	Swap	3.50 %	SOFR	March 1, 2023	January 1, 2027	$ 75,000	97	(82)
Unsecured term loans	Swap	3.27 %	SOFR	October 1, 2024	January 1, 2028	$ 37,500	565	(4)
Unsecured term loans	Swap	3.27 %	SOFR	October 1, 2024	January 1, 2028	$ 37,500	565	(4)
Unsecured term loans	Swap	3.07 %	SOFR	January 2, 2025	January 1, 2027	$ 25,000	60	80
Unsecured term loans	Swap	3.25 %	SOFR	January 2, 2025	January 1, 2026	$ 75,000	—	1
Unsecured term loans	Swap	3.29 %	SOFR	January 2, 2026	January 1, 2029	$ 75,000	2,176	(11)
Unsecured term loans	Swap	3.07 %	SOFR	January 4, 2027	January 1, 2029	$ 50,000	1,570	155
Unsecured term loans	Swap	3.83 %	SOFR	June 25, 2026	January 2, 2030	$ 50,000	1,271	—
Unsecured term loans	Swap	3.83 %	SOFR	June 25, 2026	January 2, 2030	$ 50,000	1,268	—
Unsecured term loans	Swap	4.00 %	SOFR	August 12, 2026	January 2, 2029	$ 50,000	689	—
Unsecured term loans	Swap	3.93 %	SOFR	August 13, 2026	January 2, 2029	$ 50,000	762	—
							$ 10,071	$ (3)

Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. During the nine months ended September 30, 2026, such derivatives were used to hedge the variable cash flows associated with variable-rate debt.

The table below details the location in the consolidated financial statements of the gains and losses recognized related to derivative financial instruments (in thousands):

Effect of derivative instruments	*Location in Statements of Operations and Comprehensive Income*	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Gain (loss) recognized in other comprehensive income	Unrealized gain (loss) on interest rate derivative instruments	$ 6,514	$ (664)	$ 10,075	$ (4,505)
Interest (income) for derivatives that were designated as cash flow hedges	Interest expense	$ (174)	$ (847)	$ (673)	$ (2,485)

During the next 12 months, we estimate that $4.1 million will be reclassified from other comprehensive income as a decrease to interest expense.

7. Fair Value Measurements

The fair value of certain financial assets and liabilities and other financial instruments is as follows (in thousands):

	September 30, 2026 Carrying Amount[1]	September 30, 2026 Fair Value	December 31, 2025 Carrying Amount[1]	December 31, 2025 Fair Value
Debt	$ 1,099,131	$ 1,100,000	$ 1,098,850	$ 1,100,000

(1) The carrying amount of debt is net of unamortized debt issuance costs.

We have determined that the fair values of debt and interest rate swaps are classified as Level 2 measurements within the fair value hierarchy. We estimate the fair value of the interest rate swaps based on the interest rate yield curve and implied market volatility as inputs and adjusted for the counterparty's credit risk. We concluded the inputs for the credit risk valuation adjustment are Level 3 inputs; however, these inputs are not significant to the fair value measurement in its entirety.

The fair values of our other financial instruments not included in the table above are estimated to be equal to their carrying amount.

8. Equity

Common Shares

We are authorized by our charter to issue up to 400 million shares of common stock, $0.01 par value per share. Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders. Holders of our common stock are entitled to receive dividends out of assets legally available for the payment of dividends when authorized by our board of directors.

In August 2024, our board of directors approved an "at-the-market" equity offering program (the "ATM Program"), pursuant to which we may issue and sell shares of our common stock from time to time, having an aggregate offering price of up to $200.0 million. No shares were sold under the ATM Program during the nine months ended September 30, 2026.

In April 2026, our board of directors authorized the repurchase of up to $300 million of our common stock under a new share repurchase program effective May 1, 2026 (the "Share Repurchase Program"). The Share Repurchase Program replaced our prior $200 million share repurchase program that was authorized in May 2024. The timing and actual number of shares repurchased will depend on a variety of factors, including price and general business and market conditions. The Share Repurchase Program does not obligate us to acquire any particular amount of shares, and may be suspended or discontinued at any time at our discretion. The Share Repurchase Program will expire on May 1, 2028. During the nine months ended September 30, 2026, we repurchased 189,265 shares of common stock at an average price of $9.79 per share for a total purchase price of $1.9 million. During the nine months ended September 30, 2025, we repurchased 4,597,942 shares of common stock at an average price of $7.71 per share for a total purchase price of $35.5 million under our prior $200 million share repurchase program. As of November 3, 2026, we have $299.4 million of authorized capacity remaining under the Share Repurchase Program.

Preferred Shares

We are authorized by our charter to issue up to 10 million shares of preferred stock, $0.01 par value per share. Our board of directors is required to set for each class or series of preferred stock the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications, and terms or conditions of redemption.

On December 31, 2025, we redeemed all 4,760,000 outstanding shares of our 8.250% Series A Cumulative Redeemable Preferred Stock. As of September 30, 2026 and December 31, 2025, we had no preferred stock issued or outstanding.

Operating Partnership Units

In connection with our acquisition of Cavallo Point, The Lodge at the Golden Gate in December 2018, we issued 796,684 common OP units to third parties, otherwise unaffiliated with the Company, then valued at $11.76 per unit. Each common OP unit is redeemable at the option of the holder. Holders of common OP units have certain redemption rights, which enable them to cause our operating partnership to redeem their units in exchange for cash per unit equal to the market price of our common stock, at the time of redemption, or, at our option, for shares of our common stock on a one-for-one basis, subject to adjustment upon the occurrence of stock splits, mergers, consolidations or similar pro-rata share transactions. As of September 30, 2026, there were 421,244 common OP units still outstanding; the other 375,440 common OP units issued in connection with the acquisition have been converted to common stock.

Long-Term Incentive Partnership units ("LTIP units"), which are also referred to as profits interest units, may be issued to eligible participants under the 2024 Equity Incentive Plan for the performance of services to or for the benefit of our operating partnership. LTIP units are a class of partnership unit in our operating partnership and will receive, whether vested or not, the same per-unit distributions as the outstanding common OP units, which equal per-share dividends on shares of our common stock. Initially, LTIP units have a capital account balance of zero, do not receive an allocation of operating income (loss), and do not have full parity with common OP units with respect to liquidating distributions. If such parity is reached, vested LTIP units are converted into an equal number of common OP units, and thereafter will possess all of the rights and interests of common OP units, including the right to exchange the common OP units for cash per unit equal to the market price of our common stock, at the time of redemption, or, at our option, for shares of our common stock on a one-for-one basis, subject to adjustment upon the occurrence of stock splits, mergers, consolidations or similar pro-rata share transactions. See Note 9 for additional disclosures related to LTIP units.

There were 543,096 and 1,041,362 common OP units held by third parties and executive officers of the Company as of September 30, 2026 and December 31, 2025, respectively. During the nine months ended September 30, 2026, 544,975

common OP units were redeemed and converted to common stock. There were 46,709 and 93,418 unvested LTIP units outstanding as of September 30, 2026 and December 31, 2025, respectively.

Dividends and Distributions

During 2026, we paid the following dividends to holders of our common stock and common OP units:

Payment Date	Record Date	Dividend per Share/Unit
January 14, 2026	December 31, 2025	$ 0.12
April 14, 2026	March 31, 2026	$ 0.09
July 14, 2026	June 30, 2026	$ 0.09
October 14, 2026	September 30, 2026	$ 0.11

9. Equity Incentive Plans

We are authorized to issue up to 7,900,000 shares of our common stock under our 2024 Equity Incentive Plan (the "2024 Plan"), of which we have issued or committed to issue 4,114,300 shares as of September 30, 2026. Shares underlying awards that are granted under the 2024 Plan that are forfeited, canceled, reacquired prior to vesting, satisfied without the issuance of stock or otherwise terminated (other than by exercise), including shares tendered or held back upon settlement of an award, other than a stock option or stock appreciation right, to cover the tax withholding will be added back to the shares available for issuance under the 2024 Plan.

Restricted Stock Awards

Restricted stock awards issued to our officers and employees generally vest over a three to five year period from the date of grant based on continued employment. We measure compensation expense for the restricted stock awards based upon the fair market value of our common stock at the date of grant. Compensation expense is recognized on a straight-line basis over the vesting period and is included in corporate expenses in the accompanying consolidated statements of operations and comprehensive income. A summary of our restricted stock awards from January 1, 2026 to September 30, 2026 is as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested balance at January 1, 2026	841,105	$ 8.49
Granted	471,563	9.92
Vested	(424,935)	8.68
Unvested balance at September 30, 2026	887,733	$ 9.16

The total unvested restricted stock awards as of September 30, 2026 are expected to vest as follows: 418,056 during 2027, 315,950 during 2028, and 153,727 during 2029. As of September 30, 2026, the unrecognized compensation cost related to restricted stock awards was $6.0 million and the weighted-average period over which the unrecognized compensation expense will be recorded is approximately 24 months. We recorded $0.9 million and $3.0 million of compensation expense related to restricted stock awards for the three and nine months ended September 30, 2026, respectively. We recorded $0.9 million and $2.3 million of compensation expense related to restricted stock awards for the three and nine months ended September 30, 2025, respectively.

