

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

FORM 8-K

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

Date of Report (Date of earliest event reported):

February 26, 2020

**DiamondRock Hospitality Company**

(Exact name of registrant as specified in charter)

Maryland  
(State or Other Jurisdiction  
of Incorporation)

001-32514  
(Commission  
File Number)

20-1180098  
(IRS Employer  
Identification No.)

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	DRH	New York Stock Exchange

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

Emerging growth company

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

This Current Report on Form 8-K (“Current Report”) contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as “believe,” “expect,” “intend,” “project,” “anticipate,” “position,” and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made, including statements related to the anticipated insurance coverage. These risks include, but are not limited to those risks and uncertainties associated with our business described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K filed on February 26, 2019. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this Current Report is as of the date of this Current Report, and we undertake no obligation to update any forward-looking statement to conform the statement to actual results or changes in our expectations.

#### ITEM 7.01. Regulation FD Disclosure

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

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

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

(d) Exhibits.

The following exhibits are included with this report:

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Investor Presentation - February 2020</a>
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File

**SIGNATURE**

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

DIAMONDROCK HOSPITALITY COMPANY

Date: February 26, 2020

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



# DIAMONDROCK HOSPITALITY



Hotel Emblem, Sa

Investor Presentation | February 2020

# Recent Events

## February 2020

- DiamondRock announces full year 2020 guidance:

RevPAR Growth	-0.5% to 1.0%
Total RevPAR Growth	0.5% to 3.0%
Adjusted EBITDA	\$245MM - \$255MM
Adjusted FFO	\$203MM - \$211MM
Adjusted FFO per share (based on 203 million diluted shares)	\$1.00/sh to \$1.04/sh

- 2020 group pace up 14% and over 72% of budgeted group business already under contr

## January 2020

### Names Aimbridge/Interstate as Manager of Westin Boston Waterfront

- Aimbridge/Interstate replaces brand management in January 2020
- Expected to generate several million dollars of incremental annual EBITDA
- Westin franchise expires 2026
- Only facility connected to Boston Convention & Exposition Center (BCEC), largest in Northeastern U.S.
- 2020 group booking pace (revenue) up over 30%

# Agenda

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## DiamondRock at a Glance

1

### Resort Focus

Capturing Secular Growth

2

### ROI Projects

Creating Shareholder Value

3

### Frenchman's Reef Relaunch

Accelerating Earnings Growth

4

### Opportunistic Recycling

Capturing Secular Growth

5

### Asset Repositioning

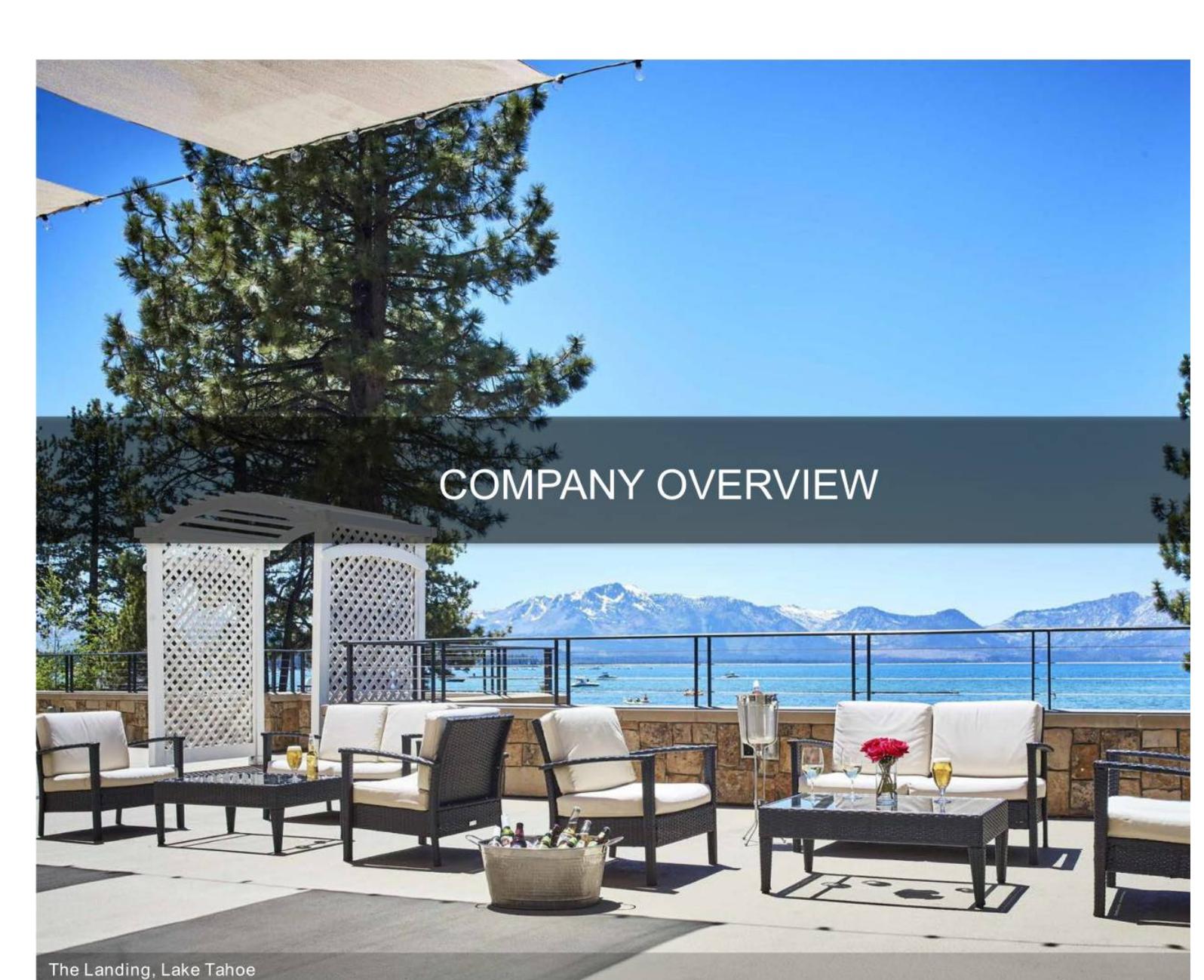
Unlocking Asset Value

6

### 2020 Setup

Group Pace up 14%

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A photograph of an outdoor patio area. In the foreground, there is a dark wicker lounge set with white cushions and two coffee tables. A wicker bucket filled with drinks sits on the ground. To the left, a white lattice pergola stands under a large pine tree. The patio overlooks a lake with mountains in the background under a clear blue sky. A semi-transparent dark grey bar is overlaid across the middle of the image, containing the text 'COMPANY OVERVIEW'.

## COMPANY OVERVIEW

The Landing, Lake Tahoe

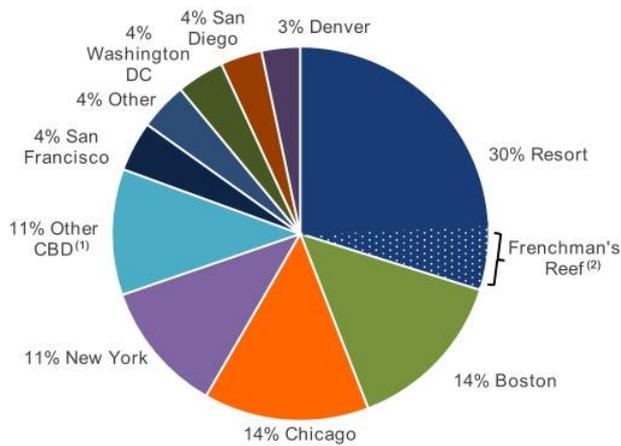
# DiamondRock at a Glance

KEY STATISTICS	
Hotels (Rooms)	31 (>10K)
Enterprise Value	\$3.1B
Market Cap	\$2.1B
Enterprise Value / Key	~\$305K
Dividend Yield	4.8%
YE19 Net Debt/EBITDA	3.7x

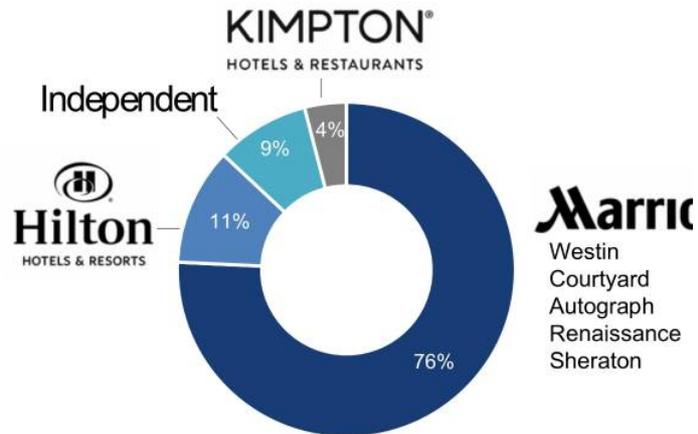
Market data as of 2/18/20

RECENT HIGHLIGHTS
<ul style="list-style-type: none"> <li>Q4 2019 Results                             <ul style="list-style-type: none"> <li>Total RevPAR up 1.6%</li> <li>RevPAR up 1.5%</li> <li>EBITDA Margin of 29.25%</li> <li>Adj FFO per share of \$0.27</li> </ul> </li> <li>Successfully settled Frenchman's Reef insurance claim for \$246.75MM</li> </ul>

