Investor Presentation | November 2020

Forward Looking Statements

Certain statements made during this presentation are forward-looking statements that are subject to risks and uncertainties. Forward-looking statements generally include the words “believe,” “expect,” “anticipate,” “plan,” “estimate,” “project,” “will,” “intend” or other similar expressions. Forward-looking statements include, without limitation, statements regarding, industry outlook, results of operations, cash flows, business strategies, growth and value opportunities, capital and other expenditures, financing plans, expense reduction initiatives and projected dispositions.

Factors that could cause actual results to materially differ from those contained in the forward-looking statements include, without limitation, national and local economic and business conditions, including the impact of COVID-19 on occupancy rates at the Company’s hotels and the demand for hotel products and services, and those risks and uncertainties discussed in the most recent Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, which DiamondRock Hospitality Company (the “Company”) has filed with the Securities and Exchange Commission, all of which you should carefully review. The forward-looking statements made are based on our beliefs, assumptions and expectations of future performance, taking into account all information currently available to the Company. Actual results could differ materially from the forward-looking statements made in this presentation. The forward-looking statements made in this presentation are subject to the safe harbor of the Private Securities Litigation Reform Act of 1995.

Any forward-looking statement speaks only as of the date on which it is made. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this presentation is as of the date of this presentation, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

This presentation contains statistics and other data that has been obtained or compiled from information made available by third-party service providers and believed to be reliable, but the accuracy and completeness of the information is not assured. The Company has not independently verified any such information.

Key Takeaways

1. 27 of 30 Hotels Currently Open (88% of Rooms)
2. $435MM of Available Liquidity[(1)]
3. Q3 Burn Rate 14% Better Than Q2 Burn Rate
4. 25 Months of Cash Runway[(1)]
5. Sweeping Agreement With Marriott International

(1) As of 9/30/2020

Recent Events

October 2020

- Total Revenues up 17% over September Results
- Preliminary October Profitability
  - 19 Hotels GOP Positive vs. 18 Hotels in September
  - 12 Hotels EBITDA Positive vs. 11 Hotels in September

September 2020

- Reopened Chicago Marriott (1,200 rooms) and Westin Boston (793 rooms)

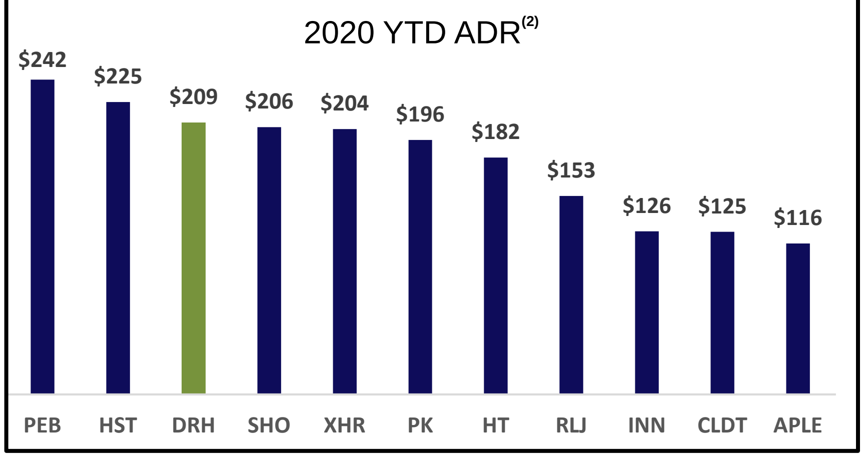
August 2020

- Closed on $110MM public offering of 8.25% Series A cumulative redeemable preferred shares ($25 par value, 4.4 million shares). Net proceeds of $106MM
- Signed agreement with Marriott to:
  - Convert five brand-managed hotels into franchises by the end of 2020
  - Rebrand Vail Marriott into Luxury Collection hotel in 2021
  - Established franchise termination right at The Lexington, Autograph
  - Up-brand JW Marriott Cherry Creek to Luxury Collection at our option

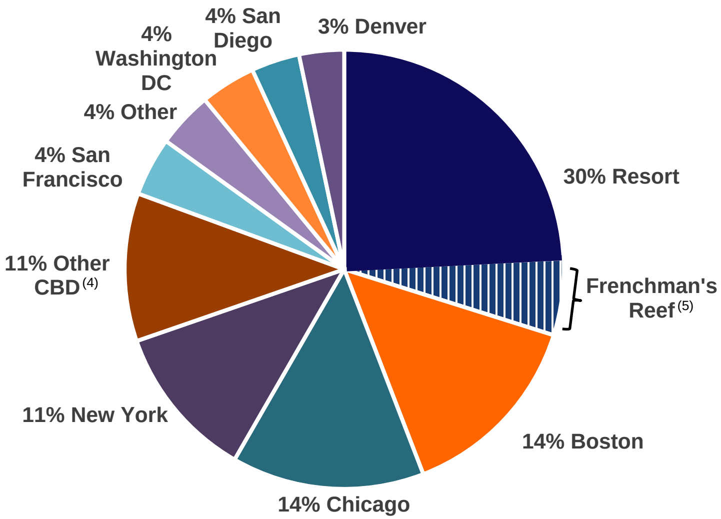
DiamondRock at a Glance

2019 FINANCIAL SUMMARY[1]	
Hotels (Rooms)	31 Hotels (>10K Rooms)
Total Revenue	$932.1MM
Room Revenue	$656.3MM
Hotel EBITDA Margin	29.6%
Outstanding Debt	$1.09B
Net Debt/EBITDA	3.7x

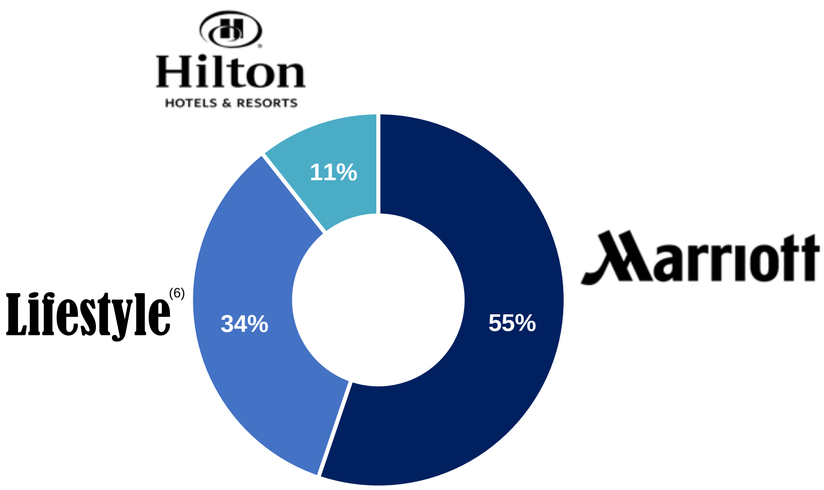
TOP TIER PORTFOLIO



URBAN AND RESORT HOTELS IN TOP MARKETS[3]



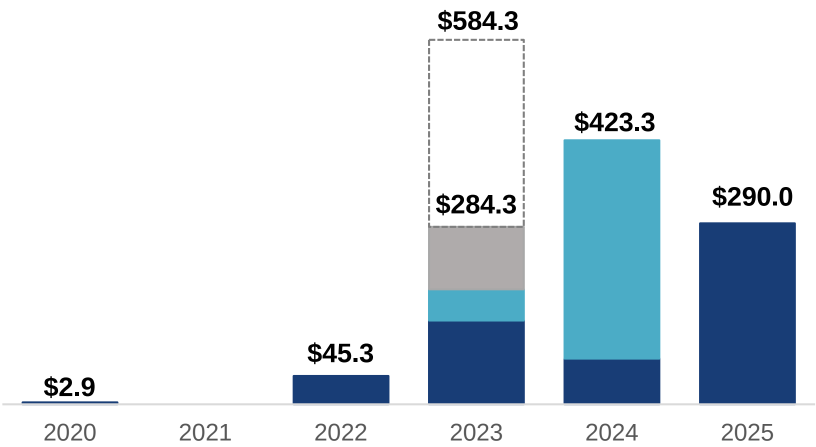
HIGH QUALITY BRANDS[3]