Performance Stock Units

Performance stock units ("PSUs") are restricted stock units that generally vest three years from the date of grant. Each executive officer is granted a target number of PSUs (the "PSU Target Award"). For PSUs granted in 2025 and 2026, the actual number of shares of common stock issued to each executive officer is based on the Company's achievement of certain levels of total stockholder return relative to the total stockholder return of a peer group of publicly-traded lodging REITs measured over a three-year performance period. There is no payout of shares of our common stock if our total stockholder return falls below the 30th percentile of the total stockholder returns of the peer group. The maximum number of shares of common stock issued to an executive officer is equal to 300% of the PSU Target Award and is earned if our total stockholder return is equal to or

greater than the 90th percentile of the total stockholder returns of the peer group. There are limitations on the number of PSUs earned if the Company's total stockholder return is negative for the performance period.

We measure compensation expense for the PSUs based upon the fair market value of the award at the grant date. Compensation expense is recognized on a straight-line basis over the vesting period and is included in corporate expenses in the accompanying consolidated statements of operations and comprehensive income. The grant date fair value is determined using a Monte Carlo simulation performed by a third-party valuation firm. The determination of the grant-date fair values of our outstanding PSUs as of September 30, 2026 included the following assumptions:

Award Grant Date	Volatility	Risk-Free Rate	Total Stockholder Return PSUs	Hotel Market Share PSUs [1]
August 9, 2022	73.3%	3.20%	$9.65	$9.32
May 7, 2024	36.5%	4.64%	$8.03	$8.72
March 3, 2025	32.0%	3.93%	$10.53	N/A
March 30, 2026	27.7%	3.83%	$10.27	N/A

(1) There were no hotel market share PSUs granted in 2025 and 2026.

A summary of our PSUs from January 1, 2026 to September 30, 2026 is as follows:

	Number of Target Units	Weighted-Average Grant Date Fair Value
Unvested balance at January 1, 2026	1,467,411	$ 9.31
Granted	501,598	10.27
Additional units from dividends	38,971	11.78
Vested [1]	(399,570)	9.01
Unvested balance at September 30, 2026	1,608,410	$ 9.74

(1) The number of shares of common stock earned for the PSUs vested in 2026 was equal to 102.21% of the PSU Target Award.

The total unvested PSUs as of September 30, 2026 are expected to vest as follows: 443,584 during 2027, 650,774 during 2028, and 514,052 during 2029. The number of shares earned upon vesting is subject to the attainment of the performance targets described above. As of September 30, 2026, the unrecognized compensation cost related to the PSUs was $7.6 million and is expected to be recognized on a straight-line basis over a weighted average period of 23 months. We recorded $1.6 million and $3.4 million of compensation expense related to the PSUs for the three and nine months ended September 30, 2026, respectively. We recorded $0.9 million and $2.2 million of compensation expense related to the PSUs for the three and nine months ended September 30, 2025, respectively.

LTIP Units

LTIP units are designed to offer executives a long-term incentive comparable to restricted stock, while potentially allowing them a more favorable income tax treatment. Each year, executives have the option to elect to receive their annual grant of share-based compensation as either LTIP units or restricted stock awards. Each LTIP unit awarded is deemed equivalent to an award of one share of common stock reserved under the 2016 Plan or 2024 Plan, as applicable. At the time of award, LTIP units do not have full economic parity with common OP units, but can achieve such parity over time upon the occurrence of specified events in accordance with partnership tax rules.

A summary of our LTIP units from January 1, 2026 to September 30, 2026 is as follows:

	Number of Units	Weighted-Average Grant Date Fair Value
Unvested balance at January 1, 2026	93,418	$ 8.90
Vested [1]	(46,709)	8.90
Unvested balance at September 30, 2026	46,709	$ 8.90

(1) As of September 30, 2026, all vested LTIP units have achieved economic parity with common OP units and have been converted to common OP units.

The remaining 46,709 unvested LTIP units as of September 30, 2026 are all expected to vest during 2027. As of September 30, 2026, the unrecognized compensation cost related to LTIP unit awards was $0.2 million and the weighted-average period over which the unrecognized compensation expense will be recorded is approximately 8 months. We recorded $0.1 million and $0.3 million of compensation expense related to LTIP unit awards for both the three and nine months ended September 30, 2026 and 2025, respectively.

Nonemployee Director Awards

We issue each nonemployee director either (i) fully vested, unrestricted shares of common stock or (ii) Deferred Stock Units (as defined in the 2024 Plan) granting a number of immediately vested but deferred stock units (together, the "nonemployee director awards"). We measure compensation expense for the nonemployee director awards based upon the fair market value of our common stock at the date of grant. Compensation expense is recognized in the period the nonemployee director awards are granted and is included in corporate expenses in the accompanying consolidated statements of operations and comprehensive income.

There were no nonemployee director awards granted during the three months ended September 30, 2026 and 2025, and thus no compensation expense was recognized during these periods. During the nine months ended September 30, 2026, we granted a total of 75,271 nonemployee director awards at a grant date fair value of $10.23. We recorded $0.8 million and $0.9 million of compensation expense related to nonemployee director awards for the nine months ended September 30, 2026 and 2025, respectively.

10. Earnings Per Share

The following is a reconciliation of the calculation of basic and diluted earnings per share ("EPS"):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net income attributable to common stockholders (in thousands)	$ 33,321	$ 20,071	$ 138,265	$ 67,855
Denominator:				
Weighted-average number of common shares outstanding—basic	205,168,563	205,407,644	204,905,719	206,896,023
Effect of dilutive securities:				
Unvested restricted common stock	388,323	186,459	321,699	187,326
Shares related to unvested PSUs	1,860,661	798,831	1,778,957	835,157
Weighted-average number of common shares outstanding—diluted	207,417,547	206,392,934	207,006,375	207,918,506
Earnings per share:				
Earnings per share available to common stockholders—basic	$ 0.16	$ 0.10	$ 0.67	$ 0.33
Earnings per share available to common stockholders—diluted	$ 0.16	$ 0.10	$ 0.67	$ 0.33

The common OP units held by the noncontrolling interest holders have been excluded from the denominator of the basic and diluted EPS calculation as there would be no effect on the amounts since the common OP units' share of income or loss would also be added or subtracted to derive net income available to common stockholders.

11. Segment Reporting

We have one reportable segment, which is hotel ownership. The hotel ownership segment is mostly comprised of upper upscale and luxury chain scale hotels that offer hotel rooms, food and beverage and other ancillary guest services. The Company's chief operating decision maker ("CODM") is the Executive Committee which includes: 1) the Chief Executive

Officer, 2) the President and Chief Operating Officer, 3) the Executive Vice President, Chief Financial Officer & Treasurer, and 4) the Senior Vice President, General Counsel & Corporate Secretary.

The CODM evaluates the hotel ownership segment primarily based on hotel adjusted earnings (loss) before interest income and expense, taxes and depreciation and amortization ("Hotel Adjusted EBITDA"). The CODM uses Hotel Adjusted EBITDA to evaluate the ongoing operational performance of our hotels and effectiveness of the third-party management companies operating our business on a property-level basis, in order to make informed decisions on how to allocate resources. Hotel Adjusted EBITDA is also used to monitor budget versus actual results. The monitoring of budgeted versus actual results is used in assessing performance of the segment and in establishing management's compensation. Hotel Adjusted EBITDA, presented herein, is calculated as EBITDA from hotel operations, adjusted to exclude the following items that are not reflective of our ongoing operating performance or incurred in the normal course of business, and thus excluded from the CODM's analysis in making day-to-day operating decisions:

- Non-cash lease expense and other amortization
- Cumulative effect of a change in accounting principles
- Gains or losses from debt extinguishment
- Hotel acquisition costs
- Severance costs
- Hotel manager transition items
- Hotel pre-opening costs
- Impairment losses, gains or losses on asset sales and casualty gains or losses; and
- Other items that we believe are not representative of our current or future operating performance.