## URBAN AND RESORT HOTELS IN TOP MARKETS

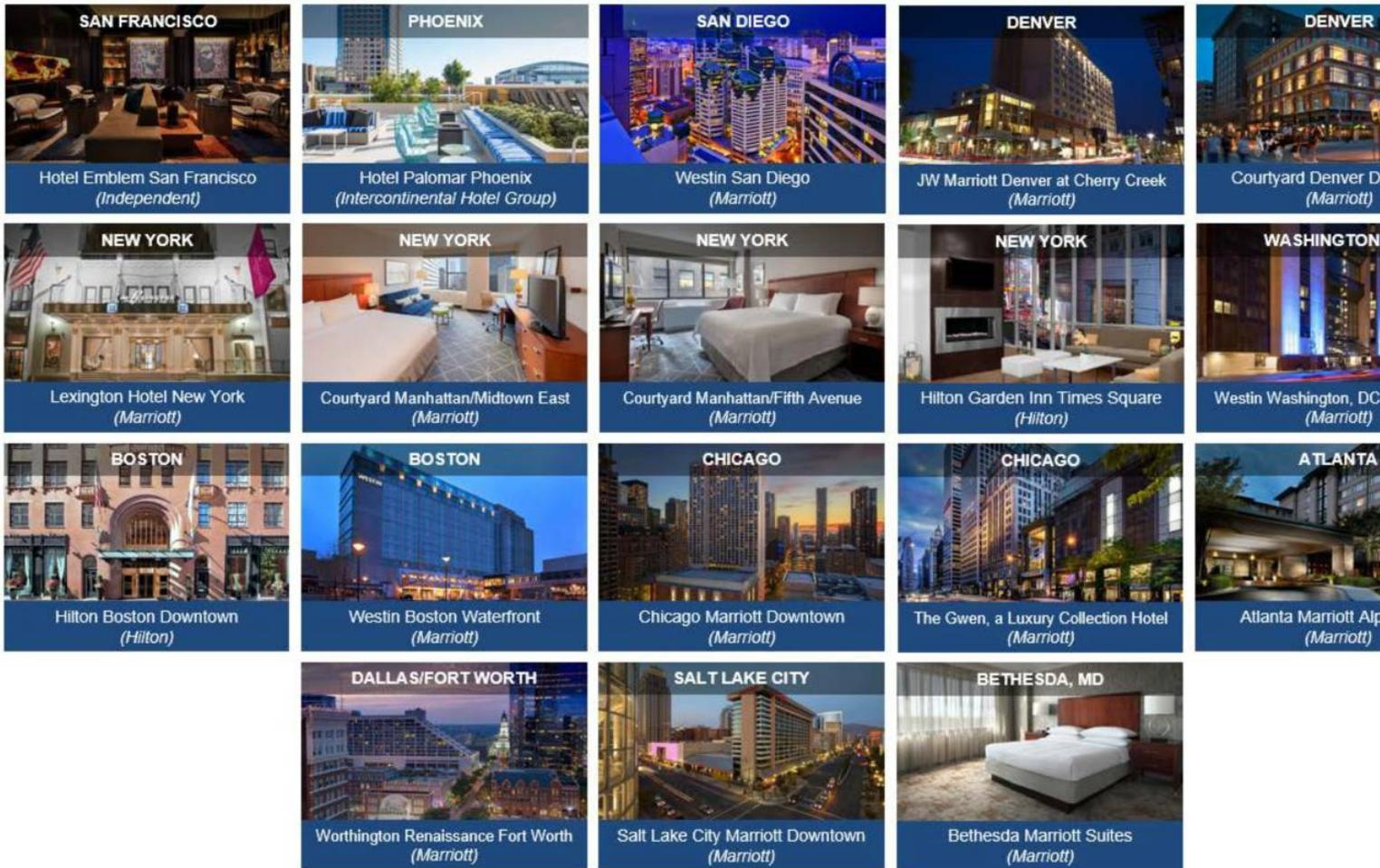


## HIGH QUALITY BRANDS



(1) Other CBD includes Burlington Hilton, Salt Lake City Marriott, and Worthington Renaissance.  
 (2) Based on 2016 actual EBITDA

# High Quality Portfolio in Key Gateway Markets



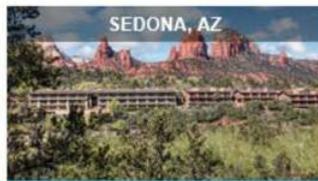
Approximately 2/3 of portfolio located in top, gateway markets.

# Strong Resort Market Presence



SEDONA, AZ

L'Auberge de Sedona  
*(Independent)*



SEDONA, AZ

Orchards Inn  
*(Independent)*



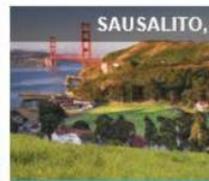
HUNTINGTON BEACH, CA

Kimpton Shorebreak  
Huntington Beach Resort  
*(Intercontinental Hotel Group)*



SONOMA, CA

The Lodge at Sonoma,  
A Renaissance Resort & Spa  
*(Marriott)*



SAUSALITO, CA

Cavallo Point  
The Lodge at the Golden Gate  
*(Independent)*



LAKE TAHOE, CA

The Landing Resort & Spa  
*(Independent)*



VAIL, CO

Vail Marriott Mountain Resort & Spa  
*(Marriott)*



KEY WEST, FL

Havana Cabana  
*(Independent)*



KEY WEST, FL

Sheraton Suites Key West  
*(Marriott)*



CHARLESTON, SC

Renaissance Charleston  
Historic District  
*(Marriott)*



FORT LAUDERDALE, FL

Westin Fort Lauderdale Beach Resort  
*(Marriott)*



ST. THOMAS, VI

Frenchman's Reef Marriott  
Resort & Spa  
*(Marriott)*



ST THOMAS, VI

Noni Beach Resort,  
An Autograph Collection Hotel  
*(Marriott)*



BURLINGTON, VT

Hilton Burlington Lake Champlain  
*(Hilton)*

Approximately 1/3 of portfolio located in destination resort markets.

# Top-Tier Portfolio Quality

## 2018 Portfolio Average Daily Rate



(1) Proforma for Chesapeake merger  
Source: Company Filings as of Q4 2018.

## 2020 Full-Year Guidance

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Metric	2020 Guidance	
	Low End	High End
RevPAR Growth	-0.5%	1.0%
Total RevPAR Growth	0.5%	3.0%
Hotel Adjusted EBITDA Growth	-1.5%	2.0%
Adjusted EBITDA	\$245 million	\$255 million
Adjusted FFO	\$203 million	\$211 million
Adjusted FFO per share (based on 203 million diluted shares)	\$1.00 per share	\$1.04 per share

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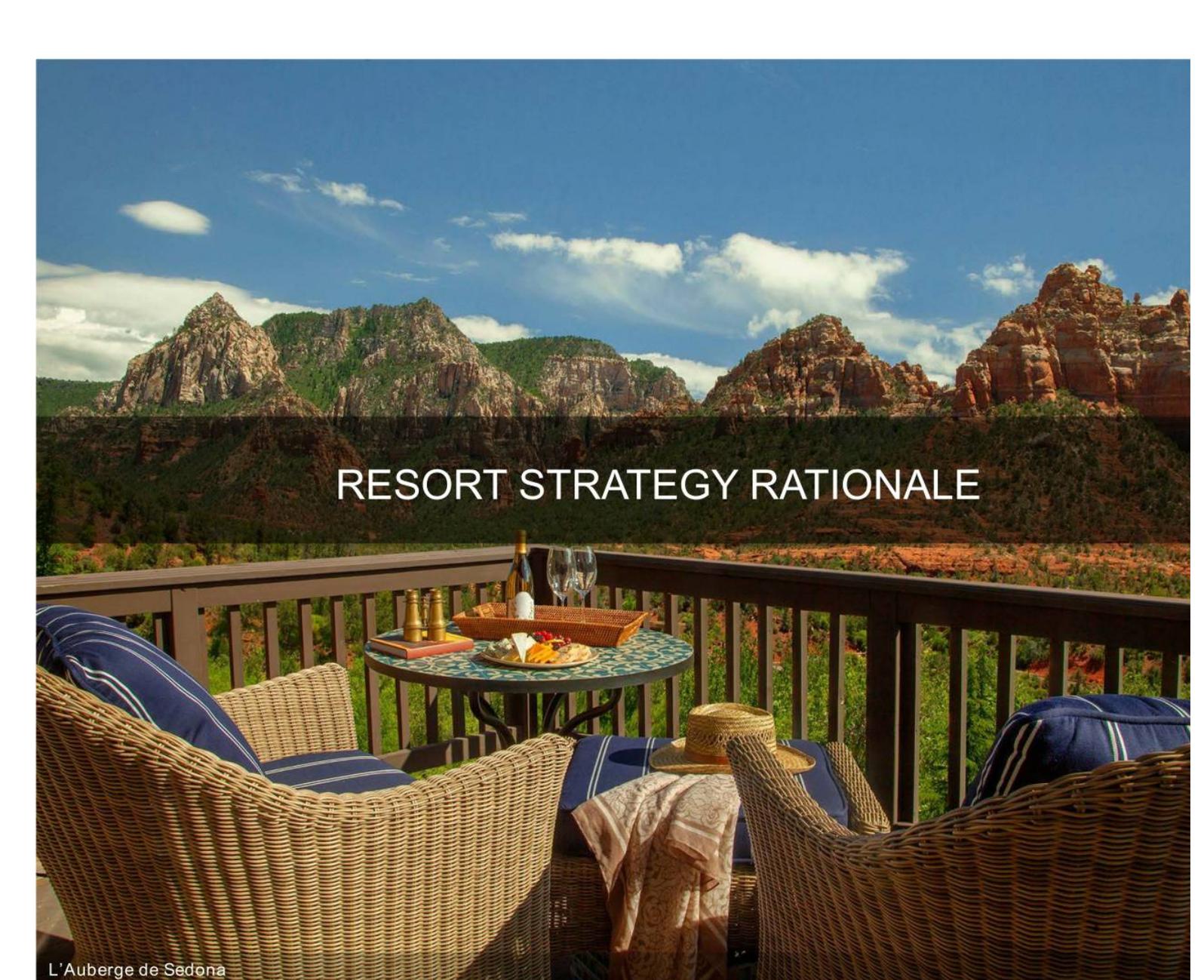
## Share Repurchase Plan: 7.8MM Shares

