

**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 26, 2016**

**DiamondRock Hospitality Company**

(Exact name of registrant as specified in charter)

**Maryland**

(State or Other Jurisdiction  
of Incorporation)

**001-32514**

(Commission File Number)

**20-1180098**

(IRS Employer  
Identification No.)

**3 Bethesda Metro Center, Suite 1500**

**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))

**ITEM 7.01. Regulation FD Disclosure**

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

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

**ITEM 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation January 2016

**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.

Date: January 26, 2016

By: /s/ William J. Tennis  
William J. Tennis  
Executive Vice President, General Counsel and Corporate Secretary



**DIAMONDROCK**  
HOSPITALITY



## Investor Presentation

January 2016

# 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, those risks and uncertainties discussed in the Company's most recent Annual Report on Form 10-K, quarterly report on Form 10-Q and current reports on Form 8-K, which have been 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 us. Actual results could differ materially from the forward-looking statements made during this presentation. The forward-looking statements made during 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.



DIAMONDROCK  
HOSPITALITY



## DIAMONDROCK OVERVIEW

# Why DiamondRock?



## 1 Strategic Portfolio Transformation

- Significantly upgraded portfolio through strategic capital recycling
- Average RevPAR of acquired assets >80% higher than sold assets
- Strategically diversified brands, managers, and geographic distribution

## 2 Intense Asset Management Focus

- 2015F RevPAR and EBITDA margin growth among highest in peer group
- >100 bps of 2015F margin growth
- 260 basis points upside to prior peak

## 3 Unique Capital Structure

- 2015 refinancings to generate \$8.0M of interest rate savings next year
- Approaching 3.0x Net Debt / EBITDA in 2016
- No corporate debt
- 18 hotels unencumbered by debt
- Well laddered maturity schedule

## 4 Prudent Capital Allocation & Value Creation

- Nimble capital allocation strategy
- Sensitive to changes in cost of capital
- Recently announced \$150 million share repurchase program



Westin San Diego



Hotel Rex

# DiamondRock at a Glance

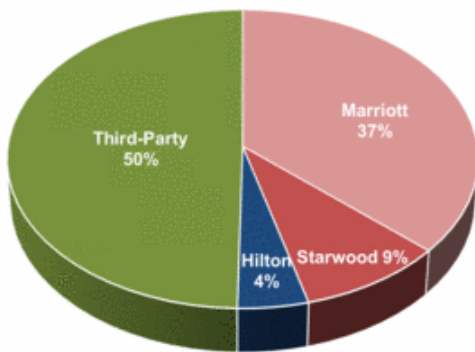


KEY STATISTICS	
Hotels	29
Rooms	10,928
Enterprise Value	\$2.7B
Enterprise Value / Key	\$251K
Net Debt/EBITDA <sup>(1)</sup>	3.6x

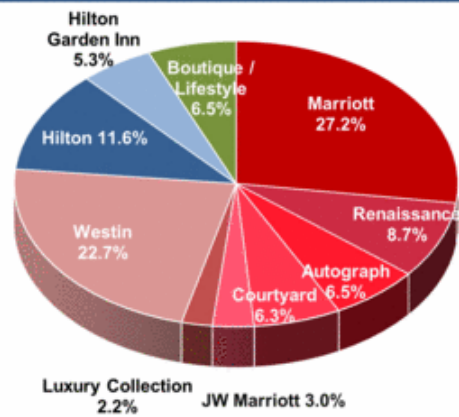
Note: Data as of 1/21/2016.

Current Company Guidance
<ul style="list-style-type: none"> <li>FY 2015 RevPAR Guidance: +4.25% – 5.00%</li> <li>FY 2015 EBITDA: \$264M - \$269M</li> <li>FY 2015 Margin Expansion: &gt;100 bps</li> <li>Adjusted FFO per Share: \$1.00 - \$1.02</li> </ul>

## 16 OF 29 HOTELS THIRD-PARTY OPERATED<sup>(1)</sup>



## DIVERSE COLLECTION OF BRANDS<sup>(1)</sup>



(1) Based on 2015 EBITDA and 2015 year-end net debt.

