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):

January 31, 2019

DiamondRock Hospitality Company
(Exact name of registrant as specified in charter)

Maryland	**001-32514**	**20-1180098**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

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

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

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))

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

o 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. o

This Current Report on Form 8-K ("Current Report") contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as "believe," "expect," "intend," "project," "anticipate," "position," and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks include, but are not limited to those risks and uncertainties 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 27, 2018. 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 2.02. Results of Operations and Financial Condition.

On January 31, 2019, DiamondRock Hospitality Company (the "Company") issued a press release announcing its preliminary financial results for the quarter and year ended December 31, 2018. A copy of that press release is furnished as Exhibit 99.1 and is incorporated by reference herein.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, regardless of any general incorporation language in such filing.

ITEM 7.01. Regulation FD Disclosure

A copy of a slide presentation that the Company intends to use at investor meetings is attached to this Current Report as Exhibit 99.2 and is incorporated by reference herein. The Company has posted the presentation in the investor relations/presentations section of its website at www.drhc.com.

The information furnished pursuant to this Item 7.01, including Exhibit 99.2, shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that Section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, regardless of any general incorporation language in 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:

Exhibit No.	Description
99.1	Press Release, dated January 31, 2019
99.2	Investor Presentation, dated January 31, 2019

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: January 31, 2019

By: /s/ Briony R. Quinn

Briony R. Quinn

Senior Vice President and Treasurer

COMPANY CONTACT

Jay Johnson
(240) 744-1150

FOR IMMEDIATE RELEASE

DIAMONDROCK HOSPITALITY COMPANY REPORTS PRELIMINARY FOURTH QUARTER AND FULL YEAR 2018 RESULTS

Provides 2019 Outlook

Repurchases 6.5 Million Shares

BETHESDA, Maryland, Thursday, January 31, 2019 – DiamondRock Hospitality Company (the "Company") (NYSE: DRH) today announced preliminary results of operations for the fourth quarter and year ended December 31, 2018 and its outlook for 2019. The Company's final detailed results of operations for the quarter and year ended December 31, 2018 will be announced on February 25, 2019.

Mark W. Brugger, President and Chief Executive Officer of DiamondRock Hospitality Company stated, "Full year 2018 results were consistent with our internal expectations and above the mid-point of our guidance. We were pleased with 1.3% RevPAR growth in light of an 80 basis point headwind from renovation disruption and an additional 50 basis point headwind from the union strike and Marriott/Starwood integration issues at the Boston Westin. The year also marked great progress on several major repositionings, including the Hotel Emblem San Francisco and Havana Cabana Key West. Additionally, we repurchased 6.5 million shares of our stock over the last 60 days under our share repurchase plan to take advantage of our discount to NAV and the recent pullback in lodging REIT stock prices."

Preliminary 2018 Results

The Company's preliminary results for the fourth quarter and year ended December 31, 2018 are as follows:

	Fourth Quarter	Full Year
Preliminary Comparable Operating Results (1)		
RevPAR Growth	1.9%	1.3%
Preliminary Actual Operating Results (2)		
Revenues	$223.4M	$863.7M
Net income	$22.0M - $23.0M	$85.7M - $86.7M
Earnings per diluted share	$0.10 - $0.11	$0.41 - $0.42
Adjusted EBITDA	$63.0M - $64.0M	$252.5M - $253.5M
Adjusted FFO	$52.0M - $52.5M	$208.5M - $209.0M
Adjusted FFO per diluted share	$0.25	$1.01
Weighted average diluted shares outstanding	209.1M	206.2M

[1] Comparable operating results include our 2018 and 2017 acquisitions for all periods and exclude the Frenchman's Reef and Morning Star Marriott Beach Resort ("Frenchman's Reef") and Havana Cabana Key West for all periods presented due to the closure of these hotels. In addition, comparable operating results exclude Hotel Emblem (formerly Hotel Rex) from September 1 to December 31, 2018 and the comparable period of 2017 due to the closure of the hotel for renovation. Pre-acquisition operating results of acquired hotels were obtained from the seller during the acquisition due diligence process. We have made no adjustments to the amounts provided to us by each seller and these pre-acquisition operating results were not audited or reviewed by the Company's independent auditors.

[2] Actual operating results include Frenchman's Reef, Havana Cabana Key West and Hotel Emblem and the operating results of hotels acquired for the Company's respective ownership periods.

Please see "Non-GAAP Financial Measures" attached to this press release for an explanation of the terms "Adjusted EBITDA," "FFO" and "Adjusted FFO" and a reconciliation of these measures to net income.

The preliminary results are not audited and are subject to adjustments that may result from the completion of the Company's year-end closing process. As previously announced, the Company intends to release final 2018 financial results after the market closes on February 25, 2019, and hold its earnings call on February 26, 2019.

Share Repurchase Program

The Company has repurchased 6.5 million shares of its common stock at an average price of $9.50 per share since it began repurchasing shares in December 2018. The Company repurchased 3.4 million shares of its common stock at an average price of $9.49 per share for a total purchase price of $32.2 million during the fourth quarter of 2018. Subsequent to December 31, 2018, the Company repurchased 3.1 million shares of its common stock at an average price of $9.52 per share for a total purchase price of $30.0 million. The Company has $188 million of remaining authorized capacity under its $250 million share repurchase program.

Frenchman's Reef Update

The Company is in the process of rebuilding Frenchman's Reef following the significant damage caused by the hurricanes in 2017 and the resort is expected to reopen in 2020. Under its insurance policy, the Company is entitled to be compensated for, among other things, the cost to replace the damaged property, as well as for lost profits during the rebuilding period. The Company and its insurers are currently in discussions and litigation regarding the Company's insurance claim and the Company plans to provide a more comprehensive update on its earnings call scheduled for February 26, 2019.

2019 Guidance

The Company is providing annual guidance for 2019, but does not undertake to update it for any developments in its business. Achievement of the anticipated results is subject to the risks disclosed in the Company's filings with the U.S. Securities and Exchange Commission. Comparable RevPAR growth assumes all of the Company's hotels were owned as of January 1, 2018, but excludes Havana Cabana Key West for January 1 to March 31, 2018 and 2019, Hotel Emblem for September 1 to December 31, 2018 and 2019 and Frenchman's Reef for all periods.

The Company expects full year 2019 Comparable RevPAR growth in the range of 0.5 percent to 2.5 percent for its portfolio. Accordingly, the Company is providing the following guidance:

Metric	**Low End**	**High End**
(Includes Frenchman's Reef Business Interruption Agreed Upon For Partial Year 2019)		
Adjusted EBITDA	$256 million	$268 million
Adjusted FFO	$204 million	$214 million
Adjusted FFO per share (based on 205 million diluted shares)	$1.00 per share	$1.04 per share

The guidance above incorporates business interruption insurance income related to Frenchman's Reef of only $8.8 million, which is less than the $16.1 million recognized in 2018. The Company believes it is entitled to at least $16.1 million of business interruption insurance income for the full year 2019, but the insurers have only agreed to $8.8 million at this time, which represents lost profits through April 2019. The Company continues to negotiate with its insurers to recover all of the amounts to which it believes it is legally entitled, but the timing of a resolution is uncertain. The following chart provides a quarterly comparison of income received from business interruption insurance in 2018 and projected for 2019:

Frenchman's Reef BI Income	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full Year
2018	$5.3 million	$2.0 million	$5.7 million	$3.1 million	$16.1 million
2019	$8.8 million	TBD	TBD	TBD	$8.8 million + TBD

The Company's guidance also incorporates renovation disruption of approximately $3 million to $4 million to Hotel Adjusted EBITDA and does not incorporate any additional share repurchases.

About the Company

DiamondRock Hospitality Company is a self-advised real estate investment trust (REIT) that is an owner of a leading portfolio of geographically diversified hotels concentrated in top gateway markets and destination resort locations. The Company owns 31 premium quality hotels with over 10,000 rooms. The Company has strategically positioned its hotels to be operated both under leading global brand families such as Hilton and Marriott as well as unique boutique hotels in the lifestyle segment. For further information on the Company and its portfolio, please visit DiamondRock Hospitality Company's website at www.drhc.com.

This press release contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as "believe," "expect," "intend," "project," "forecast," "plan" and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made, including statements related to the expected duration of closure of Frenchman's Reef and anticipated insurance coverage. These risks include, but are not limited to: national and local economic and business conditions, including the potential for additional terrorist attacks, that will affect occupancy rates at the Company's hotels and the demand for hotel products and services; operating risks associated with the hotel business; risks associated with the level of the Company's indebtedness; relationships with property managers; the ability to compete effectively in areas such as access, location, quality of accommodations and room rate structures; changes in travel patterns, taxes and government regulations which influence or determine wages, prices, construction procedures and costs; and other risk factors contained in the Company's filings with the Securities and Exchange Commission. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this release is as of the date of this release, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

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 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 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 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 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, EBITDAre and FFO

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 one measure in determining the value of hotel acquisitions and dispositions.

The Company computes FFO in accordance with standards established by the Nareit, which defines FFO as net income determined in accordance with U.S. GAAP, excluding gains or losses from sales of properties, impairment losses on depreciable real estate consolidated on the Company’s balance sheet, impairment losses on any investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures and real estate-related depreciation and amortization. The Company believes that the presentation of FFO provides useful information to investors regarding its operating performance because it is a measure of the Company's operations without regard to specified non-cash items, such as real estate depreciation and amortization and gains or losses on the sale of assets. The Company also uses FFO as one measure in assessing its operating results.

Adjustments to EBITDAre, FFO and Hotel EBITDA

We adjust EBITDA*re*, FFO and Hotel EBITDA 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, Adjusted FFO and Hotel Adjusted EBITDA when combined with U.S. GAAP net income, EBITDA, EBITDA*re*, FFO and Hotel EBITDA, is beneficial to an investor's complete understanding of our consolidated and property-level operating performance.

We adjust EBITDA*re*, FFO and Hotel EBITDA for the following items:

- *Non-Cash Ground Rent*: We exclude the non-cash expense incurred from the straight line recognition of rent from our ground lease obligations and the non-cash amortization of our favorable lease assets. We exclude these non-cash items because they do not reflect the actual rent amounts due to the respective lessors in the current period and they are of lesser significance in evaluating our actual performance for that period.

- *Non-Cash Amortization of Favorable and Unfavorable Contracts*: We exclude the non-cash amortization of the favorable and unfavorable contracts recorded in conjunction with certain acquisitions because the non-cash amortization is based on historical cost accounting and is of lesser significance in evaluating our actual performance for that period.

- *Cumulative Effect of a Change in Accounting Principle*: Infrequently, the Financial Accounting Standards Board (FASB) promulgates new accounting standards that require the consolidated statement of operations 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 Early Extinguishment of Debt*: We exclude the effect of gains or losses recorded on the early extinguishment of debt 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 Items*: We exclude the transition items associated with a change in hotel manager because we believe these items do not reflect the ongoing performance of the Company or our hotels.

- *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: pre-opening costs incurred with newly developed hotels; lease preparation costs incurred to prepare vacant space for marketing; management or franchise contract termination fees; gains or losses from legal settlements; costs incurred related to natural disasters; and gains from insurance proceeds, other than income related to business interruption insurance.

In addition, to derive Adjusted FFO we exclude any fair value adjustments to debt instruments. We exclude these non-cash amounts because they do not reflect the underlying performance of the Company.

Reconciliations of Non-GAAP Measures

EBITDA, EBITDAre and Adjusted EBITDA

The following tables are reconciliations of our GAAP net income to EBITDA, EBITDA*re* and Adjusted EBITDA (in millions):

	Three Months Ended December 31, 2018		Year Ended December 31, 2018	
	Low End	High End	Low End	High End
Net income	$ 22.0	$ 23.0	$ 85.7	$ 86.7
Interest expense	10.5	10.5	41.0	41.0
Income tax expense	0.5	1.0	3.0	3.5
Real estate related depreciation and amortization	27.5	27.0	105.0	104.5
EBITDA	60.5	61.5	234.7	235.7
Impairment losses	—	—	—	—
Loss on sale of hotel properties	—	—	—	—
EBITDA*re*	60.5	61.5	234.7	235.7
Non-cash ground rent	2.0	2.0	7.3	7.3
Non-cash amortization of favorable and unfavorable contract liabilities, net	(0.5)	(0.5)	(2.0)	(2.0)
Hurricane-related costs [(1)]	0.8	0.8	4.0	4.0
Hotel manager transition and pre-opening items [(2)]	0.2	0.2	(1.5)	(1.5)
Gain on property insurance settlement	—	—	(1.7)	(1.7)
Severance costs [(3)]	—	—	11.7	11.7
Adjusted EBITDA	$ 63.0	$ 64.0	$ 252.5	$ 253.5

[(1)]Represents stabilization, cleanup, and other costs (such as professional fees and hotel labor) incurred at our hotels impacted by Hurricanes Irma or Maria that have not been or are not expected to be recovered by insurance.

[(2)]Three months ended December 31, 2018 consists of $0.2 million related to pre-opening costs related to the reopening of Hotel Emblem. Year ended December 31, 2018 consists of (a) manager transition costs of $0.1 million related to the Hotel Emblem, L'Auberge de Sedona and Orchards Inn Sedona and (b) pre-opening costs of $0.6 million related to the reopening of the Havana Cabana Key West and Hotel Emblem, offset by $2.2 million of accelerated amortization of key money in connection with the termination of the Frenchman's Reef management agreement.

[(3)]Year ended December 31, 2018 consists of (a) $10.9 million related to payments made to unionized employees under a voluntary buyout program at the Lexington Hotel New York, which are classified within other hotel expenses on the consolidated statement of operations and (b) $0.8 million related to the departure of our former Executive Vice President and Chief Financial Officer, which is classified within corporate expenses on the consolidated statement of operations.

