
**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):

June 1, 2020

DiamondRock Hospitality Company

(Exact name of registrant as specified in charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-32514
(Commission
File Number)

20-1180098
(IRS Employer
Identification No.)

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

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

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

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

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

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

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

Emerging growth company

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

This Current Report on Form 8-K (“Current Report”) contains forward-looking statements within the meaning of federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as “believe,” “expect,” “intend,” “project,” “anticipate,” “position,” and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. 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 28, 2020 and in our Quarterly Report on Form 10-Q filed on May 11, 2020. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this Current Report is as of the date of this Current Report, and we undertake no obligation to update any forward-looking statement to conform the statement to actual results or changes in our expectations.

ITEM 7.01. Regulation FD Disclosure

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

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

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are included with this report:

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

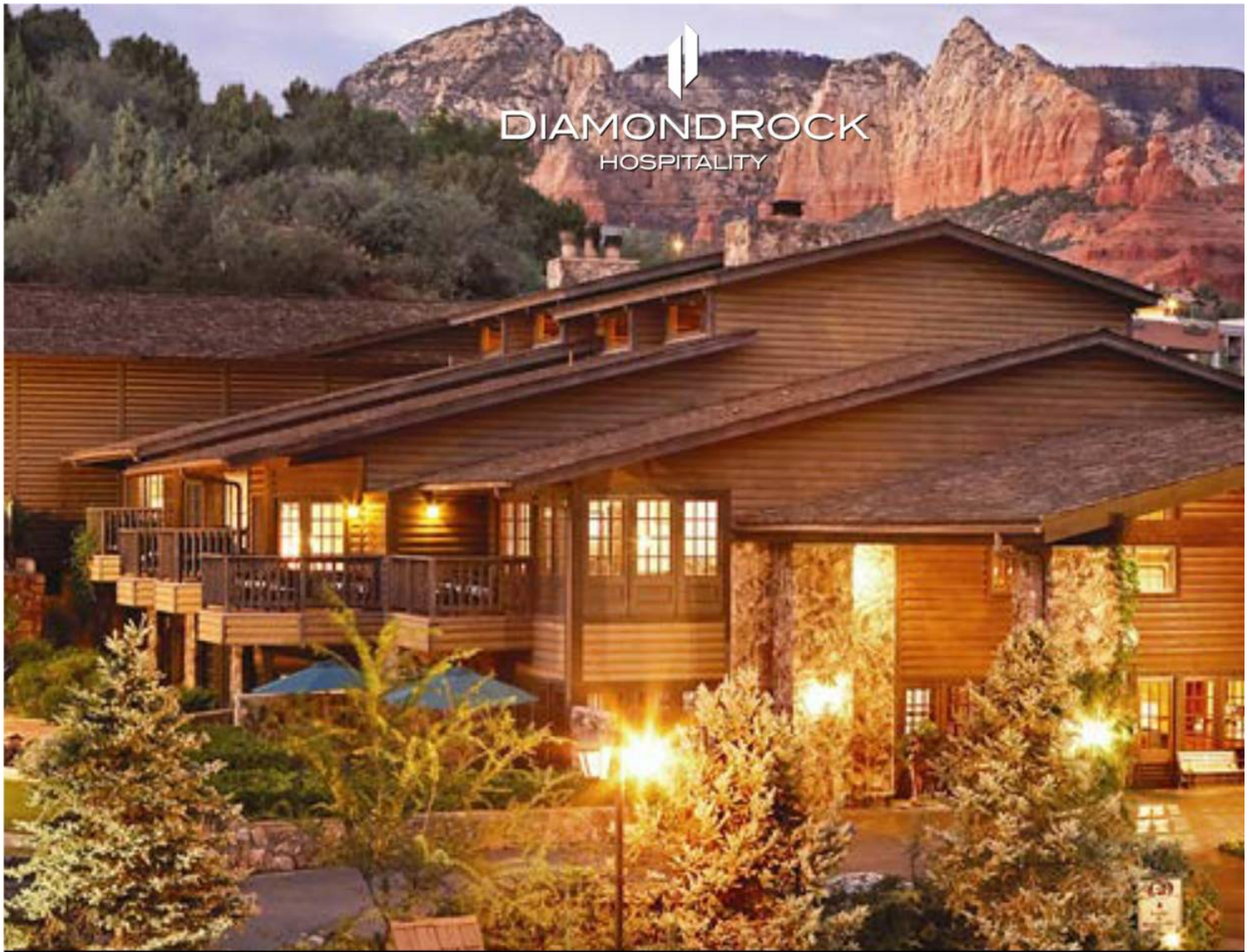
SIGNATURE

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

DIAMONDROCK HOSPITALITY COMPANY

Date: June 1, 2020

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



DIAMONDROCK
HOSPITALITY

Investor Presentation | June 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, and 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 statements 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.

Recent Events

March/April 2020

- Acquired leasehold interest in Shorebreak for ~8% cap rate
- Named Top 5% Worldwide Real Estate platform by ISS-OEKOM
- Implemented COVID-19 Action Plan
- 20 Hotels suspended operations as a result of COVID-19

May 2020

- Reopened Charleston Renaissance and Orchards Inn
- Executed term sheet to extend mortgage at Salt Lake City
- Finalized term sheet for credit facility amendment

June 2020

- Key West properties reopened June 1
- Planning to resume operations at nine additional hotels
- Sheraton Key West converted to Barbary Beach House Key West

DiamondRock at a Glance

2019 FINANCIAL SUMMARY

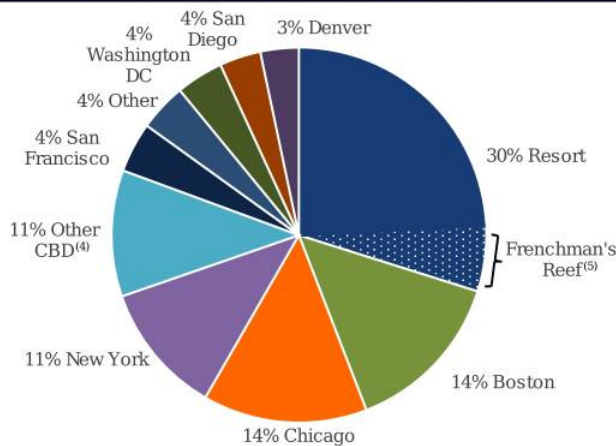
Hotels (Rooms)	31 (>10K)
Total Revenue	\$938.1MM
Room Revenue	\$661.2MM
Hotel EBITDA Margin	29.70%
Outstanding Debt	\$1.09B
Net Debt/EBITDA	3.7x