# Premier Portfolio With Urban and Resort Concentration



**Map Locations:** San Francisco, Salt Lake, Huntington Beach, San Diego, Minneapolis, Chicago, Fort Worth, Atlanta, Charleston, Orlando, St. Thomas, Ft. Lauderdale, Key West, Burlington, Boston, New York, Washington D.C., Courtyard Midtown NYC, HGI Times Square, Courtyard 5th Ave NYC, HGI Chelsea NYC.




# Strategically Transformed Portfolio



✓ Average 2015 RevPAR of Recent Acquisitions of ~\$205

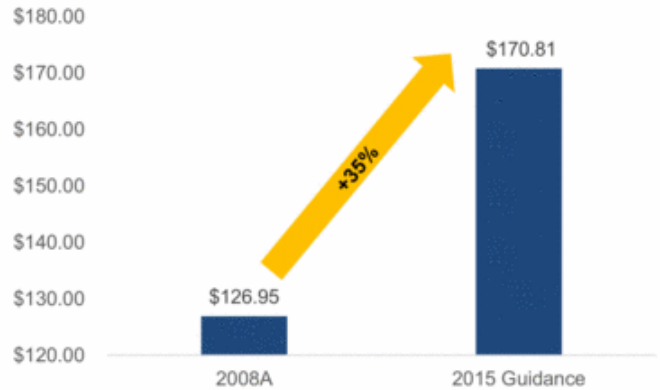
✓ Improved to >90% Urban and Resort & Destination Hotels

✓ Strategically Enhanced Portfolio Brand Diversity

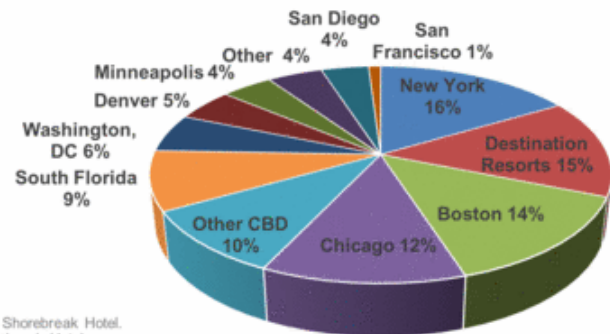
✓ ~50% of Portfolio Managed by Third-Party Operators (2 hotels in 2008 to 16 in 2015)

✓ Enhanced Geographic Diversity

## HIGHER QUALITY, HIGHER PORTFOLIO REVPAR<sup>(1)</sup>



## >90% URBAN AND RESORT & DESTINATION HOTELS IN TOP U.S. MARKETS<sup>(2)</sup>



(1) Based on midpoint of 2015F RevPAR guidance. Pro forma for acquisitions of Key West Suites and Shorebreak Hotel.  
 (2) Based on 2015F EBITDA for all properties. Pro forma for acquisitions of Key West Suites and Shorebreak Hotel.

# Rigorous Asset Management Driving Significant Growth



✓ 2015 Hotel Adj. EBITDA Margin Expansion of >100 basis points

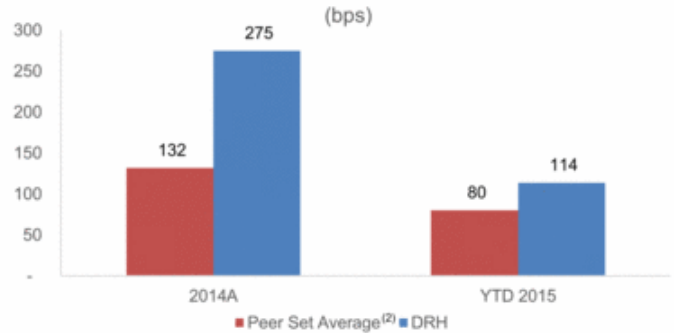
✓ Strong F&B Revenue and Profitability Growth (360 bps margin growth in 3Q15)

✓ Cost Containment Initiatives Paying Off (74% Flow-Thru in 3Q15)