	Full Year 2019 Guidance	
	Low End	High End
Net income	$ 86.7	$ 97.7
Interest expense	48.5	47.5
Income tax expense	3.5	6.5
Real estate related depreciation and amortization	110.0	109.0
EBITDA*re*	248.7	260.7
Non-cash ground rent	7.3	7.3
Non-cash amortization of favorable and unfavorable contracts, net	(2.0)	(2.0)
Hurricane-related costs	2.0	2.0
Adjusted EBITDA	$ 256.0	$ 268.0

FFO and Adjusted FFO

The following tables are reconciliations of our GAAP net income to FFO and Adjusted FFO (in thousands):

	Three Months Ended December 31, 2018		Year Ended December 31, 2018	
	Low End	**High End**	**Low End**	**High End**
Net income	$ 22.0	$ 23.0	$ 85.7	$ 86.7
Real estate related depreciation and amortization	27.5	27.0	105.0	104.5
FFO	49.5	50.0	190.7	191.2
Non-cash ground rent	2.0	2.0	7.3	7.3
Non-cash amortization of favorable and unfavorable contract liabilities, net	(0.5)	(0.5)	(2.0)	(2.0)
Hurricane-related costs [1]	0.8	0.8	4.0	4.0
Hotel manager transition and pre-opening items [2]	0.2	0.2	(1.5)	(1.5)
Gain on property insurance settlement	—	—	(1.7)	(1.7)
Severance costs [3]	—	—	11.7	11.7
Adjusted FFO	$ 52.0	$ 52.5	$ 208.5	$ 209.0
Adjusted FFO per diluted share	$ 0.25	$ 0.25	$ 1.01	$ 1.01

(1) Represents stabilization, cleanup, and other costs (such as professional fees and hotel labor) incurred at our hotels impacted by Hurricanes Irma or Maria that have not been or are not expected to be recovered by insurance.

(2) Three months ended December 31, 2018 consists of $0.2 million related to pre-opening costs related to the reopening of Hotel Emblem. Year ended December 31, 2018 consists of (a) manager transition costs of $0.1 million related to the Hotel Emblem, L'Auberge de Sedona and Orchards Inn Sedona and (b) pre-opening costs of $0.6 million related to the reopening of the Havana Cabana Key West and Hotel Emblem, offset by $2.2 million of accelerated amortization of key money in connection with the termination of the Frenchman's Reef management agreement.

(3) Year ended December 31, 2018 consists of (a) $10.9 million related to payments made to unionized employees under a voluntary buyout program at the Lexington Hotel New York, which are classified within other hotel expenses on the consolidated statement of operations and (b) $0.8 million related to the departure of our former Executive Vice President and Chief Financial Officer, which is classified within corporate expenses on the consolidated statement of operations.

	Full Year 2019 Guidance	
	Low End	**High End**
Net income	$ 86.7	$ 97.7
Real estate related depreciation and amortization	110.0	109.0
FFO	196.7	206.7
Non-cash ground rent	7.3	7.3
Non-cash amortization of favorable and unfavorable contract liabilities, net	(2.0)	(2.0)
Hurricane-related costs	2.0	2.0
Adjusted FFO	$ 204.0	$ 214.0
Adjusted FFO per diluted share	$ 1.00	$ 1.04

DiamondRock Hospitality

INVESTOR DAY 2019

Vail Marriott Mountain Resort

January 31st, 2019 | Vail Marriott

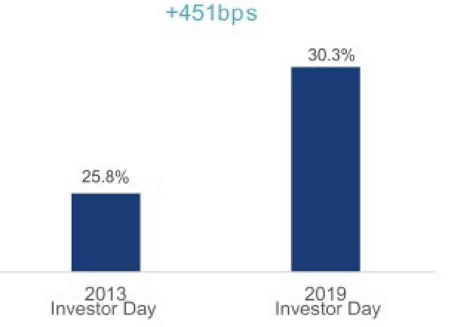
DRH Evolution Since Prior Investor Day

DRH Portfolio Evolution			
	2013 Investor Day	2019 Investor Day	Increase / (Decrease)
RevPAR	$137.24	$187.13	36%
AFFO Per Share	$0.73	$1.01	38%
Net Debt / EBITDA	4.9x	3.5x	28% Better
Resorts (% of Portfolio)	14%	32%	100%+
Short-Term/Terminable Management Agreements (% of Portfolio)	46%	65%	19 pp's

Hotel Adjusted EBITDA per Key[(1)]

($ in thousands)

Hotel Adjusted EBITDA Margins[(1)]



Note: 2013 Investor day on September 3, 2013. Metrics based on full-year pro forma RevPAR and EBITDA.
(1) Represents full-year Pro Forma Hotel Adjusted EBITDA for 2013 and 2018.

DRH Leadership Team: 100+ Years of Experience

MARK W. BRUGGER
PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR

JAY JOHNSON
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

THOMAS HEALY
EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

WILLIAM J. TENNIS
EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL AND CORPORATE SECRETARY

TROY FURBAY
EXECUTIVE VICE PRESIDENT AND CHIEF INVESTMENT OFFICER

BRIONY R. QUINN
SENIOR VICE PRESIDENT AND TREASURER

DRH Four Pillars to Drive Performance

Portfolio Quality

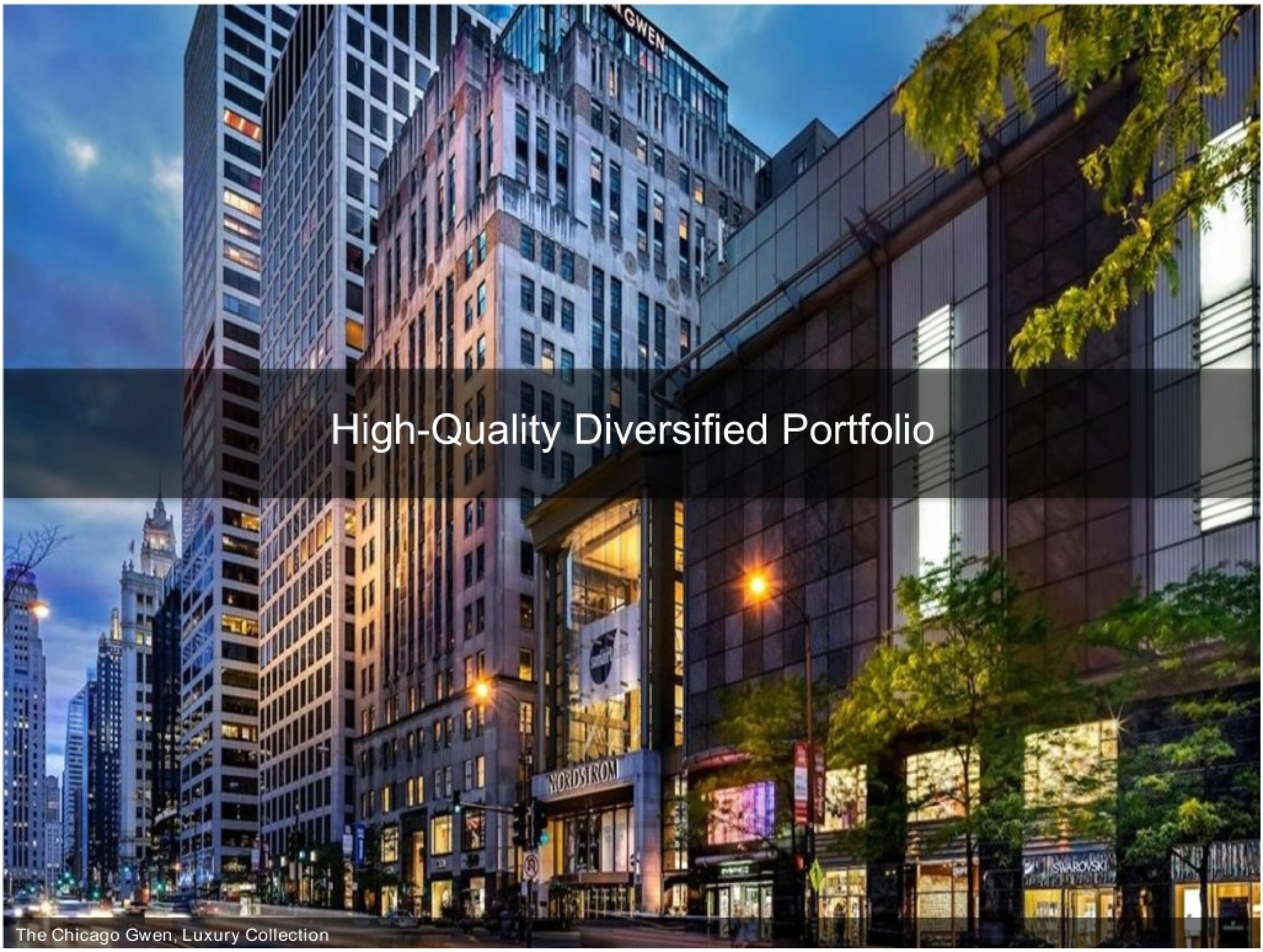
Smart External Growth

DiamondRock
Hospitality

Internal Growth Plan:
• Maximize Profits • New ROI Projects

Fortress Balance Sheet & Nimble Capital Allocation

High-Quality Diversified Portfolio

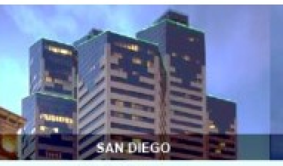


The Chicago Gwen, Luxury Collection

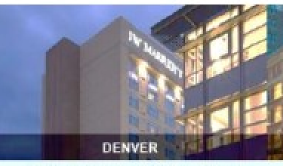
High Quality Portfolio in Key Gateway Markets

Hotel Emblem San Francisco
(Independent)

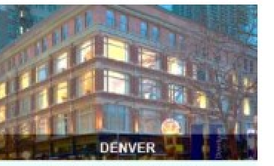
Hotel Palomar Phoenix
(Intercontinental Hotel Group)



Westin San Diego
(Marriott)

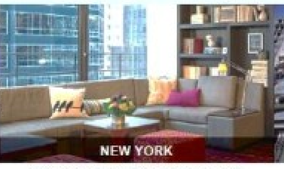


JW Marriott Denver at Cherry Creek
(Marriott)



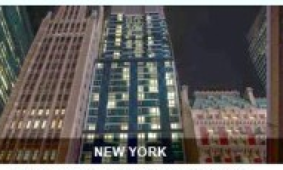
Courtyard Denver Downtown
(Marriott)

Lexington Hotel New York
(Marriott)



Courtyard Manhattan/Midtown East
(Marriott)

Courtyard Manhattan/Fifth Avenue
(Marriott)



Hilton Garden Inn Times Square Central
(Hilton)

Westin Washington, D.C. City Center
(Marriott)

Hilton Boston Downtown
(Hilton)

Westin Boston Waterfront
(Marriott)

Chicago Marriott Downtown Magnificent Mile
(Marriott)

The Gwen, a Luxury Collection Hotel
(Marriott)

Atlanta Marriott Alpharetta
(Marriott)

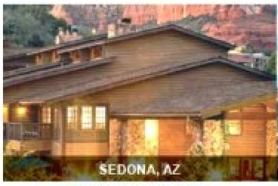
Worthington Renaissance Fort Worth Hotel
(Marriott)

Salt Lake City Marriott Downtown
(Marriott)

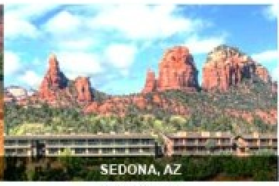
Bethesda Marriott Suites
(Marriott)

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

Strong Resort Market Presence



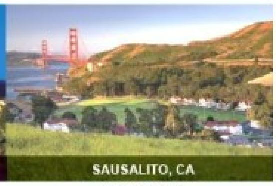
L'Auberge de Sedona
(Independent)



Orchards Inn
(Independent)

Kimpton Shorebreak
Huntington Beach Resort
(Intercontinental Hotel Group)

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



Cavallo Point,
The Lodge at the Golden Gate Bridge
(Independent)

The Landing Resort & Spa
(Independent)

Vail Marriott Mountain Resort & Spa
(Marriott)

Havana Cabana
(Independent)

Sheraton Suites Key West
(Marriott)

Renaissance Charleston
Historic District Hotel
(Marriott)

Westin Fort Lauderdale Beach Resort
(Marriott)

Frenchman's Reef
(Unencumbered)

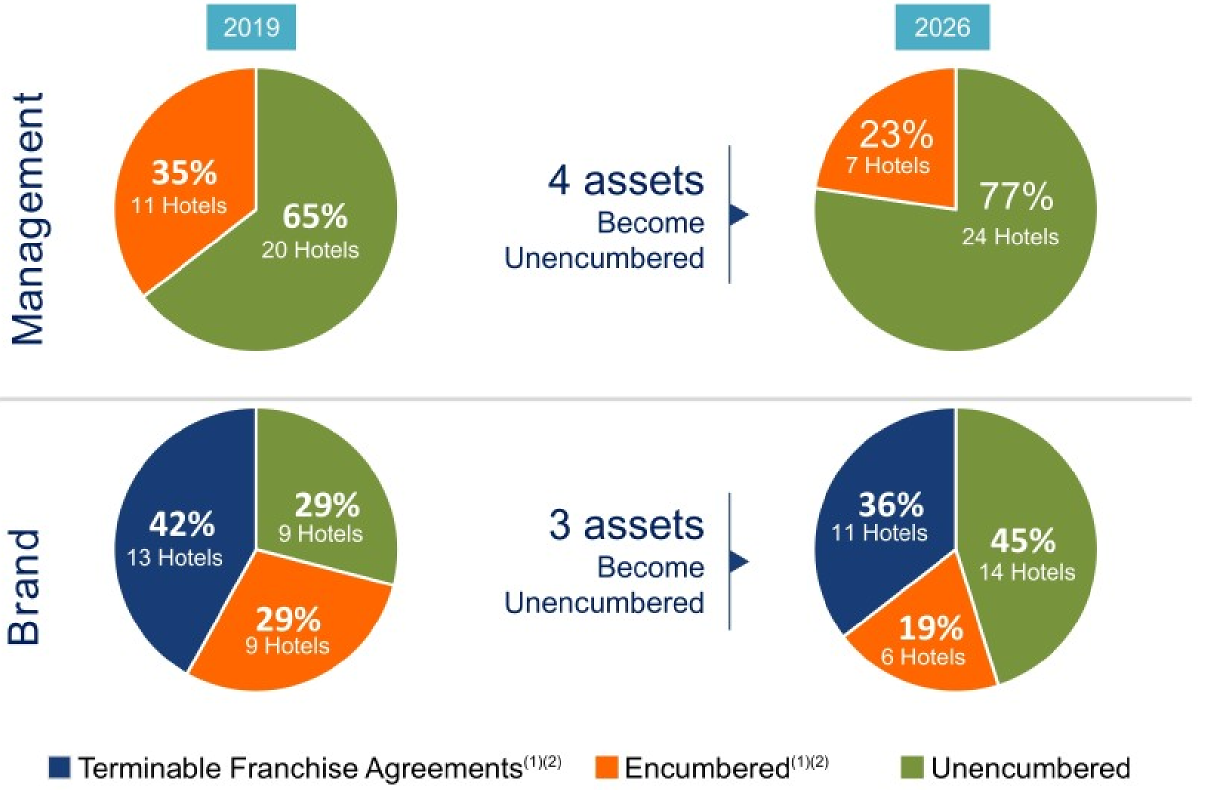
Morning Star Beach Resort
(Unencumbered)

Hilton Burlington
(Hilton)

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

Short Term Agreements Driving Value

One of the least encumbered portfolios among all full-service REITs.



