

**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):  
September 12, 2022

**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
8.250% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share	DRH Pr A	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 national and local economic and business conditions, including the impact of COVID-19 on occupancy rates at our hotels and the demand for hotel products and services, and those risks and uncertainties 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 22, 2022 and our Quarterly Reports on Form 10-Q filed on May 6, 2022 and August 4, 2022. 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 (the “Company”) 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, the Company 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 Item 7.01, including Exhibit 99.1 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 Exhibit 99.1, 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:

Exhibit No. Description

99.1	<a href="#">Investor Presentation - September 2022</a>
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File

**SIGNATURE**

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

DIAMONDROCK HOSPITALITY COMPANY

Dated: September 12, 2022

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



INVESTOR PRESENTATION



SEPTEMBER 2



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, which DiamondRock Hospitality Company (the "Company") has filed with the Securities and Exchange Commission, and 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. **Strong Revenue Pacing:**  
Q3 2022 QTD Revenue +11% vs. +7.4% in Q2 2022
2. **Resort/Lifestyle ADR Growth Improving in August**
3. **Urban Gateway Occupancy Improving in August**
4. **Restored Common and Preferred Dividends**
5. **ESG Leader – Corporate Responsibility Report**



BOURBON ORLEANS HOTEL (NEW ORLEANS, LA)

## 2022 OUTLOOK

### REVENUES

- Expect 2022 total revenues to exceed comparable 2019 results (\$936.1MM)

### HOTEL EBITDA

- Expect Hotel Adjusted EBITDA to meet or exceed comparable 2019 results (\$277.9MM)

### GROUP PACE

- 84% of group room nights are on-the-books in 2022 vs 2019 as of August 31

## UPCOMING ROI PROJECTS

### REPOSITIONINGS / BRAND CONVERSIONS

- Reviewing two opportunities to reposition brand hotels to either independent or soft-brands in
- Adding incremental units to The Landings Lak

### F&B OUTLETS

- Plans to add a new F&B outlet to two resort ho



 OPERATING UPDATE

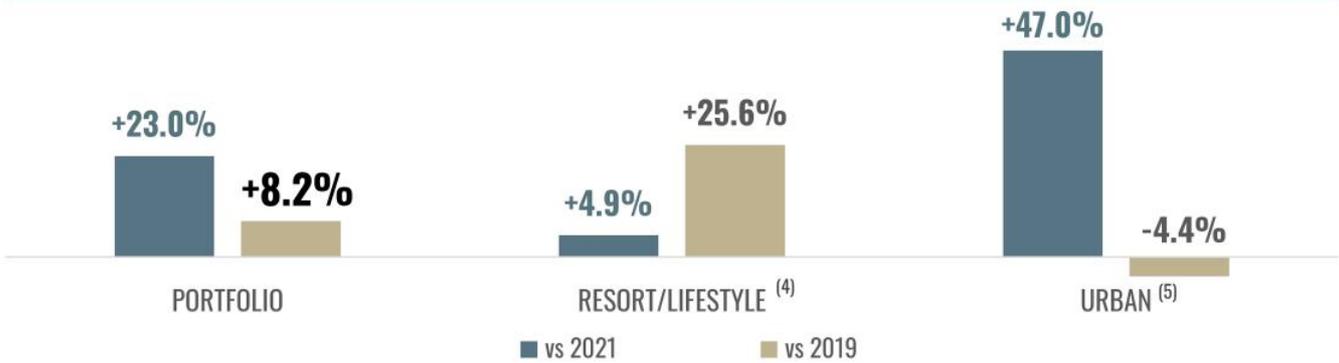


**CONTINUED OUTPERFORMANCE IN AUGUST**

**2022 COMPARABLE OPERATING RESULTS<sup>(1)</sup>**

	Occ (%)	ADR (\$)	RevPAR (\$)	RevPAR B/(W) 2019	Revenue (\$000s)	Revenue B/(W) 2019
<b>Q1</b>	55.8%	279.09	155.76	(3.5%)	197,263	(4.4%)
<b>Q2</b>	74.9%	297.36	222.70	6.9%	279,445	7.4%
<b>Jul<sup>(2)</sup></b>	74.9%	286.19	214.32	10.6%	89,698	12.5%
<b>Aug<sup>(2)</sup></b>	<b>74.7%</b>	<b>261.50</b>	<b>195.34</b>	<b>5.7%</b>	<b>83,502</b>	<b>9.5%</b>