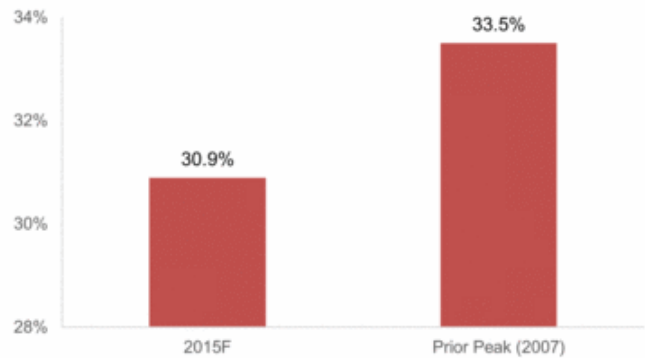
✓ Portfolio ROI Projects Expected to Deliver Outsized Growth (e.g., Boston Hilton, Boston Westin)

✓ 260 Basis Points Below Prior Peak Margins Equating to ~\$24M of EBITDA<sup>(1)</sup>

## ABOVE AVERAGE EBITDA MARGIN EXPANSION



## SIGNIFICANT MARGIN UPSIDE TO PRIOR PEAK



(1) Based on mid-point of 2015F Total Revenues.

(2) Peer group includes Chesapeake, Host, LaSalle, Pebblebrook, Hersha, Sunstone, Ashford Prime and Ashford Trust.

# Creating Value at the Chicago Marriott Downtown



## Amended Management Agreement Creates Significant Long-term Value

- Amended management agreement to permanently reduce management and incentive fees owed
- **Annual total fee savings of \$1.5 to \$2.0 million**

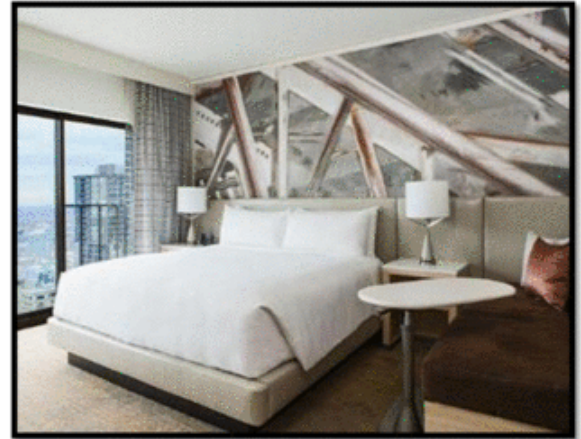
## Multi-Year Renovation

### 1. Successfully Completed First Phase of Hotel Renovation

- Renovated rooms commanding \$50 rate premium to standard rooms
- Successfully created Rush Street Pantry, new prototype F&B grab-n-go concept centrally located in hotel lobby
  - Successfully able to reduce room service expenses
  - F&B sales per occupied room higher than same period last year;
  - Departmental profit improved >\$100K during first operational quarter

### 2. Second Phase of Renovation to Begin in Winter 2015

- 450 rooms to be renovated in winter 2015/2016
- Balance of rooms will be completed over next several years in winter months to avoid any material disruption
- New, state-of-the-art fitness will be created to enhance guest experience



*New, Modernized Guestrooms*



*Rush Street Pantry: New grab-and-go F&B outlet*

# The Gwen, A Luxury Collection Hotel (Starwood)



## 1. Hotel Converted to Starwood's Luxury Collection in September as The Gwen, a Luxury Collection Hotel

- Received key money from Starwood as part of conversion
- \$25M Multi-year phase renovation to complete repositioning to Luxury Collection Hotel
  - Lobby and public areas to be upgraded in seasonally slow months beginning in Winter 2015
  - Guestrooms expected to be renovated beginning in Winter 2016



## 2. Significant Rate Upside Through Conversion

- Highest-rated loyalty customers to drive significant ADR increase
- Major increases in special corporate accounts and preferred rates, which is expected to help business transient growth
- Expect double-digit RevPAR growth in 2016; RevPAR index expected to stabilize at approximately 105%



## 3. Operated by Respected, Third-Party Operator

- Replaces previously brand-managed hotel with third-party operator
- 16 of 29 DRH hotels now third-party managed



THE  
GWEN  
CHICAGO

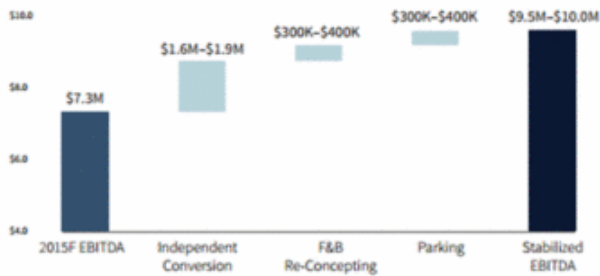
# Significant Upside Opportunity at Key West Suites