(1) Agreements terminable at will.
(2) Assumes the asset remains unencumbered when current agreements ends.


2018 Overview & Preliminary 2019 Outlook
Hotel Emblem, San Francisco

2018 Results In-Line With Guidance

	Full Year Guidance	Preliminary Full Year Results	Variance to Midpoint
RevPAR Change	1.0% to 1.5%	1.3%	+0.1%
Adjusted EBITDA	$250 to $255 million	$252.5M to $253.5M	+$0.5 million
Adjusted FFO	$205 to $209 million	$208.5M to $209.0M	+$1.75 million
Adjusted FFO/Share	$0.99 to $1.01 per share	$1.01 per share	+$0.01 per share

Note: Represents preliminary 2018 results of operations. Results are subject to risks and uncertainties as defined in press release filed with SEC on January 31st, 2019.

Actively Repurchasing Stock: 6.5M Shares

- $250M Plan Authorization
- $62M repurchased at $9.50 per share under current 10b5-1
- Active every trading day since early December 2018

Implied Valuation	
2018 EBITDA Multiple	11.4x
2018 NOI Cap Rate	8.1%
Discount to NAV	25% - 40%

Note: Based on latest data as of January 25th, 2018.

Continued Strength in RevPAR

	2018	Q4
Total Industry	+2.9%	+2.4%
Resorts	+4.0%	+3.0%
Luxury	+3.7%	+3.7%
Upper Upscale	+2.0%	+1.6%

2019 RevPAR Industry Forecasts

STR: 2.3%

PWC: 2.3%

CBRE: 2.5%

2019 Brand RevPAR Guidance

Marriott: 1% - 3%(1)

Hilton: 2% - 4%(2)

Source: STR, PKF, PWC, Company Filings. Represents Q4 and FY 2018 RevPAR.
(1) North American RevPAR guidance for 2019.
(2) System-wide RevPAR guidance for 2019.

Key Factors Affecting 2019 Guidance

- ✓ Lower Renovation Disruption[(1)]
- ✓ Renovation ROI Payoffs
- ✓ Acquisitions
- ✓ Marriott / Starwood Merger Integration Complete

- ✗ BI Proceeds Lower in 2019
- ✗ Citywide Calendars Off Cycle[(2)]
- ✗ Rising Labor Costs and Property Taxes

(1) 2019 renovation disruption estimate is $3M to $4M versus $6M in 2018.
(2) Current 2019 group pace by revenue has improved 240 bps since 3Q18 and is now forecasted to contract 4.6%. 2/3 of group needed to achieve 2019 budget is already under contract.

Preliminary 2019 Guidance

	2019 Guidance	
Metric	Low End	High End
RevPAR Growth	0.5%	2.5%
Adjusted EBITDA	$256 million	$268 million
Adjusted FFO	$204 million	$214 million
Adjusted FFO per share (based on 205 million diluted shares)	$1.00 per share	$1.04 per share

Note: Includes Frenchman's Reef business interruption agreed upon to date.

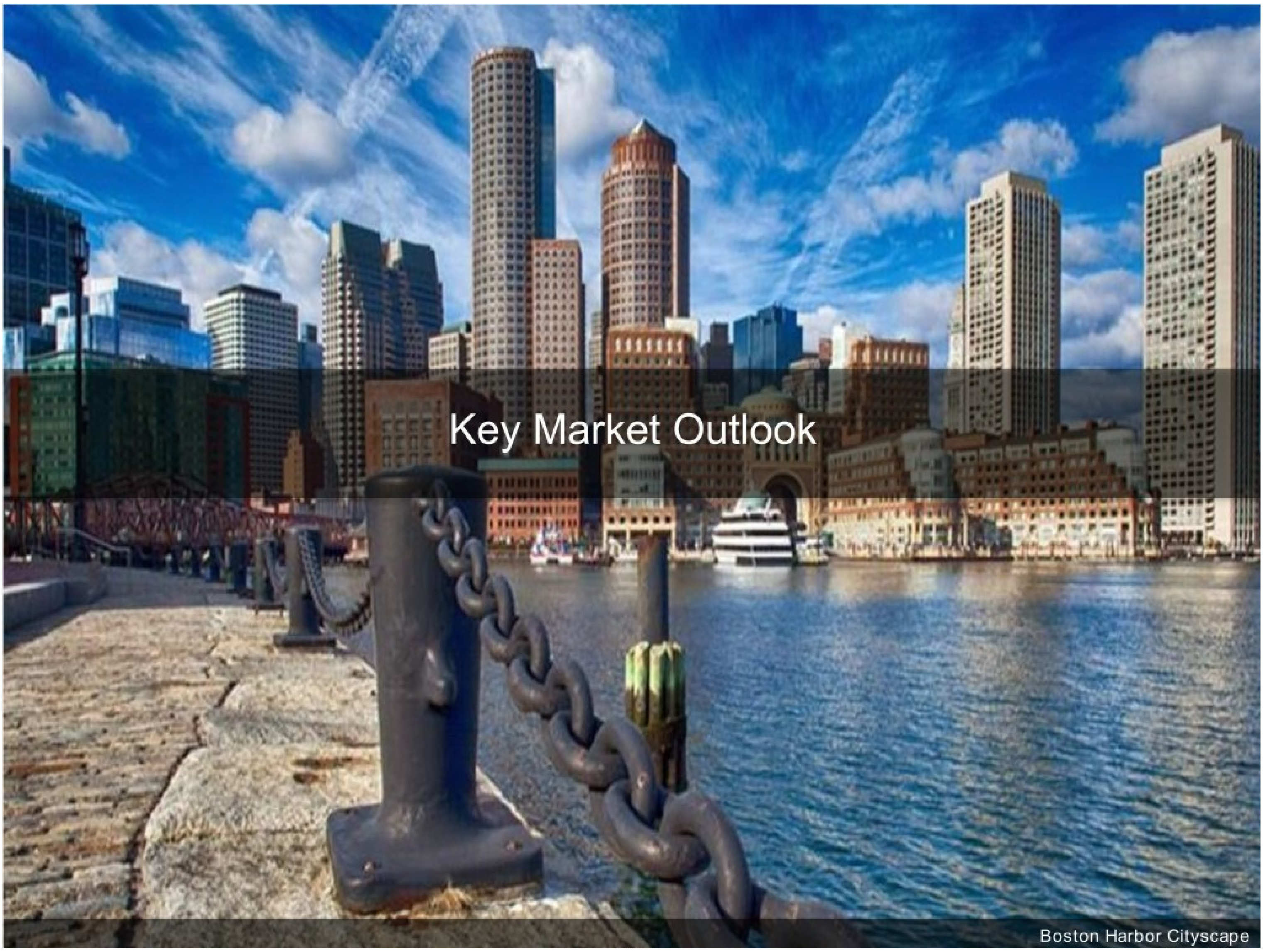
Frenchman's Reef business interruption income of $8.8M has been agreed upon for partial year 2019. We believe we are entitled to at least $16M of business interruption income for the full year 2019.

Note: Represents preliminary 2019 outlook. Results are subject to risks and uncertainties as defined in press release filed with SEC on January 31st, 2019.

DRH 2020 Outlook Favorable

- DRH 2020 pace up 15%
- Chicago combined pace up >30%
- Boston combined pace up nearly 20%
- DC pace up nearly 30%
- NYC supply additions to decline by 30%+
- Frenchman's Reef & Morning Star Resort to Reopen

Note: Latest pace data as of January 25th, 2019.
Source: STR.



Boston Harbor Cityscape

Boston: Strong Long-Term Investment Drivers

6TH
Largest CSA In The US

3RD
Most Attractive US City For Foreign Investment

- BOSTON 2020
  - Citywides up **7%**
  - Boston Westin and Hilton pace up combined **20%**
- Potential for uplift from BCEC expansion

13
FORTUNE 500
Companies

54
International Nonstop Destinations

6TH
Most Economically Powerful City In The World

100+
Of The World's Leading Educational Institutions

Top 5
Lodging Market

MassMutual
Liberty Mutual
EMC
TJX
STAPLES
GE
Raytheon
Biogen
Thermo Scientific
EVERSOURCE
Boston Scientific
GLOBAL
STATE STREET

Source: HFF; Wall Street Research.

Boston Seaport: Opportunity to Close Gap with Copley

RAPID DEVELOPMENT OF BOSTON'S SEAPORT DISTRICT

- One of the fastest-growing real estate markets in the US
- Includes 900,000 SF of retail space, 3,500 residential units, and the Boston Convention & Exhibition Center (BCEC)
- BCEC features 2.1M SF of space and hosted over 850,000 attendees in 2017
- Potential for >1M SF expansion of convention center on adjacent 70 acre parcel

	SF OF OFFICE	SF OF RETAIL	RESIDENTIAL UNITS
RECENTLY COMPLETED [1]	3M+	614,004	2,374
UNDER CONSTRUCTION	1.2M+	212,000	953
PLANNED	1.9M+	335,320	2,174

(1) Last five years.

Source: HFF, Wall Street Research.

Chicago: Setting Up for Strong 2020 and 2021

No.1
Largest US Metro for Economic Diversity
Moody's Investor Services

- CHICAGO 2020
  - Citywides up **6%**
  - Gwen and Marriott pace up 16% & 32% respectively
- 2020-2024 on pace to exceed 2018 levels
- Supply CAGR below **2%** over next 3 years.

More than **400** Major Corporations, Including **34** Fortune 500 Companies, are Headquartered in Metropolitan Chicago

Boeing, Mondelēz International, United, Caterpillar, ADM, US Foods, McDonald's, Exelon, Allstate, Walgreens Boots Alliance

3rd Largest City in the United States: Over 9.6 million people live within the broader metropolitan area	Over **102.2M** plane passengers in 2017 through O'Hare and Midway	**$8.7B** Expansion of O'Hare Airport to Increase Gates by 15%	**47%** Of Chicago's Population are Under the Age of 36	**55.2M** Annual Visitors 2nd To New York City	**60** Colleges or Universities in the Chicago MSA

Source: HFF, Wall Street Research.

New York City: Supply Story to Turn Positive in 2020

RevPAR Projected to Increase

- Operators forecast 2% RevPAR growth in 2019
- Since 1988 when supply growth was less than 1%, RevPAR growth averaged 10.1%

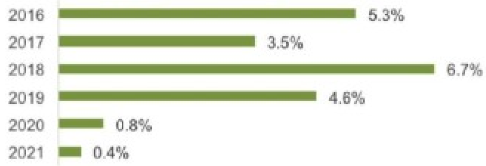
Positive Long-Term Catalysts

- M1 Zoning Law
- Airbnb legislation
- Demand continues to outpace supply
- Replacement cost now exceeding existing asset values
- Amazon HQ2 (one subway stop from Midtown East)

Supply Picture Significantly Improved

- No supply under construction or in final planning in Midtown East
- Supply growth to decelerate by >30% in 2020

NYC Supply Down Significantly in 2020



Quarterly NYC RevPAR Trending Positively

Source: STR, Wall Street Research.

California: High Growth Driven by Tech & Other Drivers

Northern California

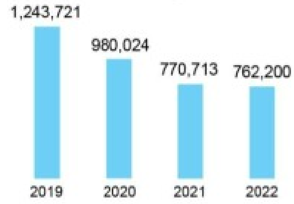
- With 71M residents, the San Francisco Bay Area is the eleventh most populous metropolitan area in the United States
- Over the next 25 years, nine counties of the region are expected to add a total of 1.7M new residents or 66,000 new residents per year

50+ Universities & Colleges are located in the Bay Area

SFO is the 7th busiest airport nationwide, and 23rd worldwide by passenger content

SFO has the largest terminal in North America

San Francisco Citywide Room Nights



Southern California

- Southern CA had 6.6% RevPAR CAGR from 2010 to 2017
- San Diego experienced 30%-40% less impact than other CA markets during recession
- Record breaking 35M visitors in 2017 in San Diego
- 2020 citywides up 4%

#1 U.S. City for Millennials

#1 Concentration of Military/Defense Assets in World

#1 Highest Ranked California Airport

San Francisco RevPAR

San Diego RevPAR

Source: HFF, Wall Street Research.