CREDIT FACILITY COMPLIANCE⁽¹⁾

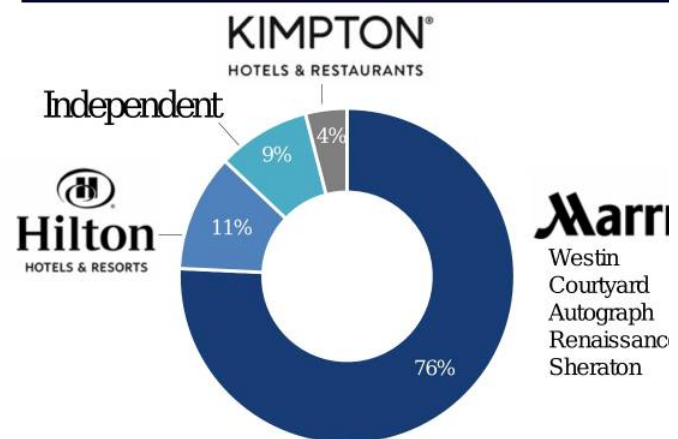
Covenant	Limitation	DRH Q3 2020
Maximum Leverage Ratio	< 60.0%	34.4%
Fixed Charge Coverage Ratio	> 1.50x	2.92x
Secured Indebtedness to Total Asset Value	< 45.0%	20.9%
Unencumbered Leverage Ratio	< 60.0%	50.3%
Unencumbered Debt Service Coverage Ratio	> 1.20x	1.49x

Current Cash Balance⁽²⁾ \$370MM

URBAN AND RESORT HOTELS IN TOP MARKETS⁽³⁾



HIGH QUALITY BRANDS⁽³⁾



(1) This section presents ratios as of March 31, 2020 in accordance with the terms of our credit facility, which has been filed with the SEC. We are not presenting these ratios and the related calculations for any other purpose or for any other period, and are not intending for these measures to otherwise provide information about our financial condition or results of operations. These measures should not be relied upon other than for purposes of testing our compliance with the revolving credit facility.

(2) As of 5/31/2020

(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

DiamondRock Balance Sheet Profile

DiamondRock Has Significant Liquidity, Balance Sheet Flexibility and No Material Near-Term Maturities

- Debt statistics as of Q1
 - Net debt-to-EBITDA: 4.6x
 - Net Debt Per Key: \$101K
 - TTM Net Debt yield: 24.3%
- No preferreds and no JVs
- 23 of our 31 hotels are unencumbered by debt
- 67% of 2019 Actual Hotel EBITDA unencumbered by debt
 - 77% if Frenchman's Reef were stabilized
- All secured debt is non-recourse to DiamondRock
- Expect to refinance November 2020 maturity to 2022-23
- \$370MM of unrestricted cash on hand as of 5/31/2020

(1) As of Q1 2020

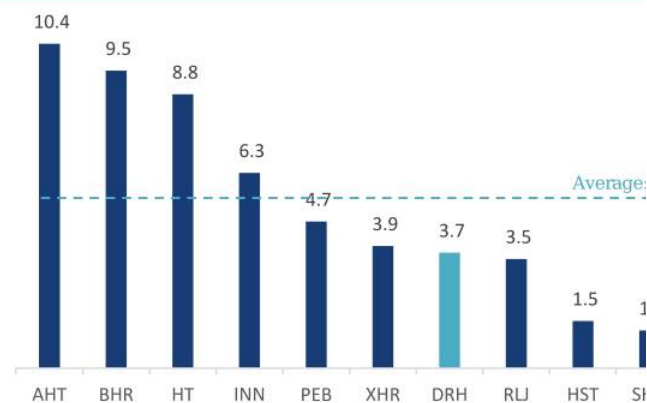
(2) Source: Baird. As of 12/31/2019. Net Debt plus preferred / 2019 Consensus EBITDA

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

FUTURE PRINCIPAL PAYMENTS (IN \$MM)⁽¹⁾



LEVERAGE BELOW PEER AVERAGE⁽²⁾



Agenda



COVID-19 Action Plan



DiamondRock at a Glance

1

Resort Focus

Capturing Secular Growth

2

ROI Projects

Creating Shareholder Value

3

Asset Repositioning

Unlocking Asset Value

4

Corporate Citizenship

OEKOM Ranks DRH Top 5%





COVID-19 ACTION PLAN

The Landing, Lake Tahoe



DiamondRock Action Plan

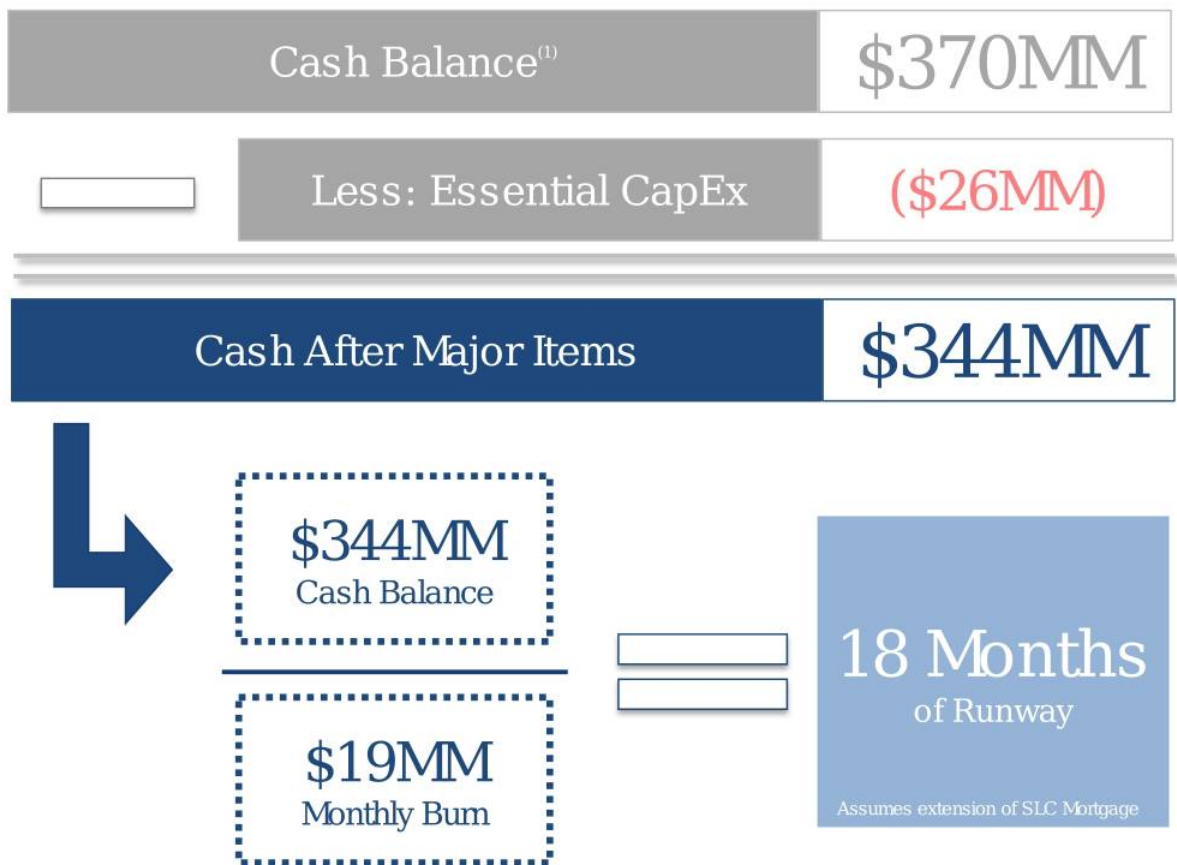
✓	Balance Sheet	Bank Debt: Finalizing covenant waiver with bank group. 2020 Maturity: Executed term sheet to extend Salt Lake City Mortga CMBS Debt: Seeking relief
✓	Reduced Capital Expenditures	Reduced capital expenditures by 65% Non-essential capital expenditures cancelled or postponed
✓	Suspended Dividends	Suspended common share dividend effective Q1 2020 No preferred equity in capital structure
✓	Paused Share Repurchases	Paused share repurchases after \$10MM investment in Q1 20
✓	Operating Cost Reductions	Suspended operations at 20 hotels in March/April Minimum Staffing (security, engineering, and minimal front de
✓	Corporate Overhead	Reduced cash G&A by \$5MM or over 20%
✓	Public Assistance	Exploring Employee Retention Tax Credit under CARES A Temporary hospitals and housing first responders
✓	Liquidity	\$370MM cash on hand currently