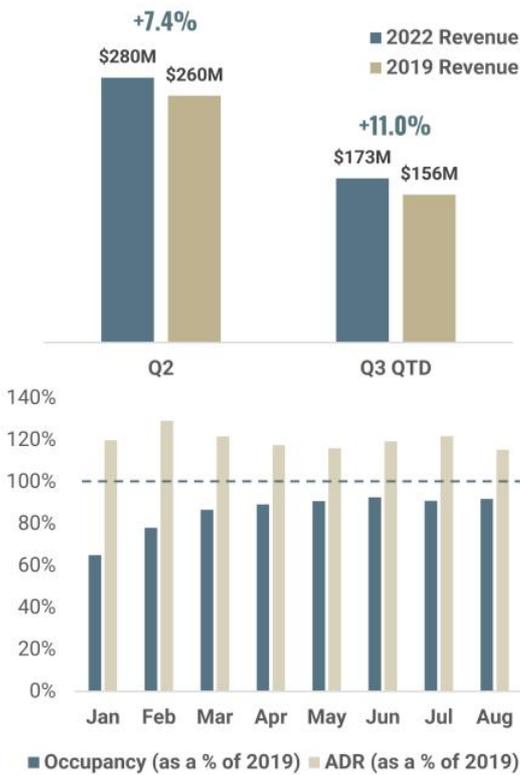
**Q3 QTD REVPAR<sup>(3)</sup> VS PREVIOUS YEARS**



(1) Comparable operating information excludes the Kimpton Fort Lauderdale Beach Resort as it was not operating in 2019  
 (2) Preliminary results  
 (3) Q3 QTD includes July and August  
 (4) "Resort/Lifestyle" refers to Luxury Resort, Lifestyle Resort, and Urban Lifestyle hotels  
 (5) "Urban" refers to Urban Gateway hotels

## Q3 2022 QTD REVENUE GROWTH IS EXCEEDING Q2 2022, WHILE FUNDAMENTALS REMAIN STRONG

### PORTFOLIO<sup>1</sup>



### RESORT / LIFESTYLE<sup>2</sup>



- Resort/Lifestyle rates are holding strong at over 30% above August 2019 ADRs
- The average ADR increase over 2019 at our five largest resorts increased from 30.6% in July to 30.8% in August
  - Henderson Beach Resort had a 61.0% increase in ADR over 2019 and 78.3% RevPAR increase
  - Hilton Burlington's ADR increased 28.6% compared to 2019, while RevPAR increased 26.8%
- August outside of room revenues increased 28% over 2019

### URBAN<sup>3</sup>



- Solid occupancy and ADR in August RevPAR growth over 2021 and down 5.8% vs 2019
  - Occupancy in August was down 2019, compared to down 7.5%
  - August weekday occupancy of slightly above July
- Momentum is expected to continue as companies are instituting stronger office policies this Fall
- Significant pick-up in short-term bookings

(1) Q3 QTD results are preliminary, comparable operating information excludes the Kimpton Fort Lauderdale Beach Resort as it was not operating in 2019  
 (2) "Resort/Lifestyle" refers to Luxury Resort, Lifestyle Resort, and Urban Lifestyle hotels  
 (3) "Urban" refers to Urban Gateway hotels