South Florida: Low Supply & Strong Demand

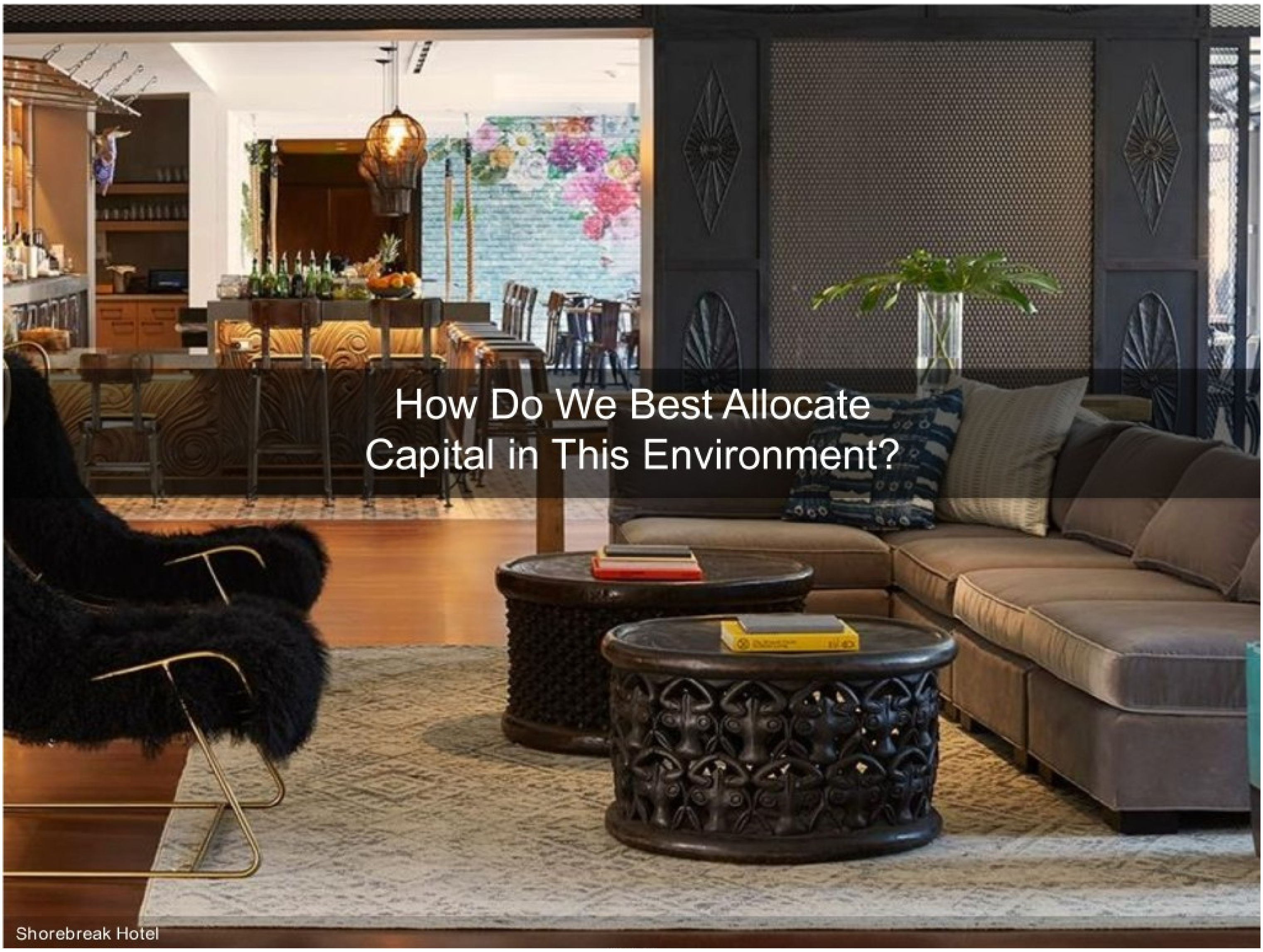
Key West & The Florida Keys

- Key West the #1 RevPAR market in the country when compared against STR's Top 25
- Through 2017, the Keys experienced a five-year compound annual RevPAR growth rate of 5.5%
- No new supply due to moratorium on development
- Key West cruise port: 700K+ passengers annually
- ~70% of the U.S. population has no passport

9.57DAYS	$937.64	58%	29%	14%
Average Length of Stay	Average Spend per Party	Responded the Keys Were Better than Expected	Flew into Miami and Rented a Car	Flew Directly to Key West Airport

Fort Lauderdale

- Attracts more than 15.5M visitors annually
- Fastest growing airport in North America
  - Over 32.5M passengers in 2017
  - Added 28 new routes in 2017 and 10 new flights in 2018
- 23 miles of beach (Blue Wave Certified)
- Annual Fort Lauderdale Boat Show is world's largest
- $1.57B in new development projects


How Do We Best Allocate
Capital in This Environment?
Shorebreak Hotel

Creating Value Throughout Cycle

Cost of Capital: Lower → Higher

Cost of Capital	Value Creation Playbook	Tools Available
Lower	• Match-fund Near-term Accretive Acquisitions By Issuing Equity At or Above NAV • Consider Opportunistically Raising Equity Above NAV, if appropriate • Limit Non-core Asset Sales	• $350M Investment Capacity • Acquisitions • ATM program
	• Sell Non-Core Assets • Consider Accretive Acquisition Opportunities • Consider All Options for Use of Dispositions Proceeds	• Explore high-value creating acquisition and disposition opportunities
Higher	• Sell Non-Core Assets and Deploy Proceeds Into Share Repurchases • Consider Using Leverage Capacity to Opportunistically Accelerate Share Repurchases • Explore Additional Asset Sales	• Share repurchase program • Recently expanded program to $250M

Vail Marriott Mountain Resort

Vail Marriott Mountain Resort: Created >$100M in NAV

Timeless real estate soon to be unencumbered of brand & management.

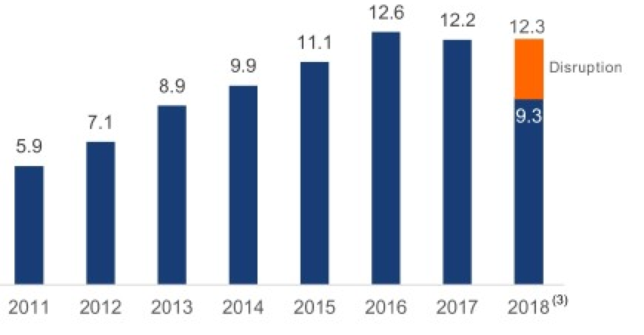
INVESTMENT HIGHLIGHTS

- Vail is one of best-performing investments in our portfolio
  - Recently completed a rooms and meeting space renovation to bring resort closer to luxury comp set
  - ~$300 rate discount to luxury comp set in ski season
  - $3M - $4M EBITDA upside with renovation and rebranding
- DRH Basis of $260K/Key for 344-room hotel
  - Significant discount to est. NAV of $500K per key
- Franchise and management agreements expire within next ~3 years creating significant optionality

PERFORMANCE SINCE ACQUISITION

	2005	2018	Increase
RevPAR	$112.66	$168.77	50%
EBITDA	$4.7	$9.3	98%
EBITDA Margin	27.3%	29.1%	180bps
EBITDA Multiple[1]	13.4	9.6	28%
NAV[2]	$62M	$170M	174%

7% EBITDA CAGR FROM 2010 TO 2017

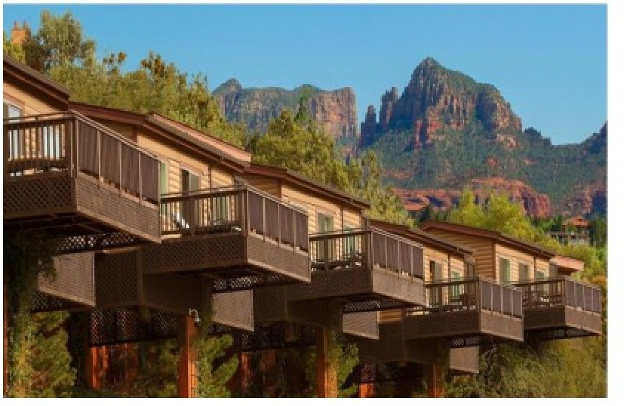


(1) EBITDA multiple on current investment basis.
(2) NAV based on internal estimates.
(3) $3.0 million of EBITDA disruption from renovation and Marriott merger integration in 2018. Actual EBITDA of $9.3M disrupted by $3.0M for full year.

L'Auberge de Sedona and Orchards Inn Sedona

Off-market transaction with significant upside.

- $97M acquisition of two iconic assets with immediate asset management upside in attractive, high-growth resort market
  - No new supply currently planned or under development in Sedona
  - Top ten Conde-Nast rated hotel in Southwest
- Plan to reposition Orchards Inn to more upscale standard in 2020 to drive rate (~$330 rate gap with L'Auberge de Sedona)
- Already exceeding underwriting for stabilized EBITDA at time of acquisition



PERFORMANCE SINCE ACQUISITION(1)

	2016	2018	Increase
RevPAR	$262.36	$340.91	30%
EBITDA	$6.6	$10.1	53%
EBITDA Margin	23.3%	29.3%	600bps
EBITDA Multiple(2)	15.0	9.8	34%
NAV(3)	97M	110M	13%

(1) Combined performance for L'Auberge de Sedona and Orchards Inn.
(2) EBITDA multiple on current investment basis.
(3) NAV based on internal estimates.

Westin Fort Lauderdale Beach Resort & Spa

Nearly 30% increase in NAV over four years of ownership.

- NAV increase of $44M since acquisition
- EBITDA exceeded underwriting by over $5M
- Full guestroom renovation completed in 2018, with F&B and lobby repositioning completed in 2017
  - New restaurant, Lona, is driving revenue growth with improved mix (60% non-hotel guests)
  - Guestroom renovation to drive market share as Fort Lauderdale supply trends upward
- Eliminated >$5M of annual expenses in first year with continued overhaul of expense structure and operations subsequently

PERFORMANCE SINCE ACQUISITION

	2014	2018F	Increase
RevPAR	$148.94	$159.99	7%
EBITDA	$9.6M	$15.0M	56%
EBITDA Margin	21.9%	31.8%	990bps
EBITDA Multiple[(1)]	14.8	11.1	25%
NAV[(2)]	$156M	$200M	28%

(1) EBITDA multiple on current investment basis.
(2) NAV based on internal estimates.

Over $380M of NAV Created in Resort Portfolio

		EBITDA Multiple @		EBITDA Increase
	Investment ($M)	Purchase	YE 2018	$M
Burlington Hilton	$62	16.5x	8.8x	$3.8
Cavallo Point	$152	13.8x	13.8x	$0.0
Charleston Renaissance	$42	11.9x	7.1x	$2.6
Fort Lauderdale Westin	$166	14.8x	11.1x	$4.9
Frenchman's Reef & Morning Star(1)	$178	7.1x	10.7x	$6.0
Havana Cabana(1)	$59	12.2x	15.6x	($0.2)
Key West Suites	$96	14.9x	12.7x	$1.3
The Landing Resort & Spa(1)	$42	17.8x	17.8	NA
Sedona - L'Auberge	$69	15.8x	9.4x	$3.1
Sedona - Orchards Inn	$31	13.7x	10.5x	$0.7
Shorebreak	$63	14.6x	12.9x	$0.9
Sonoma Renaissance	$40	10.7x	5.1x	$4.9
Vail Marriott Mountain Resort	$89	13.4x	9.6x	$4.6
Total Resort	$1,088	13.1x	10.7x	$32.4

DRH values its resort portfolio at a 6.5% cap rate, which implies over $380M of NAV value over investment(2).

Note: Historical RevPAR and EBITDA results pro forma for acquisitions for full period year prior to acquisition. Havana Cabana excluded due to natural disaster closure. Frenchman's Reef uses pre-hurricane figures due to closure.
(1) Landing EBITDA adjusted for transition disruption post-acquisition. Frenchman's and Havana Cabana EBITDA adjusted for hurricane disruption.
(2) Valuation calculated using 2018 net operating income with 6.5% cap rate. Frenchman's valuation calculated using 8.5% cap rate.

External Growth Strategy

Havana Cabana

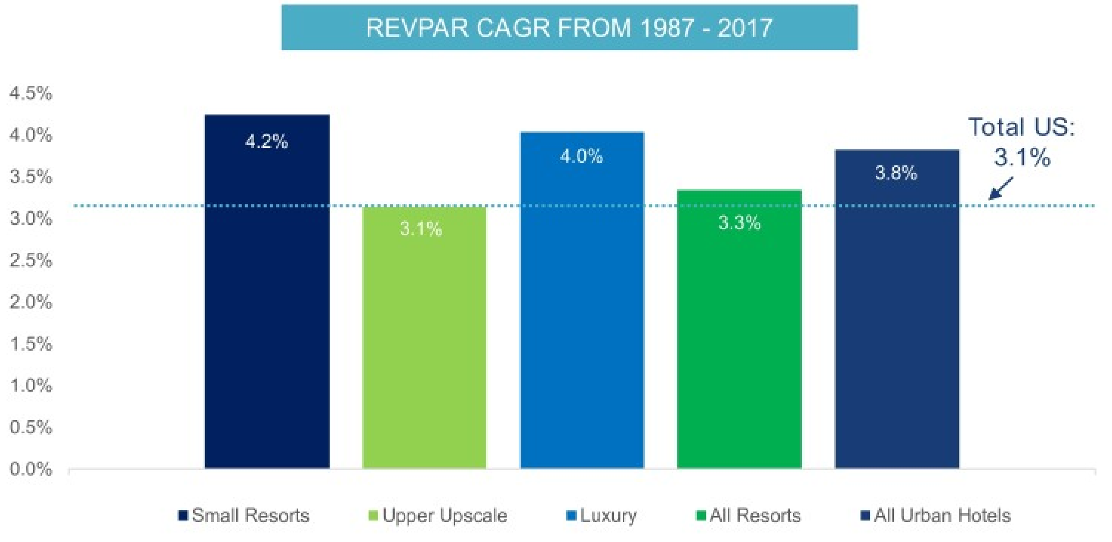
Portfolio Strategy to Drive Performance

DIVERSIFICATION	10% Allocation in Any One Market Reduces Risk
LIFESTYLE HOTELS, INDEPENDENTS AND SOFT BRANDS[(1)]	1/3 of Portfolio
RESORTS	Historically Have Outperformed: Target 50% of Portfolio

(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 2018F EBITDA for all properties except Frenchman's Reef and Havana Cabana where 2016A used due to closure. Pro forma for full year for acquisitions.