Minimizing “Cash Burn” Rate



Note: Property Level Cash Burn includes all taxes, insurance, utilities, essential labor and ground lease payments

Long Runway Under Conservative Assumptions



(1) As of 5/31/2020



THE ROAD BACK



Renaissance Charleston Historic District

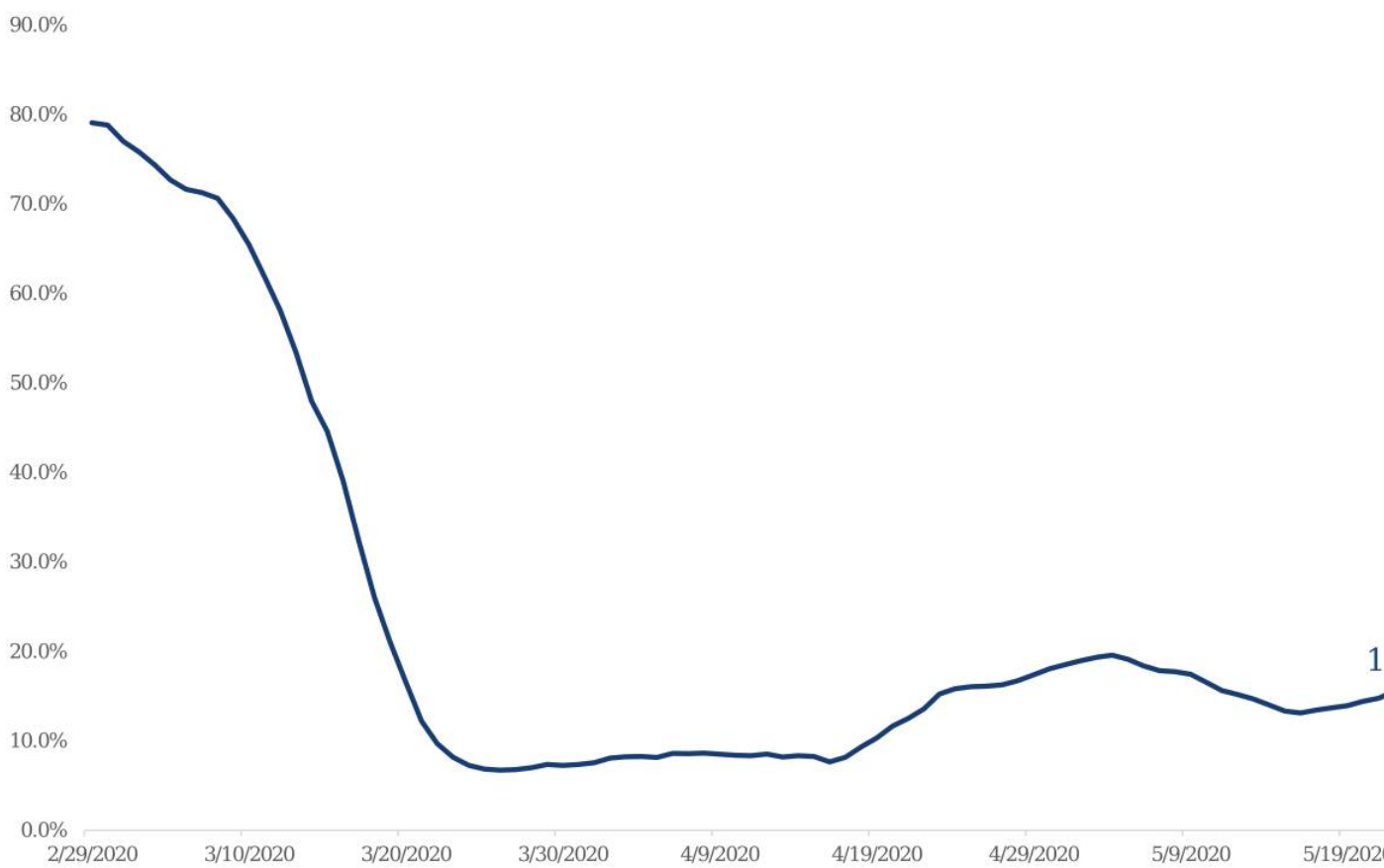
Group Cancellations Slowing

% Share of Weekly Cancellations

	Mar 16	Mar 23	Mar 27	Apr 3	Apr 10	Apr 17	Apr 24	May 1	May 8	May 15	May 22	Tota
February	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
March	55%	18%	9%	-3%	0%	0%	0%	0%	0%	0%	0%	
April	29%	46%	19%	6%	2%	0%	10%	0%	15%	0%	0%	
May	8%	21%	56%	36%	25%	3%	28%	7%	23%	1%	1%	
June	5%	17%	13%	14%	47%	35%	17%	28%	32%	14%	7%	
July	3%	-3%	3%	44%	19%	14%	21%	16%	9%	26%	21%	
August	0%	0%	0%	0%	6%	17%	16%	23%	0%	11%	49%	
September	0%	0%	0%	0%	0%	20%	7%	11%	0%	27%	4%	
October	0%	0%	0%	2%	0%	11%	1%	2%	21%	19%	11%	
November	0%	0%	0%	0%	0%	0%	0%	14%	0%	2%	4%	
December	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	3%	
Cumulative Group Revenue Cancelled (in MM)	\$22,909	\$45,071	\$53,924	\$63,936	\$67,885	\$77,864	\$83,951	\$92,384	\$94,201	\$98,112	\$101,175	\$1