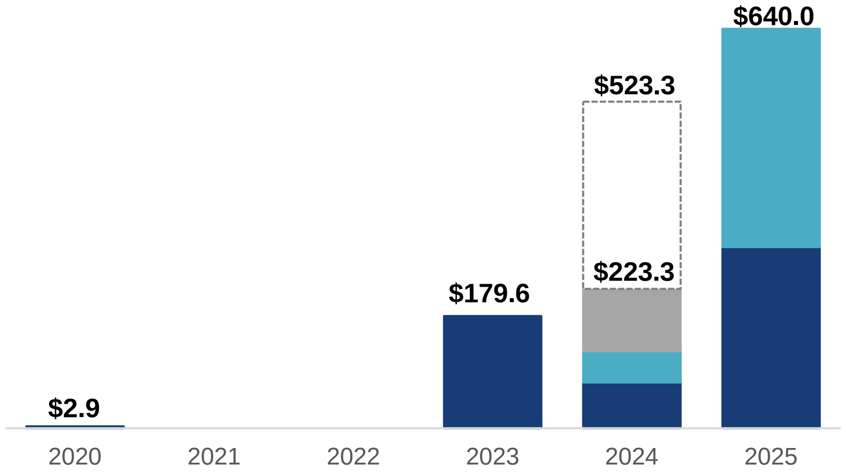
(1) As of and for the year ended 12/31/2019. Reconciliations provided in appendix
(2) As of 9/30/2020
(3) Weighted by 2019 Actual EBITDA
(4) Other CBD includes Burlington Hilton, Salt Lake City Marriott, and Worthington Renaissance.
(5) Based on 2016 actual EBITDA
(6) Includes independent hotels, Luxury, Autograph and Renaissance collection properties, and Vail Marriott Resort

DiamondRock Balance Sheet Profile

FUTURE DEBT MATURITIES (IN $MM)(1)



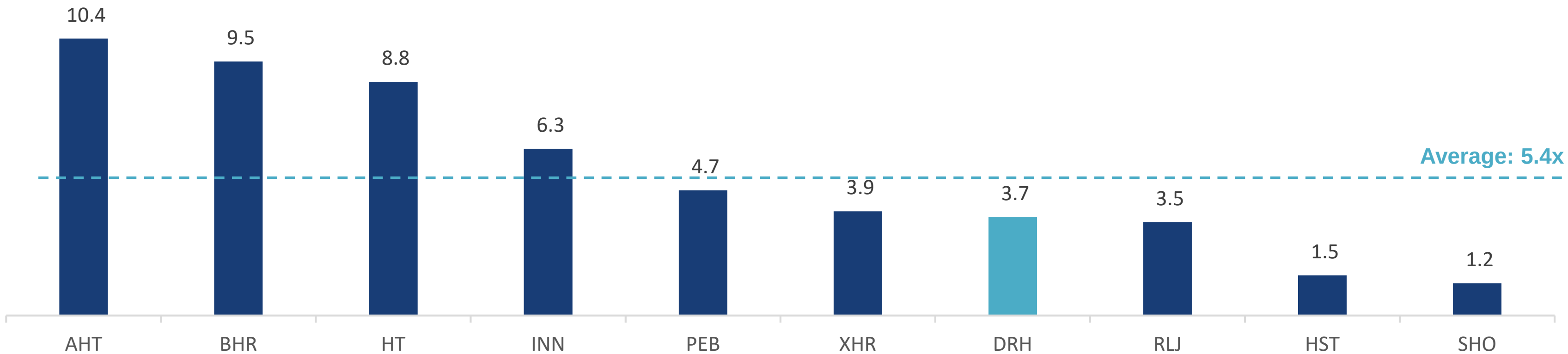
PRO FORMA FUTURE DEBT MATURITIES (IN $MM)(2)



■ Secured Debt ■ Term Loan ■ Revolver □ Undrawn Revolver

$380MM Estimated year end liquidity available in cash and revolver capacity(3)

LEVERAGE BELOW PEER AVERAGE(4)



(1) Does not reflect extension options; revolving credit facility based on $100MM balance as of 9/30/2020
(2) Assumes all extension rights are exercised on term loans (2024), revolver (2023), and Salt Lake City mortgage (2022)
(3) Forecast as of 11/16/2020
(4) Source: Baird. Net Debt plus preferred / 2019 Consensus EBITDA
Note: Leverage calculation is not adjusted for estimated EBITDA contribution from Frenchman's Reef

OPERATIONS UPDATE

Renaissance Charleston Historic District

New Franchise/Management Deal with Marriott

Vail Marriott Mountain Resort

On 8/31/20, DRH entered into an agreement with Marriott to alter several brand and management contracts. Selected terms:

Franchise Conversions

The following hotels will be converted from brand-managed to franchised properties with agreed to renovation scope and timeline:

- Atlanta Marriott Alpharetta
- Salt Lake City Marriott Downtown
- The Lodge at Sonoma
- Charleston Renaissance
- Courtyard Manhattan 5th Avenue

Up-Branding

- The Vail Marriott Mountain Resort entered into a new franchise agreement to be branded as a Luxury Collection Hotel subject to renovation completion
- JW Marriott Cherry Creek franchise agreement extended and amended to allow for the conversion to a Luxury Collection Hotel if certain conditions are met