Research Demonstrates Small Resorts Outperform

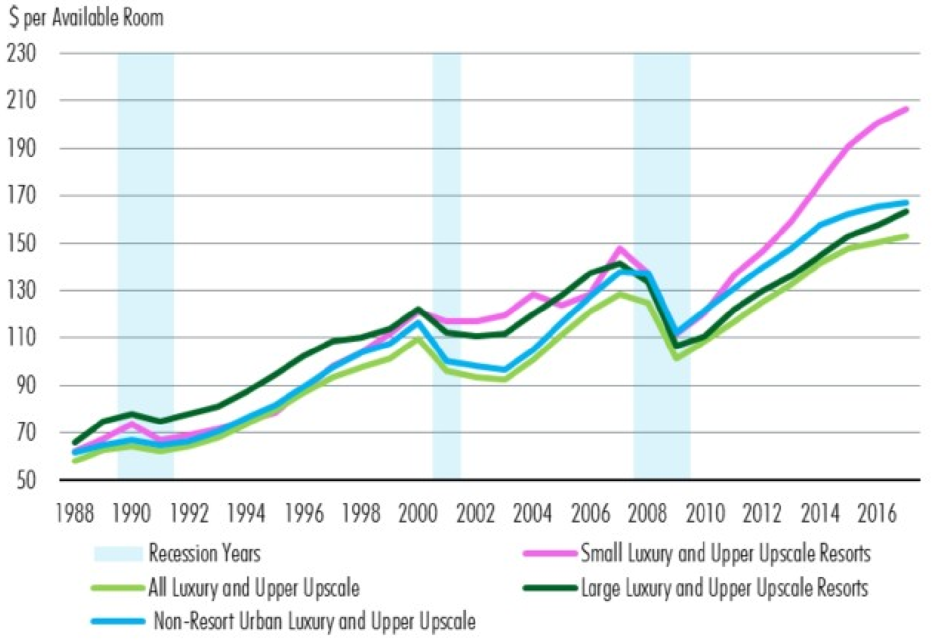
- According to CBRE/PKF research study, small resorts[1] have:
  - Less downside risk due to larger stream of reliable non-rooms revenue
  - Preserved the most ADR through the recession of the early 2000s
  - Achieved superior levels of ADR growth since 2009 to all other market classes



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

Strong RevPAR Growth for Small Resorts

REVPAR COMPARISON FROM 1987 - 2017

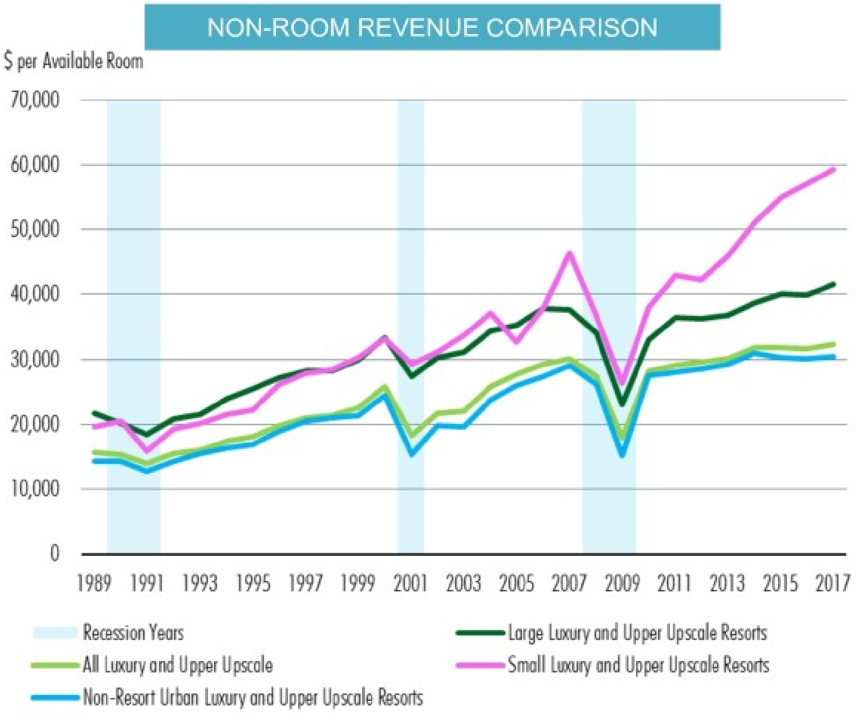


- Small Resorts have operated with a consistently higher RevPAR during the post-Great Recession period
- May be result of a strategy to pursue higher rates at the expense of occupancy
    - Allowed for strong RevPAR with reduced variable expenses and higher income

Above trend line growth expected to continue.

Source: CBRE Hotels Research.

Significant Contribution from Non-Rooms Revenue



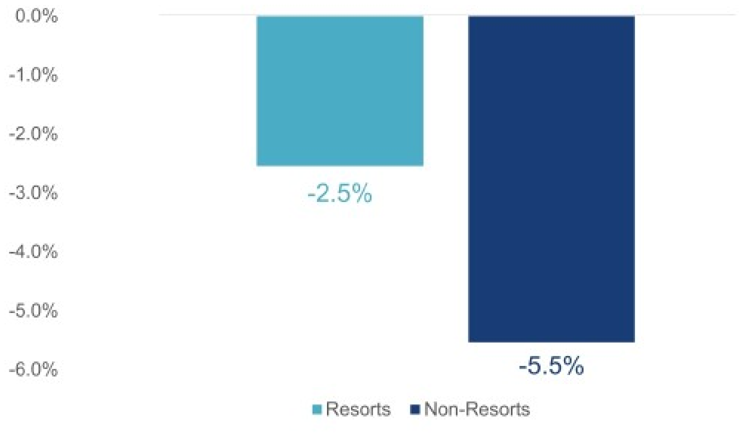
- Both small and large resorts have increasingly relied on non-room revenues
  - Non-room revenues have grown more quickly and regularly than that of other benchmark groups
- Since 1989, small resort non-room revenue approx. tripled while non-room revenue only doubled in other groups
  - Much of this growth premium was realized during the post-Great Recession period

Source: CBRE Hotels Research.

DRH Resorts Resilient During Downturns

- DiamondRock selectively acquires small, upscale resorts in high barrier to entry markets that are more resistant to downturns
- Significantly lower supply in DRH resort markets
- During the 2009 global recession, DiamondRock's resorts outperformed the rest of the portfolio in EBITDA margin

DRH EBITDA MARGIN DECLINE – 2009(1)



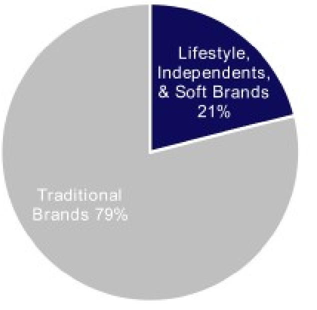
(1) Includes resorts owned during prior recession or current resorts with comparable data at time of recession. Resorts included are Burlington Hilton, Frenchman's Reef, Griffin Gate, Havana Cabana, Sheraton Suites Key West, Sonoma Renaissance, and Vail Marriott. Non-resorts include all DRH owned non-resort hotels in 2009.

DRH Lifestyle & Independent Strategy

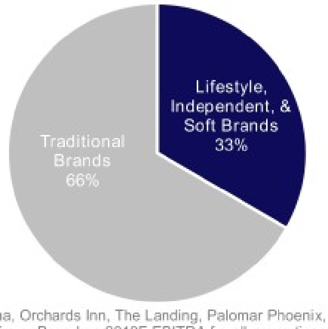
RATIONALE FOR TARGETING LIFESTYLE HOTELS, INDEPENDENTS, & SOFT BRANDS

- 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(1)



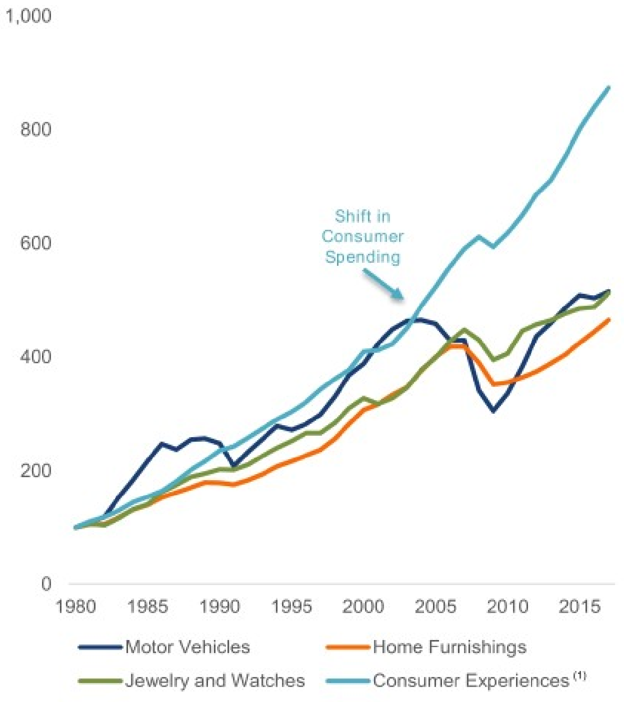
LONG-TERM TARGET ALLOCATION



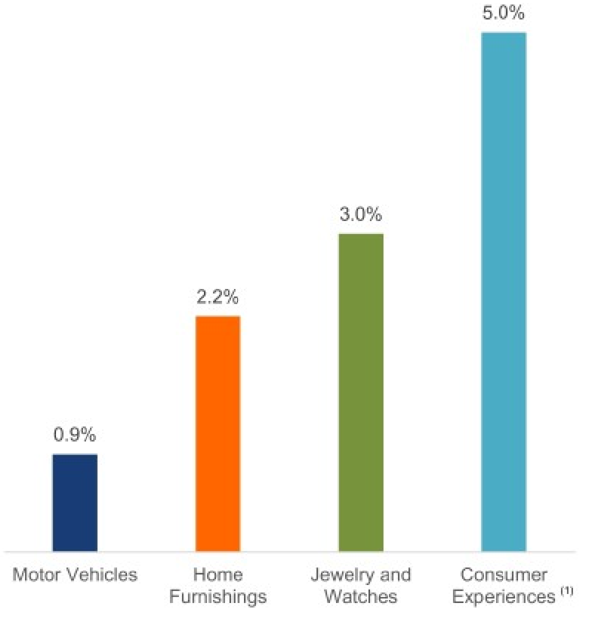
(1) Independent, lifestyle and soft brand hotels include the Havana Cabana, Cavallo Point, Hotel Emblem, L'Auberge de Sedona, Orchards Inn, The Landing, Palomar Phoenix, Shorebreak Hotel, the Lexington and The Gwen. Soft brands, including Autograph and Luxury Collection, are included as lifestyle / boutique. Based on 2018F 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

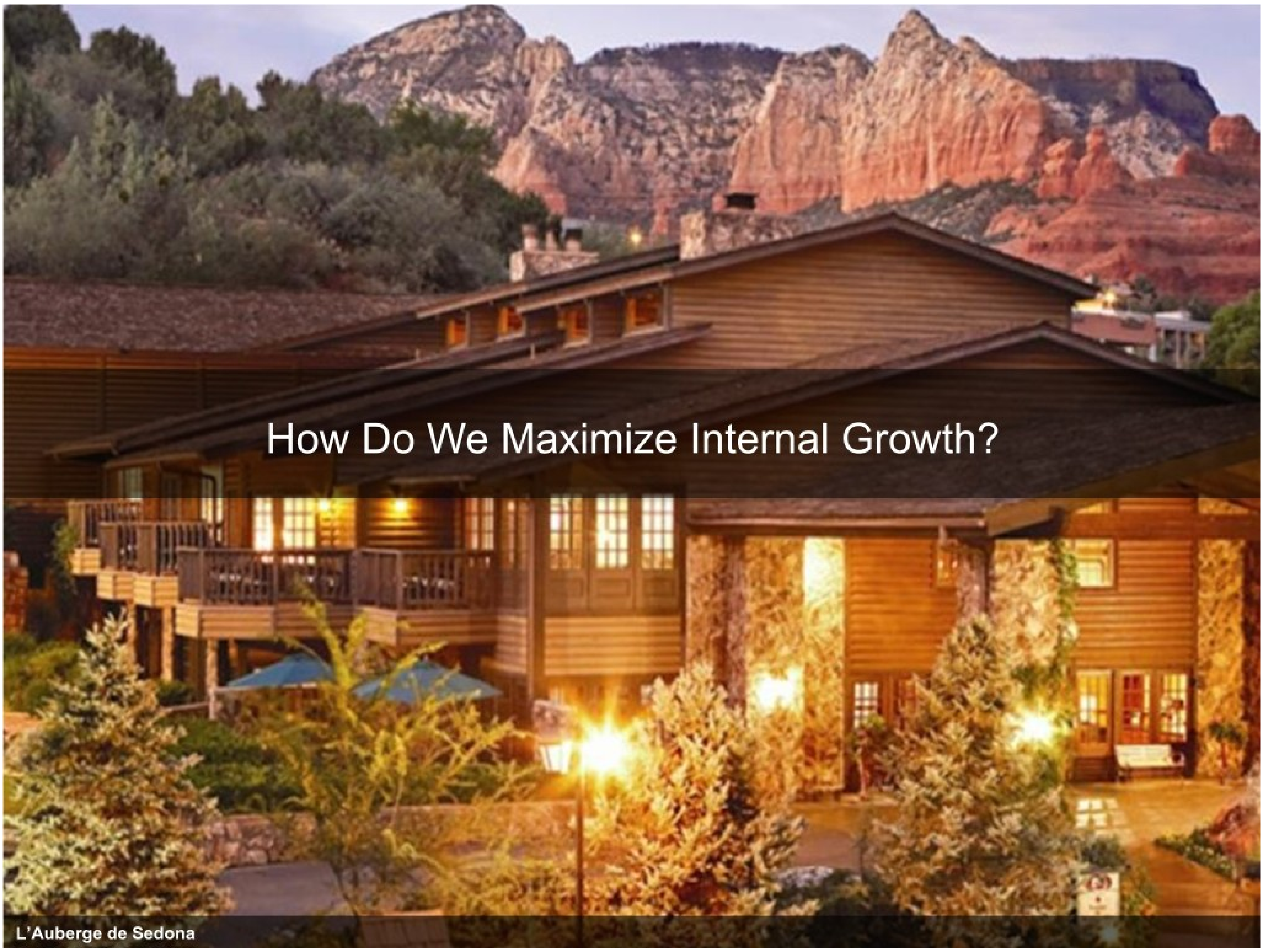
Indexed Spending Growth (1980-2017)



15-Year Spending CAGR (2002-2017)



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.