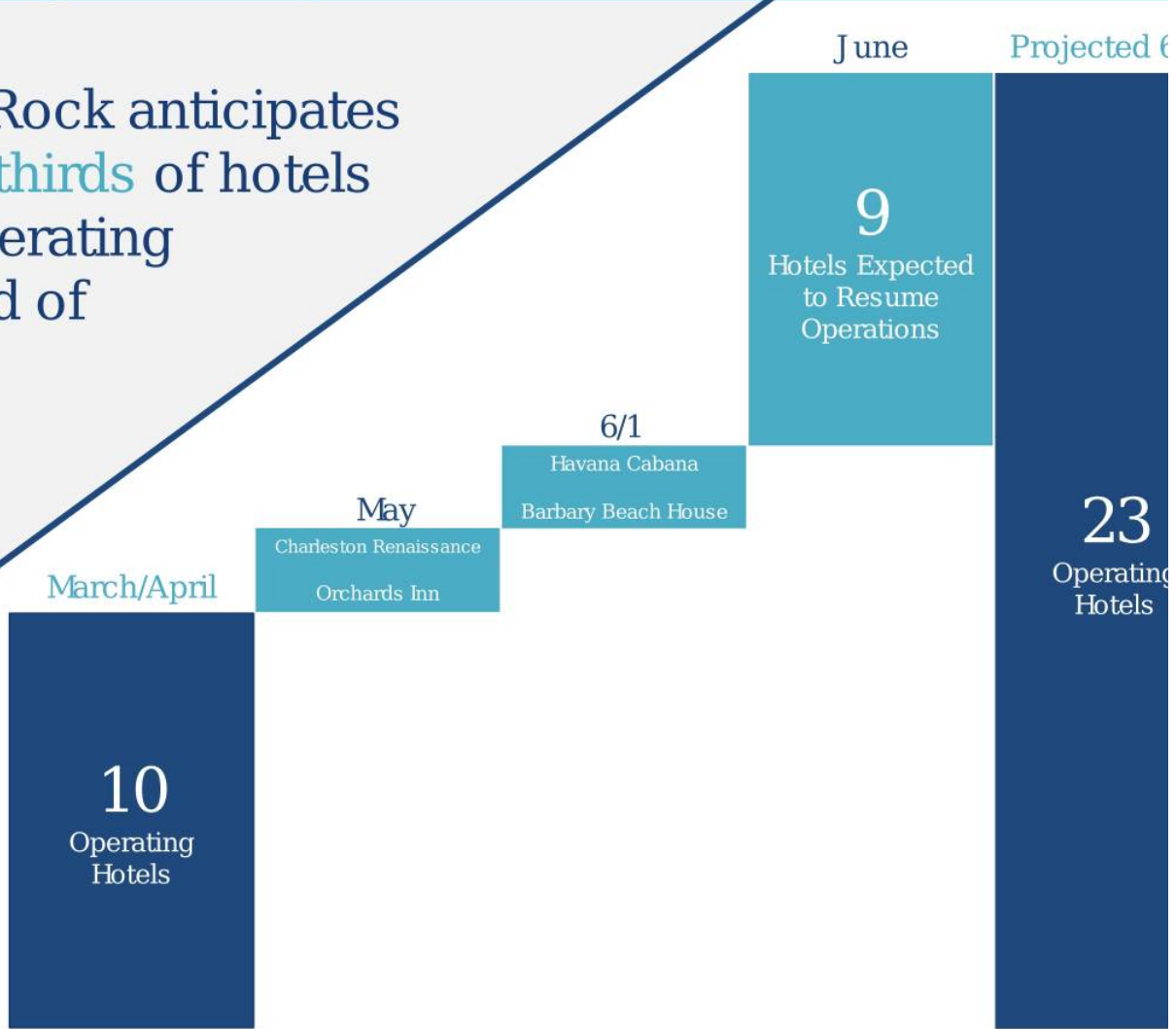
Hotel Occupancy Gradually Rebuilding

Trailing 7 Day Average Portfolio Occupancy



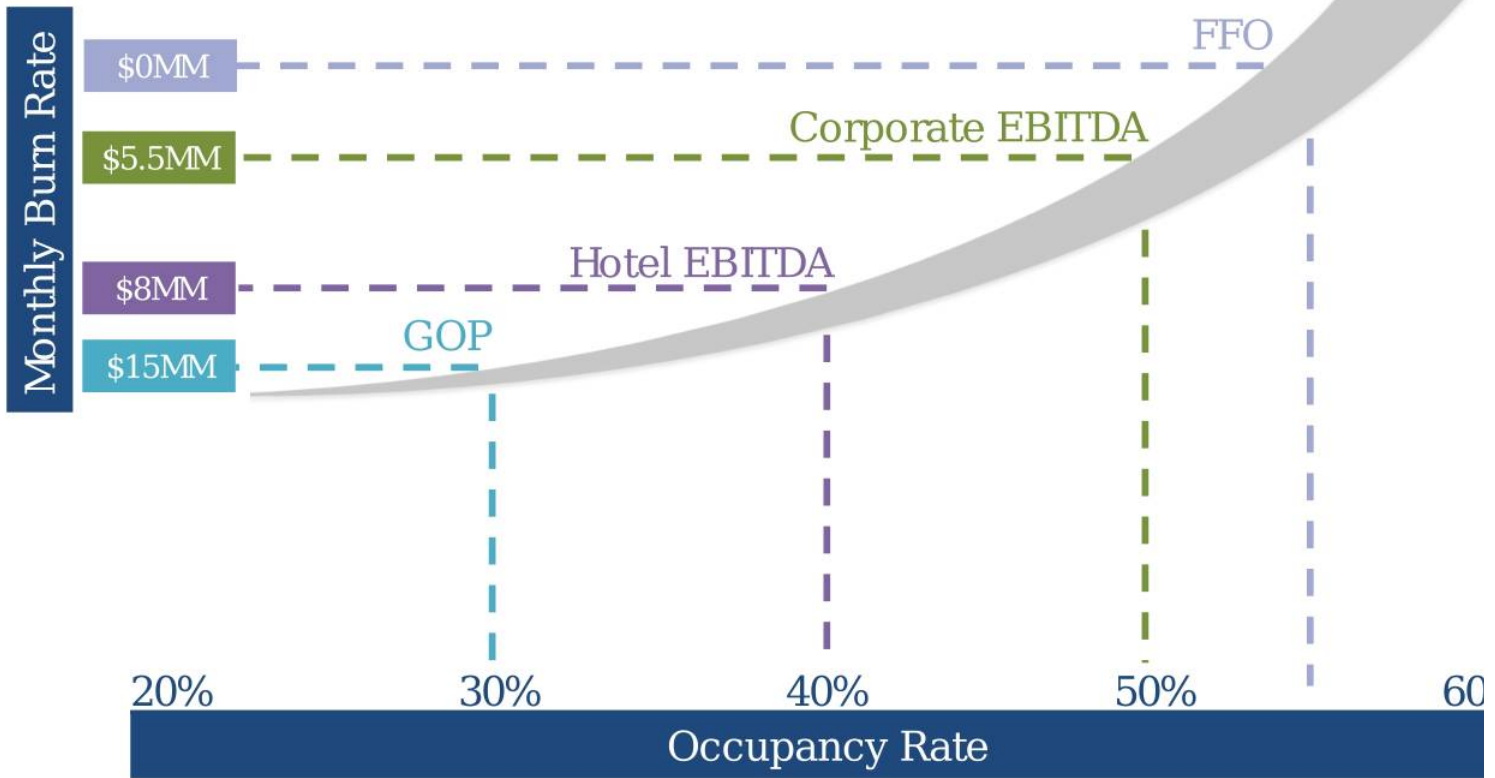
Resuming Hotel Operations

DiamondRock anticipates **over two-thirds** of hotels will be operating by the end of Q2 2020