## Key Deal Metrics

- Opportunity to convert Sheraton Suites to independent hotel or potentially to a lifestyle brand
- Attractive Deal Metrics:
  - \$511K per key
  - 7.1% Cap Rate on 2015F NOI
  - 12.8x multiple on 2015F EBITDA
- One of the only hotels in Key West with direct beach access
- Rooms among largest on the island at average size of approx. 480 SF
- \$50 (approx. 30%) RevPAR premium to Company's 2015 portfolio average
- Increases third-party managed hotels to over 50% of portfolio

## Path to Stabilized EBITDA



## Additional Upside to Underwriting

- Re-categorize room types to capture higher rate from premium room types
- Increase resort fee
- Optimize group/transient mix to yield higher average rate
- Implement optimal labor and staffing model
- Reduce costs associated with operational efficiencies

# DRH Market Outlook for 2016

Market (Portfolio Weight by '15 EBITDA)	Market Strength	DRH Relative Performance	Key Notes
<b>Boston (14%)</b>		Market Perform	<ul style="list-style-type: none"> <li>PKF and STR projecting RevPAR growth of 5.5% and 4.0% respectively</li> <li>Strong annual convention calendar, but Q1 convention activity expected</li> </ul>
<b>Chicago (12%)</b>		Market Outperform	<ul style="list-style-type: none"> <li>Chicago Gwen expecting double digit RevPAR growth primarily in latter part of year</li> <li>CBD supply growth of 2% in 2016</li> <li>Convention calendar is weak in Q1, but better 2<sup>nd</sup> half of year</li> </ul>
<b>Denver (5%)</b>		Market Perform	<ul style="list-style-type: none"> <li>CBD supply not directly impacting DRH hotels</li> </ul>
<b>Destination Resorts (15%)</b>		Market Perform	<ul style="list-style-type: none"> <li>Limited supply in most resort markets</li> <li>Resorts have performed well in recent periods</li> </ul>
<b>Minneapolis (4%)</b>		Market Perform	<ul style="list-style-type: none"> <li>CBD supply up 1.7% and conventions down 4%</li> </ul>
<b>New York (16%)</b>		Market Slight Outperform	<ul style="list-style-type: none"> <li>PKF and STR projecting RevPAR growth of 2.5% and 3.2% respectively</li> <li>2016 Supply: Overall MSA 7.1%; Midtown East 3.0%; Times Square 2.4%; Lower Manhattan 10.8%</li> </ul>
<b>San Diego (4%)</b>		Market Outperform	<ul style="list-style-type: none"> <li>PKF and STR projecting RevPAR of 6.5% and 5.7% respectively</li> <li>Convention calendar up 46%</li> </ul>
<b>South Florida (9%)</b>		Market Outperform	<ul style="list-style-type: none"> <li>Supply limited in Key West and new upmarket supply in Fort Lauderdale (Conrad, Four Seasons) raising market profile</li> <li>DRH focused on sales and marketing and revenue management strategies at all hotels</li> </ul>
<b>Washington, D.C. (6%)</b>		Market Outperform	<ul style="list-style-type: none"> <li>PKF and STR projecting RevPAR growth of 3.7% and 4.5% respectively</li> <li>DRH asset management initiatives and new management at Westin DC to drive outperformance</li> <li>Convention calendar up 20% and CBD supply up 2% in 2016</li> </ul>

 MSA to Underperform National Average  
  MSA to Perform in Line with National Average  
  MSA to Outperform National Average

# Unlocking Value with Unique Capital Structure



✓ Recent Refinancings Generating Approx. \$8M in Interest Savings Next Year

✓ Own 18 Hotels Free of Debt by YE 2016 (>\$150M of Unencumbered EBITDA)<sup>(1)</sup>

✓ Approaching 3.0x Net Debt-to-EBITDA by YE16 (Among Lowest Levered of Peers)