How Do We Maximize Internal Growth?
L’Auberge de Sedona

Asset Management Philosophy

Proven three-pillared approach to successful asset management

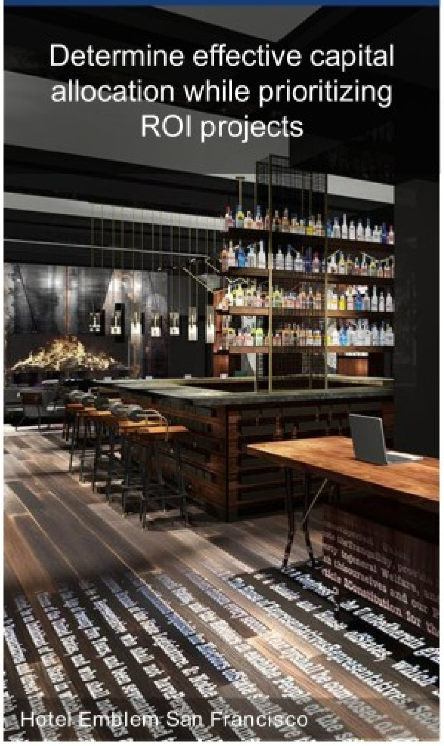
Revenue Growth

Sedona

Cost Focus

The Gwen, Luxury Collection

Capital Management



Hotel Emblem San Francisco

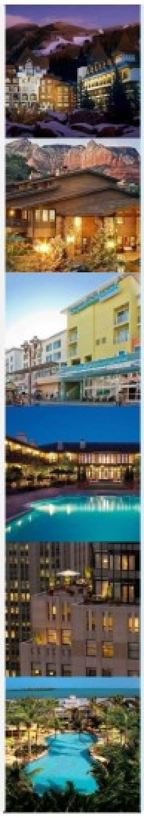
Best-in-Class Asset Management Team

1
Chief Operating Officer

ASSET MANAGEMENT

5
VP Asset Management

- **2** Revenue Strategy Specialists
- **4** Asset Management Analysts



DESIGN & CONSTRUCTION

1
VP Design and Construction

2
Project Managers

1
Director of Project Finance

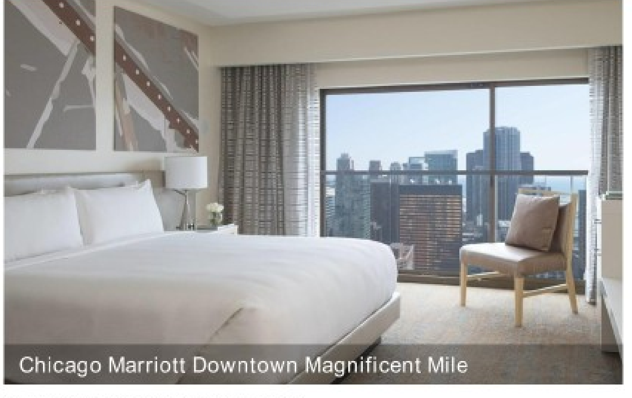
1
Project Accountant

DRH to Benefit from Renovated Portfolio

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

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

$110 Million Renovation Complete



Chicago Marriott Downtown Magnificent Mile

$27 Million Renovation Complete

The Gwen, Luxury Collection

Source: Wall Street Research, Company Filings.

Revenue Management: Ahead of the Curve

Drive Average Rate

- Monitor room-type performance based on sold vs. occupied
- Segment by day of week to identify rate efficiency
- Effectively execute premium room type strategy

Utilize Business Intelligence

- Technology to identify ideal segmentation mix
- Uncover & correct potential pace issues in early stages to impact ADR
- Monitor OTA parity and system price hurdling

Optimize BT Performance

- Created platform to analyze each accounts' booking patterns
- Restructure room types for control over compressed periods
- Proprietary tools to identify lead time by corporate account & length of stay

Leverage Digital Media

- Executed strategic social media approach
- Pixel tracking to measure ROI
- Improve digital presence, website conversion and metasearch

Case Study – L'Auberge de Sedona

Since acquisition, Hotel ADR has grown $114 and EBITDA has grown $2.9M.

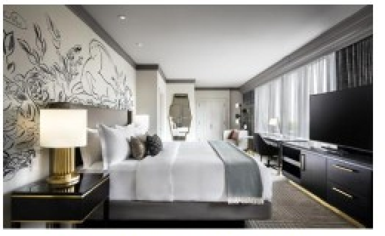
DRH acquired the property in February of 2017

Our team identified opportunity to drive incremental ADR with a premium room-type strategy

Garden/Spa Cottage	Vista Cottage	Creekside Cottage
		
ADR increase of $112	ADR increase of $197	ADR increase of $128
2018 ADR: $499	2018 ADR: $706	2018 ADR: $732
2016 ADR: $387	2016 ADR: $509	2016 ADR: $603

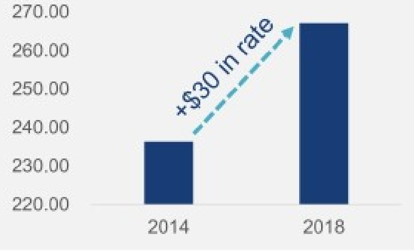
Case Study – The Gwen

The Gwen increased EBITDA by $3M in 2018.



Segmentation - Case Study

Business Transient Rate	RevPAR Index (Luxury Class)
Focused on growing market share in the business transient segment, driving corporate volume midweek.	The Gwen's RPI increased 250bps for Chicago luxury hotels. 2018 RevPAR is up +19% to last year



#1 most improved Guest Satisfaction rating in 2018 out of all North American Marriott luxury branded hotels and Rated 7 of 204 hotels in Chicago on TripAdvisor.

Cost Control Focus: Millions in Cost Savings

Focusing on the largest variable expenses to drive NOI.

Labor Management	Energy Efficiency	Food Cost
Estimated Savings: $6.2M	Estimated Savings: $1.5M	Estimated Savings: $1.1M
Implemented in: 12 Hotels	Implemented in: 19 Hotels	Implemented in: 15 Hotels
Implemented labor management system to reduce expenses and improve productivity	Completed lighting retrofits throughout our portfolio	Implemented company-wide procurement program to promote best-practices

Operating Initiatives – Labor Management System

New labor management system with total estimated savings of $6.2M.

Implemented in:

12 Hotels by YE 2018

Study historical productivity by job	Review existing planning methods	Analyze findings and current productivity measures	Provide recommendations for implementation of new system	Implement a tool to manage labor schedule on property

Results with new labor management system:

- Total estimated savings of $6.2M upon implementation throughout the portfolio
- 2018 productivity improved 1.7%

Opportunities with new system:

- 2018 productivity only increased 0.5% at hotels without new labor management system

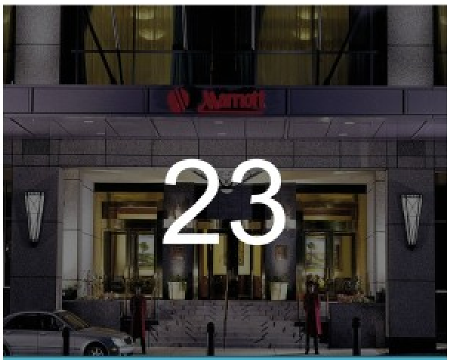
Goal: Implement system in all DRH hotels by 2019 to further improve productivity.

Operating Initiatives – Option One Energy

Conducted comprehensive lighting efficiency audits and
LED lighting conversions across the portfolio.

Annual savings
across 19 hotels

CapEx Investment
prior to utility rebates

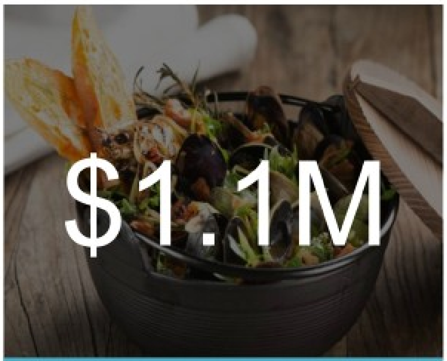


Hotels that have undergone
lighting retrofits by YE 2018

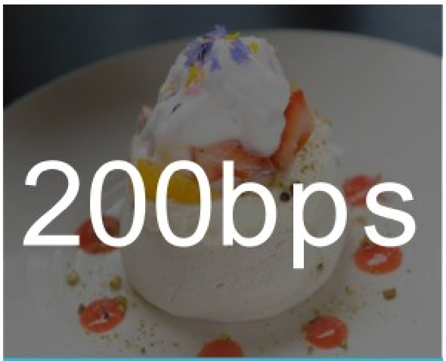
100% of hotels will be fully LED by the end of 2019.

Operating Initiatives – Food Cost

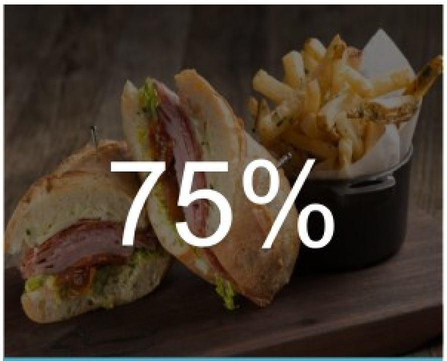
Asset Management implementing best practices with new partners.



Estimated
2019 Savings



Food Margin
Improvement



Properties to have implemented
New System by YE 2019

Last quarter, margin improvement for properties that implemented new food cost system outperformed other properties by 190bps.

Commitment to Sustainability

- Sustainability initiatives drive profitability
- DRH participates in GRESB, widely regarded as the premier ESG environmental benchmarking tool in the real estate industry
- In 2018, DRH achieved the 4th highest score in the Global Lodging Sector and earned Green Star Status
- DRH's GRESB score is 28% higher than Global Lodging Sector average

Greenhouse Gas Emissions(1)	Water Consumption(2)	Energy Consumption(3)
↓ 28% Since 2013	↓ 17% Since 2013	↓ 31% Since 2013

Note: Metrics from 2013 to 2017 for owned portfolio. Data excludes all properties that not owned for entire year.
(1) Based on greenhouse gas emissions intensity (kilograms per square foot)
(2) Based on water consumption (kilo-gallons)
(3) Based on energy intensity (kilowatt hours per square foot)

>$200M Value Creation Opportunities

Property	Project	Incremental Capital Spend	Incremental EBITDA	Incremental Value
JW Marriott Denver	Renovation and Restaurant Repositioning	$2.4M	$1.25M	$17M
Hotel Emblem	Complete Renovation and Repositioning	$5.1M	$1.5M - $1.8M	$25M - $30M
Sheraton Key West	Reposition as an Independent Hotel	$10.7M	$1.7M - $2.2M	$23M - $31M
The Lodge at Sonoma	Reposition as Autograph Collection	$5.0M	$1.2M	$17M
Hilton Boston Downtown	28 Additional Guestrooms	$2.7M	$1.0M	$14M
Sedona - Orchards Inn	Reposition as Cliffs at L'Auberge	$10.8M	$2.7M	$37M
Worthington Renaissance	Restaurant, Lobby and Courthouse Conservatory	$13.8M	$3.0M	$36M
The Landing Resort & Spa	Additional 22 Keys and Resort Enhancements	$9.4M	$1.8M	$27M
Vail Marriott	Resort Renovation and Repositioning	$27.0M	$3.0M - $4.0M	$41M - $55M
Total		$89.3M	$17 - $19M	$237 - $264M

Value-Add Opportunities to be implemented from 2019-2021.

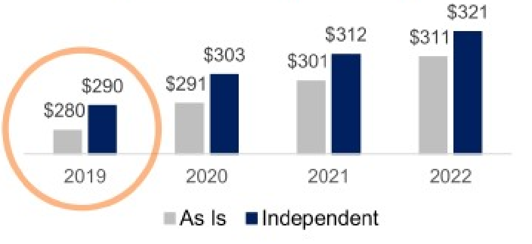
Sheraton Suites Key West: Increase NAV by $23M to $31M

Highest RevPAR Market with no new supply under construction.

Repositioning Opportunity

- Sheraton brand holding back rate
- Largest guestrooms on the island
- Only hotel on the island's best beach
- Reposition to enhance resort experience and drive resort fee
- Conservative underwriting estimates an incremental ADR of $10 (RevPAR of $7) from repositioning
- Independent hotels in the market have a $20 RevPAR premium over branded hotels

Projected ADR – As is vs Independent



Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	Q4 2019	$10.7M	$1.7M – $2.2M	$23M – $31M

Sedona Master Plan: Increase NAV by $37M

Reposition Orchards Inn with luxury rooms and form connection **with L'Auberge de Sedona to create one** resort.

Current Market Conditions

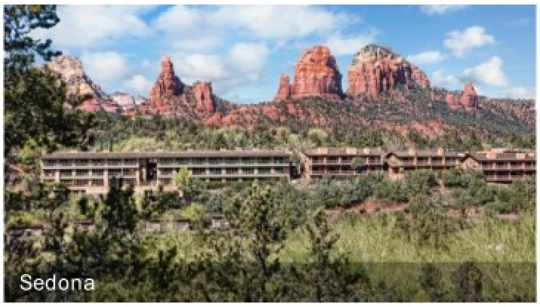
- Market RevPAR up 18% over past 24 months in high barrier-to-entry market
- L'Auberge is one of only two luxury resorts in Sedona

Operational Potential

- Connect Orchards and L'Auberge to be one resort
- Reposition Orchards as unique room type: Cliffs at L'Auberge
- Add 4 new, high ROI cottages on currently vacant space
- Create dramatic pool and wedding event areas

Assumptions

- Orchards rate to increase by +$100 as Cliffs at L'Auberge
- L'Auberge ADR premium to remain >$200 over Orchards
- Incremental F&B due to centralized pool bar experience and additional wedding venue to yield $2M annually
- 4 new cottages at $650 rate to drive $925K new revenue


Sedona

Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	Pending	$10.8M	$2.7M	$37M

Vail Marriott Repositioning: Increase NAV by $41M to $55M

Completed first of three phase plan to comprehensively renovate hotel to a luxury standard.