Breakeven Occupancy

Hotel EBITDA expected to break even at approximately 40% portfolio occupancy level

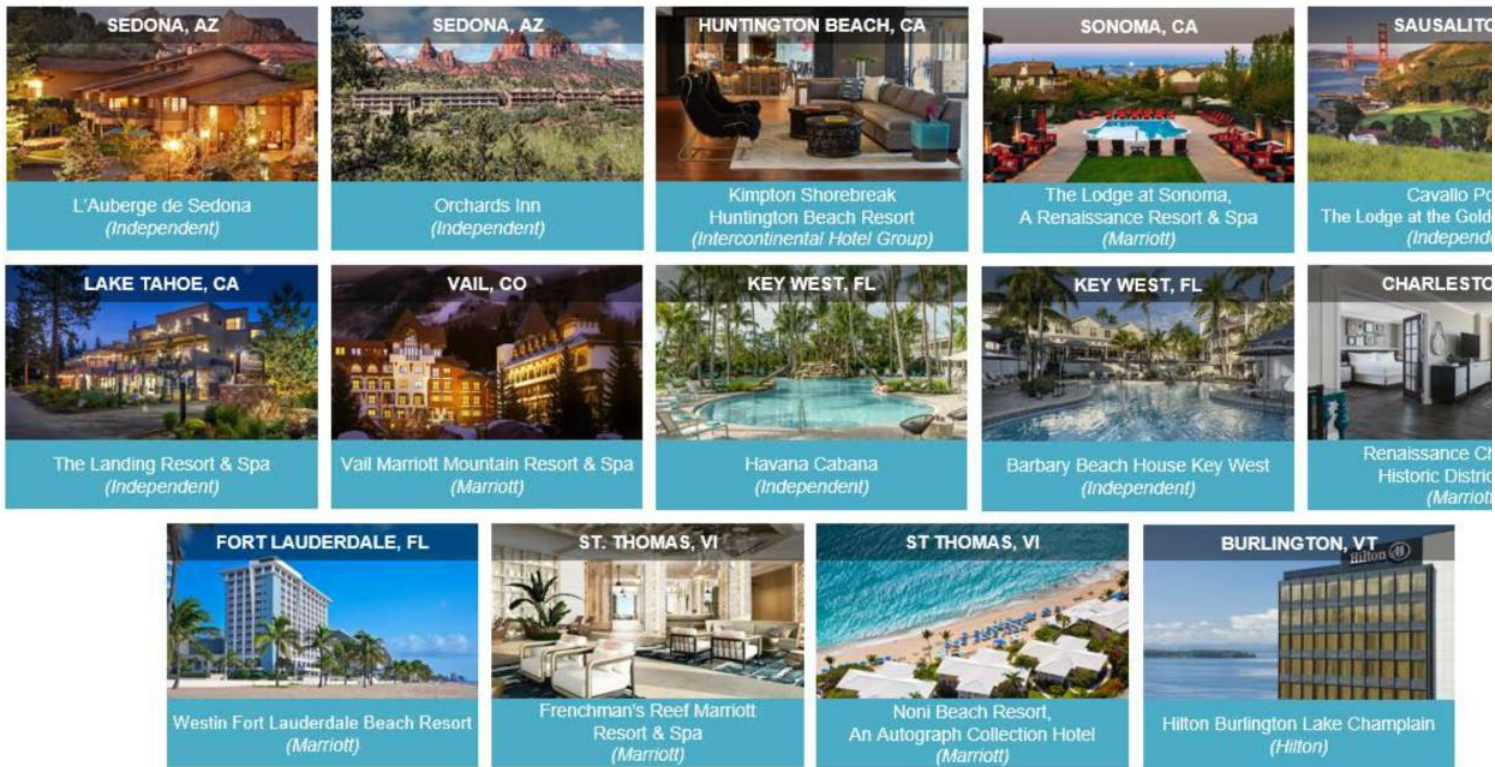


A photograph of an outdoor patio area. In the foreground, there are several dark wicker lounge chairs with white cushions and two dark wood coffee tables. A woven basket filled with drinks sits on the ground. To the left, there is a white lattice pergola structure. The patio overlooks a large blue lake with mountains in the background under a clear blue sky. A dark grey horizontal bar is overlaid on the image, containing the text 'COMPANY OVERVIEW'.