✓ No Recourse Debt; No Preferreds/Convertibles

✓ Well-Laddered Maturities with Minimal Near-Term Maturities

## 18 UNENCUMBERED HOTELS

Hilton Boston
The Gwen
Vail Marriott
Courtyard Denver
Hotel Rex San Francisco
Hilton Burlington
Hilton Garden Inn Chelsea
Alpharetta Marriott
Charleston Renaissance
Bethesda Marriott Suites
HGI Times Square
Inn at Key West
Key West Suites
Westin Fort Lauderdale
Shorebreak Hotel
Frenchman's Reef Marriott
Orlando Airport Marriott
Chicago Marriott

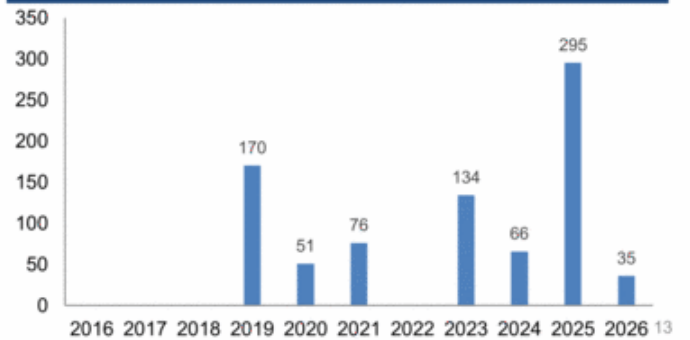
18 UNENCUMBERED HOTELS (>\$150M in 2015F EBITDA)

2016 Maturity

Courtyard 5 <sup>th</sup> Avenue
Lexington Hotel
Boston Westin
Hilton Minneapolis
Courtyard Midtown East
Salt Lake City Marriott
Westin Washington, DC
Sonoma Renaissance
Westin San Diego
Worthington Renaissance
JW Marriott Cherry Creek

11 ENCUMBERED HOTELS

## MATURITY SCHEDULE POST REFINANCING PLAN

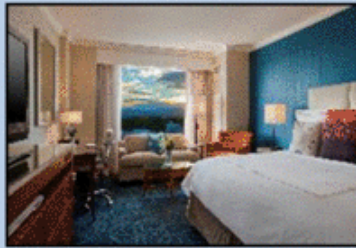


# Successfully Completed 2015-2016 Refinancing Activity



**Refinanced Worthington Renaissance**  
**\$85M, 3.66%, 10-Year Term**

- Entered into historically lowest fixed interest rate loan for DRH and amongst peers
- Locked in excess proceeds of \$33M



**Refinanced JW Marriott Cherry Creek**  
**\$65M, 4.33%, 10-Year Term**

- Lowered interest rate by 214 basis points
- Locked in excess proceeds of \$27M



**Encumbered Westin Boston**  
**\$205M, 4.36%, 10-Year Term**

- Entered into largest new loan for DRH in current cycle
  - Proceeds funded Chicago Marriott ~\$200M debt maturity in early 2016



**Prepaid Frenchman's Reef**  
**\$56M, 5.44%**



**Prepaid Orlando Airport Marriott**  
**\$55M, 5.68%**



**Prepaid Chicago Marriott Downtown**  
**\$201M, 5.98%**



# Strategically Allocating Capital Throughout Cycle



## Value Creation Playbook

- Match-fund Near-term Accretive Acquisitions By Issuing Equity At or Above NAV
- Consider Opportunistically Raising Equity Above NAV
- Limit Non-core Asset Sales

- Sell Non-Core Assets
- Consider All Options for Use of Dispositions Proceeds

- Sell Non-Core Assets and Deploy Proceeds Into Share Repurchases
- Consider Using Leverage Capacity to Exhaust Current \$150M Share Repurchase Program as Stock Price Declines
- Evaluate Additional Non-Core Asset Sales