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- \$250MM Plan Authorization
- \$75MM repurchased at \$9.58 per share under current 10b5-1
- \$175MM remaining under repurchase authorization

Implied Valuation	
2019 EBITDA Multiple	11.2x
2019 NOI Cap Rate	8.2%
Discount to NAV	25% - 40%

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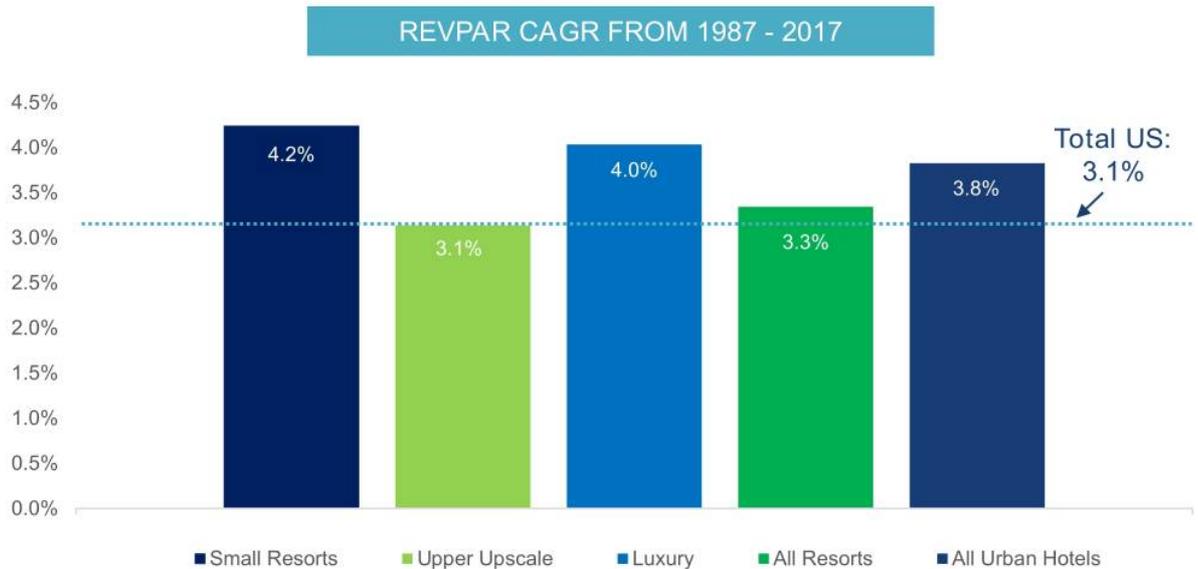


# RESORT STRATEGY RATIONALE

L'Auberge de Sedona

# Research Demonstrates Small Resorts Outperform

- According to CBRE/PKF research study, small resorts<sup>(1)</sup> have:
  - Less downside risk due to larger stream of reliable non-rooms revenue
  - Preserved the most ADR through the recession of the early 2000s
  - Achieved superior levels of ADR growth since 2009 to all other market classes



Source: CBRE Hotels Research.  
(1) Collection of non-golf resorts with less than 200 rooms

# DRH Lifestyle & Independent Strategy

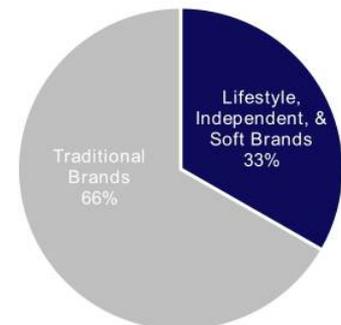
## RATIONALE FOR TARGETING LIFESTYLE HOTELS, INDEPENDENTS, & SOFT BRANDS

- To grow with shift towards experiential travel
- Reduces reliance on traditional brands
- Balances portfolio
- Greater opportunity for smaller deals
- Target allocation will be achieved through acquisitions of lifestyle hotels, independents and soft brands and dispositions of traditional boxes

## CURRENT ALLOCATION<sup>(1)</sup>

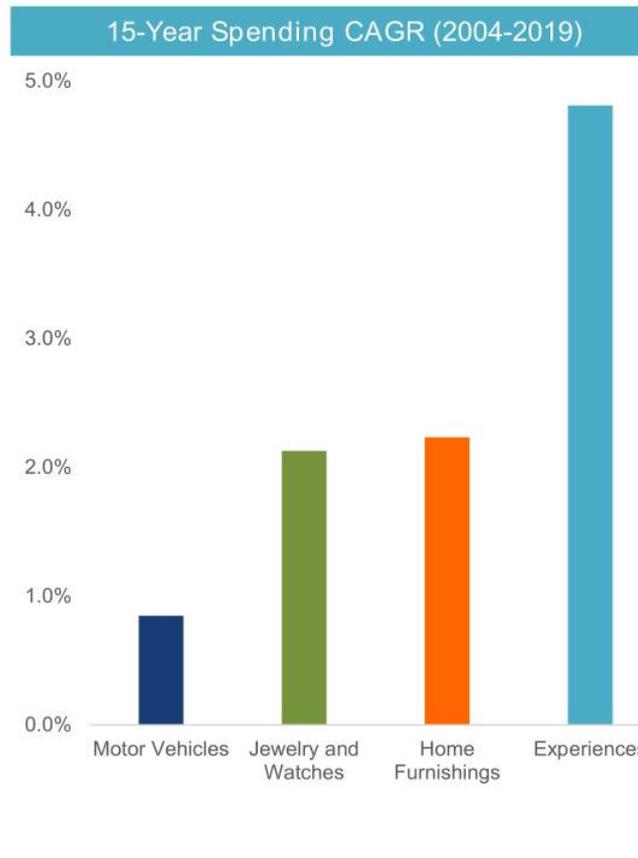
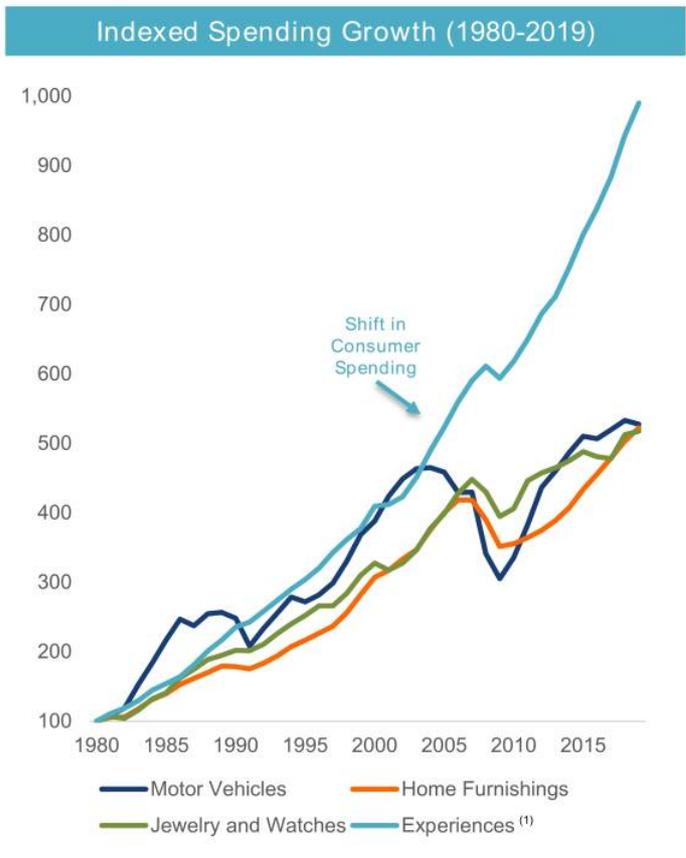


## LONG-TERM TARGET ALLOCATION



(1) Independent, lifestyle and soft brand hotels include the Havana Cabana, Cavallo Point, Hotel Emblem, L'Auberge de Sedona, Orchards Inn, The Landing, Palomar Phoenix, Shorebreak Hotel, the Lexington and The Gwen. Soft brands, including Autograph and Luxury Collection, are included as lifestyle / boutique. Based on 2019A EBITDA for all properties except Frenchman's Reef and Havana Cabana where 2016A used due to closure. Pro forma for full year for acquisitions.