COMPANY OVERVIEW

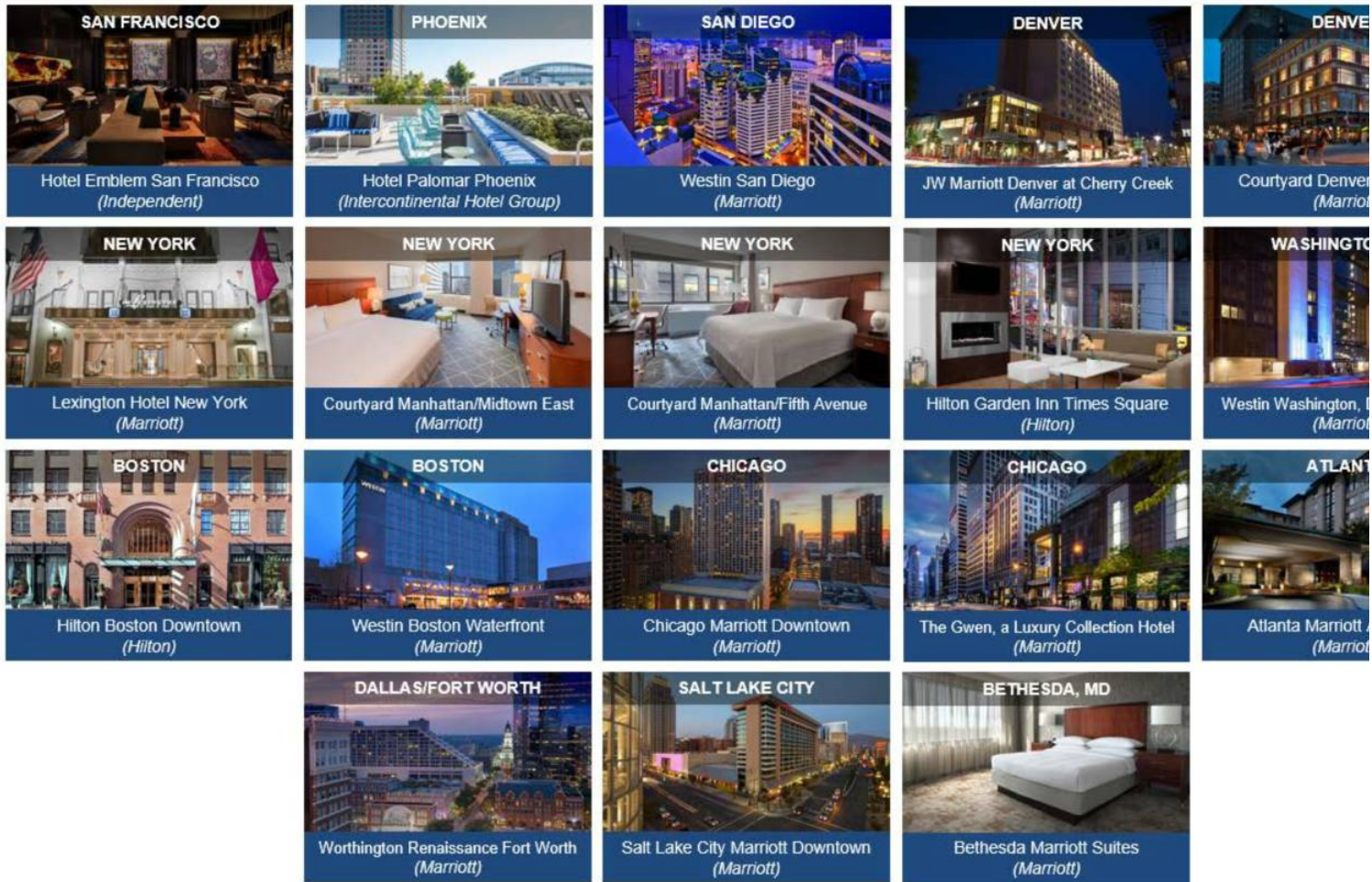
The Landing, Lake Tahoe

Strong Resort Market Presence



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

High Quality Portfolio in Key Gateway Markets



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

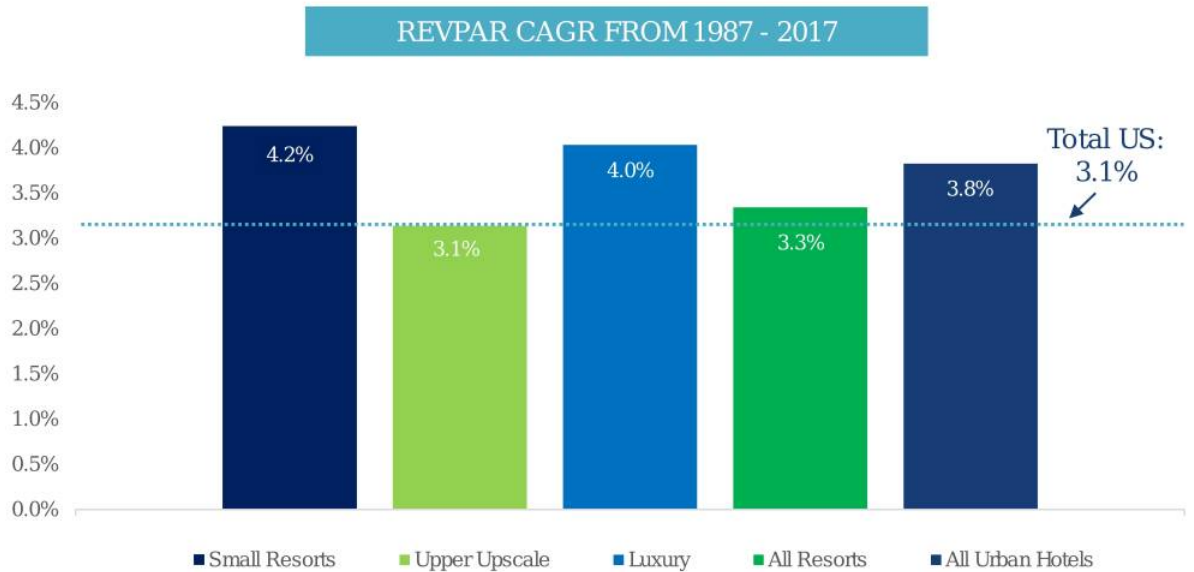


RESORT STRATEGY RATIONALE

L'Auberge de Sedona

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

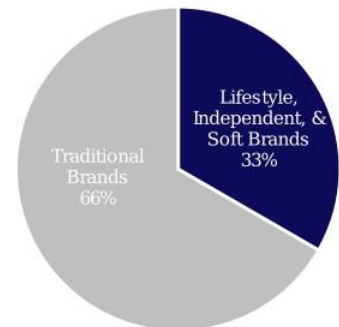
RATIONALE FOR TARGETING LIFESTYLE HOTELS, INDEPENDENTS, & SOFT BRANDS

- 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⁾



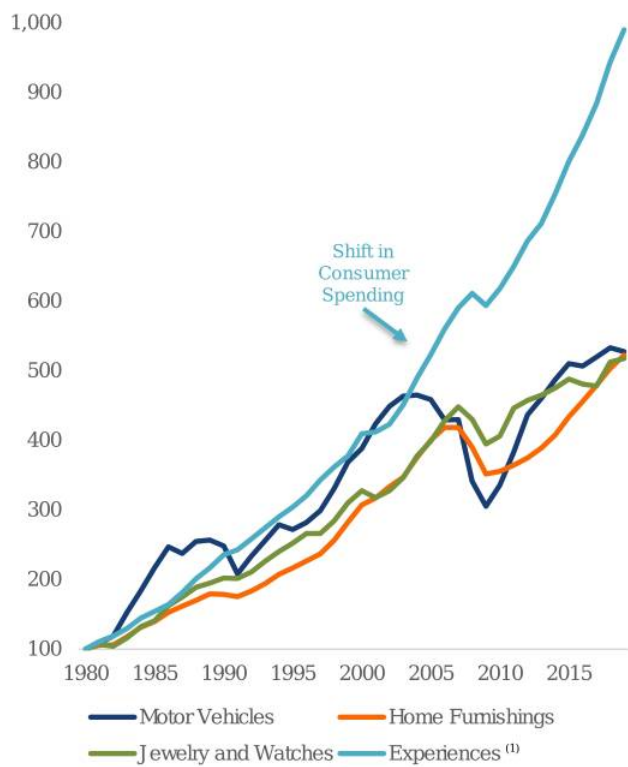
LONG-TERM TARGET ALLOCATION



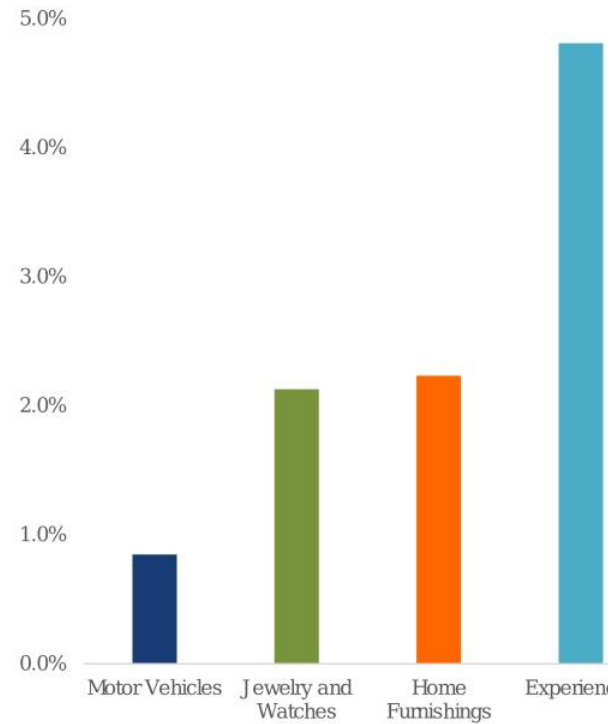
(1) Independent, lifestyle and soft brand hotels include the Havana Cabana, Cavallo Point, Hotel Emblem, L'Auberge de Sedona, Orchards Inn, The Landing, Palomar Phoenix, Shorebreak Hotel, the Lexington and The Gwen. Soft brands, including Autograph and Luxury Collection, are included as lifestyle / boutique.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

Consumers Spending More on Experiences Than Material Goods

Indexed Spending Growth (1980-2019)



15-Year Spending CAGR (2004-2019)



Source: Bureau of Economic Analysis.