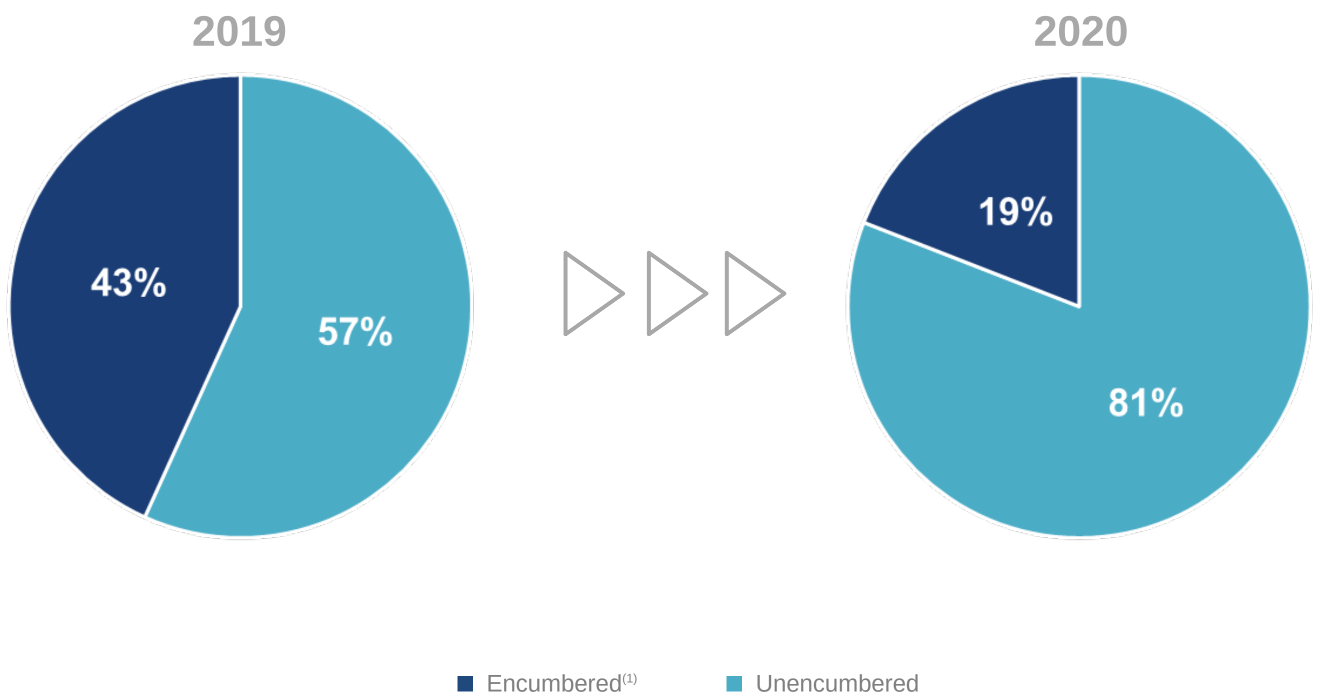
The Lexington Hotel

The franchise agreement for The Lexington Hotel has been amended to provide termination right in 2021, subject to certain conditions

Note: Refer to 8-K filed 8/31/20 here for additional terms

Short Term Agreements Driving Value

Only **two long term management agreements** in DRH portfolio



Highest percent of terminable agreements among any full-service lodging REIT peer

Note: Based on 2019 EBITDA
(1) Agreements terminable at will.

Resuming Hotel Operations

Nearly 90% of total rooms currently operating[1]

April

7 Operating Urban Hotels

3 Operating Resorts

May

Charleston
Orchards Inn

June

Denver Courtyard
Denver JW Marriott
The Gwen
Palomar Phoenix
Hotel Emblem

Havana Cabana
Barbary Beach House
The Landing Resort
Vail Marriott
Cavallo Point

July

Boston Hilton

Burlington Hilton
Lodge at Sonoma

September

Boston Westin
Chicago Marriott

Current[1]

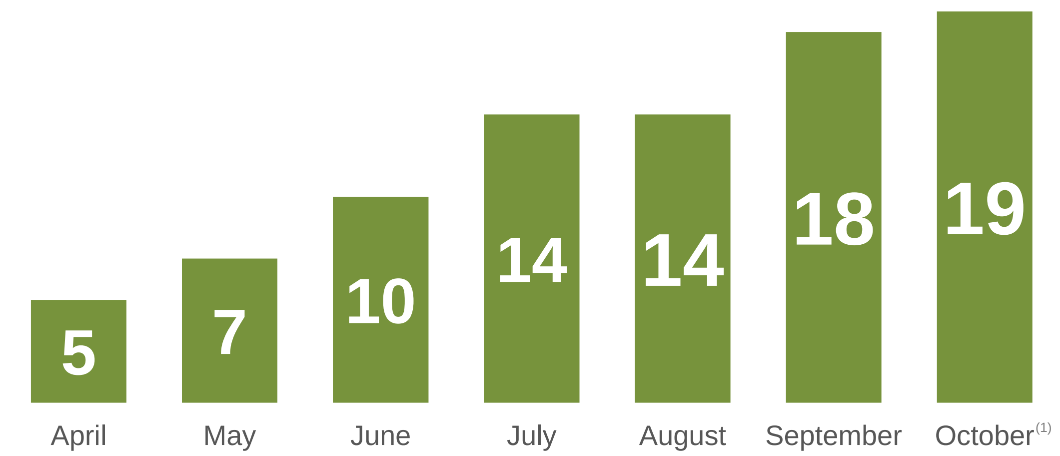
15 Operating Urban Hotels

12 Operating Resorts

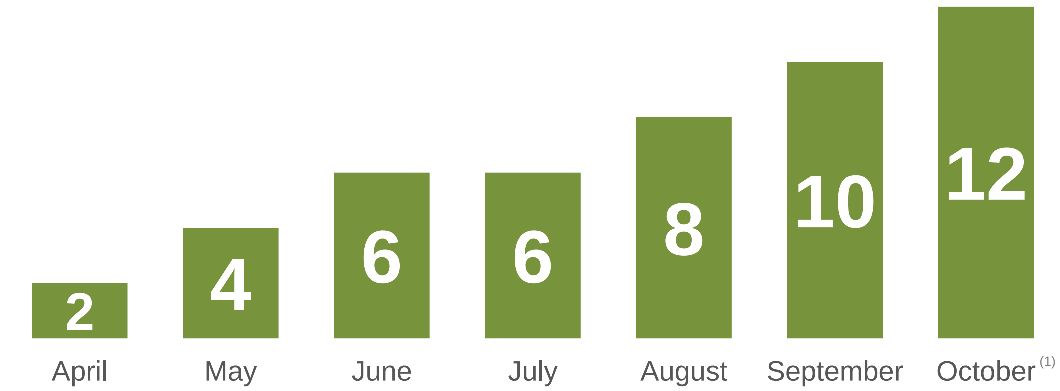
(1) As of 11/16/2020

Rebuilding Profitability

Number of Hotels with Positive GOP



Number of Hotels with Positive EBITDA



(1) Preliminary Results

Mitigating Cash Burn and Extending Runway

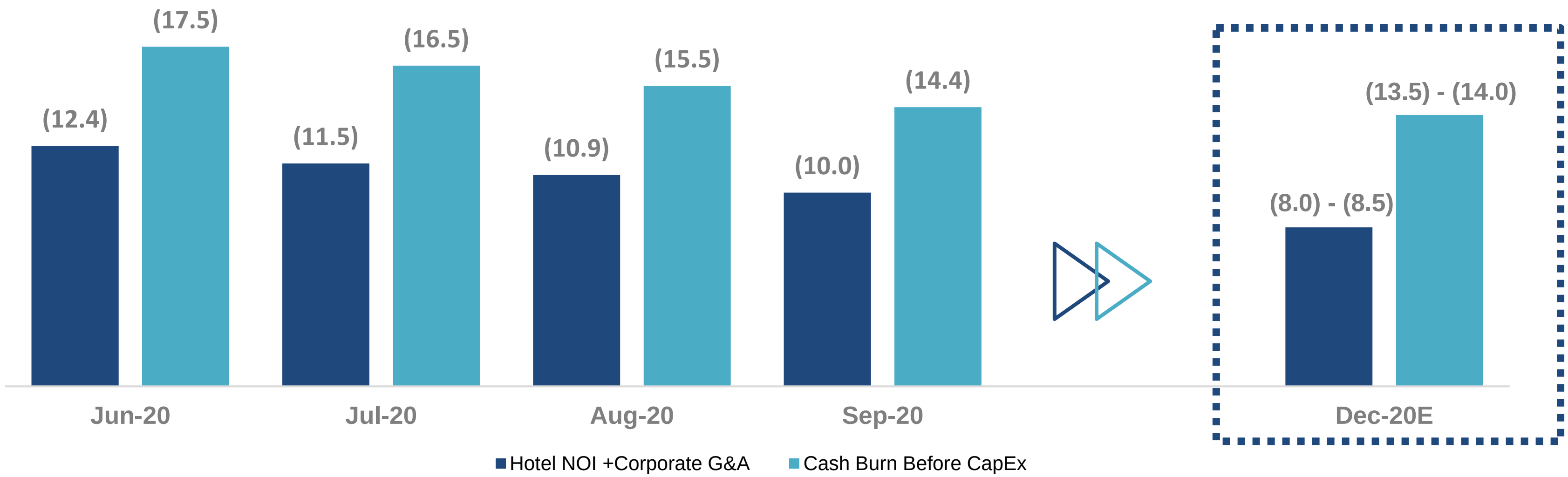
	Quarterly Operating Metrics		
	Q2 2020A	Q3 2020A	Improvement
Occupancy	8.5%	18.6%	+119% Better
Average Daily Rate	$175.75	$201.81	+15% Better
RevPAR	$14.99	$37.55	+151% Better
Total Revenue	**$20.4MM**	**$50.1MM**	**+146% Better**