# Consumers Spending More on Experiences Than Material Goods



Source: Bureau of Economic Analysis.

Note: Represents personal consumption expenditures by category indexed to 100 for the year 1980.

(1) Experiences include the following Bureau of Economic Analysis categories: accommodations, air travel, foreign travel by US residents, membership clubs, sports centers, parks, theaters, museums, casino gambling, and food services.

# Resort Thesis Already Proven Successful

	Investment (\$MM)	EBITDA Multiple @		EBITDA Increase
		Purchase	YE 2019	\$MM
Burlington Hilton	\$64	16.5x	8.9x	\$3.9
Cavallo Point	\$154	13.8x	13.9x	\$0.1
Charleston Renaissance	\$43	11.9x	7.0x	\$2.9
Fort Lauderdale Westin	\$167	14.8x	10.7x	\$5.5
Frenchman's Reef & Morning Star	\$266	7.1x	10.6x	\$14.4
Havana Cabana	\$54	12.2x	15.8x	(\$0.5)
Key West Suites	\$109	14.9x	18.3x	(\$0.4)
The Landing Resort & Spa	\$44	17.8x	25.9x	(\$0.7)
Sedona - L'Auberge	\$67	15.8x	8.6x	\$3.6
Sedona - Orchards Inn	\$31	13.7x	14.2x	\$0.0
Shorebreak	\$63	14.6x	11.5x	\$1.5
Sonoma Renaissance	\$40	10.7x	5.7x	\$4.0
Vail Marriott Mountain Resort	\$96	13.4x	8.7x	\$6.2
<b>Total Resort</b>	<b>\$1,197</b>	<b>13.1x</b>	<b>10.9x</b>	<b>\$40.5</b>

Note: Frenchman's Reef PF Stabilized EBITDA. Cavallo Point and Key West Suites adjusted for renovation disruption.



# ROI PROJECTS



Renaissance Charleston Historic District

# ROI Projects Drive Shareholder Value

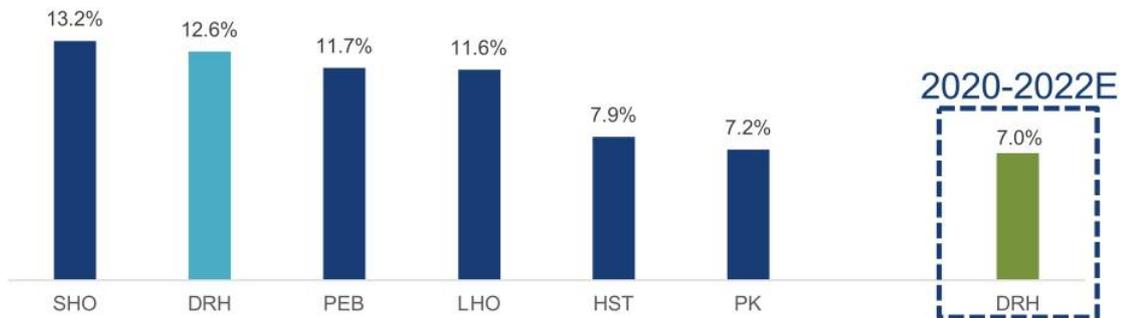
Property	Project	Incremental Capital Spend (\$MM)	Incremental EBITDA (\$MM)	Incremental Value (\$MM)	Project Status	Projected Completion
Hotel Emblem	Complete Renovation and Repositioning	\$5.1	\$1.5M - \$1.8	\$25 - \$30	Complete	Q1 2019
Worthington Renaissance	Restaurant and Lobby Renovation	\$7.8	\$1.7	\$20	Complete	Q4 2019
JW Marriott Denver	Renovation and Restaurant Repositioning	\$2.4	\$1.3	\$17	In Progress	Q1 2020
The Lodge at Sonoma	Reposition as Autograph Collection	\$5.0	\$1.2	\$17	In Progress	Q2 2020
Sheraton Key West	Reposition as an Independent Hotel	\$10.7	\$1.7 - \$2.2	\$23 - \$31	In Progress	Q2 2020
Hilton Boston Downtown	29 Additional Guestrooms	\$5.5	\$1.0	\$14	In Progress	Q3 2020
Sedona - Orchards Inn	Reposition as Cliffs at L'Auberge	\$17.6	\$3.7	\$53	In Planning	2021
The Landing Resort & Spa	Additional 17 Keys and Resort Enhancements	\$5.7	\$0.9	\$12	In Planning	2021
Vail Marriott	Resort Renovation and Repositioning	\$27.0	\$3.0 - \$4.0	\$41 - \$55	In Planning	2021
<b>Total</b>		<b>\$86.8</b>	<b>\$16.0 - \$17.8</b>	<b>\$222 - \$249</b>		

2019-2021 Value-Add Investments Are Expected To Create \$0.67/sh to \$0.80/sh of Value

# DRH to Benefit from Renovated Portfolio

>70% of DRH portfolio has been renovated in recent years.

## CapEx as a % of Revenue (3-Year Average)



Source: Wall Street Research, Company Filings.  
(1) 2016-2018 reported capital expenditures

# Cavallo Point: 10 Years of ROI Opportunities

Newly acquired luxury resort located in Golden Gate National Recreation Area in Sausalito, CA

## Situational Overview

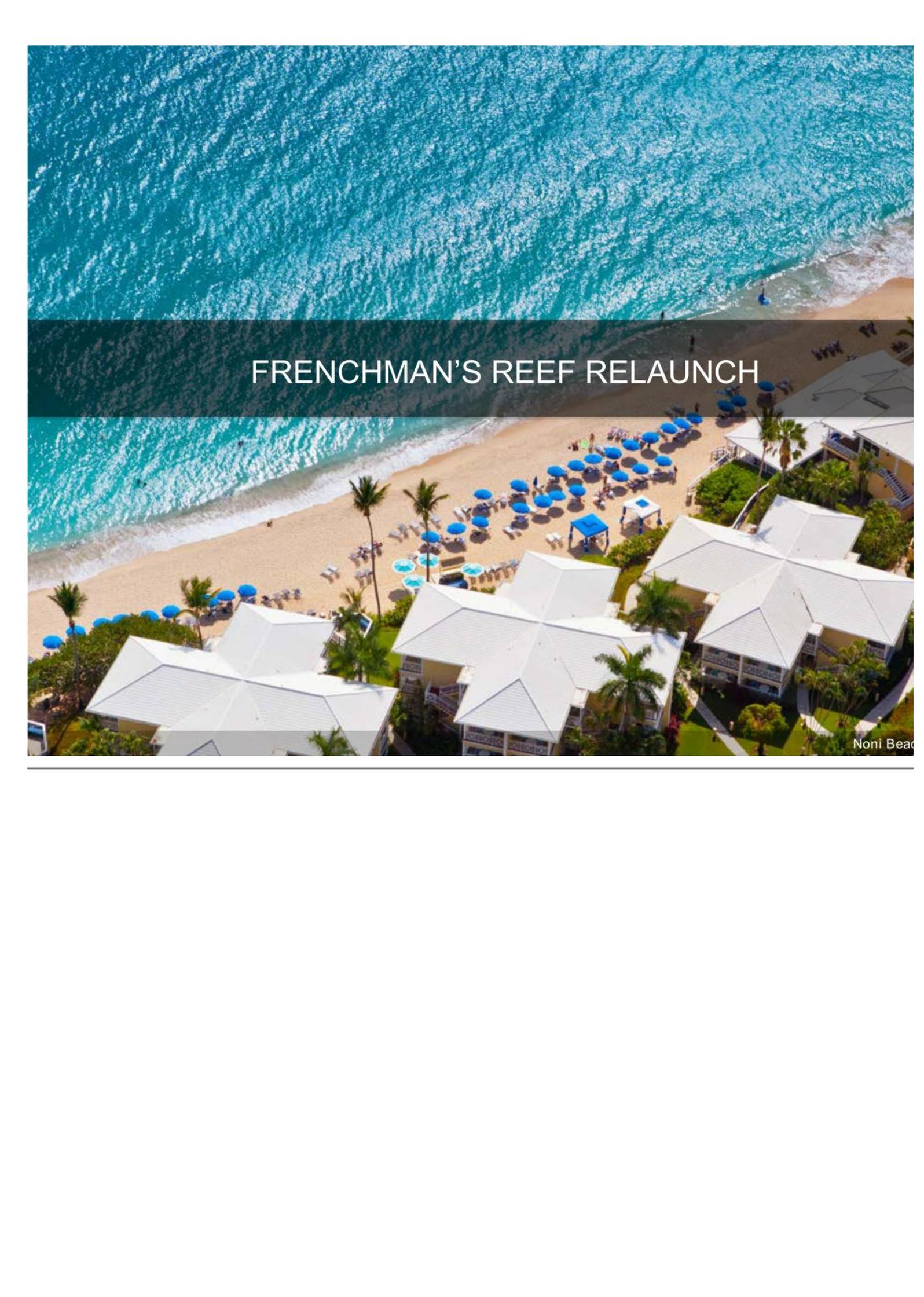
- Famous luxury resort in highly desirable Sausalito
- Situated at the base of the Golden Gate Bridge with sweeping views of the San Francisco Bay
- Average daily rate over \$400
- Independently branded with third-party operator
- Low-to-zero supply growth market
- 2019 RevPAR growth expected to exceed national average

## Numerous Upside Opportunities

- Owner-operated with upside from asset management best practices
- Convert former unused guard house at resort's entrance into a bakery and F&B outlet – incremental \$2MM in revenue
- Entitlement allows for an additional 83 Keys



Project Details	Purchase Price <b>\$152MM</b>	Yield on TTM NOI <b>6.7%</b>	Total RevPAR <b>\$809</b>	EBITDA Multiple <b>12.8x</b>
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An aerial photograph of a tropical beach resort. The top half shows the turquoise ocean with white foam from waves breaking on a sandy beach. The bottom half shows several white buildings with gabled roofs, palm trees, and a large area of blue umbrellas on the beach. The text "FRENCHMAN'S REEF RELAUNCH" is overlaid in white on a dark horizontal band across the middle.