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

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

Resort Thesis Already Proven Successful

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

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



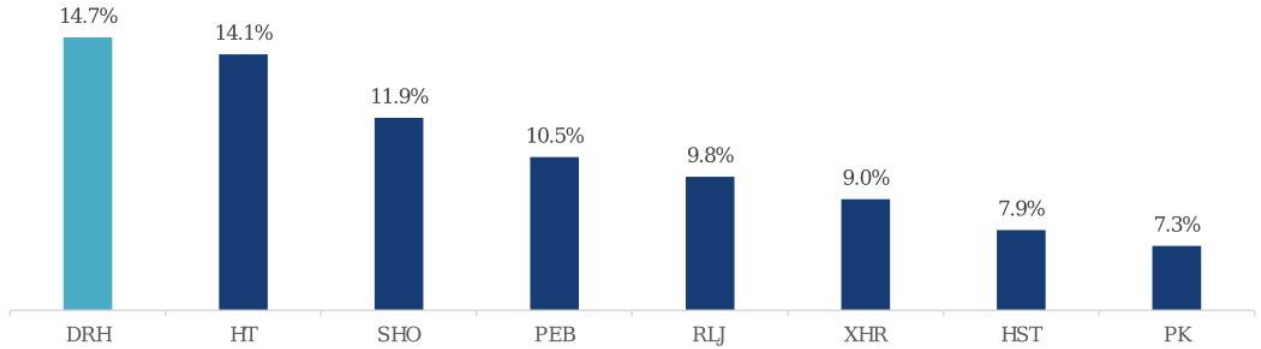
ROI PROJECTS

Hotel Emblem

Renovated Portfolio Positioned to Gain Share

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

CapEx as a % of Revenue (3-Year Average)⁽¹⁾



\$110 Million Renovation Complete



\$27 Million Renovation Complete



Source: Evercore/ISI

1) Average based on 2017-2019 Spend

ROI Projects Drive Shareholder Value

Property	Project	Incremental Capital Spend (\$MM)	Expected Incremental EBITDA (\$MM)	Expected Incremental Value (\$MM)	Project Status	Project Completion
Hotel Emblem	Complete Renovation and Repositioning	\$5.1	\$1.5M - \$1.8	\$25 - \$30	Complete	Q1 2019
Worthington Renaissance	Restaurant and Lobby Renovation	\$7.8	\$1.7	\$20	Complete	Q4 2019
JW Marriott Denver	Renovation and Restaurant Repositioning	\$2.4	\$1.3	\$17	Complete	Q1 2020
The Lodge at Sonoma	Reposition as Autograph Collection	\$5.0	\$1.2	\$17	In Progress	Q2 2020
Barbary Beach House Key West	Reposition as an Independent Hotel	\$10.7	\$1.7 - \$2.2	\$23 - \$31	In Progress	Q2 2020 (June 1, 2020 Conversion Cost)
Vail Marriott	Resort Renovation and Repositioning	\$27.0	\$3.0 - \$4.0	\$41 - \$55	In Planning	Q3 2020
Hilton Boston Downtown	29 Additional Guestrooms	\$5.5	\$1.0	\$14	In Planning	Q4 2020
Sedona - Orchards Inn	Reposition as Cliffs at L'Auberge	\$17.6	\$3.7	\$53	In Planning	2022
The Landing Resort & Spa	Additional 17 Keys and Resort Enhancements	\$5.7	\$0.9	\$12	In Planning	2022
Total		\$86.8	\$16.0 - \$17.8	\$222 - \$249		

2019-2022 Value-Add Investments Are Expected To Create \$0.67/sh to \$0.80/sh of Value

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



Numerous Upside Opportunities

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



Project Details	Purchase Price \$152MM	Yield on TTMNOI 6.7%	Total RevPAR \$809	EBITDA Multiple 12.8x
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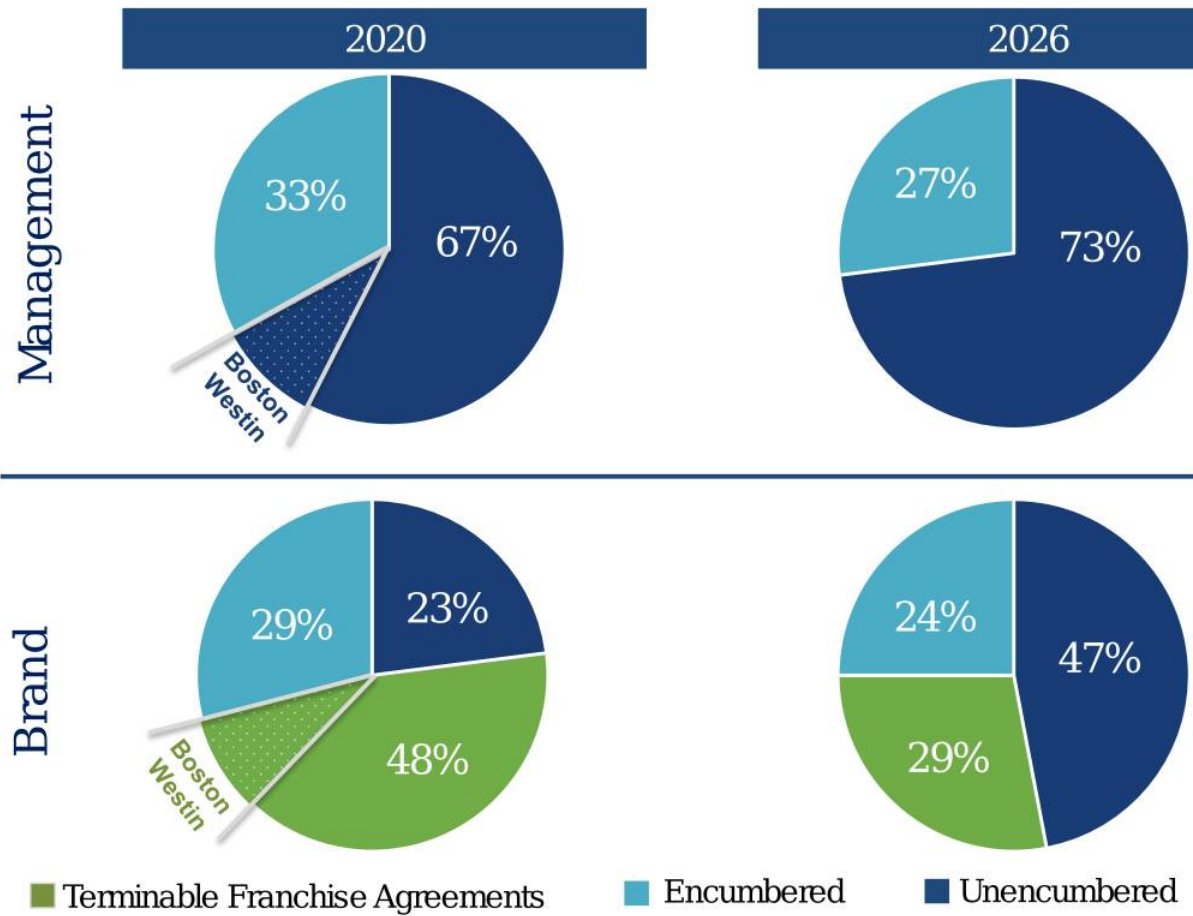