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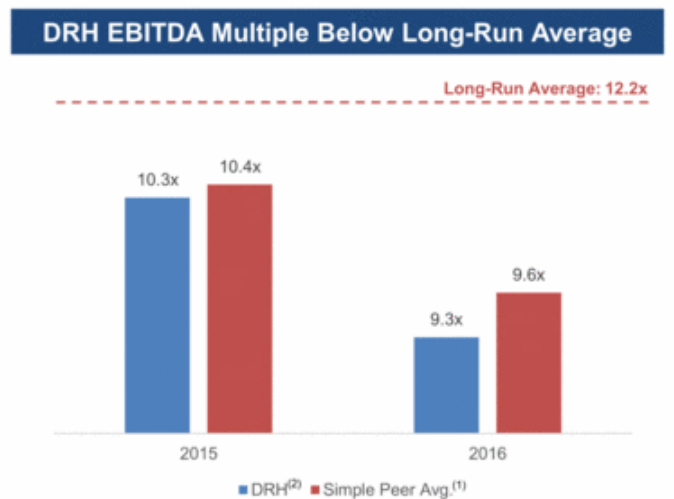
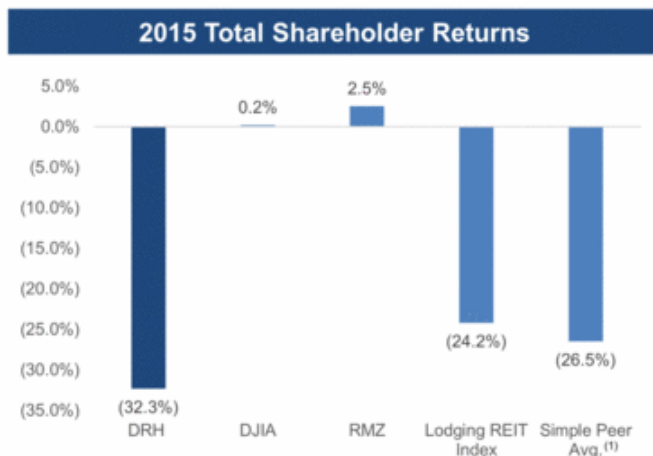
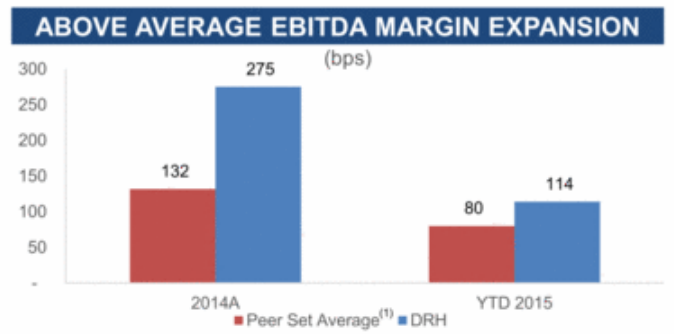


**COMPELLING VALUATION**

# Compelling Valuation Presents Opportunity



KEY VALUATION METRICS	
Dividend Yield	6.2%
Dividend Coverage	2.7x
2015F NOI Cap Rate	9.9%
Implied Price-per-Key	\$251K
Discount to Replacement Cost	> 30%



Source: Bloomberg; FactSet Consensus. Data as of 1/21/16.  
 (1) Peer group includes Chesapeake, Host, LaSalle, Pebblebrook, Hersha, Sunstone, Ashford Prime, and Ashford Trust.  
 (2) 2015 EBITDA Multiple based upon midpoint of guidance. 2016 EBITDA multiple based upon consensus EBITDA.

# Significant Value Embedded in Unencumbered Asset Pool



18 Unencumbered Hotels	
Hotels (Rooms)	18 (5,849)
2015F EBITDA	~\$164M
2015F NOI	~\$138M
EBITDA per Key	~\$28K

## Implied Value per Share of Unencumbered Hotels



Westin Fort Lauderdale Beach Resort & Spa



Vail Marriott Mountain Resort

- Implied value per share of unencumbered hotels sets theoretical floor value of wholly-owned portfolio (no corporate recourse)
- Current share price at significant discount to NAV of unencumbered asset pool
  - Implies no value is attributed to 11 encumbered properties

Source: Bloomberg. Data as of 1/21/16.  
 Note: Implied value of DiamondRock's Unencumbered Assets. Based upon 2015F unencumbered EBITDA of approx. \$164M and NOI of approx. \$138M. Value per share calculated based on listed EBITDA multiples and NOI cap rates.

# Key Takeaways

✓ High Quality, Well Diversified Portfolio

✓ Asset Management Fueled Outperformance

✓ Unique, Low Levered Balance Sheet

✓ Strategic Capital Allocation Creating Value Throughout Cycle



The Lexington New York City



Hilton Garden Inn Times Square



Westin Washington, D.C.