# FRENCHMAN'S REEF RELAUNCH

Noni Beach

# Frenchman's Reef Re-Opening Q4 2020

## Project Update

Insurance Claim Settled  
Q4 2019

Anticipated Opening  
Q4 2020

Branding Established  
Marriott/Autograph

Management Selected  
Aimbridge

Stabilized EBITDA  
\$25M



Noni Beach Pool Area Rendering



Coco's Beach Club Rendering

# Frenchman's Reef Return on Investment

## Pre Hurricane EBITDA

2012	2013	2014	2015	2016	5 Year Average
\$10.9MM	\$12.5MM	\$14.9MM	\$15.6MM	\$16.6MM	\$14.1MM

- Frenchman's Reef and Noni Beach are expected to generate a combined \$25MM of EBITDA upon stabilization
  - This implies ~\$11MM of incremental EBITDA compared to pre hurricane five year average

Stabilized EBITDA return on investment expected to be in the **mid teens**

## Hotel Development Act

- The Hotel Development Act (Bill 33-0104), passed in 2019, permits certain hotels with sufficient damage to recoup costs uncovered by insurance
- Costs are reimbursed through retention of 50% of 12.5% occupancy tax
- Does not limit the recapture or time frame of collection
- DRH estimates \$3MM<sup>(1)</sup> of potential annual reimbursement that is incremental to our proforma



Beach Rendering

(1) Any reimbursement will be recognized as a reduction to our investment basis and not recognized as EBITDA

# Best-in-Class Rebuild Team

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## Kollin Altomare Architects

Four Seasons Punta Mita Resort & Spa  
The Ritz-Carlton Laguna Niguel  
The Fairmont Scottsdale Princess Resort  
The Ritz Carlton, Kapalua Maui



## WhiteSpace (Design)

Four Seasons Scottsdale at Troon North  
Four Seasons Hotel Austin  
Ritz-Carlton Half Moon Bay



## The Johnson Studio (F&B Design)

The Ritz-Carlton Grand Cayman  
(Blue, Seven, Taikun, Ritz Lobby Bar)  
Lobster Sea Bar Grille (Miami Beach)  
Del Frisco's Double Eagle Steakhouse (Dallas)



## Maris Collective (Retail, Concepts, Programming)

Four Seasons Maui  
Four Season Anguilla  
Fairmont Kea Lani, Maui



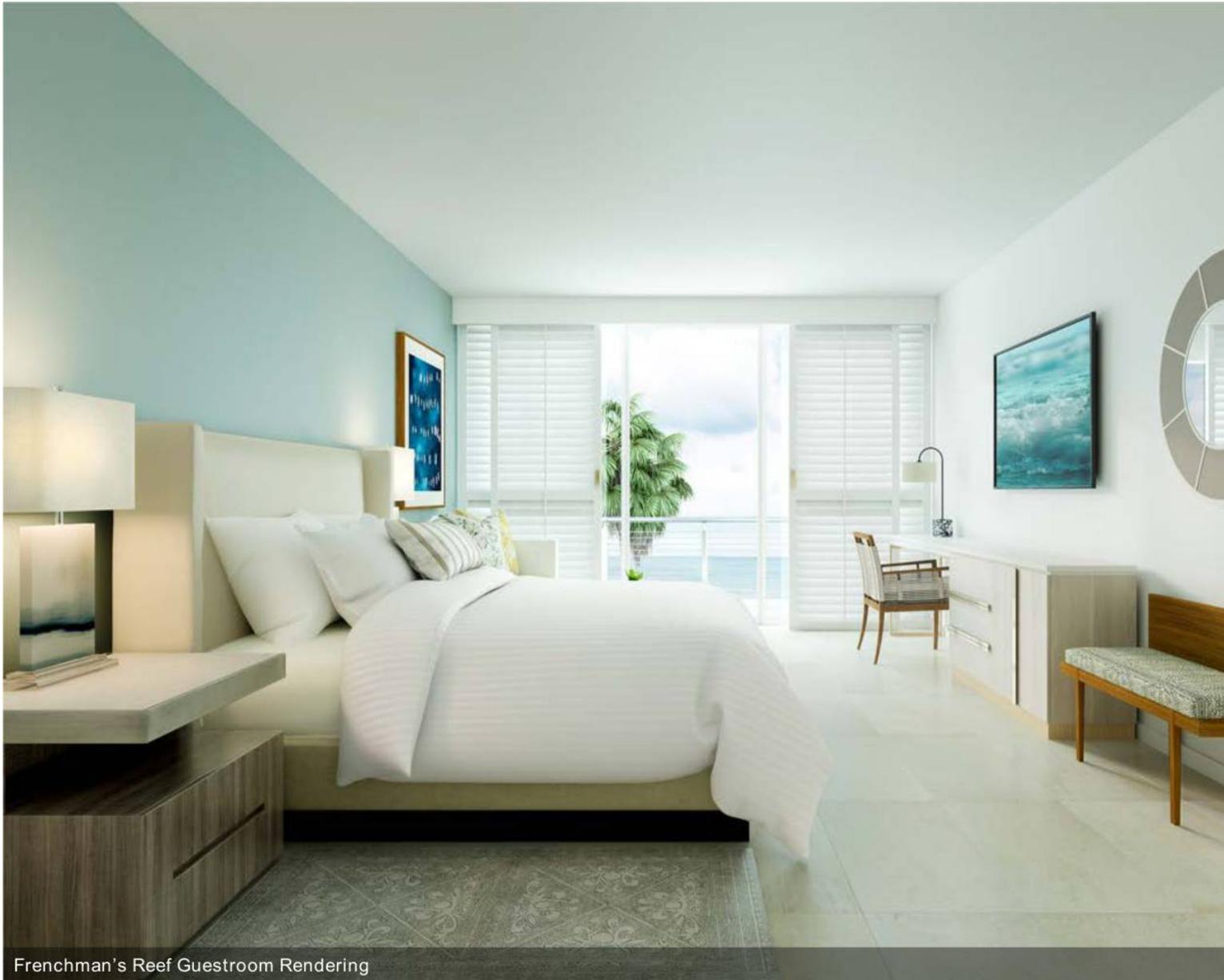
## Richard Sandoval Group (Celebrity Chef)

Four Seasons Nevis  
Four Seasons Punta Mita  
Maya (NYC, Dubai)  
Toro (Abu Dhabi)