ASSET REPOSITIONING

Havana Cabana

Short Term Agreements Driving Value

Over 70% of EBITDA⁽¹⁾ Not Encumbered by Brand and Management in 2026
One of the least encumbered portfolios among all full-service REITs



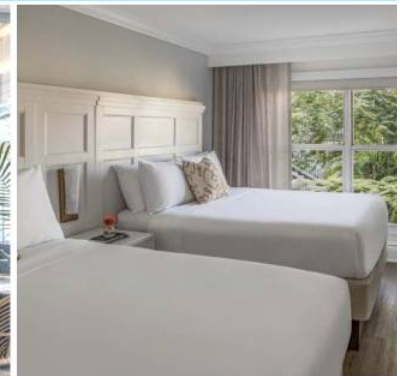
1) Based on 2019 EBITDA

Announcing Barbary Beach House Key West

Sheraton Suites Key West (Before)



Barbary Beach House Key West (After)



Project Details

Projected ADR
Increase
5%

Total Renovation
Cost
\$19.2MM

Savings in Annual
Brand Fees
\$1.5MM

High Occupancy
Market
+80% in 2019

Leisure
Business
80%



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



of 17
Real
Com

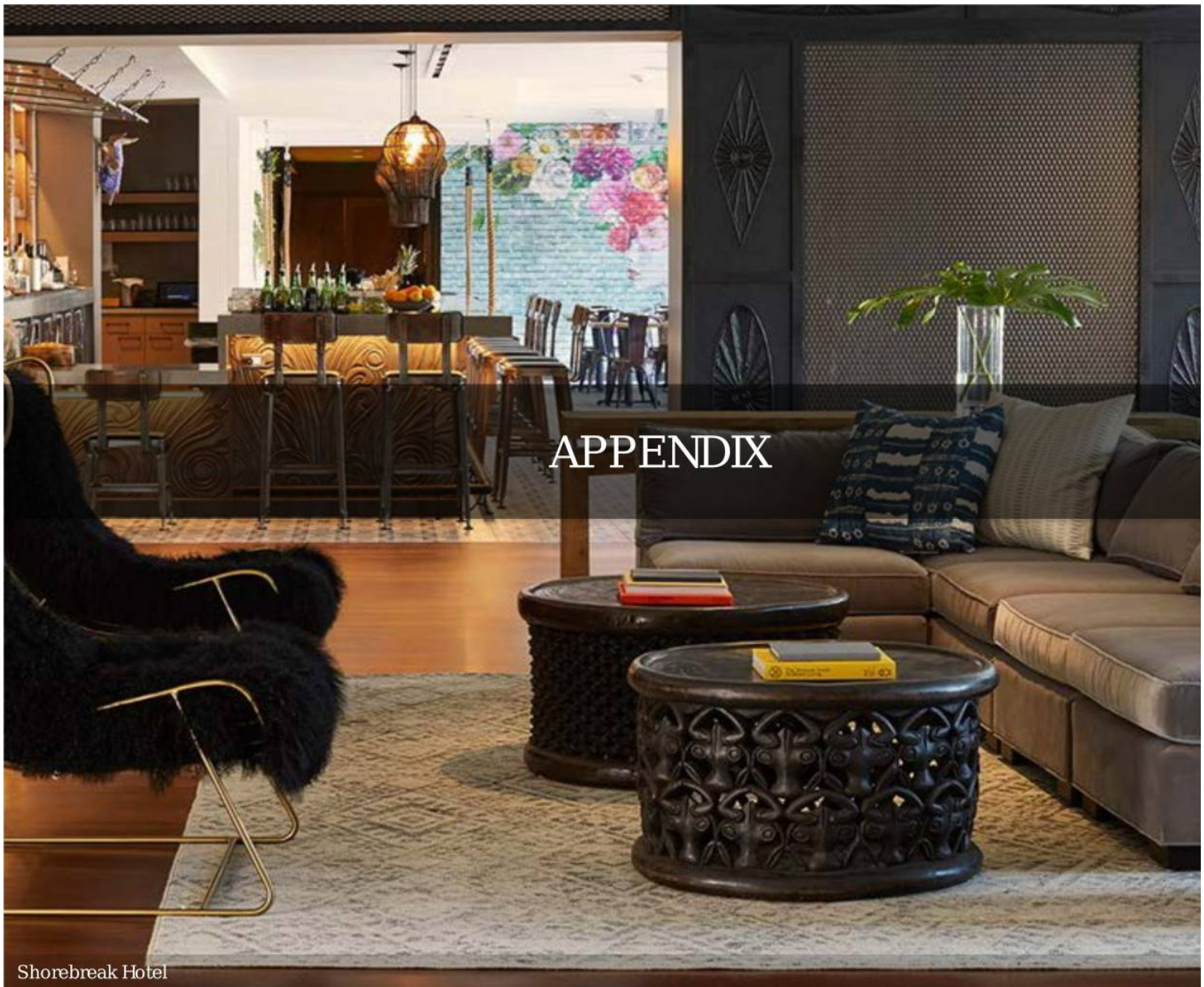
DiamondRock ranks in the top 5% of the Worldwide Real Estate Sector, earning an ESG Prime designation.

(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

Shorebreak Hotel

A Closer Look At Hotel Staffing Models

Prior Staffing		Manager Headcount	Hourly Headcount	Total FTE Headcount	Average Monthly Payroll (in 000's)
	Total Portfolio	736	3,822	4,559	\$25,550
	Average	24	123	147	\$851

Current Staffing		Manager Headcount	Hourly Headcount	Total FTE Headcount	Projected Monthly Payroll (in 000's)
	Total Portfolio	194	148	343	\$5,968
	Average	6	5	11	\$199

Decreased Monthly Payroll Expense Nearly 80%

Scaling Back Hotel Operations

In March and April, DiamondRock halted operations at 20 of 30 hotels

Five closures due to government mandates



15
Elect
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5
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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 adjustments to reflect the share of EBITDAre of unconsolidated affiliates.

Hotel EBITDA represents net income excluding: (1) interest expense, (2) income taxes, (3) depreciation and amortization, (4) corporate 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 operational performance of our hotels and effectiveness of the third-party management companies operating our business on a property-by-property 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 items, including: 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 fees; 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 releases.

Definitions

- Net Debt represents total debt less unrestricted cash
 - Net Debt to EBITDA represents Net Debt divided by trailing twelve months EBITDA
 - Net Debt Yield represents Hotel EBITDA divided by Net Debt
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