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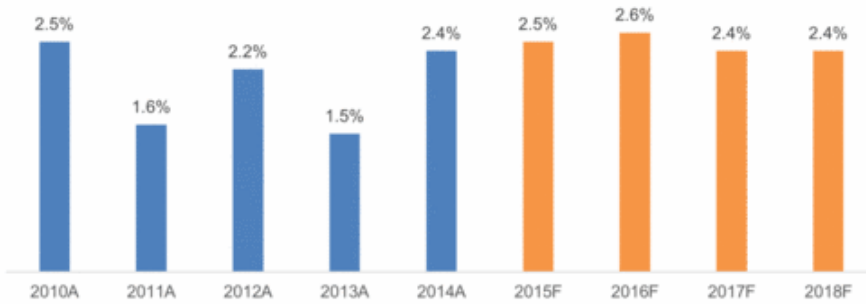


## MACROECONOMIC & LODGING OVERVIEW

# Strong Economic Data Supports Continued Growth

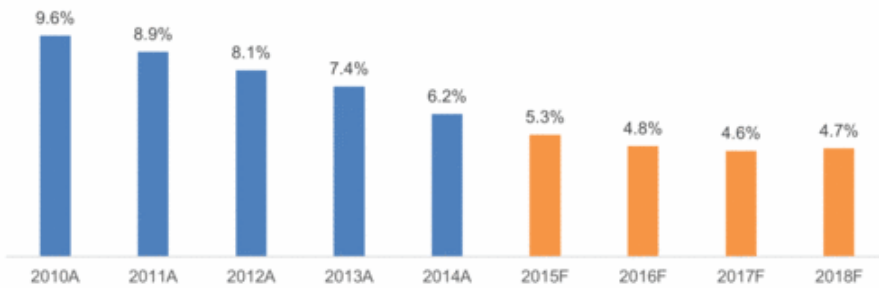


## GDP GROWTH EXPECTED TO REMAIN STEADY



Source: FactSet Consensus.

## UNEMPLOYMENT RATE EXPECTED TO CONTINUE TO STAY HISTORICALLY LOW



Source: FactSet Consensus.

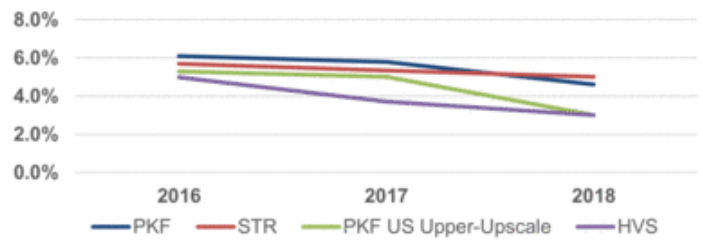
- Industry Fundamentals Support Continued Room for Growth in Lodging Cycle
- Demand, Which Historically has a High Correlation to GDP, is Expected to Continue to Grow for the Next Five Years
- Moderated GDP growth suggests cycle could be elongated
- Other corollaries, including unemployment and the housing market, continue to improve and support growing demand

# Positive US Lodging Industry Outlook



- **RevPAR growth expected to remain strong, with considerable room left in the cycle**
  - Occupancies have exceeded all-time highs in many markets and continue to rise
  - ADR will continue to drive growth as occupancies rise
- **Supply Growth Remains Below Long-Run Average (Ex. NYC)**
- **Rising corporate profits, low unemployment, and increased business spending continue to drive robust business transient and group demand**
- **Despite recent strengthening in the US Dollar, international travel continues to rise**