	Monthly Burn Rate ($MMs)			
	Q2 2020A	Q3 2020A	Improvement	Q4 2020E[1]
Hotel Net Operating Loss	10.7	8.4	+21% Better	
Corporate G&A Expenses	1.8	1.4		
Corporate Burn Rate	**12.4**	**9.8**	**+21% Better**	**8.0 - 8.5**
Debt Service	5.1	4.1		4.7
Preferred Dividends[2]	-	0.8		0.8
Capital Expenditures[3]	3.0	3.0		3.0
Total Monthly Cash Burn	**20.6**	**17.7**	**+14% Better**	**16.5 – 17.0**
Total Liquidity	**$364MM**	**$435MM**	**+20% Better**	**~$380MM**
Expected Runway	**18 Months**	**25 Months**	**+39% Better**	**22 - 23 Months**

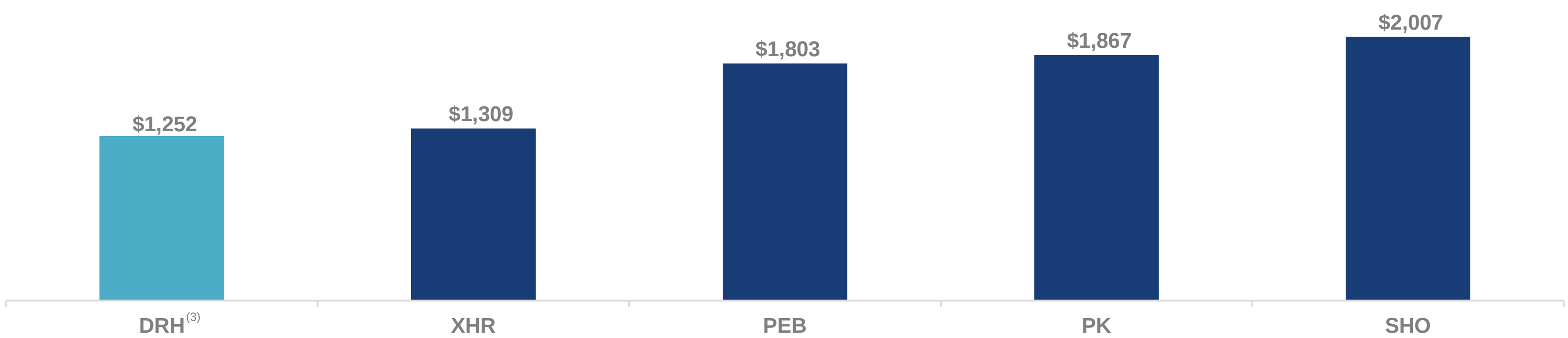
(1) Internal forecast as of 11/16/2020
(2) Preferred dividends are shown on a proforma basis for Q3 2020
(3) Assumes capital expenditure of $36MM per year or $3MM per month

Cash Burn Steadily Improving

DRH Rolling Three Month Burn Rate[1]



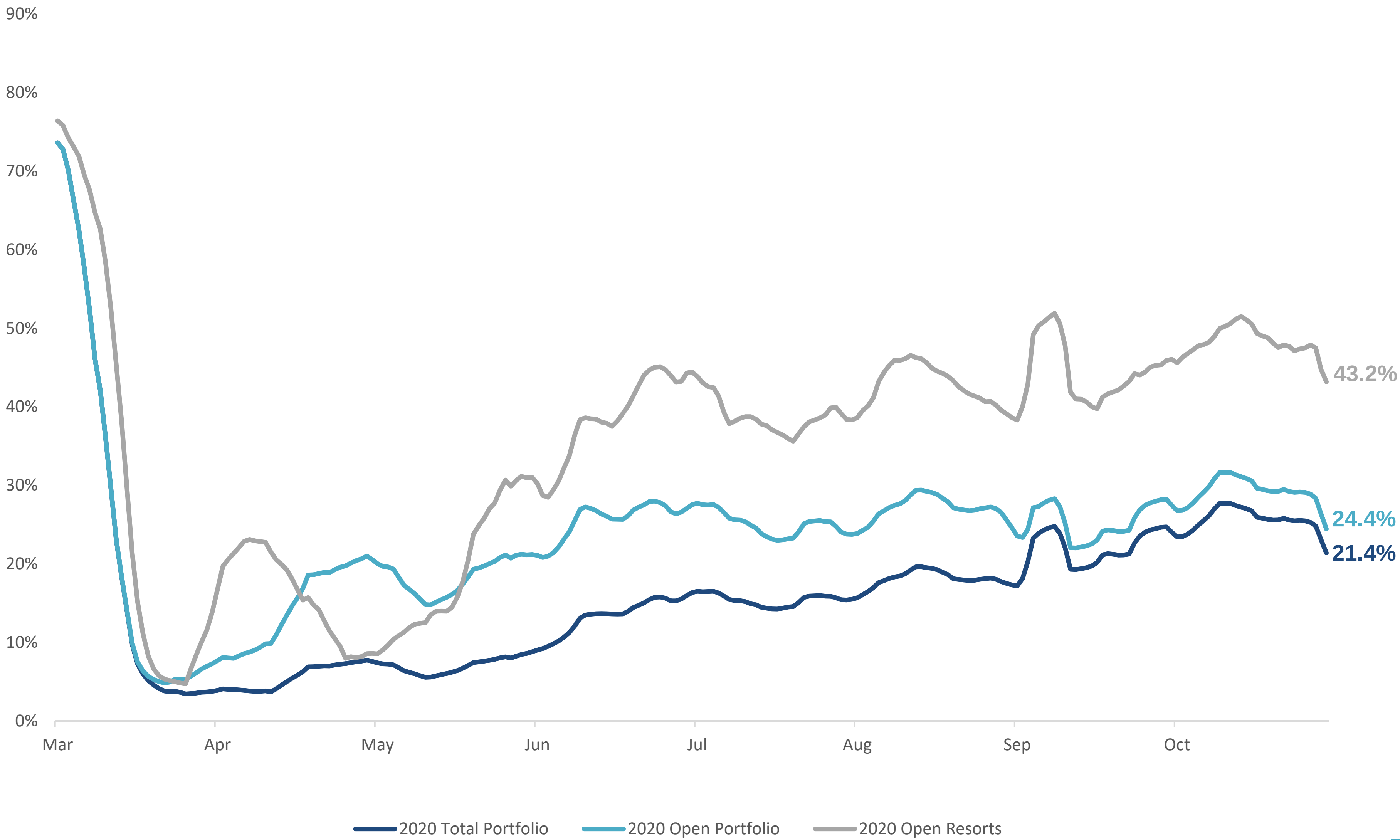
Average Monthly AFFO Burn Rate Per Key[2]



(1) In thousands
(2) Second and third quarter AFFO per key per month.
(3) Third Quarter Adjusted AFFO excludes noncash income tax valuation allowance recognized in the quarter of $12.4 million