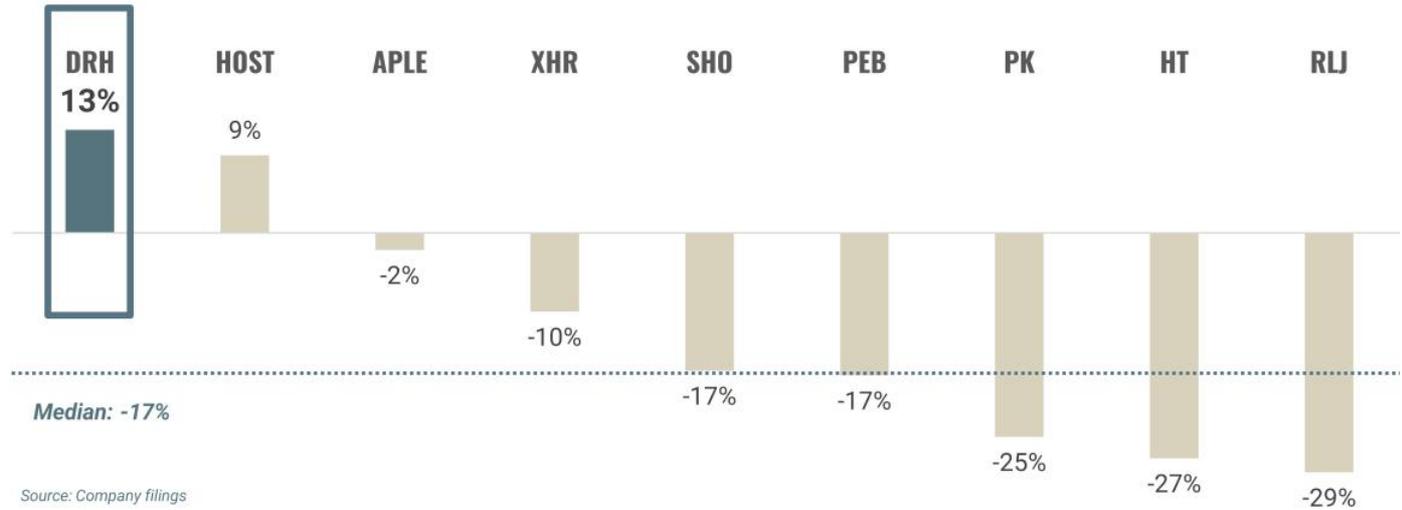
# CONSISTENT OUTPERFORMANCE AGAINST PEERS



## Q2 2022 PEER PERFORMANCE (vs. 2019)

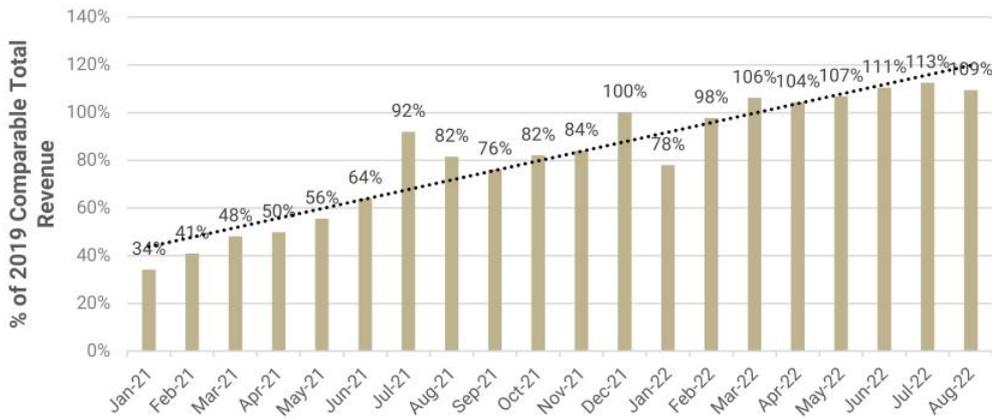
	<b>DRH</b>	XHR	HST	APLE	HT	PEB	RLJ	SHO	PK	MEI
ADR Growth	<b>+18%</b>	17%	15%	8%	12%	19%	4%	14%	8%	+1
Occupancy Growth	<b>-9%</b>	-13%	-10%	-4%	-15%	-20%	-10%	-14%	-17%	-1
RevPAR Growth	<b>+7%</b>	2%	4%	3%	-5%	-5%	-7%	-2%	-10%	-2
Hotel EBITDA Growth	<b>+13%</b>	15%	9%	3%	1%	-5%	-11%	-17%	-25%	+1