The following table presents revenues for our hotel ownership segment reconciled to our consolidated amounts and Hotel Adjusted EBITDA reconciled to consolidated net income (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues:				
Hotel ownership revenue	$ 297,605	$ 285,384	$ 874,053	$ 845,957
Total consolidated revenue	297,605	285,384	874,053	845,957
Significant expenses:				
Rooms expense	46,521	46,529	135,826	137,644
Food and beverage expense	48,998	47,181	145,724	144,146
Other departmental and support expenses	70,528	68,127	207,310	202,132
Management fees[2]	8,319	7,492	22,990	20,711
Franchise fees	10,132	9,731	29,936	28,782
Property taxes	12,690	14,560	34,553	45,504
Total significant expenses	197,188	193,620	576,339	578,919
Other segment expenses:				
Other hotel expenses[1]	8,730	8,596	26,148	26,846
Hotel Adjusted EBITDA:	91,687	83,168	271,566	240,192
Non-cash lease expense and other amortization	1,331	1,279	3,906	3,862
Hotel pre-opening and manager transition items	—	135	—	479
Loss on debt extinguishment	—	5,850	—	5,850
Depreciation and amortization	28,530	28,340	85,911	84,388
Corporate expenses	10,696	8,567	28,656	25,715
Interest expense	14,648	17,111	43,780	47,137
Interest income	(1,215)	(2,202)	(2,419)	(3,785)
Impairment loss	—	1,076	—	1,076
Other (income) expense, net	(48)	(95)	(1,439)	(740)
Loss (gain) on sale of hotel, net	239	—	(31,352)	—
Income tax expense	4,097	469	5,823	618
Consolidated net income:	$ 33,409	$ 22,638	$ 138,700	$ 75,592

(1) Other hotel expenses is principally comprised of cash payments for leases and property insurance.

(2) Excludes the amortization of unfavorable management contracts.

The following table presents total assets for our hotel ownership segment, reconciled to total consolidated assets (in thousands):

	September 30, 2026	December 31, 2025
Hotel ownership	$ 2,906,272	$ 2,908,811
All other	190,580	94,890
Total assets	$ 3,096,852	$ 3,003,701

Total capital expenditures related to our hotel ownership segment were $18.3 million and $55.3 million for the three and nine months ended September 30, 2026, respectively. Total capital expenditures related to our hotel ownership segment were $19.7 million and $60.9 million for the three and nine months ended September 30, 2025, respectively.

12. Commitments and Contingencies

Litigation

We are subject to various claims, lawsuits and legal proceedings, including routine litigation arising in the ordinary course of business regarding the operation of our hotels and other Company matters. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts covered by insurance will not have a material adverse impact on our financial condition or results of operations and comprehensive income. The outcome of claims, lawsuits and legal proceedings brought against the Company, however, is subject to significant uncertainties.

13. Subsequent Events

On October 1, 2026, we completed the acquisition of The Bellmoor Inn & Spa, a 79-room hotel located in Rehoboth Beach, Delaware, for $31.0 million. The acquisition was funded with corporate cash. We had paid a $1.5 million nonrefundable deposit related to this acquisition, which was included in Prepaid and other assets on our consolidated balance sheet as of September 30, 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. These forward-looking statements are generally identifiable by use of the words "will," "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions, whether in the negative or affirmative. Forward-looking statements are based on management's current expectations and assumptions and are not guarantees of future performance. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risks discussed herein and the risk factors discussed from time to time in our periodic filings with the Securities and Exchange Commission, including in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025 as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Accordingly, there is no assurance that the Company's expectations will be realized. Except as otherwise required by the federal securities laws, the Company disclaims any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this report to reflect events, circumstances or changes in expectations after the date of this report.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- *negative developments in the economy, including, but not limited to elevated interest rates, persistent inflation and related increased costs, job loss or growth trends, an increase in unemployment, other macroeconomic effects due to global instability or conflict or a decrease in corporate earnings and investment;*
- *increased competition in the lodging industry and from alternative lodging channels or third party internet intermediaries in the markets in which we own properties;*
- *failure to effectively execute our long-term business strategy and successfully identify and complete acquisitions and dispositions;*
- *risks and uncertainties affecting hotel management, operations and renovations (including, without limitation, elevated inflation, construction delays, increased construction costs, disruption in hotel operations and the risks associated with our management and franchise agreements);*
- *risks associated with the availability and terms of financing and the use of debt to fund acquisitions and renovations or refinance existing indebtedness, including the impact of higher interest rates on the cost and/or availability of financing;*
- *risks associated with our level of indebtedness and our ability to satisfy our obligations under our debt agreements;*
- *risks associated with the lodging industry overall, including, without limitation, decreases in the frequency of travel and increases in operating costs;*
- *risks and uncertainties associated with our obligations under our management agreements;*
- *risks associated with natural disasters and other unforeseen catastrophic events;*
- *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 on our financial condition and results of operations and our hotels;*
- *costs of compliance with government regulations, including, without limitation, the Americans with Disabilities Act;*
- *potential liability for uninsured losses and environmental contamination;*
- *risks associated with security breaches through cyber-attacks or otherwise, as well as other significant disruptions of our and our hotel managers' information technologies and systems, which support our operations and those of our hotel managers;*
- *risks associated with our potential failure to maintain our qualification as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code");*
- *possible adverse changes in tax and environmental laws; and*
- *risks associated with our dependence on key personnel whose continued service is not guaranteed.*

Overview

DiamondRock Hospitality Company is a self-managed and self-administered lodging-focused REIT that owns a portfolio of premium hotels and resorts. As of September 30, 2026, we owned a portfolio of 34 premium hotels and resorts that contain 9,400 guest rooms located in 26 different markets in the United States. The markets that we target for ownership are those that we believe align with our strategic objectives, which include those in destination markets with constrained supply trends, those that provide geographic diversity relative to our existing portfolio, and those we consider to have high demand growth potential.

Each hotel is positioned to maximize its cash flow and value; accordingly, we choose to operate nearly 40% of our portfolio as independent hotels, with the remainder operating under a brand owned by one of the leading global lodging brand companies.

Our primary business is to acquire, own, renovate and asset manage premium hotel properties in the United States. All of our hotels are managed by a third party, either an independent operator or a brand operator, such as Marriott. We are an owner, as opposed to an operator, of the hotels in our portfolio. As an owner, we receive all operating profits or losses generated by our hotels after we pay fees to the hotel managers, which are based on the revenues and profitability of the hotels, and the hotel brands, in the case of franchised hotels, which are based on the revenues of the hotels.

Our strategy is to apply aggressive asset management, prudent financial strategy, and disciplined capital allocation to high quality lodging properties in U.S. urban and resort markets with superior growth prospects and high barriers-to-entry. Our goal is to drive long-term stockholder returns that exceed those generated by our peers by growing free cash flow through disciplined capital allocation, including reinvestment in our portfolio and capital recycling, while returning capital through share repurchases and dividends.

We critically evaluate each of our hotels to ensure that we own a portfolio of hotels that conforms to our vision, supports our mission and corresponds with our strategy. On a regular basis, we analyze our portfolio to identify opportunities to invest capital in certain projects or market non-core assets for sale to increase our portfolio quality. We are committed to a conservative capital structure with prudent leverage. We regularly assess the availability and affordability of capital in order to maximize stockholder value and minimize enterprise risk. In addition, we are committed to following sound corporate governance practices and to being open and transparent in our communications with our stockholders.

Our Revenues and Expenses

Our revenue is primarily derived from hotel operations, including but not limited to, rooms revenue, food and beverage revenue and other operating revenue, which consists of parking, spa, resort fees, other guest services, and tenant leases.

Our operating costs and expenses consist of the costs to provide hotel services, including rooms expense, food and beverage expense, other departmental and support expenses, management and franchise fees, and other property-level expenses. Rooms expense includes housekeeping and front office wages and payroll taxes, room supplies, laundry services and other costs. Food and beverage expense includes the cost of food, beverages, and associated labor costs. Other departmental and support expenses include labor and other costs associated with the other operating department revenue, as well as labor and other costs associated with administrative departments, sales and marketing, information technology systems, repairs and maintenance and utility costs. Our hotels that are subject to franchise agreements are charged a royalty fee, plus additional fees for marketing, central reservation systems and other franchisor costs, in order for the hotel properties to operate under the respective brands. Franchise fees are based on a percentage of room revenue, and for certain hotels, additional franchise fees are charged for food and beverage revenue. We enter into management agreements with independent third-party management companies to operate our hotels. The management companies typically earn base and incentive management fees based on the levels of revenues and profitability of each individual hotel. Other property-level expenses include property taxes, insurance, ground lease expense, and other fixed costs.

Key Indicators of Financial Condition and Operating Performance

We use a variety of operating and other information to evaluate the financial condition and operating performance of our business. These key indicators include financial information that is prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), as well as other financial information that is not prepared in accordance with U.S. GAAP. In addition, we use other information that may not be financial in nature, including statistical information and comparative data. We use this information to measure the performance of individual hotels, groups of hotels and/or our business as a whole. We periodically compare historical information to our internal budgets as well as industry-wide information. These key indicators include:

- Occupancy percentage;
- Average Daily Rate (“ADR”);
- Rooms Revenue per Available Room (“RevPAR”);
- Total Revenue per Available Room (“Total RevPAR”);

- Earnings Before Interest, Income Taxes, Depreciation and Amortization ("EBITDA"), Earnings Before Interest, Income Taxes, Depreciation and Amortization for real estate ("EBITDA*re*"), Adjusted EBITDA, and Hotel Adjusted EBITDA; and

- Funds From Operations ("FFO") and Adjusted FFO.