Hotel Occupancy Gradually Rebuilding

Trailing 7 Day Average Portfolio Occupancy



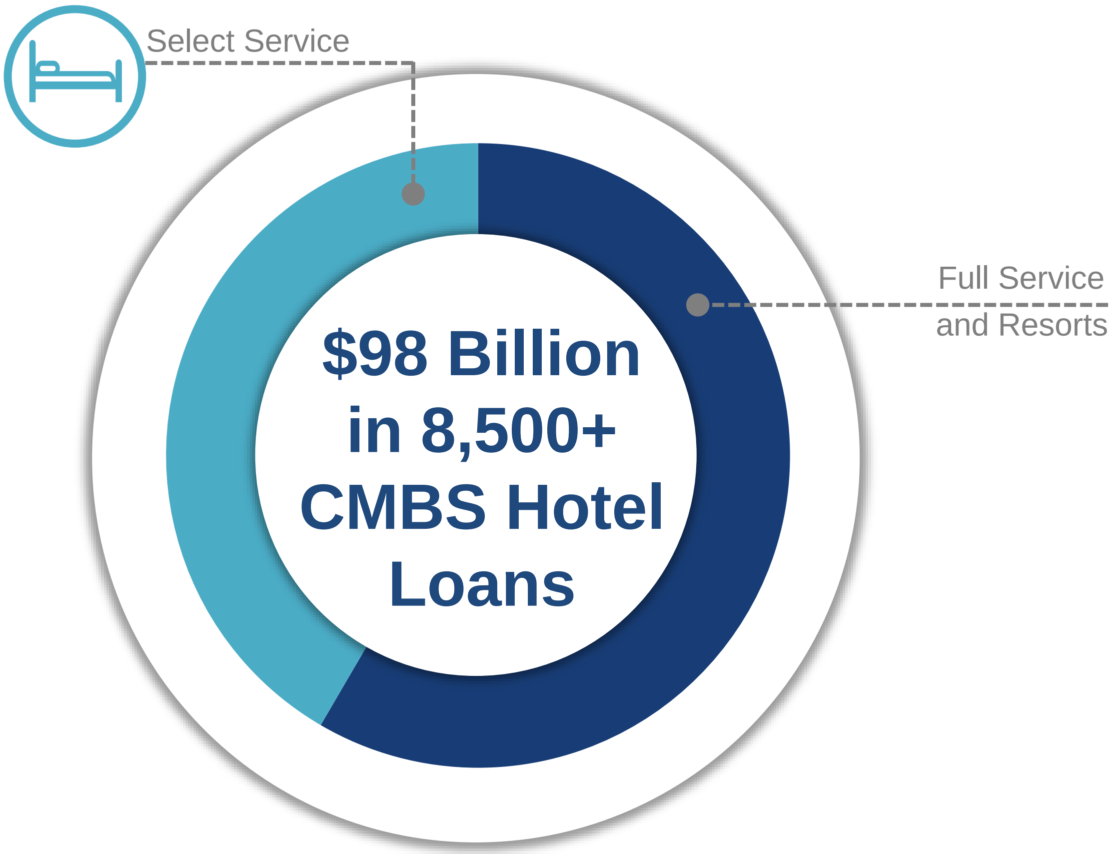
Group Cancellations Slowing

	Four Weeks Ending									
% Share of Cancellations	3/23/2020	4/16/2020	5/14/2020	6/11/2020	7/9/2020	8/6/2020	9/3/2020	10/1/2020	10/29/2020	Totals To Date
Feb-20	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Mar-20	37%	3%	0%	0%	0%	0%	0%	0%	0%	10%
Apr-20	37%	7%	4%	0%	0%	0%	0%	0%	0%	11%
May-20	14%	30%	14%	3%	0%	0%	0%	0%	0%	11%
Jun-20	11%	23%	22%	8%	2%	0%	0%	0%	0%	11%
Jul-20	0%	20%	19%	14%	10%	2%	0%	0%	0%	8%
Aug-20	0%	6%	16%	38%	12%	5%	2%	0%	0%	8%
Sep-20	0%	6%	12%	22%	28%	22%	8%	0%	1%	10%
Oct-20	0%	4%	7%	7%	27%	36%	34%	23%	2%	12%
Nov-20	0%	0%	6%	6%	11%	17%	16%	13%	5%	6%
Dec-20	0%	0%	0%	1%	4%	5%	11%	5%	3%	2%
Jan-21	0%	0%	0%	0%	0%	4%	7%	17%	14%	2%
Feb-21	0%	0%	0%	0%	1%	5%	7%	0%	21%	2%
Mar-21	0%	0%	0%	0%	4%	1%	3%	1%	17%	2%
Apr-21	0%	0%	0%	0%	1%	0%	0%	24%	15%	2%
May-21	0%	0%	0%	0%	0%	0%	13%	1%	5%	1%
Jun-21	0%	0%	0%	0%	0%	0%	0%	12%	7%	1%
Jul-21	0%	0%	0%	0%	0%	1%	0%	3%	0%	0%
Aug-21	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%
Sep-21	0%	0%	0%	0%	0%	0%	0%	0%	4%	0%
Oct-21	0%	0%	0%	0%	0%	0%	0%	0%	6%	0%
Nov-21	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Dec-21	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Four-Week Increment In Cancellations	**$45,113,797**	**$32,749,668**	**$20,151,035**	**$13,729,159**	**$18,449,986**	**$16,856,928**	**$12,003,540**	**$7,724,506**	**$9,094,559**	
Cumulative Group Revenue Cancelled	**$45,113,797**	**$77,863,465**	**$98,014,500**	**$111,743,659**	**$130,193,645**	**$147,050,573**	**$159,054,113**	**$166,778,619**	**$175,873,178**	**$175,873,178**

GROWTH OPPORTUNITIES

Hotel Emblem

Positioned To Capitalize Upon Distress On The Horizon



Percent of Loans By Original Loan-to-Value

	65-70%	>70%
Full Service	17%	13%
Resorts	54%	15%

2020-2023 Maturities:

$24 Billion

(over 2,000 loans)

Source: Trepp and Wells Fargo Securities, LLC

Growth Oriented ROI Projects

Barbary Beach Conversion

- Converted from Sheraton in mid-2020 along with $12MM property renovation
- Reduce operating expenses $1.5MM
- IRR 20% plus

JW Marriott Denver Repositioning

- Negotiate with Marriott Branding Regulation in 2020
- Planning to convert to Luxury Collection in 2022
- IRR 40% plus

The Lodge at Sonoma Upgrade

- Up-branding from Renaissance to Autograph Collection
- IRR 20% plus

Vail Resort Upgrade

- Up-brand from Marriott to Luxury Collection in 2020
- $3MM+ in incremental EBITDA
- IRR 30% plus

Celebrity Chef Restaurant Program

- Chef Michael Mina in the Renaissance Lodge at Sonoma
- Chef Richard Sandoval in Worthington and JW Marriott Cherry Creek
- Chef Vivian Howard in the Renaissance Charleston

ROI Projects Drive Shareholder Value

UPCOMING ROI PROJECTS

Property	Project	Estimated Capital Spend[(1)]	Estimated Incremental EBITDA[(1)]	Estimated Incremental Value[(2)]	Estimated IRR[(3)]
Boston Hilton Downtown	29 Additional Guestrooms	$6.0	$1.0	$10.0	33%
Hilton Burlington	F&B Renovation	$1.5	$0.4	$4.0	59%
Chicago Gwen	Rooftop Event Space	$1.0	$0.2	$2.0	42%
Barbary Beach House Key West	Beach Restaurant and Event Space	$1.6	$0.6	$6.0	82%
The Landing Resort & Spa	Additional 17 Keys and Resort Enhancements	$7.8	$1.2	$12.0	29%
Sedona - Orchards Inn	Reposition as Cliffs at L'Auberge	$21.4	$2.6	$26.0	18%
Total		**$39.3**	**$6.0**	**$60.0**	**29%**