## Q2 2022 ADJ. FFO VS PEERS (vs. 2019)



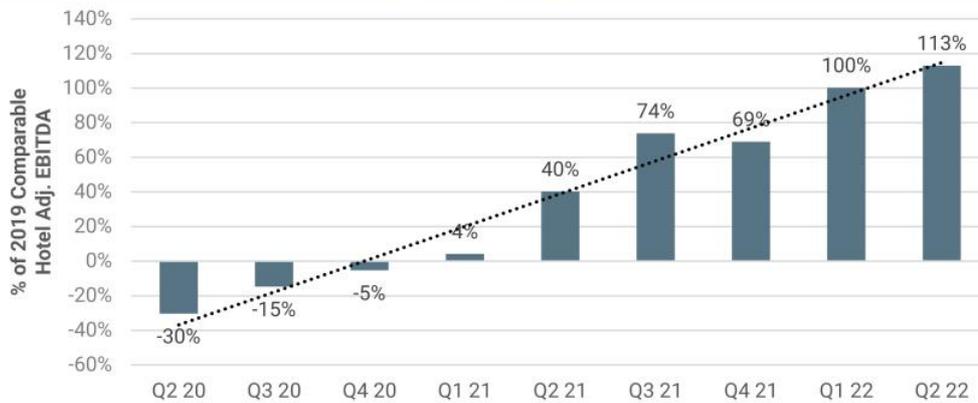
# RECORD GROWTH IN Q2 AND CONTINUED RECOVERY

## REVENUE RECOVERY ACCELERATING



Note: Excludes the Kimpton Ft. Lauderdale, July and August revenues are preliminary

## ROBUST EBITDA RECOVERY



Note: Excludes the Kimpton Ft. Lauderdale

## RECENT TRENDS & OUTLOOK

- STRONG SUMMER**  
 Demand still well-above 2019, A slightly lower due to reduced weekend and holiday shifts (Labor Day)
- RETURN TO TRAVEL**  
 Upticks in mid-week Urban occupancy and expect further recovery with stronger back-to-office policies
- GOOD GROUP ACTIVITY**  
 Rates above 2019. Pace returning to pre-pandemic levels. Profitable business rebuilding
- HOTEL EBITDA RECOVERY**  
 Strong quarter-on-quarter growth in recovery of Hotel Adjusted EBITDA
- HOTEL MARGINS**  
 Record Hotel Adjusted EBITDA margins achieved: 36% in Q2'22 vs. 34% in Q2'19

Q2 2022 revenue growth fueled by strong operating performance across both Urban and Resort/Lifestyle destinations



Note: "Resort/Lifestyle" refers to Luxury Resort, Lifestyle Resort, and Urban Lifestyle hotels, "Urban" refers to Urban Gateway hotels



WHY DIAMONDROCK

- 1 2022-2024 SETUP
- 2 COMPELLING ROI PIPELINE
- 3 STRONG/IMPROVING PORTFOLIO
- 4 MARGIN IMPROVEMENT POTENTIAL
- 5 POWERFUL CAPITAL RECYCLING



## FOUR HOTEL UP-BRANDINGS

- Sonoma Autograph Collection Q3 2021
- The Hythe, The Luxury Collection Q4 2021
- Margaritaville Beach House Q4 2021
- Hotel Clio, The Luxury Collection Q1 2022
- *Under Review – Independent Conversion* 2023
- *Under Review – Upbranding* 2024

## IMPROVING BUSINESS TRANSIENT

- Midweek occupancy showing consistent growth

## IMPROVING GROUP TRENDS

- Strong Expected Growth in 2022/23 Group Revenue
- 102% of Budgeted Group Nights On The Books
- City-wide room nights in 2022, 2023, and 2024 in urban markets expected to see gains versus 2019

## ROBUST LEISURE TRENDS

- Projected to add \$20MM+ to 2022E EBITDA
  - *Tranquility Bay Beachfront Resort – Marathon, FL*
  - *Henderson Beach Resort – Destin, FL*
  - *Henderson Park Inn – Destin, FL*
  - *Bourbon Orleans Hotel – New Orleans, LA*