Occupancy, ADR, RevPAR, and Total RevPAR are commonly used measures within the hotel industry to evaluate operating performance. RevPAR, which is calculated as the product of ADR and occupancy percentage, and Total RevPAR, which is calculated as total revenues divided by room nights available, are important statistics for monitoring operating performance at the individual hotel level and across our portfolio. We evaluate individual hotel RevPAR and Total RevPAR performance relative to forecast and prior periods, as well as against local market benchmarks, including competitive set performance and RevPAR Index trends. Room revenue comprised approximately 65% of our total revenues for the nine months ended September 30, 2026 and is dictated by demand, as measured by occupancy percentage, pricing, as measured by ADR, and our available supply of hotel rooms.

Our ADR, occupancy percentage, RevPAR, and Total RevPAR performance may be impacted by macroeconomic factors such as U.S. economic conditions generally, inflation, interest rates, tariffs, regional and local employment growth, personal income and corporate earnings, office vacancy rates and business relocation decisions, airport and other business and leisure travel, increased use of lodging alternatives, new hotel construction and the pricing strategies of our competitors. In addition, our ADR, occupancy percentage, RevPAR, and Total RevPAR performance is dependent on the continued success of our hotels' global brands and our hotel operators.

We also use EBITDA, EBITDA*re*, Adjusted EBITDA, Hotel Adjusted EBITDA, FFO and Adjusted FFO as measures of the financial performance of our business. See "Non-GAAP Financial Measures" for further discussion on these financial measures.

Outlook

The outlook for the remainder of 2026 remains subject to economic, geopolitical and market uncertainty, including evolving conditions in the Middle East, persistent inflationary pressures, labor market conditions, elevated interest rates, increased borrowing costs, market volatility, and uncertainty regarding future monetary policy and capital market conditions. Travel demand remained strong through the first nine months of 2026, contributing to growth in occupancy, ADR and hotel revenues across many of our markets. While performance varied by property and customer segment, lodging fundamentals remained favorable and supported continued growth in operating results. We continue to monitor the potential favorable or unfavorable impacts of these and other factors on our business, operations, financial condition, future results of operations and cash flow, which remain dependent on future developments and subject to the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2025 and this Quarterly Report on Form 10-Q for the quarter ended September 30, 2026.

Our Hotels

The following table sets forth certain operating information for the nine months ended September 30, 2026 for each of our hotels owned during the period.

Property	Location	Number of Rooms	Occupancy (%)	ADR ($)	RevPAR ($)	Total RevPAR ($)	% Change from 2025 Total RevPAR
Chicago Marriott Downtown Magnificent Mile	Chicago, Illinois	1,200	68.7 %	$ 265.42	$ 182.46	$ 298.24	6.8 %
Westin Boston Seaport District	Boston, Massachusetts	793	85.3 %	281.13	239.74	380.38	6.0 %
Salt Lake City Marriott Downtown at City Creek	Salt Lake City, Utah	510	73.1 %	211.38	154.57	213.64	6.2 %
Worthington Renaissance Fort Worth Hotel	Fort Worth, Texas	504	68.6 %	207.75	142.57	263.81	(2.7)%
Westin San Diego Bayview	San Diego, California	436	80.8 %	233.86	189.05	256.51	2.4 %
Westin Fort Lauderdale Beach Resort	Fort Lauderdale, Florida	432	74.5 %	260.27	193.83	401.28	(4.8)%
The Dagny Boston	Boston, Massachusetts	403	84.6 %	332.37	281.06	306.78	9.2 %
The Hythe Vail	Vail, Colorado	344	58.9 %	437.48	257.57	410.12	(3.2)%
Courtyard New York Manhattan/Midtown East	New York, New York	321	83.7 %	346.35	289.87	298.3	0.4 %
Atlanta Marriott Alpharetta	Atlanta, Georgia	318	63.9 %	171.14	109.43	156.56	(0.1)%
The Gwen Hotel	Chicago, Illinois	311	74.5 %	345.97	257.85	381.07	6.4 %
Hilton Garden Inn New York/Times Square Central	New York, New York	282	92.3 %	254.90	235.31	263.27	0.2 %
Embassy Suites by Hilton Bethesda	Bethesda, Maryland	272	69.4 %	174.42	121.02	140.99	4.6 %
Henderson Beach Resort	Destin, Florida	270	65.0 %	421.42	274.08	527.97	12.1 %
AC Hotel Minneapolis Downtown	Minneapolis, Minnesota	245	61.5 %	159.71	98.17	113.94	2.7 %
Hotel Champlain Burlington	Burlington, Vermont	252	67.9 %	221.62	150.51	217.31	(5.7)%
Hotel Palomar Phoenix	Phoenix, Arizona	242	75.1 %	238.44	179.08	296.28	16.1 %
Bourbon Orleans Hotel	New Orleans, Louisiana	220	67.5 %	237.62	160.41	219.9	5.6 %
Hotel Clio	Denver, Colorado	199	78.9 %	335.79	265.00	427.49	1.9 %
Courtyard New York Manhattan/Fifth Avenue [1]	New York, New York	189	92.9 %	252.33	234.30	243.94	(0.1)%
L'Auberge de Sedona	Sedona, Arizona	158	67.9 %	713.83	484.79	832.57	38.1 %
Margaritaville Beach House Key West	Key West, Florida	186	84.0 %	386.10	324.50	438.57	1.0 %
The Lodge at Sonoma Resort	Sonoma, California	182	72.1 %	428.69	309.01	485.37	(0.1)%
Courtyard Denver Downtown	Denver, Colorado	177	81.0 %	221.05	179.05	202.62	5.7 %
The Lindy Renaissance Charleston Hotel	Charleston, South Carolina	167	89.6 %	347.40	311.10	403.33	2.7 %
Kimpton Shorebreak Huntington Beach Resort	Huntington Beach, California	157	82.3 %	323.06	265.98	379.93	(0.5)%
Cavallo Point, The Lodge at the Golden Gate	Sausalito, California	142	71.8 %	608.85	437.19	1,117.48	24.1 %
Chico Hot Springs Resort & Day Spa	Pray, Montana	117	61.5 %	238.88	146.94	345.08	(7.5)%
Havana Cabana Key West	Key West, Florida	106	73.6 %	251.20	184.84	275.97	(2.5)%
Tranquility Bay Beachfront Resort	Marathon, Florida	103	73.2 %	580.82	425.08	544.19	(6.2)%
Hotel Emblem San Francisco	San Francisco, California	96	77.4 %	225.20	174.31	209.62	32.4 %
Kimpton Shorebreak Fort Lauderdale Beach Resort	Fort Lauderdale, Florida	96	71.8 %	212.99	152.84	294.25	1.0 %
The Landing Lake Tahoe Resort & Spa	South Lake Tahoe, California	82	65.6 %	456.65	299.37	529.5	3.4 %
Lake Austin Spa Resort	Austin, Texas	40	53.9 %	974.75	524.95	1,322.11	(2.4)%
Henderson Park Inn	Destin, Florida	37	71.3 %	654.12	466.19	789.11	10.3 %
TOTAL/WEIGHTED AVERAGE		9,589	74.2 %	$ 295.01	$ 219.04	$ 337.54	4.9 %

(1) The hotel was sold on May 1, 2026. The percentage change from 2025 RevPAR reflects the comparable period in 2025 to our 2026 ownership period.

Results of Operations

All properties owned during the periods presented have been included in our results of operations during the respective periods since their date of acquisition or through their date of disposition, as applicable.

Comparison of the Three Months Ended September 30, 2026 to the Three Months Ended September 30, 2025

The operating results are not directly comparable for the three months ended September 30, 2026 and 2025 due to the sale of Courtyard New York Manhattan/Fifth Avenue on May 1, 2026 (the "2026 Disposition").

Revenue. Revenue consists of the following (dollars in thousands):

	Three Months Ended September 30,		Change	
	2026	2025	$	%
Rooms	$ 195,451	$ 189,088	$ 6,363	3.4 %
Food and beverage	72,169	67,415	4,754	7.1 %
Other	29,985	28,881	1,104	3.8 %
Total revenues	$ 297,605	$ 285,384	$ 12,221	4.3 %

Rooms revenues increased by $6.4 million from the three months ended September 30, 2025 to the three months ended September 30, 2026. Excluding a decrease of $5.6 million due to our 2026 Disposition, room revenues increased $11.9 million as a result of increases in both ADR and occupancy. The increase was primarily attributable to higher transient revenue, reflecting growth in both business and leisure demand, and to a lesser extent, an increase in group revenue. The most significant contributors to the increase were Chicago Marriott Downtown Magnificent Mile, L'Auberge de Sedona, and The Dagny Boston.