DRH has identified ~$25-$30MM of additional potential ROI projects

SHADOW PIPELINE

Property	Project	Timing
Courtyard Midtown East	Property Repositioning and Rooftop Bar	2022
Palomar Phoenix	Lustre Rooftop Bar Re-concept	2022
Cavallo Point	Convert unused Jail Building to F&B Outlet	2022
Sedona - L'Auberge	Laundry Facility and Spa Upgrade	2022
Sedona - Orchards Inn	89Agave Additions	2022

(1) Estimated Capital Spend and Estimated Incremental EBITDA based upon management proformas
(2) Estimated Incremental Value is calculated by applying a 10.0x multiple to Estimated Incremental EBITDA
(3) Estimated IRR is calculated assuming a 3-year stabilization period and a 10.0x terminal multiple

CORPORATE CITIZENSHIP

Cavallo Point, the Lodge at Golden Gate Bridge

Responsible Corporate Citizen

GRESB Annual Results

	2016	2017	2018	2019
DRH GRESB Score	50	53	75	81
Peer Score Average[1]	51	57	58	69
Index to Peer Score Average	98%	93%	129%	117%

ISS ESG Rankings[2]

Environmental
4

Social
3

Governance
1

ISS-ESG Corporate Ranking

Currently Ranked **#2** of 174 US Real Estate Companies

DiamondRock ranks in the **top 5%** of the Worldwide Real Estate Sector, earning an **ISS ESG Prime** designation

(1) Lodging Peer Average is based on 17 Lodging Companies including 10 REITs
(2) ISS will not provide Quality Ranking of peer set to DRH without enrolling in their advisory services, however score is relative to peer set

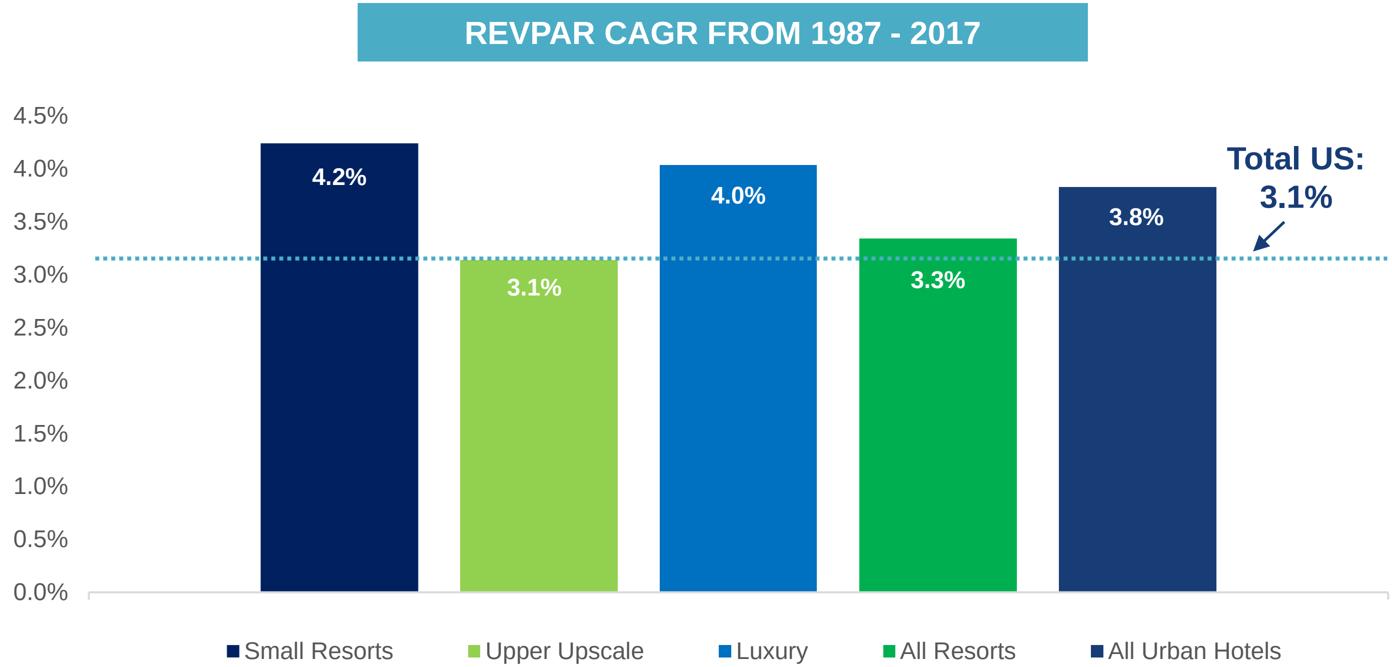
DiamondRock
HOSPITALITY

APPENDIX

Havana Cabana Key West

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

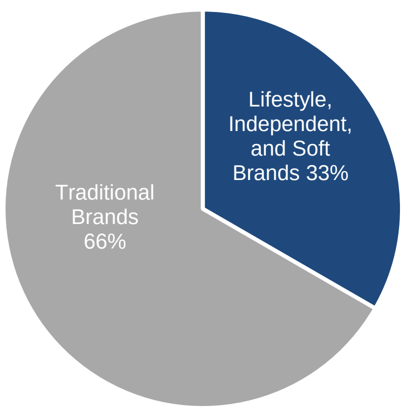


Source: CBRE Hotels Research.
(1) Collection of non-golf resorts with less than 200 rooms

DRH Lifestyle & Independent Strategy

CURRENT ALLOCATION[1]

TARGET ALLOCATION



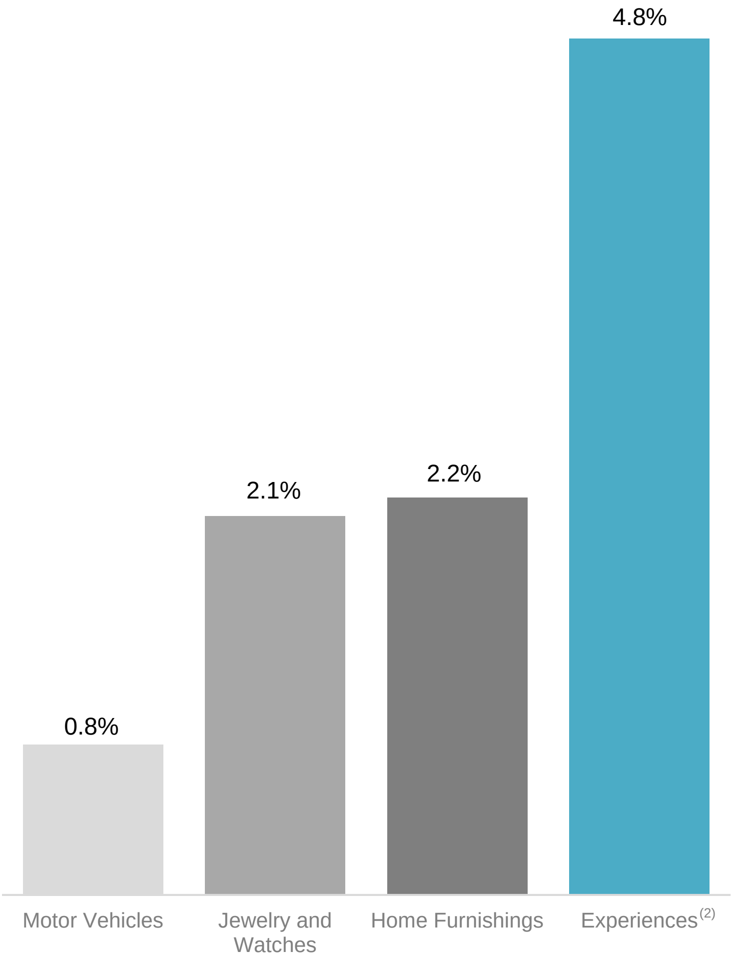
RATIONALE FOR TARGETING LIFESTYLE HOTELS, INDEPENDENTS, & SOFT BRANDS

- Balances DRH's existing portfolio
- Greater opportunity for smaller deals
- Reduces reliance on traditional brands
- Cultural shift toward experiential travel

Target allocation will be **achieved through acquisitions** of lifestyle hotels, independents and soft brands and dispositions of traditional boxes

(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.