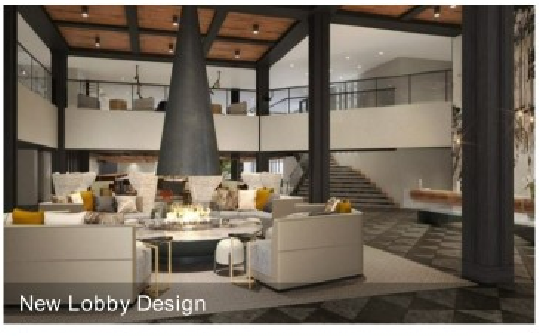
Vail Market Conditions

- Market has evolved into a 5-star, luxury destination
- Lionshead increasingly sought-after location in Vail

Upside Opportunity

- Hotel unencumbered of brand and manager in 2021
- Hotel is currently under-branded; rebranding to luxury will open the property up to:
  - Luxury travel agents and other market segments
  - Increased ADR ($175 full-year ADR gap to luxury comp set)
  - Incremental $1 in rate yields +$30K in annual EBITDA


Renovated Guestroom


New Lobby Design

Phase I
Guestroom & Meeting Space

Phase II
Spa, Fitness Center

Phase III
Lobby, Lobby Bar, Retail, Pool, Outdoor Event Space

Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	2021	$27.0M	$3.0M – $4.0M	$41M – $55M

Vail Marriott Renovated Guestroom

Vail Marriott Renovated Lobby

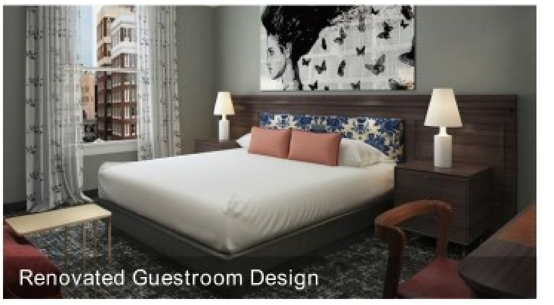
Hotel Emblem San Francisco: Increase NAV by $25M to $30M

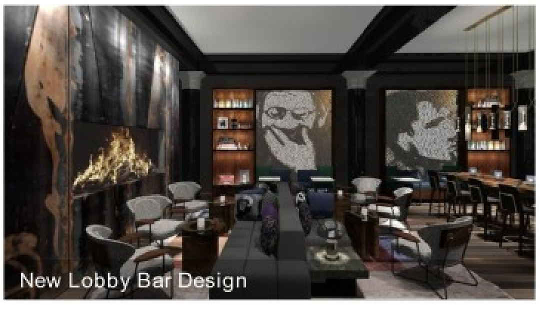
Complete renovation and repositioning as part of Viceroy's Urban Retreat Collection.

Renovation Details

- Hotel reopened in Jan 2019 as the Hotel Emblem by Viceroy
- San Francisco citywide rooms up +80% in 2019
- Renovation included all areas of hotel
- Repositioned lobby bar for higher volume
- Under-utilized meeting room in lobby converted into a grab-and-go/café leased by Bluestone Lane Coffee

New Hotel Emblem Branding


Renovated Guestroom Design


New Lobby Bar Design

Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	2019	$5.1M	$1.5M – $1.8M	$25M – $30M

The Landing Resort & Spa: Increase NAV by $27M

Premier location in Lake Tahoe with beach and ski resort access.

Current Market Conditions

- Lake Tahoe is one of the top-rated resort markets in the US
- Due to government regulations, Lake Tahoe possesses limited hotel inventory and high barriers to entry
- Property has the best lakefront location in South Lake Tahoe
- Walking distance to Heavenly Ski Resort by Vail Resorts

Opportunity

- Add 22 unique lake/mountain facing cottages
- Increase wedding business
- Create outdoor social catering and F&B space to enhance F&B profits

Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	Q4 2020	$9.4M	$1.8M	$27M

The Lodge at Sonoma: Increase NAV by $17M

Reposition hotel to take advantage of location and drive luxury business.

Operational Potential

- Sonoma has grown into a premier wine market – in the last 5 years Comp Set RevPAR has grown +$60 with rate increases of +$70

Cottage Enhancements

- Invest in resort landscaping to create 70 private terraces with fire pits and a more intimate experience between buildings
- Add outdoor social space to increase wedding business

Restaurant

- Reposition restaurant through partnership with celebrity chef Michael Mina
  - Incremental Restaurant Revenue of $4.1M

Spa

- Enhance spa offerings and profitability with best-in-class third-party spa manager
  - Incremental Spa Revenue of $1.0M

Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	2019	$5.0M	$1.2M	$17M

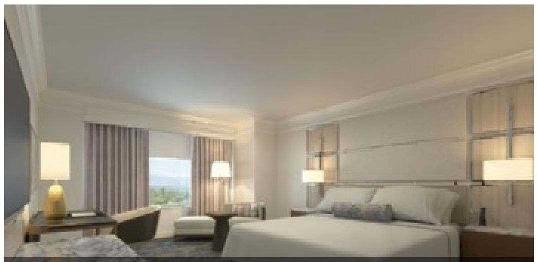
JW Marriott Cherry Creek: Increase NAV by $17M

Comprehensive Renovation to Bolster Position as Leading Cherry Creek Hotel.

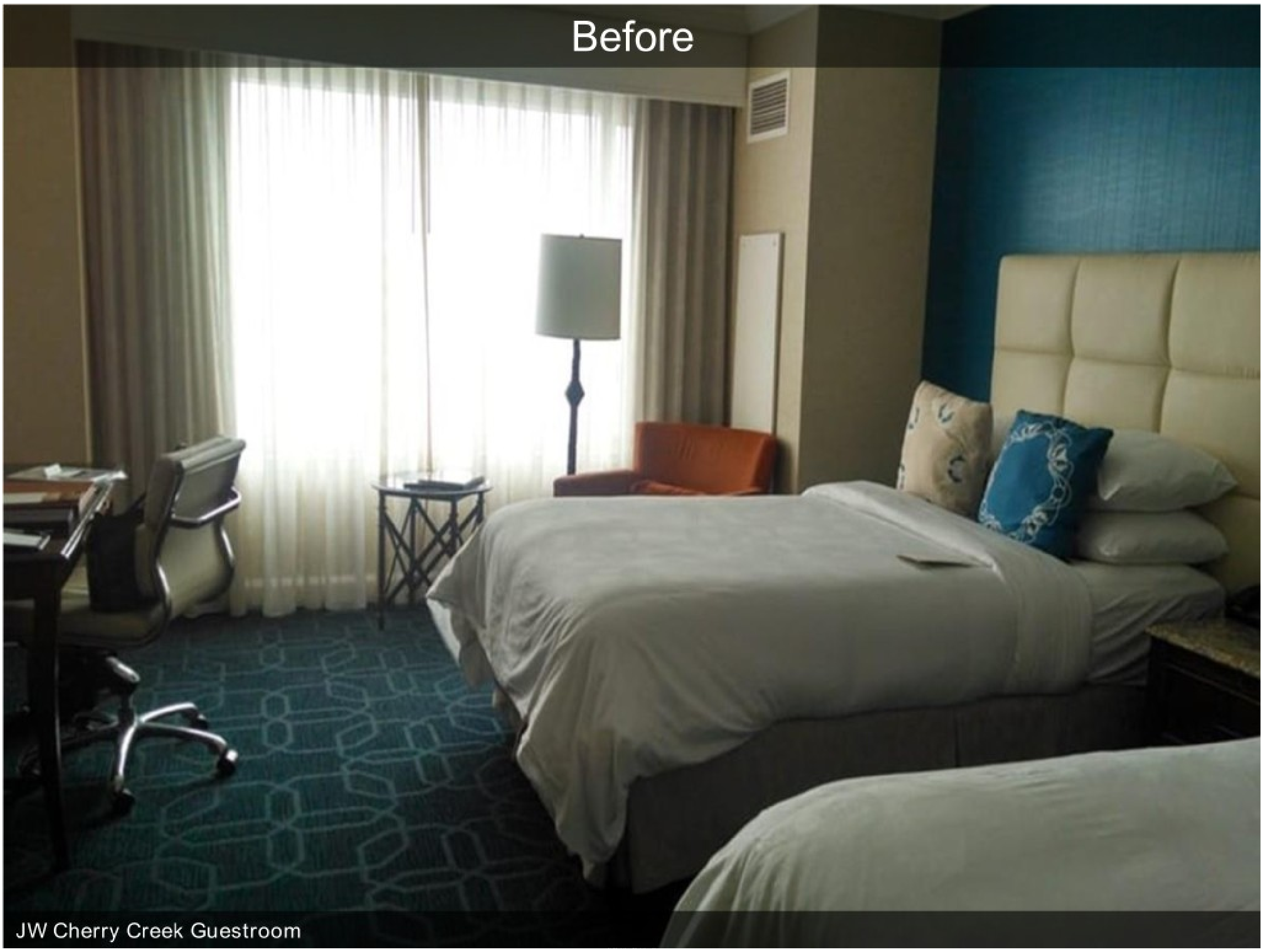
Renovation Plan

- Upgrade guestrooms, public space and meeting space
- Capitalize on the strength of location within the submarket and the JW brand
- Reposition rooms as best luxury product in market
- Gain 800 to 1000bps in market share to luxury hotels in Denver and approximately $750K in EBITDA impact
- Renovate lobby and re-concept the restaurant and bar
    - Partner with celebrity chef Richard Sandoval to convert current restaurant to Toro Latin Gastro Bar
- Add 3 keys by moving concierge lounge to 2nd floor and dividing a large suite


Toro Latin Kitchen and Lounge Design


New Guestroom Design

Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	Q1 2019	$2.4M	$1.25M	$17M



JW Cherry Creek Guestroom

After

JW Cherry Creek Guestroom

Worthington Renaissance: Increase NAV by $36M

Renovate public spaces by creating a 15,000+ SF ballroom, repositioning the restaurant, and redesigning the lobby.

Restaurant Repositioning Operational Potential

- Prime Sundance Square location
- Partner with celebrity chef Richard Sandoval to convert current restaurant to popular Toro Bistro

Courthouse Conservatory[1]

- All-glass function space with views of the courthouse will position Worthington as the #1 venue for social catering

Proven Track Record Post-Renovation

- $2.4M increase in 2017 EBITDA post-renovation over average of last three years
- RevPAR index gained +20 points of share following renovation

Renovated Ballroom

Rendering of Courthouse Conservatory

(1) Still analyzing ROI and costs.

Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	Q3 2020	$13.8M	$3.0M	$36M

Hilton Boston Downtown: Increase NAV by $14M

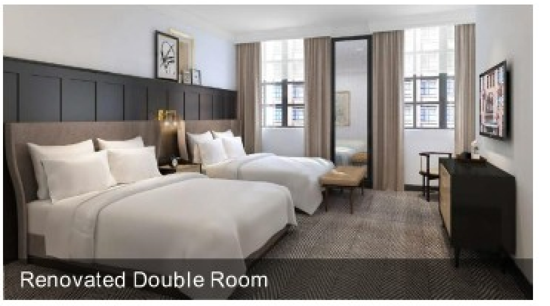
Convert 3rd floor meeting space into 28 additional guest rooms.

Market Conditions are Ideal for Key Addition

- 1.4M SF of office space is under development in the CBD
- 2017 had 200 nights above 95% occupancy

Increasing Operational Potential for Property

- Unencumbered of brand and management in 2022
- 91% transient demand and meeting space is underutilized
- Opportunity to add 28 keys for less than half of replacement cost
- In 2015, DRH added 41 keys through suite conversions at over 26.8% IRR → proven demand


Renovated Double Room


Renovated King Room

Project Details	Estimated Completion	Incremental Capital Spend	Incremental EBITDA	Incremental Value
	2020	$2.7M	$1.0M	$14M

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 $2M in revenue
- Entitlement allows for an additional 83 Keys

Project Details	Purchase Price	Yield on TTM NOI	Total RevPAR	EBITDA Multiple
	$152M	6.7%	$809	12.8x


Frenchman’s Reef &
Morning Star Beach Resort
Morning Star Beach Resort

Frenchman’s Reef Resort & Morning Star Beach Resort

Key Facts & Figures

Q2 2020
Projected Reopening

$20M+
Brand Support

$30M
USVI Support

$350+
Stabilized ADR

$25M
Stabilized EBITDA

Frenchman's Reef Insurance Claim

Insurance Overview

- $280M[1] Total Claim (includes rebuild cost, lost profits and ongoing expenses & other costs)
  - $95M in cash received to date from insurers
  - $361M is policy limit per storm
- DiamondRock expects to fund $45M in brand and infrastructure upgrades not covered by insurance
  - To be offset by key money (+$20M) from brand and other outside funding sources

Total Rebuild Cost

Rebuild		Upgrades		Total Rebuild
$180M	+	$45M	=	$225M

Business Interruption

- Insurance policy covers all lost profits through rebuild period plus 18-month stabilization period
- Through 2018, recovery of lost profits of $19M recognized and agreed to ($3M in 2017 and $16M in 2018)
- For 2019, insurers have agreed to $8.8M in BI for lost profits through April 2019
- DiamondRock believes it is entitled to at least $16M in lost profits for FY 2019. Not yet agreed to by insurers

The Company is actively pursuing all its rights, but the position of the insurer will create timing issues. As with all legal disputes, final results cannot be guaranteed.

(1) Amounts provided are approximate. As of 1/25/19.

Best-in-Class Rebuild Team

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)

Morning Star Pool Area Rendering

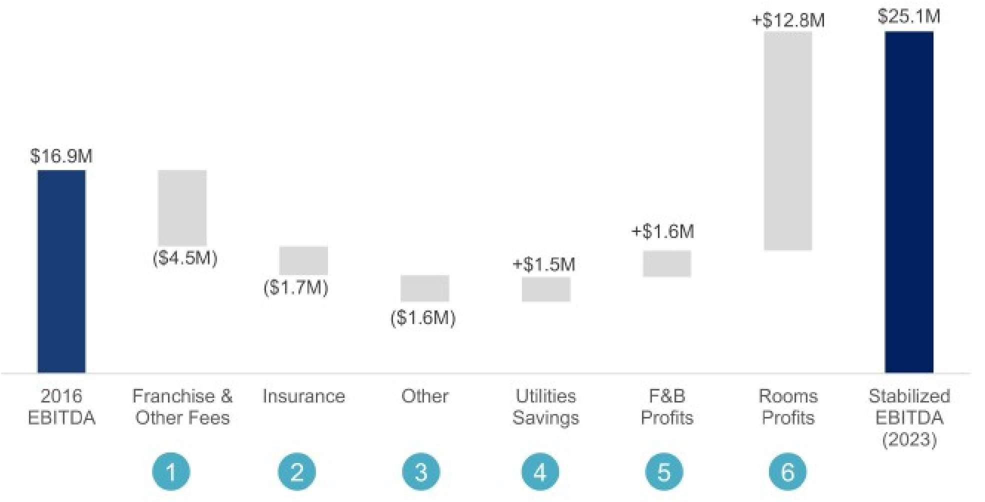
Morning Star Lobby Rendering

Morning Star Guestroom Rendering

Frenchman's Reef Lobby Rendering

Frenchman's Reef Guestroom Rendering

Frenchman's Reef Bridge to Stabilized EBITDA



Potential Upside From Items Not In Underwriting:

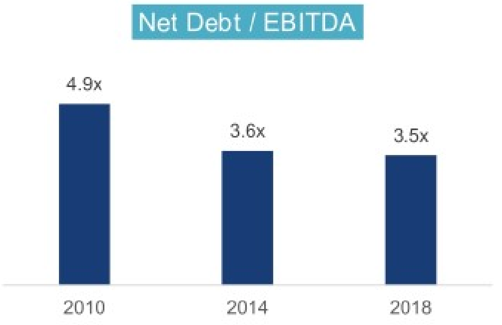
- Increased Resort Fee Revenue
- Spa Income
- Casino Income
- Additional F&B outlets & repositioning

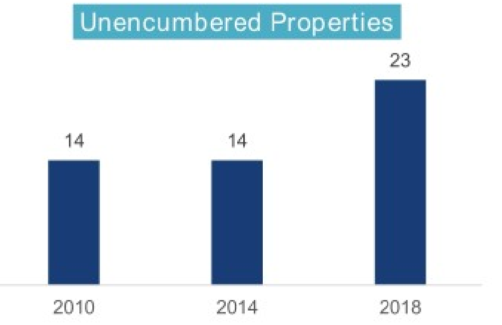
EBITDA Bridge Components		
1	Franchise Fees	$2.5M Franchise Fee (new) and additional S&M and other expenses
2	Insurance	Increased insurance costs post-hurricane
3	Other	Conservative Assumptions → lower resort fee income, higher expenses, no cancellation fee income and no spa income
4	Utilities	$1.5M savings from improved infrastructure and utilities enhancement
5	F&B Profits	Increased profits from enhanced F&B offering
6	Rooms Profits	~$80 Increase to RevPAR

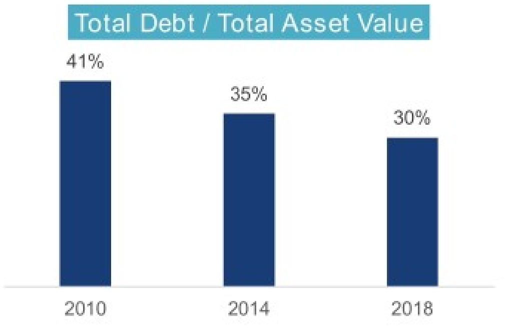
Balance Sheet & Capital Structure

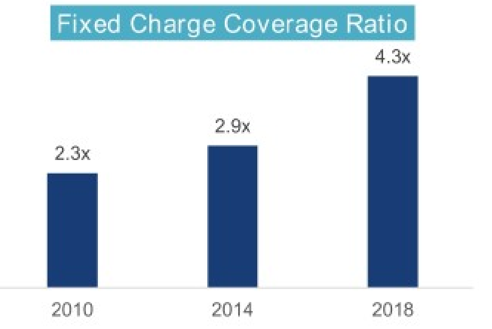
South Lake Tahoe

Best Balance Sheet in Company History









Source: Company Filings.

Balance Sheet Can Withstand 2008-Type Downturn

DRH Stress Testing				
	2019F	2020F	2021F	2022F
RevPAR Growth	-1.0%	-8.7%	-7.5%	6.3%
Corp. EBITDA Growth	1.0%	-13.8%	-13.8%	12.6%
Net Debt-to-EBITDA	3.4x	3.9x	4.5x	4.0x
Leverage Ratio (60% Maximum)	32.7%	38.2%	44.1%	39.1%
Fixed Charge Coverage Ratio (1.5x Minimum)	4.3x	3.6x	3.1x	3.5x

- Balance Sheet is prepared to withstand severe downturn
- Stress test assumes >15% RevPAR and >25% EBITDA decline
- 23 unencumbered properties throughout forecast
- Net debt-to-EBITDA of 4.5x, leverage ratio of 44% and FCCR of 3.1x at trough
- No outstanding borrowings on LOC in this scenario

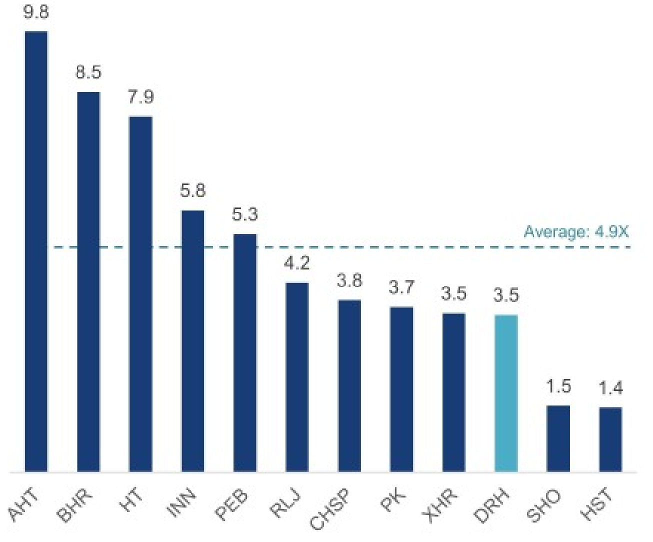
Note: Excludes Frenchman's Reef from topline and revenue operating statistics, but includes BI for Frenchman's from a baseline of 2016A EBITDA.

$350 Million of Investment Capacity

CONSERVATIVE BALANCE SHEET STRATEGY

- Net Debt to 2019 EBITDA of 3.5x
- $300M Line of Credit with no outstanding borrowings
- 23 unencumbered hotels
- Well-laddered maturity schedule with no maturities until November 2020
- $350 million of investment capacity
- No more than 35% floating rate debt

LEVERAGE AT LOW END OF PEER GROUP



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

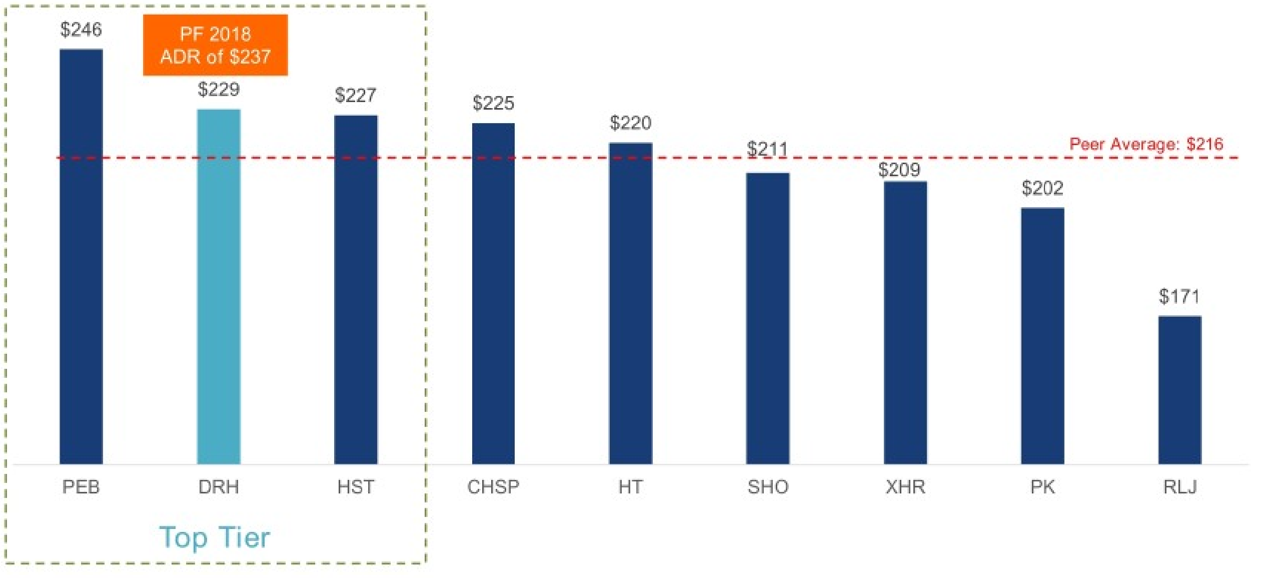
Source: Company Filings, Wall Street Research.

Compelling Valuation

Cavallo Point, the Lodge at the Golden Gate

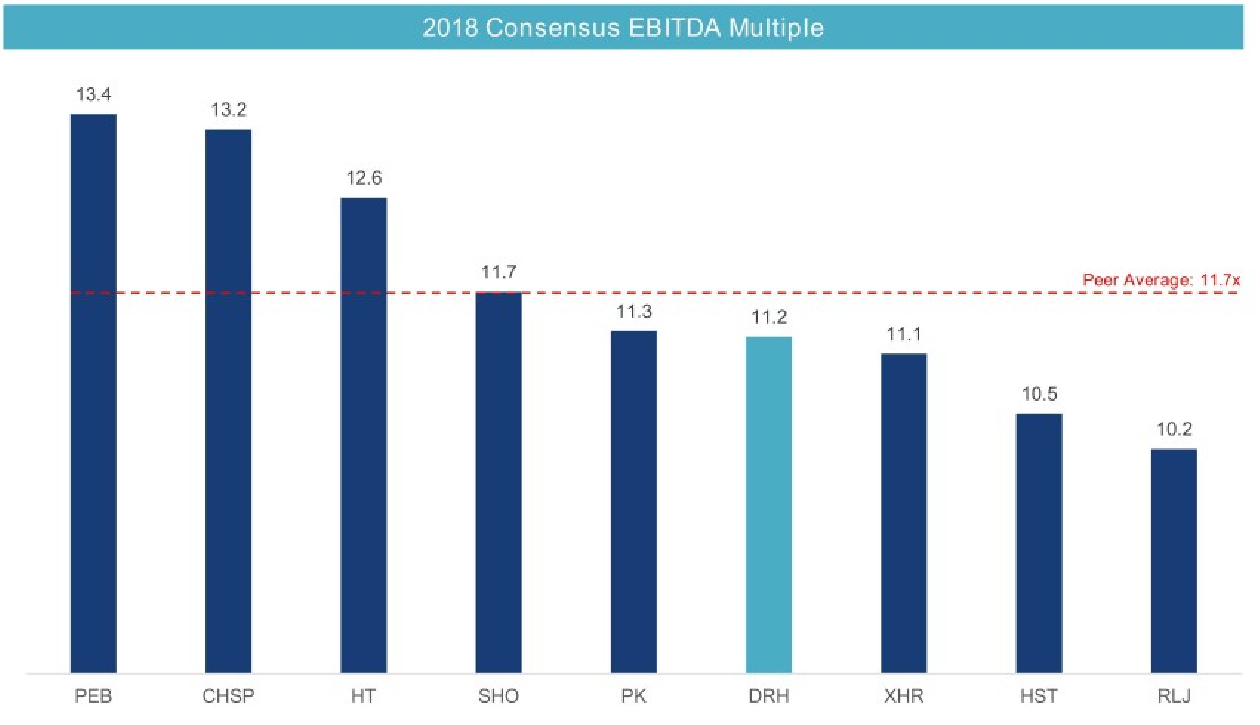
Top-Tier Portfolio Quality

2017 Portfolio Average Daily Rate



Source: Company Filings as of Q4 2017.
Note: Pebblebrook data is not pro forma for LaSalle merger.

Compelling Valuation



Source: Baird, FactSet. Data as of 1/25/19.

DiamondRock Currently Trades At a Steep Discount to NAV

Market price of $9.88[1] represents a 30% discount to NAV per share.

	Hotel NOI	Cap Rate			Estimated Value[2]			
Region	FC Sept 2018	Low	Mid	High	Low	Mid	High	Mid / Key[3]
Boston	$34.5	6.0%	6.5%	7.0%	$494	$532	$576	$444
Chicago	$30.2	6.5%	7.0%	7.5%	$403	$432	$465	$286
Dallas / Fort Worth	$12.4	7.0%	7.5%	8.0%	$155	$166	$177	$328
Denver	$11.3	6.0%	6.5%	7.0%	$162	$174	$189	$467
New York City	$27.6	5.0%	5.5%	6.0%	$460	$502	$552	$331
San Diego	$12.4	6.5%	7.0%	7.5%	$166	$178	$191	$407
San Francisco	$11.8	5.0%	5.5%	6.0%	$197	$215	$237	$912
Washington, DC	$14.1	6.5%	7.0%	7.5%	$188	$201	$217	$295
Other Urban	$20.8	6.5%	7.0%	7.5%	$277	$296	$319	$277
Resorts	$66.7	6.0%	6.5%	7.0%	$953	$1,026	$1,112	$497
Resorts Under Development	$15.0	8.0%	8.5%	9.0%	$167	$176	$188	$553
Total	$257.0	6.1%	6.6%	7.1%	$3,622	$3,899	$4,223	$393
NAV Per Share					$12.84	$14.18	$15.73	

Note: San Francisco NOI includes Cavallo Point Resort as if owned for full-year 2018
Havana Cabana, Palomar Phoenix, Hotel Emblem, Frenchman's Reef and Landing Resort are included using stabilized NOI as proxy for multiple.

(1) Share price as of January 25, 2018
(2) Dollar amounts in millions
(3) Dollar amounts in thousands

Trading at Clear Discount to Value

DiamondRock has repurchased $62M worth of shares in the last 90 days.

DRH COMPANY VALUATION - SHARE PRICE SENSITIVITY					
	$8.00	$9.00	$10.00	$11.00	$12.00
2018 Consensus EBITDA Multiple	10.2x	11.0x	11.9x	12.7x	13.5x
2018 Consensus NOI Cap Rate	9.1%	8.4%	7.8%	7.3%	6.9%
2019 Consensus EBITDA Multiple	9.9x	10.7x	11.4x	12.2x	13.0x
Discount to Current Stock Price ($9.70)	(19.0%)	(8.9%)	1.2%	11.3%	21.5%
Discount to 52-Week High ($12.99)	(38.4%)	(30.7%)	(23.0%)	(15.3%)	(7.6%)
Discount to Internal NAV ($14.18)	(43.6%)	(36.5%)	(29.5%)	(22.4%)	(15.4%)
Discount to Replacement Cost ($500/Key)	(48.7%)	(44.6%)	(40.4%)	(36.3%)	(32.2%)

Data as of 1/25/19. Source: Wall Street Research, Internal Data.

Key Takeaways

The Landing Resort & Spa

Key Takeaways

- ✓ Balance Sheet in Great Shape
  ($350M Dry Powder)
- ✓ Significant ROI Projects ($200M NAV+)
- ✓ External Growth Focus on Resorts
  (5 of Last 6 Deals)
- ✓ Compelling Relative Valuation
  (25% - 40% Discount to NAV)
- ✓ Strong 2020 Setup
  (Group Pace Up 15%)

DIAMONDROCK
HOSPITALITY