The following are key hotel operating statistics for the three months ended September 30, 2026 and 2025. The operating statistics for the three months ended September 30, 2025 reflect the comparable period in 2025 to our 2026 ownership period.

	Three Months Ended September 30,		
	2026	2025	% Change
Occupancy %	77.8 %	75.8 %	2.0 %
ADR	$ 290.46	$ 279.91	3.8 %
RevPAR	$ 226.01	$ 212.06	6.6 %
Total RevPAR	$ 344.13	$ 323.24	6.5 %

Food and beverage revenues increased $4.8 million from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily due to growth in banquet and catering revenue, driven by increased group spending, and higher outlet revenue.

Other revenues, which primarily represent spa, parking, resort fees and attrition and cancellation fees, increased by $1.1 million from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily due to an increase in resort fees.

Hotel operating expenses. Hotel operating expenses consist of the following (dollars in thousands):

	Three Months Ended September 30,		Change	
	2026	2025	$	%
Rooms	$ 46,521	$ 46,529	$ (8)	0.0 %
Food and beverage	48,998	47,181	1,817	3.9 %
Other departmental and support expenses	70,528	68,127	2,401	3.5 %
Management fees	7,921	7,096	825	11.6 %
Franchise fees	10,132	9,731	401	4.1 %
Property taxes	12,690	14,560	(1,870)	(12.8)%
Other property-level expenses	10,231	10,407	(176)	(1.7)%
Total hotel operating expenses	$ 207,021	$ 203,631	$ 3,390	1.7 %

Our hotel operating expenses increased $3.4 million from the three months ended September 30, 2025 to the three months ended September 30, 2026. Excluding a decrease of $4.1 million due to our 2026 Disposition, hotel operating expenses increased $7.5 million primarily due to higher labor and direct costs resulting from an increase in occupancy. These increases were partially offset by a benefit of $0.9 million from a prior year property tax appeal settlement recognized at the Worthington Renaissance Fort Worth Hotel during the three months ended September 30, 2026.

Depreciation and amortization. Our depreciation and amortization expense increased $0.2 million from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily due to the renovations and rebrandings that were completed in 2025 and in the first half of 2026.

Impairment losses. During the three months ended September 30, 2025, we recorded an impairment loss of $1.1 million related to the write-off of construction in progress that was determined not to be recoverable. No impairment losses were recorded during the three months ended September 30, 2026.

Corporate expenses. Corporate expenses principally consist of employee-related costs, including payroll, bonus, restricted stock and benefits. Corporate expenses also include corporate operating costs, professional fees and directors' fees. Our corporate expenses increased $2.4 million from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily due to an increase in employee-related costs.

Interest expense. Our interest expense decreased $2.5 million from the three months ended September 30, 2025 to the three months ended September 30, 2026 and was comprised of the following (dollars in thousands):

	Three Months Ended September 30,		Change	
	2026	2025	$	%
Unsecured term loan interest	$ 13,887	$ 14,223	$ (336)	(2.4)%
Mortgage debt interest	—	1,414	(1,414)	(100.0)%
Credit facility fees	279	504	(225)	(44.6)%
Amortization of debt issuance costs	426	494	(68)	(13.8)%
Finance lease expense[1]	56	476	(420)	(88.2)%
	$ 14,648	$ 17,111	$ (2,463)	(14.4)%

(1) Represents interest expense related to the Courtyard New York Manhattan/Fifth Avenue ground lease, which was sold on May 1, 2026, and the L'Auberge de Sedona lease. Following a July 2026 extension of the lease term, the L'Auberge de Sedona lease was reclassified from an operating lease to a finance lease.

The decrease in interest expense was due to our mortgage debt repayments in 2025. In addition, finance lease expense decreased due to the sale of Courtyard New York Manhattan/Fifth Avenue in May 2026.

Interest (income) and other (income) expense. Interest income and other income decreased $1.0 million from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily due to a reduction in interest income resulting from a lower average cash balance during the 2026 period compared to the 2025 period.

Loss (gain) on sale of hotel property. During the three months ended September 30, 2026, we recognized a pre-tax loss of $0.2 million related to proration adjustments for the sale of the Courtyard New York Manhattan/Fifth Avenue. No loss on sale of hotel property was recorded for the three months ended September 30, 2025.

Loss on debt extinguishment. During the three months ended September 30, 2025, we recognized a loss on debt extinguishment of $5.9 million related to the refinancing of our Credit Facility in July 2025. No loss on debt extinguishment was recorded for the three months ended September 30, 2026.

Income taxes. Income taxes increased $3.6 million from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily due to higher federal and state taxable income generated by our TRSs.

Comparison of the Nine Months Ended September 30, 2026 to the Nine Months Ended September 30, 2025

The operating results are not directly comparable for the nine months ended September 30, 2026 and 2025 due to the sale of The Westin Washington, D.C. City Center on February 19, 2025 (the "2025 Disposition") and the 2026 Disposition.

Revenue. Revenue consists of the following (dollars in thousands):

	Nine Months Ended September 30,		Change	
	2026	2025	$	%
Rooms	$ 567,205	$ 550,443	$ 16,762	3.0 %
Food and beverage	220,115	213,084	7,031	3.3 %
Other	86,733	82,430	4,303	5.2 %
Total revenues	$ 874,053	$ 845,957	$ 28,096	3.3 %

Rooms revenues increased by $16.8 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026. Excluding the $11.7 million decrease attributable to our 2025 and 2026 Dispositions, room revenues increased $28.5 million driven by increases in both ADR and occupancy. The increase was primarily driven by higher transient demand across the business and leisure segments, as well as higher group revenue. The most significant contributors to the increase were L'Auberge de Sedona, Chicago Marriott Downtown Magnificent Mile, and Cavallo Point, The Lodge at the Golden Gate.

The following are key hotel operating statistics for the nine months ended September 30, 2026 and 2025. The operating statistics for the nine months ended September 30, 2025 reflect the comparable period in 2025 to our 2026 ownership period.

	Nine Months Ended September 30,		
	2026	2025	% Change
Occupancy %	74.2 %	73.1 %	1.1 %
ADR	$ 295.01	$ 284.43	3.7 %
RevPAR	$ 219.04	$ 207.97	5.3 %
Total RevPAR	$ 337.54	$ 321.69	4.9 %

Food and beverage revenues increased $7.0 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily due to growth in outlet revenue and banquet and catering revenue, driven by increased group spend, offset by a decrease of $0.5 million due to our 2025 Disposition.

Other revenues, which primarily represent spa, parking, resort fees and attrition and cancellation fees, increased by $4.3 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily due to an increase in resort fees and, to a lesser extent, higher attrition and cancellation fees, offset by a decrease of $0.4 million due to our 2025 and 2026 Dispositions.

Hotel operating expenses. Hotel operating expenses consist of the following (dollars in thousands):

	Nine Months Ended September 30,		Change	
	2026	2025	$	%
Rooms	$ 135,826	$ 137,644	$ (1,818)	(1.3)%
Food and beverage	145,724	144,146	1,578	1.1 %
Other departmental and support expenses	207,310	202,132	5,178	2.6 %
Management fees	21,798	19,520	2,278	11.7 %
Franchise fees	29,936	28,782	1,154	4.0 %
Property taxes	34,553	45,504	(10,951)	(24.1)%
Other property-level expenses	30,715	32,379	(1,664)	(5.1)%
Total hotel operating expenses	$ 605,862	$ 610,107	$ (4,245)	(0.7)%

Our hotel operating expenses decreased $4.2 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026. Excluding a decrease of $9.4 million attributable to our 2025 and 2026 Dispositions, hotel operating expenses increased $5.2 million primarily due to higher departmental and support expenses associated with increased occupancy. These increases were partially offset by prior year property tax appeal settlements recognized in the second quarter of 2026 at our Chicago properties. Including the increase in incentive management fees, the net benefit from these settlements was $6.9 million. During the nine months ended September 30, 2026, we also recognized a benefit of $0.9 million from a prior year property tax appeal settlement at the Worthington Renaissance Fort Worth Hotel.

Depreciation and amortization. Our depreciation and amortization expense increased $1.5 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily due to the renovations and rebrandings that were completed in 2025 and in the first half of 2026.

Impairment losses. During the nine months ended September 30, 2025, we recorded an impairment loss of $1.1 million related to the write-off of construction in progress that was determined not to be recoverable. No impairment losses were recorded during the nine months ended September 30, 2026.

Corporate expenses. Corporate expenses principally consist of employee-related costs, including payroll, bonus, restricted stock and benefits. Corporate expenses also include corporate operating costs, professional fees and directors' fees. Our corporate expenses increased $3.5 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily due to an increase in employee-related costs.