Experiential Travel Leads the Way



15-YEAR SPENDING CAGR (2004-2019)(1)

In the past decade, consumer spending in the US has seen a drastic **shift toward experiences,** rather than products or "things". DiamondRock's **resort strategy** capitalizes on this trend by offering the once-in-a-lifetime travel experiences that consumers are willing spend their excess income on.

74% of Americans say they prioritize experiences over products(3)

49% of Generation Z and Millennials would sell their furniture or clothes to travel(3)

According to a recent survey, the **Top 3 drivers** of travel decisions are(3):

#1 Activities I will be doing on my trip

#2 Having a "once-in-a-lifetime" experience

#3 Having a cultural experience

(1) Source: Bureau of Economic Analysis
(2) 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.
(3) Source: Expedia and the Center for Generational Kinetics

The Next Generation of Travel

GENERATIONAL TRENDS

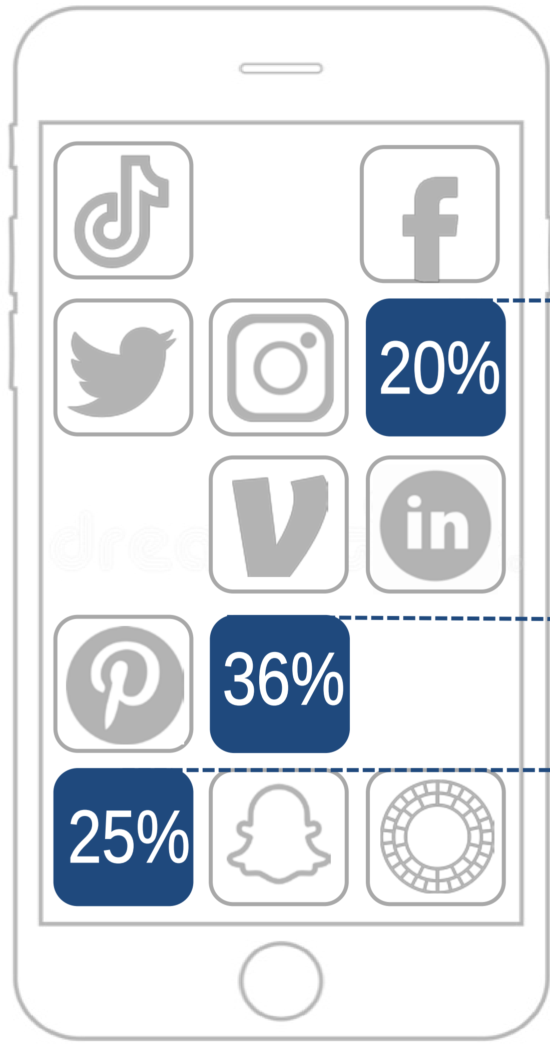
The future of travel will be dictated by the trends we see in Millennials (Generation Y) and Generation Z – who now account for **42.3% of the US population.**

These young generations have introduced **the importance of social media** into the travel landscape, turning to the platforms for trip inspiration and sometimes going on trips for the main purpose of sharing with followers.

Research also shows that travel is more important to these generations and seeing the world is one of their top priorities in life. A survey conducted by Deloitte shows Millennials and Generation Z ranking their life ambitions in the following order:

1. **See and travel the world**
2. Earn high salary/be wealthy
3. Buy a home
4. Make positive impacts on society
5. Have children/start families

SOCIAL MEDIA FUELED TOURISM(1)



Nearly 20% of Gen-Z respondents said they have stayed at a specific hotel or destination in order to score a **positive response from followers** on posts on their own social media channels.

36% of Generation Z have chosen a travel destination because they **saw it on social media**

25% of millennials **posted a trip on social media before booking** in order to get the opinions of their followers

(1) Source: Expedia and the Center for Generational Kinetics

Resort Thesis Already Proven Successful

		EBITDA Multiple @		EBITDA Increase
	Investment ($MM)	Purchase	YE 2019	$MM
Burlington Hilton	$64	16.5x	8.9x	$3.9
Charleston Renaissance	$43	11.9x	7.0x	$2.9
Fort Lauderdale Westin	$167	14.8x	10.7x	$5.5
Havana Cabana	$54	12.2x	15.8x	($0.5)
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	($0.1)
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
Total Resort	**$668**	**14.2x**	**9.9x**	**$26.3**

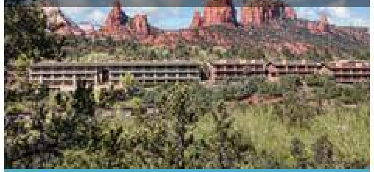
Note: Figures exclude Frenchman's Reef, Cavallo Point and Barbary Beach House as these assets are either repositioned or currently under construction.

Strong Resort Market Presence

SEDONA, AZ

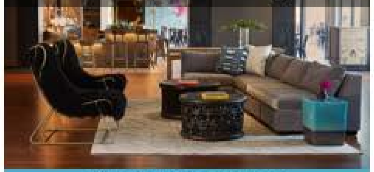
L'Auberge de Sedona
(Independent)

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 Bridge
(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

Barbary Beach House Key West
(Independent)

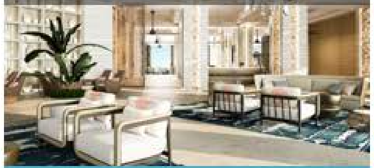
CHARLESTON, SC

Renaissance Charleston
Historic District Hotel
(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.

High Quality Portfolio in Key Gateway Markets

SAN FRANCISCO

Hotel Emblem San Francisco
(Independent)

PHOENIX

Hotel Palomar Phoenix
(Intercontinental Hotel Group)

SAN DIEGO

Westin San Diego
(Marriott)

DENVER

JW Marriott Denver at Cherry Creek
(Marriott)

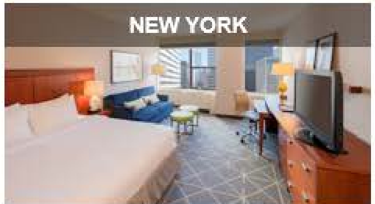
DENVER

Courtyard Denver Downtown
(Marriott)

NEW YORK

Lexington Hotel New York
(Marriott)

NEW YORK



Courtyard Manhattan/Midtown East
(Marriott)

NEW YORK

Courtyard Manhattan/Fifth Avenue
(Marriott)

NEW YORK

Hilton Garden Inn Times Square
(Hilton)

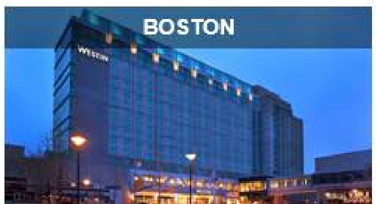
WASHINGTON, DC

Westin Washington, DC City Center
(Marriott)

BOSTON

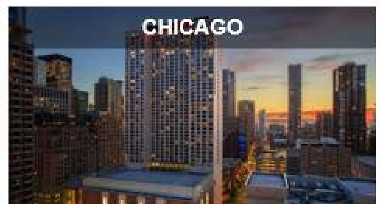
Hilton Boston Downtown
(Hilton)