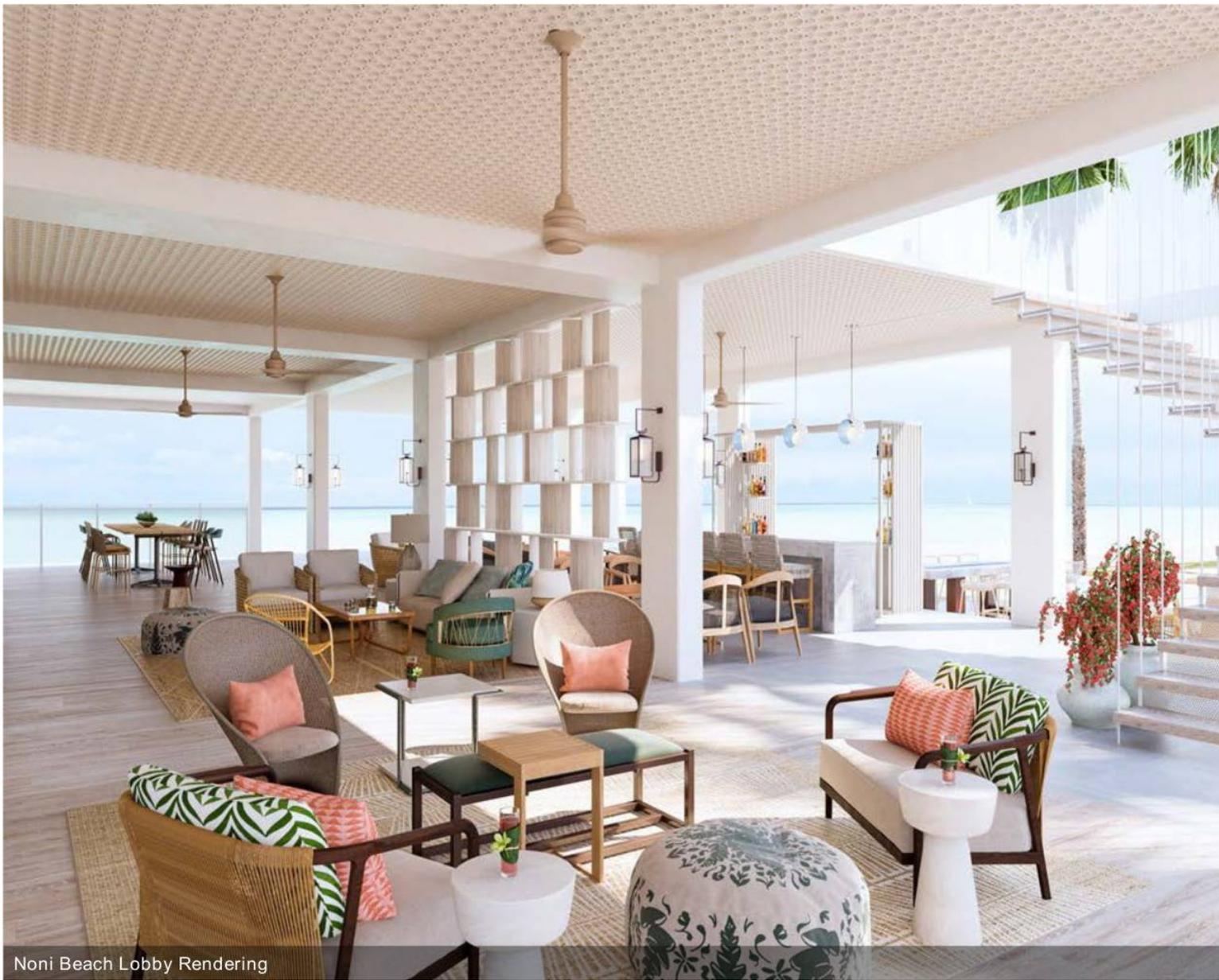
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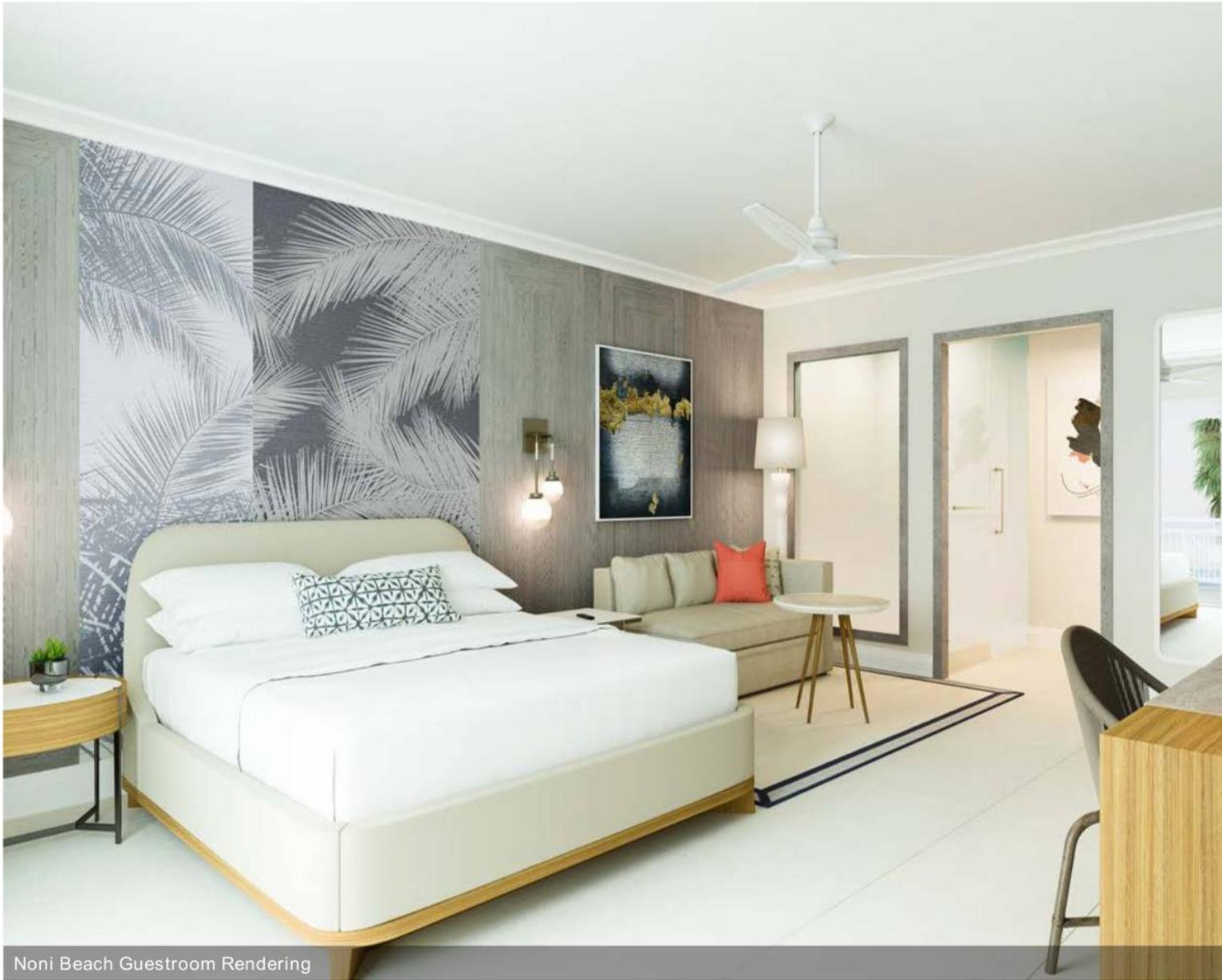
Frenchman's Reef Lobby Rendering



Frenchman's Reef Guestroom Rendering



Noni Beach Lobby Rendering



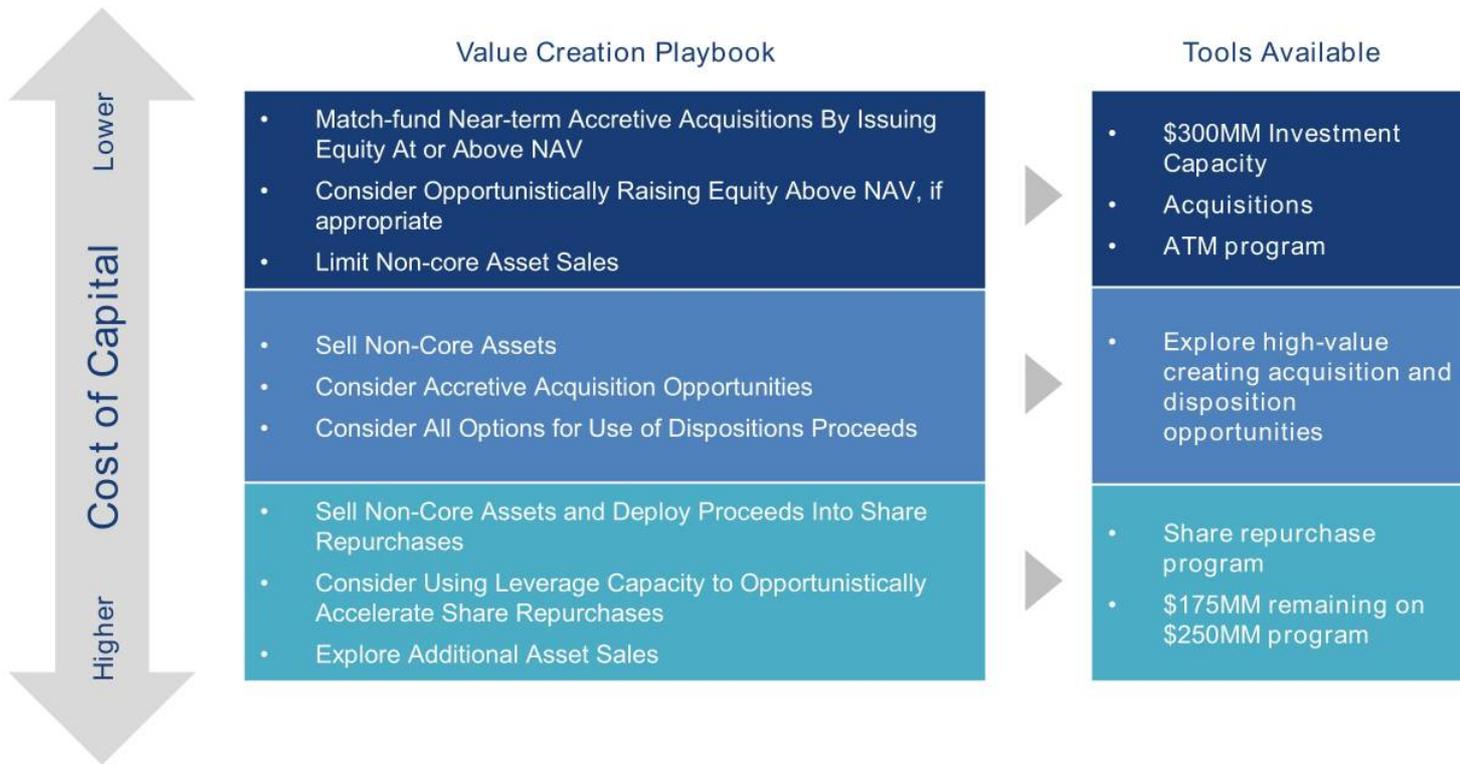
Noni Beach Guestroom Rendering



# OPPORTUNISTIC CAPITAL RECYCLING

The Westin San Diego

# Creating Value Throughout Cycle



# Opportunistic Capital Recycling

Similar to most lodging REIT peers, DRH currently trades at >25% discount to NAV per share