Interest expense. Our interest expense decreased $3.4 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026 and was comprised of the following (dollars in thousands):

	Nine Months Ended September 30,		Change	
	2026	2025	$	%
Unsecured term loan interest	$ 41,036	$ 35,853	$ 5,183	14.5 %
Mortgage debt interest	—	7,205	(7,205)	(100.0)%
Credit facility fees	782	1,124	(342)	(30.4)%
Amortization of debt issuance costs	1,277	1,550	(273)	(17.6)%
Finance lease expense[1]	685	1,405	(720)	(51.2)%
	$ 43,780	$ 47,137	$ (3,357)	(7.1)%

(1) Represents interest expense related to the Courtyard New York Manhattan/Fifth Avenue ground lease, which was sold on May 1, 2026, and the L'Auberge de Sedona lease. Following a July 2026 extension of the lease term, the L'Auberge de Sedona lease was reclassified from an operating lease to a finance lease.

The decrease in interest expense was due to our mortgage debt repayments in 2025, which were mostly offset by the amendment to our Credit Facility in July 2025 that increased our unsecured term loans by $300 million. In addition, finance lease expense decreased due to the sale of Courtyard New York Manhattan/Fifth Avenue in May 2026.

Interest (income) and other (income) expense. Interest income and other income decreased $0.7 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily due to a reduction in interest income resulting from a lower average cash balance during the 2026 period compared to the 2025 period, partially offset by the reversal of a previously recognized loss contingency accrual.

Loss (gain) on sale of hotel property. During the nine months ended September 30, 2026, we recognized a pre-tax gain of $31.4 million related to the sale of the Courtyard New York Manhattan/Fifth Avenue on May 1, 2026. No gain on sale of hotel property was recorded for the nine months ended September 30, 2025.

Loss on debt extinguishment. During the nine months ended September 30, 2025, we recognized a loss on debt extinguishment of $5.9 million related to the refinancing of our Credit Facility in July 2025. No loss on debt extinguishment was recorded for the nine months ended September 30, 2026.

Income taxes. Income taxes increased $5.2 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily due to higher federal and state taxable income generated by our TRSs and the impact of the release of the valuation allowance on our TRSs' federal deferred tax asset in 2025, after which the use of federal net operating loss carryforwards no longer reduced income tax expense.

Liquidity and Capital Resources

Our short-term liquidity requirements consist primarily of funds necessary to pay debt service, operating expenses, ground lease payments, capital expenditures directly associated with our hotels, any share repurchases, and distributions to our common stockholders.

Our long-term liquidity requirements consist primarily of funds necessary to pay for the costs of acquiring additional hotels, renovations and other capital expenditures that need to be made periodically to our hotels, debt service, debt maturities, ground lease payments, share repurchases, and distributions to our common stockholders. We expect to meet our short- and long-term liquidity requirements through various sources of capital, including cash provided by operations, borrowings, issuances of additional equity, and proceeds from property dispositions, and we anticipate that these sources will provide adequate capital for the next 12 months and beyond. Our ability to incur additional debt is dependent upon a number of factors, including the state of the credit markets, our degree of leverage, the value of our unencumbered assets and borrowing restrictions imposed by existing lenders. Our ability to raise capital through the issuance of additional equity and/or debt securities is also dependent on a number of factors including the current state of the capital markets, investor sentiment and our intended use of proceeds. We may need to raise additional capital if we identify acquisition opportunities that meet our investment objectives and require liquidity in excess of existing cash balances. Our ability to raise funds through the issuance of equity securities depends on, among other things, general market conditions for hotel companies and REITs and market perceptions about us.

Our Financing Strategy

Since our formation in 2004, we have been committed to a conservative capital structure with prudent leverage. Our outstanding debt consists of unsecured term loans and periodic borrowings on our senior unsecured credit facility. We have a preference to maintain a significant portion of our portfolio as unencumbered in order to provide balance sheet flexibility. As of September 30, 2026, our portfolio is fully unencumbered by secured debt. We expect that our strategy will enable us to maintain a balance sheet with an appropriate amount of debt throughout all phases of the lodging cycle. We believe that it is prudent to reduce the inherent risk of highly cyclical lodging fundamentals through a low leverage capital structure.

We prefer a relatively simple, but efficient capital structure. We generally structure our hotel acquisitions to be straightforward and to fit within our capital structure; however, we will consider a more complex transaction, such as the issuance of common OP units in connection with the acquisition of Cavallo Point, The Lodge at the Golden Gate, if we believe that the projected returns to our stockholders will significantly exceed the returns that would otherwise be available.

We believe that we maintain a reasonable amount of debt. As of September 30, 2026, we had $1.1 billion of debt outstanding with a weighted average interest rate of 5.07%, which includes the effect of interest rate swaps, and a weighted average maturity date of approximately 2.8 years, assuming all extension options available in our debt agreements are exercised.

Information about our financing activities is available in Note 5 to the accompanying consolidated financial statements.

ATM Program

In August 2024, our board of directors approved an “at-the-market” equity offering program (the “ATM Program”), pursuant to which we may issue and sell shares of our common stock from time to time, having an aggregate offering price of up to $200.0 million. No shares were sold under the ATM Program during the three and nine months ended September 30, 2026.

Share Repurchase Program

In April 2026, our board of directors authorized the repurchase of up to $300 million of our common stock under a new share repurchase program effective May 1, 2026 (the “Share Repurchase Program”). This Share Repurchase Program replaced our prior $200 million share repurchase program that was authorized in May 2024. The timing and actual number of shares repurchased will depend on a variety of factors, including price and general business and market conditions. The Share Repurchase Program does not obligate us to acquire any particular amount of shares, and may be suspended or discontinued at any time at our discretion. The Share Repurchase Program will expire on May 1, 2028. During the nine months ended September 30, 2026, we repurchased 189,265 shares of common stock at an average price of $9.79 per share for a total purchase price of $1.9 million. During the nine months ended September 30, 2025, we repurchased 4,597,942 shares of common stock at an average price of $7.71 per share for a total purchase price of $35.5 million under our prior $200 million share repurchase program. As of November 3, 2026, we have $299.4 million of authorized capacity remaining under the Share Repurchase Program.

Short-Term Borrowings

We currently do not utilize short-term borrowings to meet liquidity requirements.

Senior Unsecured Credit Facility and Unsecured Term Loans

We are party to a Seventh Amended and Restated Credit Agreement (the "Credit Facility") that provides for a $400.0 million revolving credit facility (the "Revolving Credit Facility") and three term loan facilities in the aggregate amount of $1.1 billion. The Revolving Credit Facility matures on January 22, 2030. The term loan facilities consist of a $500.0 million term loan that matures on January 3, 2028 (the "Term 1 Loan"), a $300.0 million term loan that matures January 22, 2030 (the "Term 2 Loan") and a $300.0 million term loan that matures on January 22, 2029 (the "Term 3 Loan"). The maturity date of the Revolving Credit Facility, Term 1 Loan and Term 3 Loan may be extended for two additional six-month periods upon the payment of applicable fees and satisfaction of certain standard conditions. We have the right to increase the aggregate capacity of the Credit Facility to $1.8 billion upon the satisfaction of certain standard conditions. As of September 30, 2026, we had $400.0 million of borrowing capacity under the Revolving Credit Facility.

Additional information about the Credit Facility, including a summary of significant covenants, can be found in Note 5 to the accompanying consolidated financial statements.

Sources and Uses of Cash

As of September 30, 2026, we had $140.0 million of unrestricted cash, $40.5 million of restricted cash and no outstanding borrowings on our Revolving Credit Facility.

Our net cash provided by operations was $174.3 million for the nine months ended September 30, 2026. Our cash from operations generally consists of the net cash flow from hotel operations, offset by cash paid for corporate expenses, interest payments, and other working capital changes.

Our net cash used in investing activities was $30.0 million for the nine months ended September 30, 2026, which consisted of $59.2 million of capital expenditures and $0.6 million of ground lease extension payments, offset by $29.9 million of net proceeds from the sale of Courtyard New York Manhattan/Fifth Avenue on May 1, 2026.

Our net cash used in financing activities was $67.0 million for the nine months ended September 30, 2026, which consisted of $62.2 million of distributions paid to holders of common stock and units, $3.0 million paid to repurchase shares upon the vesting of restricted stock for the payment of tax withholding obligations and $1.9 million of share repurchases.

We currently anticipate our significant sources of cash for the year ending December 31, 2026 will be net cash flow from hotel operations and potential dispositions. We expect our estimated uses of cash for the year ending December 31, 2026 will be debt service payments, acquisitions of hotel properties, capital expenditures, distributions to holders of our common stock and common OP units, and corporate expenses.

Dividend Policy

We intend to distribute to our stockholders dividends at least equal to our REIT taxable income to avoid paying corporate income tax and excise tax on our earnings (other than the earnings of our taxable REIT subsidiaries, which are all subject to tax at regular corporate rates) and to qualify for the tax benefits afforded to REITs under the Code. In order to maintain our qualification as a REIT, we are required to distribute to our stockholders each year at least:

- 90% of our REIT taxable income, determined before the deduction for dividends paid and excluding any net capital gain (which does not necessarily equal net income as calculated in accordance with U.S. GAAP); plus
- 90% of the excess of our net income from foreclosure property over the tax imposed on such income by the Code; less
- any excess non-cash income (as determined under the Code).