BOSTON



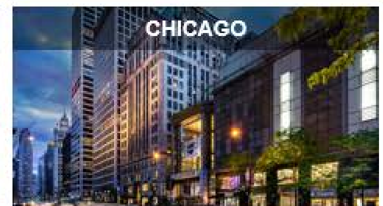
Westin Boston Waterfront
(Marriott)

CHICAGO



Chicago Marriott Downtown
(Marriott)

CHICAGO



The Gwen, a Luxury Collection Hotel
(Marriott)

ATLANTA

Atlanta Marriott Alpharetta
(Marriott)

DALLAS/FORT WORTH

Worthington Renaissance Fort Worth
(Marriott)

SALT LAKE CITY

Salt Lake City Marriott Downtown
(Marriott)

BETHESDA, MD

Bethesda Marriott Suites
(Marriott)

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

Non GAAP Measures

The Company considers the following non-GAAP financial measures to be useful to investors as key supplemental measures of operating performance: EBITDA, EBITDAre, Adjusted EBITDA, Hotel EBITDA and Hotel Adjusted EBITDA. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with U.S. GAAP. EBITDA, EBITDAre, Adjusted EBITDA, Hotel EBITDA and Hotel Adjusted EBITDA, as calculated by us, may not be comparable to other companies that do not define such terms exactly as the Company.

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 EBITDAre in accordance with the National Association of Real Estate Investment Trusts ("Nareit") guidelines. Nareit defines EBITDAre as EBITDA plus or minus losses or gains on the disposition of depreciated property, including gains/losses on change of control, 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 adjustments to reflect the entity's share of EBITDAre of unconsolidated affiliates.

Hotel EBITDA represents net income excluding: (1) interest expense, (2) income taxes, (3) depreciation and amortization, (4) corporate general and administrative expenses and (5) hotel acquisition costs. We believe that Hotel EBITDA provides our investors a useful financial measure to evaluate our hotel operating performance, excluding the impact of our capital structure (primarily interest), our asset base (primarily depreciation and amortization), and our corporate-level expenses (corporate expenses and hotel acquisition costs). We believe that excluding the effect of corporate-level expenses provides a more complete understanding of the operating results over which individual hotels and third-party management companies have direct control. We believe property-level results provide investors with supplemental information on the ongoing operational performance of our hotels and effectiveness of the third-party management companies operating our business on a property-level basis.

We adjust EBITDAre 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 and Hotel Adjusted EBITDA when combined with U.S. GAAP net income, EBITDAre, and Hotel EBITDA, is beneficial to an investor's complete understanding of our consolidated and property-level operating performance. Hotel Adjusted EBITDA margins are calculated as Hotel Adjusted EBITDA divided by total hotel revenues. We adjust EBITDAre and Hotel EBITDA for non-cash lease expense and other amortization, cumulative effects of a change in accounting principle, gains or losses from early extinguishment of debt, hotel acquisition costs, severance costs, hotel manager transition items and certain other items 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 on property insurance claim settlements, other than income related to business interruption insurance.

Reconciliations of net income (loss) to EBITDA, EBITDAre, Adjusted EBITDA and Hotel EBITDA can be found in the Company's earnings press releases.

Pro Forma Net Debt / 2019 EBITDA Reconciliation

	As of December 31, 2019
	Actual
Principal Balance	
Salt Lake City Marriott Downtown mortgage loan	$53,273
Westin Washington D.C. City Center mortgage loan	60,550
The Lodge at Sonoma, a Renaissance Resort & Spa mortgage loan	26,963
Westin San Diego mortgage loan	61,851
Courtyard Manhattan / Midtown East mortgage loan	81,107
Renaissance Worthington mortgage loan	80,904
JW Marriott Denver at Cherry Creek mortgage loan	61,253
Boston Westin mortgage loan	190,725
New Market Tax Credit loan [(1)]	2,943
Unamortized debt issuance costs	(3,240)
Total mortgage and other debt, net of unamortized debt issuance costs	**616,329**
Unsecured term loan	50,000
Unsecured term loan	350,000
Unamortized debt issuance costs	(1,230)
Unsecured term loans, net of unamortized debt issuance costs	**398,770**
Senior unsecured credit facility	**75,000**
Total debt, net of unamortized debt issuance costs	**$1,090,099**
Cash and cash equivalents	**122,524**
Net debt	967,575
Adjusted EBITDA	260,409
Net Debt / Adjusted EBITDA	**3.7x**

Note: $ in thousands.
(1) Assumed in connection with the acquisition of the Hotel Palomar Phoenix on March 1, 2018.

EBITDA and Hotel Adjusted EBITDA Reconciliation

	Year Ended December 31, 2019
Net income	**$184,211**
Interest expense	46,584
Income tax expense	22,028
Real estate related depreciation and amortization	118,110
EBITDA	**$370,933**
Corporate expenses	28,231
Interest and other income, net	(1,197)
Loss on early extinguishment of debt	2,373
Professional fees related to Frenchman's Reef (1)	17,822
Severance costs (2)	–
Gain on property insurance settlement	(144,192)
Hotel EBITDA	**$273,970**
Non-cash lease expense and other amortization	7,013
Hotel manager transition and pre-opening items (3)	6,460
Hotel Adjusted EBITDA	**$287,443**
Hotel Adjusted EBITDA from closed hotels (4)	($11,161)
Comparable Hotel Adjusted EBITDA	**$276,282**
Revenues	**938,091**
Hotel revenues from closed hotels (4)	($6,013)
Comparable Revenues	**$932,078**
Comparable Hotel Adjusted EBITDA Margin	**29.6%**

Note: $ in thousands.
(1) Represents legal and professional fees and other costs incurred at Frenchman's Reef as a result of Hurricane Irma that are not covered by insurance.
(2) Represents 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.
(3) Consists of (a) manager transition costs of $0.8 million related to the L'Auberge de Sedona, Orchards Inn Sedona and The Landing Resort and Spa, (b) pre-opening costs of $0.5 million related to the reopening of the Hotel Emblem, (c) pre-opening costs of $2.7 million related to the reopening of Frenchman's Reef, and (d) $2.5 million related to the pending termination of the franchise agreement for Sheraton Suites Key West.
(4) Amounts represent the operating results of Frenchman's Reef for all periods presented, Havana Cabana Key West for January 1 to March 31, 2019 and the comparable period of 2018 and Hotel Emblem from September 1, 2019 to December 31, 2019 and the comparable period of 2018.

2019 Adjusted EBITDA Reconciliation

	Year Ended December 31,
	2019
Net (loss) income	184,211
Interest expense	46,584
Income tax (benefit) expense	22,028
Real estate related depreciation and amortization	118,110
EBITDA/EBITDAre	**370,933**
Non-cash lease expense and other amortization	7,013
Professional fees and pre-opening costs related to Frenchman's Reef [(1)]	17,822
Hotel manager transition costs and pre-opening items [(2)]	6,460
Gain on property insurance settlement	(144,192)
Loss on early extinguishment of debt	2,373
Adjusted EBITDA	**$260,409**

Note: $ in thousands.
(1) Represents legal and professional fees and other costs incurred at Frenchman's Reef as a result of Hurricane Irma that are not covered by insurance.
(2) Consists of (a) manager transition costs of $0.8 million related to the L'Auberge de Sedona, Orchards Inn Sedona and The Landing Resort and Spa, (b) pre-opening costs of $0.5 million related to the reopening of the Hotel Emblem, (c) pre-opening costs of $2.7 million related to the reopening of Frenchman's Reef, and (d) $2.5 million related to the pending termination of the franchise agreement for Sheraton Suites Key West.