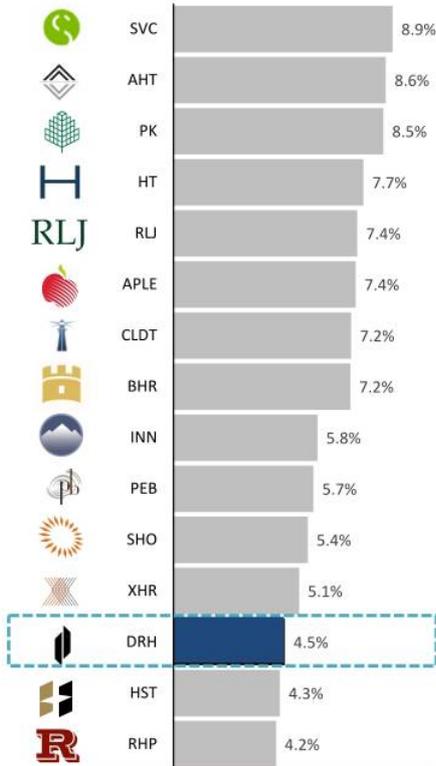
Region	Hotel NOI	Cap Rate			Estimated Value <sup>(2)</sup>			
	2019	Low	Mid	High	Low	Mid	High	Mid / Key
Boston	\$36.8	6.0%	6.5%	7.0%	\$525.1	\$565.5	\$612.6	\$473
Chicago	\$34.8	6.5%	7.0%	7.5%	\$463.5	\$496.6	\$534.8	\$329
Dallas / Fort Worth	\$11.4	7.0%	7.5%	8.0%	\$142.5	\$152.0	\$162.8	\$302
Denver	\$8.5	6.0%	6.5%	7.0%	\$121.5	\$130.8	\$141.7	\$351
New York City	\$26.8	5.0%	5.5%	6.0%	\$446.2	\$486.7	\$535.4	\$321
San Diego	\$10.7	6.5%	7.0%	7.5%	\$142.4	\$152.5	\$164.3	\$350
San Francisco	\$10.8	5.0%	5.5%	6.0%	\$179.7	\$196.1	\$215.7	\$831
Washington, DC	\$14.2	6.5%	7.0%	7.5%	\$189.9	\$203.5	\$219.1	\$298
Other Urban	\$22.2	6.5%	7.0%	7.5%	\$296.5	\$317.7	\$342.1	\$297
Resorts	\$62.9	6.0%	6.5%	7.0%	\$898.1	\$967.2	\$1,047.8	\$468
Resorts Under Development	\$20.0	8.0%	8.5%	9.0%	\$222.2	\$235.3	\$250.0	\$737
Total	\$259.0	6.1%	6.6%	7.1%	\$3,627.4	\$3,903.9	\$4,226.3	\$394

NAV Per Share	\$13.09	\$14.47	\$16.08
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- Note: Frenchman's Reef using stabilized NOI as proxy for multiple.  
 (1) Share price as of 1/21/20  
 (2) Dollar amounts in millions  
 (3) Dollar amounts in thousands

# DRH Return of Capital

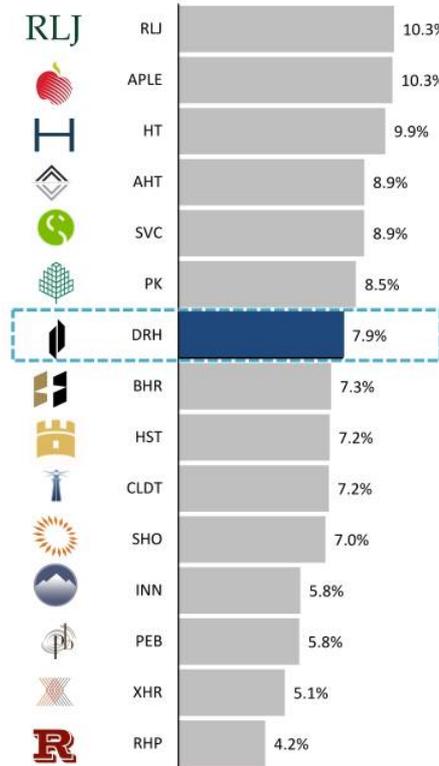
## Dividend Yield <sup>(1)</sup>



DRH Rank: 13 out of 15

Mean (excluding DRH): 6.7%

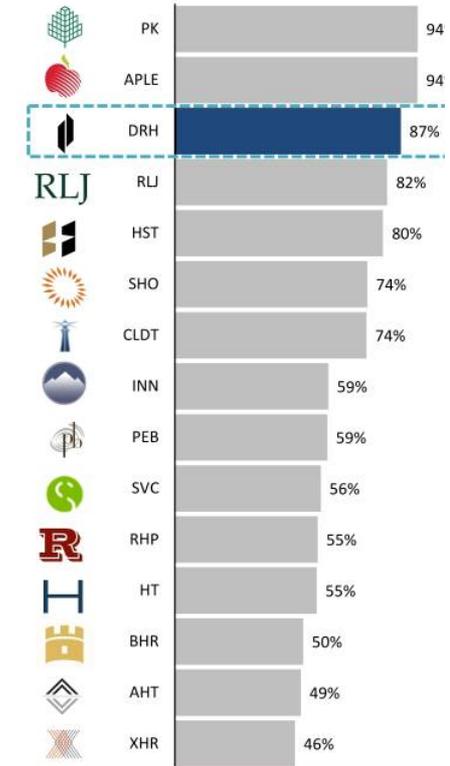
## Dividend & Share Repurchase Yield <sup>(2)</sup>



DRH Rank: 7 out of 15

Mean (excluding DRH): 7.6%

## Dividend & Share Repurchase Payout Ratio <sup>(3)</sup>



DRH Rank: 3 out of 15

Mean (excluding DRH): 66%

Source: FactSet as of December 31, 2019.

Note: Excludes lodging REITs that were not publicly trading prior to 2018 and lodging REITs with an equity market capitalization <\$250 million.

(1) Represents last quarter annualized dividend yield, except for SHO, which is depicted on a last 12 month basis.

(2) Represents dividend yield plus last 12 month stock repurchases as a percentage of equity market capitalization.

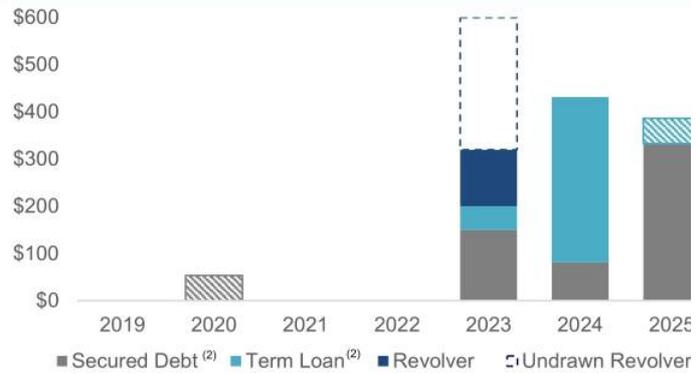
(3) Represents last 12 month common dividends paid and stock repurchases as a percentage of cash flow from operations.

# \$300MM of Investment Capacity

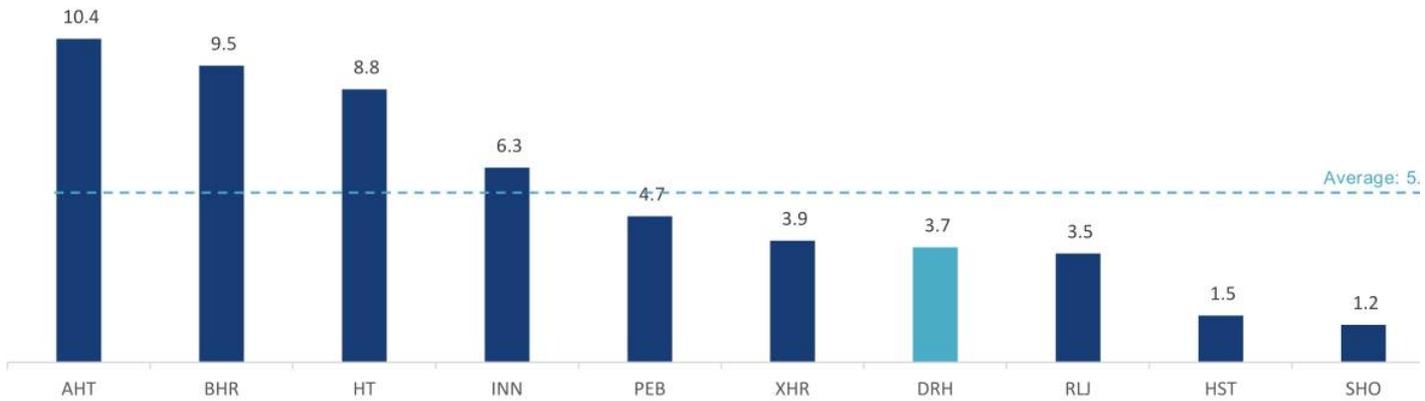
## CONSERVATIVE BALANCE SHEET STRATEGY <sup>(1)</sup>

- 23 unencumbered hotels
- Well-laddered maturity schedule with no maturities until November 2020
- \$300 million of investment capacity
- No more than 25% floating rate debt
- 2020 mortgage maturity payable in May 2020

## 2019 CREDIT RECAST EXTENDED MATURITIES



## LEVERAGE BELOW PEER AVERAGE <sup>(3)</sup>



(1) Source: Company Filings, Wall Street Research.