The timing and frequency of distributions will be authorized by our board of directors and declared by us based upon a variety of factors, including our financial performance, restrictions under applicable law and our current and future loan agreements, our debt service requirements, our capital expenditure requirements, the requirements for qualification as a REIT under the Code and other factors that our board of directors may deem relevant from time to time. Information about our distributions declared and paid can be found in Note 8 to the accompanying consolidated financial statements.

During 2026, we have paid the following dividends to holders of our common stock and common OP units:

Payment Date	Record Date	Dividend per Share/Unit
January 14, 2026	December 31, 2025	$ 0.12
April 14, 2026	March 31, 2026	$ 0.09
July 14, 2026	June 30, 2026	$ 0.09
October 14, 2026	September 30, 2026	$ 0.11

Capital Expenditures

The management and franchise agreements for each of our hotels provide for the establishment of separate property improvement reserves to cover, among other things, the cost of replacing and repairing furniture, fixtures and equipment at our hotels and other routine capital expenditures. Contributions to the property improvement reserve are calculated as a percentage of hotel revenues. In addition, we may be required to pay for the cost of certain additional improvements that are not permitted to be funded from the property improvement reserve under the applicable management or franchise agreement. As of September 30, 2026, we have set aside $40.4 million for capital projects in property improvement reserves, which are included in restricted cash on our consolidated balance sheets.

We have invested $59.2 million on capital improvements during the nine months ended September 30, 2026. We currently expect to invest approximately $75.0 to $80.0 million on capital improvements at our hotels in 2026. Significant projects in 2026 include the following:

- ***Courtyard New York Manhattan/Midtown East:*** We completed a guestroom renovation during the first quarter of 2026.
- ***Henderson Park Inn:*** We completed a renovation of the guestrooms and bathrooms during the first quarter of 2026.
- ***Westin San Diego Bayview:*** We began a renovation of the hotel's entrance, lobby, and lobby bar, during the third quarter of 2026 and expect to complete the project in the first quarter of 2027.
- ***Atlanta Marriott Alpharetta:*** We expect to begin a guestroom renovation during the fourth quarter of 2026 and expect to complete the project in the first quarter of 2027.

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, EBITDA*re*, Adjusted 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, EBITDA*re*, Adjusted 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.

Use and Limitations of Non-GAAP Financial Measures

Our management and Board of Directors use EBITDA, EBITDA*re*, Adjusted EBITDA, Hotel Adjusted EBITDA, FFO and Adjusted FFO to evaluate the performance of our hotels and to facilitate comparisons between us and other lodging REITs, hotel owners who are not REITs and other capital intensive companies. The use of these non-GAAP financial measures has certain limitations. These non-GAAP financial measures as presented by us, may not be comparable to non-GAAP financial measures as calculated by other real estate companies. These measures do not reflect certain expenses or expenditures that we incurred and will incur, such as depreciation, interest and capital expenditures. We compensate for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our reconciliations to the most comparable U.S. GAAP financial measures, and our consolidated statements of operations and comprehensive income and consolidated statements of cash flows, include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures.

These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with U.S. GAAP. They should not be considered as alternatives to operating profit, cash flow from operations, or any other operating performance measure prescribed by U.S. GAAP. These non-GAAP financial measures reflect additional ways of viewing our operations that we believe, when viewed with our U.S. GAAP results and the reconciliations to the corresponding U.S. GAAP

financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. We strongly encourage investors to review our financial information in its entirety and not to rely on a single financial measure.

***EBITDA and EBITDA*re**

EBITDA represents net income (calculated in accordance with U.S. GAAP) excluding: (1) interest expense; (2) provision for income taxes, including income taxes applicable to sale of assets; and (3) depreciation and amortization. The Company computes EBITDA*re* in accordance with the National Association of Real Estate Investment Trusts ("Nareit") guidelines, as defined in its September 2017 white paper "Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate." EBITDA*re* represents net income (calculated in accordance with U.S. GAAP) adjusted for: (1) interest expense; (2) provision for income taxes, including income taxes applicable to sale of assets; (3) depreciation and amortization; (4) gains or losses on the disposition of depreciated property including gains or losses on change of control; (5) impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate; and (6) adjustments to reflect the entity's share of EBITDA*re* of unconsolidated affiliates.

We believe EBITDA and EBITDA*re* are useful to an investor in evaluating our operating performance because they help investors evaluate and compare the results of our operations from period to period by removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization, and in the case of EBITDA*re*, impairment and gains or losses on dispositions of depreciated property) from our operating results. In addition, covenants included in our debt agreements use EBITDA as a measure of financial compliance. We also use EBITDA and EBITDA*re* as measures in determining the value of hotel acquisitions and dispositions.

FFO

We compute FFO in accordance with standards established by Nareit, which defines FFO as net income (calculated in accordance with U.S. GAAP) excluding gains or losses from sales of properties and impairment losses, plus real estate related depreciation and amortization. We believe that the presentation of FFO provides useful information to investors regarding our operating performance because it is a measure of our operations without regard to specified non-cash items, such as real estate related depreciation and amortization and gains or losses on the sale of assets. We also use FFO as one measure in assessing our operating results.

Adjustments to EBITDAre and FFO

We adjust EBITDA*re* and FFO when evaluating our performance because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance and that the presentation of Adjusted EBITDA and Adjusted FFO when combined with U.S. GAAP net income, EBITDA*re* and FFO, is beneficial to an investor's complete understanding of our consolidated and property-level operating performance. We adjust EBITDA*re* and FFO for the following items:

- *Non-Cash Lease Expense and Other Amortization*: We exclude the non-cash expense incurred from the straight line recognition of expense from our ground leases and other contractual obligations and the non-cash amortization of our favorable and unfavorable contracts, originally recorded in conjunction with certain hotel acquisitions. We exclude these non-cash items because they do not reflect the actual cash amounts due to the respective lessors in the current period and they are of lesser significance in evaluating our actual performance for that period.

- *Cumulative Effect of a Change in Accounting Principle*: The Financial Accounting Standards Board promulgates new accounting standards that require or permit the consolidated statement of operations and comprehensive income to reflect the cumulative effect of a change in accounting principle. We exclude the effect of these adjustments, which include the accounting impact from prior periods, because they do not reflect the Company's actual underlying performance for the current period.

- *Gains or Losses from Debt Extinguishment*: We exclude the effect of gains or losses recorded on the debt extinguishment because these gains or losses result from transaction activity related to the Company's capital structure that we believe are not indicative of the ongoing operating performance of the Company or our hotels.

- *Hotel Acquisition Costs*: We exclude hotel acquisition costs expensed during the period because we believe these transaction costs are not reflective of the ongoing performance of the Company or our hotels.

- *Severance Costs*: We exclude corporate severance costs, or reversals thereof, incurred with the termination of corporate-level employees and severance costs incurred at our hotels related to lease terminations or structured severance programs because we believe these costs do not reflect the ongoing performance of the Company or our hotels.

- *Hotel Manager Transition and Hotel Pre-Opening Costs*: We exclude the transition costs associated with a change in hotel manager and the pre-opening costs associated with the redevelopment or rebranding of a hotel because we believe these items do not reflect the ongoing performance of the Company or our hotels.

- *Share-Based Compensation Expense:* We exclude share-based compensation expense as it is a non-cash item. This adjustment aligns with the calculation of Adjusted EBITDA for our financial covenant ratios under our credit facility, supporting consistency in our financial reporting and covenant compliance, as well as comparability with our peers.

- *Other Items*: From time to time we incur costs or realize gains that we consider outside the ordinary course of business and that we do not believe reflect the ongoing performance of the Company or our hotels. Such items may include, but are not limited to, the following: non-cash realized gains or losses on our deferred compensation plan assets; management or franchise contract termination fees; terminated transaction costs; gains or losses from legal settlements; costs incurred related to natural disasters; and gains on property insurance claim settlements, other than income related to business interruption insurance.

In addition, to derive Adjusted FFO, we exclude any unrealized fair value adjustments to interest rate swaps and the portion of our non-cash ground lease expense recognized as interest expense. We exclude these non-cash amounts because they do not reflect the underlying performance of the Company.

Hotel Adjusted EBITDA

We believe that Hotel Adjusted EBITDA provides our investors with a useful financial measure to evaluate our hotel operating performance, excluding the impact of our capital structure (primarily interest), our asset base (primarily depreciation and amortization), and our corporate-level expenses. With respect to Hotel Adjusted EBITDA, we believe that excluding the effect of corporate-level expenses provides a more complete understanding of the operating results over which individual hotels and third-party management companies have direct control. We believe property-level results provide investors with supplemental information on the ongoing operational performance of our hotels and effectiveness of the third-party management companies operating our business on a property-level basis.