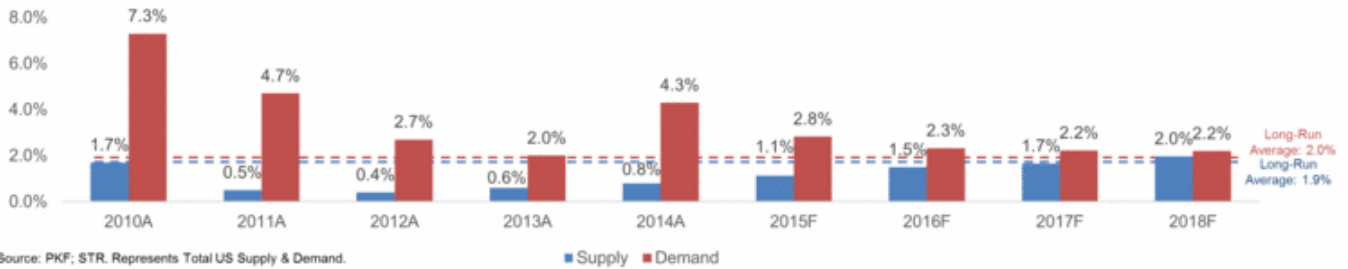
## HEALTHY REVPAR GROWTH OUTLOOK



US RevPAR Forecast	2016	2017	2018
PKF	6.1%	5.8%	4.6%
STR	5.7%	5.3%	5.0%
HVS	5.0%	3.7%	3.0%
PKF US Upper-Upscale	5.3%	5.0%	3.0%

Source: PKF, STR, HVS.

## DEMAND EXPECTED TO OUTPACE SUPPLY THROUGH 2018



Source: PKF; STR. Represents Total US Supply & Demand.

■ Supply ■ Demand





## APPENDIX

# NYC Portfolio Outperforming Market



- DRH's NYC portfolio has outperformed NYC market RevPAR growth for 3 consecutive quarters and by over 250 bps YTD
- The Lexington and HGI Times Square represent approx. 63% of DRH's NYC EBITDA concentration
  - HGI Times Square Central on Track to Achieve 9% Yield (\$11M EBITDA) in 2015
  - Lexington outperformed NYC market RevPAR growth by over 500 bps YTD
- Recent operator change and revenue management strategy adjustment paying off at HGI Chelsea: 12.2% RevPAR growth in 3Q15
- Currently addressing revenue management challenges at Courtyard Midtown East and Courtyard Fifth Avenue
- Limited Supply Growth in DRH Submarkets
  - Midtown East '15-16 Supply CAGR >375bps lower than MSA CAGR
- Since 2012, select service hotel transactions in Manhattan have reached an average price per key of ~\$412K, including three Courtyard transactions averaging ~\$500K per key
  - Doubletree Guest Suites Times Square (leasehold interest) recently sold for \$1.2M per key
  - Courtyard Manhattan Herald Square recently sold for \$790K per key
  - Other recent landmark trades (Waldorf-Astoria, Baccarat) in excess of over \$1M per key



Hilton Garden Inn Times Square

# Differentiated Resort & Destination Portfolio



## 1. Resort & Destination Hotels Command Rate & Margin Premium

- DRH 2015F Resort RevPAR of \$193, represents premium of >10% to broader portfolio
- >82% average occupancy; ~200bps higher occupancy than broader portfolio
- 5 of 8 resorts run margins higher than portfolio average

## 2. Diverse Mix of Demand Generators

- Approximately one-third group and two-thirds transient demand
- Resort Group ADR 20% higher than rest of portfolio<sup>(1)</sup>
- Leisure transient is highest rated segment with ~30% higher ADR than broader portfolio<sup>(1)</sup>

## 3. Strong Performance Through Last Cycle

- Resort RevPAR CAGR outperformed Upper Upscale CAGR ~150bps from 2007-2014<sup>(2)</sup>
- >400bps of net margin growth this cycle<sup>(2)</sup>

## 4. Highly favorable supply dynamics with limited new construction for foreseeable future

- '14-16 resort supply CAGR >100bps lower than overall US supply CAGR
- '14-16 Supply CAGR >230bps lower than CBD supply CAGR

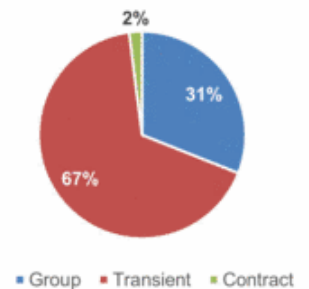
## PREMIER RESORT & DESTINATION PORTFOLIO



## >10% RevPAR PREMIUM



## DIVERSIFIED DEMAND<sup>(1)</sup>



(1) Represents 2015 1H figures and excludes newly acquired Key West Suites.

(2) Excludes Frenchman's Reef, Westin Fort Lauderdale, and Shorebreak Hotel due to major renovation disruption or hotel opening during cycle.