(2) Assumes Salt Lake City mortgage to be refinanced into 5-year term loan upon maturity in 2020

(3) Source: Baird. Net Debt plus preferred / 2019 Consensus EBITDA

Note: Leverage calculation is not adjusted for estimated EBITDA contribution from Frenchman's Reef

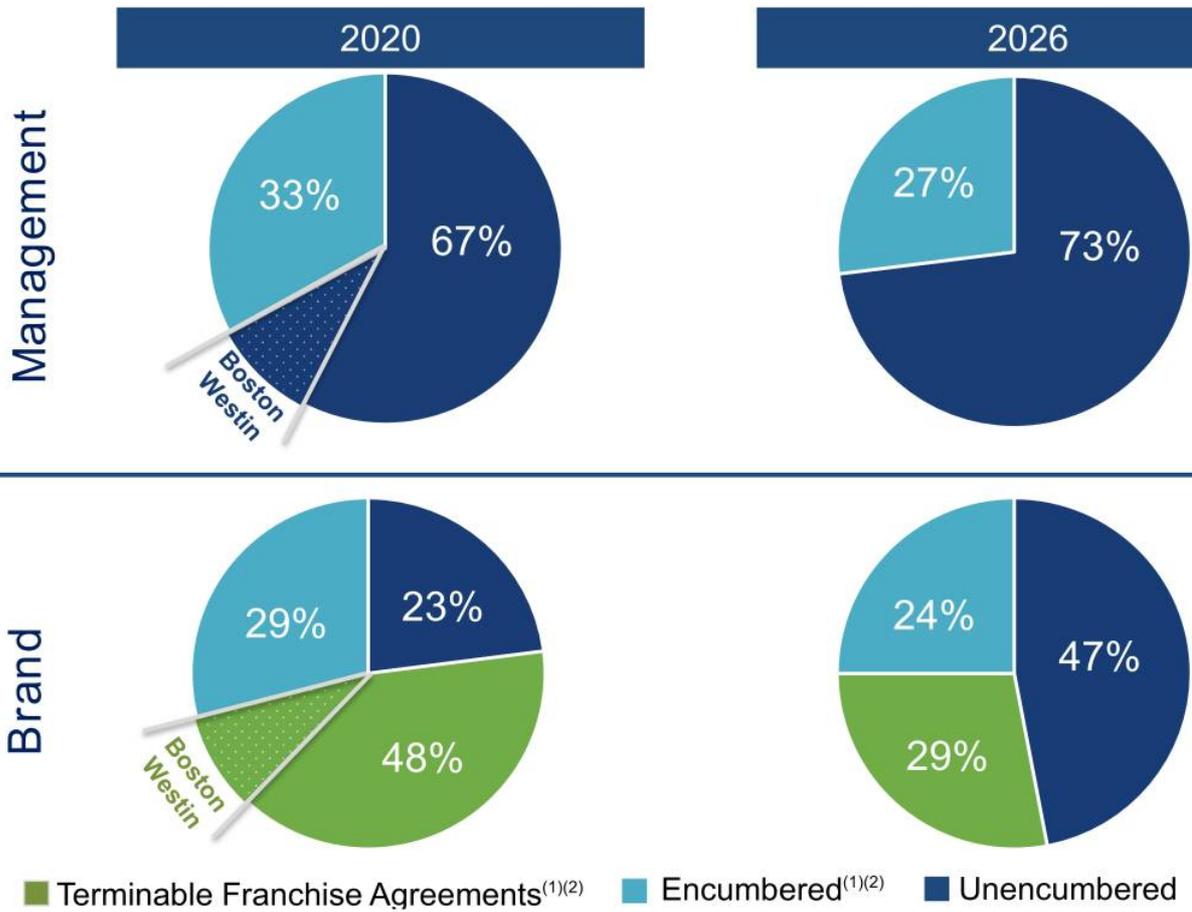


# ASSET REPOSITIONING

Havana Cabana

# Short Term Agreements Driving Value

Over 70% of EBITDA Not Encumbered by Brand and Management in 2026  
 One of the least encumbered portfolios among all full-service REITs



Note: Based on 2019 EBITDA

(1) Agreements terminable at will.

(2) Assumes the asset remains unencumbered when current agreements ends.

# Management Transitions Unlock Profitability

## Westin Fort Lauderdale Beach Resort

(Case Study)

- December 2014 Acquisition
- Replaced brand manager with HEI in 2015
  - Eliminated >\$5M of annual expenses in first year with continued overhaul of expense structure and operations subsequently
- Full guestroom renovation completed in 2018, with F&B and lobby repositioning completed in 2017
  - Repositioned Siren's Table into Lona Cocina and Tequileria
  - Lona forecasted to generate ~\$6MM revenue in 2019, compared to ~\$2.6MM revenue from Siren's Table
  - Halo effect continues to drive business at the hotel

### PERFORMANCE SINCE ACQUISITION

	2014	2019	Increase
RevPAR	\$148.94	\$166.99	12%
EBITDA	\$9.6MM	\$15.6MM	63%
EBITDA Margin	21.9%	30.5%	860bps
EBITDA Multiple <sup>(1)</sup>	14.8x	10.7x	28%

(1) Based on current investment basis.

## Westin Boston Waterfront

Aimbridge/Interstate Replaces Brand Manager in January 2020

### 2020 INCREMENTAL EBITDA

Net Incremental Fees/Costs	-\$4.0MM	Departmental Profit	+\$1.0MM
		Gen. & Admin/Other	+\$2.0MM
		Sales & Marketing	+\$2.0MM
<b>Total Cost</b>	<b>-\$4.0MM</b>	<b>Total Benefit</b>	<b>+\$6.0MM</b>
		<b>Incremental EBITDA</b>	<b>+\$2.0MM</b>

Source: Aimbridge/Interstate vs. Marriott Proforma Budget





**2020 OUTLOOK**

# DRH 2020 Outlook Favorable

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- Total 2020 booking pace **up 14%**
- Chicago combined pace **up 20%**
- Boston combined pace **up 30%**
- Fort Worth pace **up 15%**
- Frenchman's Reef Marriott Resort & Spa and Noni Beach, an Autograph Hotel **Reopening 4Q 2020**



Note: Latest pace data as of 1/24/20  
Source: STR.

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# 2020 Key Market Outlook

	Portfolio %	DRH Asset Outlook	Demand <sup>(1)</sup>	Supply <sup>(1)</sup>	DRH / Market Notes
Resorts	30%		0.7%	1.1%	<ul style="list-style-type: none"> <li>Resorts expected to outperform in 2020 as leisure travel continues to outpace corporate travel</li> </ul>
Boston	14%		3.1%	3.4%	<ul style="list-style-type: none"> <li>Combined group pace up 30%</li> <li>Boston Hilton under renovation and adding additional guestrooms</li> </ul>
Chicago	14%		2.6%	1.5%	<ul style="list-style-type: none"> <li>Combined group pace up 20%</li> <li>Large corporate groups expected to continue drive outside-the-room revenue</li> </ul>
New York City	11%		3.7%	5.5%	<ul style="list-style-type: none"> <li>NYC supply growth expected to remain elevated through 2020</li> </ul>
Fort Lauderdale	5%		3.5%	2.4%	<ul style="list-style-type: none"> <li>Weak convention calendar in 2020</li> <li>Re-concepted "Lona Cocina" opened late 2017 and continues to deliver strong revenue growth</li> </ul>
Fort Worth	5%		7.1%	7.4%	<ul style="list-style-type: none"> <li>Group pace up 15%</li> <li>Newly renovated "Toro Toro" steakhouse opened 2019 and ramping throughout 2020</li> </ul>
San Diego	4%		2.0%	1.4%	<ul style="list-style-type: none"> <li>Citywide room nights up mid-single digits in 2020</li> <li>Supply growth appears to be peaking</li> </ul>
San Francisco	4%		1.3%	0.7%	<ul style="list-style-type: none"> <li>Low supply growth in market</li> <li>Hotel Emblem expected to continue significant outperformance</li> </ul>
Washington DC	4%		1.1%	1.4%	<ul style="list-style-type: none"> <li>Group pace up 5%</li> <li>Strong convention calendar (+26%) in 2020</li> </ul>
Denver	3%		4.9%	2.9%	<ul style="list-style-type: none"> <li>Combined group pace up 14%</li> <li>Double-digit Total RevPAR growth forecasted in</li> </ul>

(1) Based on PKF Upper Priced Forecast



**DIAMONDROCK**  
HOSPITALITY