The following table is a reconciliation of our U.S. GAAP net income to EBITDA, EBITDA*re,* Adjusted EBITDA and Hotel Adjusted EBITDA (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 33,409	$ 22,638	$ 138,700	$ 75,592
Interest expense	14,648	17,111	43,780	47,137
Income tax expense	4,097	469	5,823	618
Real estate related depreciation and amortization	28,530	28,340	85,911	84,388
EBITDA	80,684	68,558	274,214	207,735
Impairment losses	—	1,076	—	1,076
Loss (gain) on sale of hotel property, net	239	—	(31,352)	—
EBITDA*re*	80,923	69,634	242,862	208,811
Non-cash lease expense and other amortization	1,331	1,279	3,906	3,862
Share-based compensation expense [1]	2,569	2,035	7,702	5,591
Hotel pre-opening costs	—	135	—	479
Terminated transaction costs	—	151	—	1,058
Loss on debt extinguishment	—	5,850	—	5,850
Other [2]	—	—	(1,158)	—
Adjusted EBITDA	84,823	79,084	253,312	225,651
Corporate expenses	8,117	6,365	20,899	18,368
Interest (income) and other (income) expense, net	(1,253)	(2,281)	(2,645)	(3,827)
Hotel Adjusted EBITDA	$ 91,687	$ 83,168	$ 271,566	$ 240,192

(1) For each of the three months ended September 30, 2026 and 2025, amounts include less than $0.1 million of non-cash income related to our deferred compensation plan. For the nine months ended September 30, 2026 and 2025, amounts include less than $0.1 million and $0.7 million, respectively, of non-cash income related to our deferred compensation plan.
(2) Amount reflects the reversal of a previously recognized accrual related to a loss contingency.

The following table is a reconciliation of our U.S. GAAP net income to FFO and Adjusted FFO (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 33,409	$ 22,638	$ 138,700	$ 75,592
Real estate related depreciation and amortization	28,530	28,340	85,911	84,388
Impairment losses	—	1,076	—	1,076
Loss (gain) on sale of hotel property, net	239	—	(31,352)	—
FFO	62,178	52,054	193,259	161,056
Distributions to preferred stockholders	—	(2,454)	—	(7,362)
FFO available to common stock and unit holders	62,178	49,600	193,259	153,694
Non-cash lease expense and other amortization	1,335	1,472	4,162	4,417
Share-based compensation expense [1]	2,569	2,035	7,702	5,591
Terminated transaction costs	—	151	—	1,058
Loss on debt extinguishment	—	5,850	—	5,850
Hotel pre-opening costs	—	135	—	479
Other [2]	—	—	(1,158)	—
Adjusted FFO available to common stock and unit holders	$ 66,082	$ 59,243	$ 203,965	$ 171,089

(1) For each of the three months ended September 30, 2026 and 2025, amounts include less than $0.1 million of non-cash income related to our deferred compensation plan. For the nine months ended September 30, 2026 and 2025, amounts include less than $0.1 million and $0.7 million, respectively, of non-cash income related to our deferred compensation plan.
(2) Amount reflects the reversal of a previously recognized accrual related to a loss contingency.

Critical Accounting Estimates and Policies

Our unaudited consolidated financial statements include the accounts of DiamondRock Hospitality Company and all consolidated subsidiaries. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. While we do not believe the reported amounts would be materially different, application of these policies involves the exercise of judgment and the use of assumptions as to future uncertainties and, as a result, actual results could differ materially from these estimates. We evaluate our estimates and judgments, including those related to the impairment of long-lived assets, on an ongoing basis. We base our estimates on experience and on various assumptions that are believed to be reasonable under the circumstances. All of our significant accounting policies, including certain critical accounting policies, are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no significant changes to our critical accounting policies during the reporting period since the year ended December 31, 2025.

Inflation

Operators of hotels generally possess the ability to adjust room rates frequently, including on a daily basis, to respond to changes in market conditions and inflationary pressures, subject to previously contracted reservations. However, competitive pressures, demand elasticity, consumer spending patterns and other market factors may limit the ability of our management companies to increase room rates sufficiently to offset increases in operating costs. Inflationary pressures persist, and operating costs continue to be influenced by market conditions, including labor costs, employee-related benefits, food, commodities and other materials, utilities, real estate taxes, and the costs associated with capital improvements. Refer to “Outlook” above for additional information regarding current macroeconomic conditions.

Seasonality

The periods during which our hotels experience higher revenues vary from property to property, depending principally upon location and the customer base served. Accordingly, we expect some seasonality in our business. Volatility in our financial performance from the seasonality of the lodging industry could adversely affect our financial condition and results of operations.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business strategies, the primary market risk to which we are currently exposed and to which we expect to be exposed in the future is interest rate risk. The face amount of our outstanding debt as of September 30, 2026 was $1.1 billion, all of which had a variable interest rate. Our primary sensitivity in 2026 was to changes in one-month Secured Overnight Financing Rate ("SOFR"), as the interest rates on our variable-rate indebtedness were based on this benchmark rate. We use interest rate swaps in order to maintain what we believe to be an appropriate level of exposure to interest rate variability. As of September 30, 2026, the interest rate on $525 million of our variable-rate indebtedness had been effectively fixed through the use of interest rate swaps. In October 2025, we entered into an additional interest rate swap for a notional amount of $50 million, effective January 4, 2027, which will partially replace two maturing swaps. We receive one-month SOFR and pay a fixed rate for all of our interest rate swaps. If market interest rates on our unhedged variable rate debt fluctuate by 100 basis points, interest expense would increase or decrease, depending on rate movement, future earnings and cash flows, by $5.8 million annually.

Item 4. Controls and Procedures

The Company's management has evaluated, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as required by paragraph (b) of Rules 13a-15 and 15d-15 under the Exchange Act, and has concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to give reasonable assurances that information we disclose in reports filed with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There was no change in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act during the Company's most recent fiscal quarter that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to various claims, lawsuits and legal proceedings, including routine litigation arising in the ordinary course of business regarding the operation of our hotels and other company matters. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts covered by insurance will not have a material adverse impact on our financial condition or results of operations. The outcome of claims, lawsuits and legal proceedings brought against the Company, however, is subject to significant uncertainties.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) None.

(b) Not applicable.

(c) Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased [2]	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (in thousands) [1]
July 1 - July 31, 2026	—	$ —	—	$ 299,425
August 1 - August 31, 2026	—	$ —	—	$ 299,425
September 1 - September 30, 2026	2,692	$ 13.38	—	$ 299,425

(1) Reflects the amount available under our share repurchase program, which was announced on April 30, 2026 and authorizes us to repurchase up to $300 million of common stock. The program will expire on May 1, 2028.

(2) Includes shares surrendered to the Company by employees for payment of tax withholding obligations in connection with the vesting of restricted and performance stock and issuance of deferred stock. These shares are not part of the Company's share repurchase program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended September 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

(a) *Exhibits*

The following exhibits are filed, or furnished as indicated, as part of this Form 10-Q:

Exhibit	
31.1*	Certification of Chief Executive Officer Required by Rule 13a-14(a) and Rule 15d-14(a) of the Exchange Act
31.2*	Certification of Chief Financial Officer Required by Rule 13a-14(a) and Rule 15d-14(a) of the Exchange Act
32.1**	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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 (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

* Filed herewith
** Furnished herewith

SIGNATURES

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, thereunto duly authorized.

DiamondRock Hospitality Company

November 3, 2026

/s/ Briony R. Quinn

Briony R. Quinn
Executive Vice President, Chief Financial Officer and Treasurer

(Principal Financial Officer)

/s/ Stephen M. Spierto

Stephen M. Spierto
Senior Vice President, Chief Accounting Officer and Corporate Controller
(Principal Accounting Officer)

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a) and Rule 15d-14(a)

I, Jeffrey J. Donnelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DiamondRock Hospitality Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2026

/s/ Jeffrey J. Donnelly
Jeffrey J. Donnelly
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a) and Rule 15d-14(a)

I, Briony R. Quinn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DiamondRock Hospitality Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2026

/s/ Briony R. Quinn

Briony R. Quinn
Executive Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 32.1

Certification
Pursuant to 18 U.S.C. Section 1350

The undersigned officers, who are the Chief Executive Officer and Chief Financial Officer of DiamondRock Hospitality Company (the "Company"), each hereby certifies to the best of his or her knowledge, that the Company's Quarterly Report on Form 10-Q (the "Report") to which this certification is attached, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey J. Donnelly
Jeffrey J. Donnelly
Chief Executive Officer
November 3, 2026

/s/ Briony R. Quinn
Briony R. Quinn
Executive Vice President, Chief Financial Officer and Treasurer
November 3, 2026