## MARGIN IMPROVEMENT POTENTIAL

- 200-300bp of long-term potential



HOTEL CLIO, A LUXURY COLLECTION HOTEL



TRANQUILITY BAY RESORT

## WELL-POSITIONED FOR GROUP RECOVERY

- ENCOURAGING CITY-WIDE TRENDS**  
 Convention centers in major-markets positioned to surpass 2019 room nights
- GROUPS ARE LOOKING TO MEET**  
 Group sales activity for DRH portfolio was 36% ahead of pre-pandemic periods. No demand for "hybrid" meetings
- LUCRATIVE BANQUETS RETURNING**  
 Quality of group demand on-the-books improves as we move through the year
- ROOM NIGHTS RECOVERED**  
 Room night leads Q2 2022 surpassed pre-pandemic volume by 8%
- AVERAGE EVENT SIZE IS SMALLER...**  
 The average lead in Q2'22 was 15-20% smaller than pre-pandemic periods, favors DRH's hotel profile

### CITYWIDE CONVENTION ROOM NIGHTS "ON THE BOOKS"

MARKET	% of 2019A EBITDA	2019	2022E	2023E
BOSTON	15%	349,030	330,927	438,015
CHICAGO	15%	1,141,525	1,139,121	1,028,573
WASHINGTON, DC	6%	387,442	400,059	363,685
SAN DIEGO	4%	732,411	659,976	808,910
PHOENIX	3%	290,541	305,057	307,858
<b>TOTALS<sup>(1)</sup></b>	<b>43%</b>	<b>2,900,949</b>	<b>2,835,140</b>	<b>2,947,041</b>

<sup>(1)</sup> As of August 5, 2022. Source: Convention & Visitor Bureaus

### DIAMONDROCK PORTFOLIO GROUP SALES LEAD ACTIVITY<sup>(2)</sup>

PERIOD	LEADS (#)		LEADS (ROOM NIGHTS)	
	(000S)	% OF Q1'20	(MILLIONS)	%
Q1 2020	11.8	100%	2.9	
Q2 2020	4.3	36%	1.0	
Q3 2020	4.1	35%	0.7	
Q4 2020	4.3	36%	0.7	
Q1 2021	8.2	69%	1.2	
Q2 2021	11.2	95%	1.7	
Q3 2021	12.4	105%	2.1	
Q4 2021	12.1	103%	2.0	
<b>Q1 2022</b>	<b>16.1</b>	<b>136%</b>	<b>2.8</b>	
<b>Q2 2022</b>	<b>15.3</b>	<b>130%</b>	<b>3.1</b>	

<sup>(2)</sup> As of August 5, 2022. Source: DiamondRock Hospitality

**280** Average Room Count of DRH Hotel Portfolio

**102%** 2022 Budgeted Group Rooms On-The-Books as of August 3

# RECENTLY COMPLETED PROJECTS

## SONOMA RENAISSANCE

## VAIL MARRIOTT

## SHERATON KEY WEST

## JW MARRIOTT CHELSEA



THE LODGE  
• AT SONOMA •



THE HYPHE  
VAIL



MARGARITAVILLE  
Beach House  
KEY WEST

HOTEL

CLUO

PROJECT \$9.8MM  
COST IRR 25%  
Completed Jul 2021

PROJECT \$8.4MM  
COST IRR 88%  
Completed Nov 2021

PROJECT \$3.5MM  
COST IRR 82%  
Completed Nov 2021

PROJECT  
COST IRR  
Completed

Estimated IRRs are calculated assuming a 3-year stabilization period and a 10.0x terminal multiple

# ROI PIPELINE: \$90MM+ of ROI Projects at 40%+ IRRs



PROPERTY	PROJECT	ESTIMATED CAPITAL SPEND <sup>(1)</sup>	UNDERWRITTEN INCREMENTAL EBITDA <sup>(1)</sup>	ESTIMATED IRR <sup>(2)</sup>	CO
LODGE AT SONOMA	Autograph Collection Conversion	\$9.8	\$1.4	25%	Cc
THE HYTHE, LUXURY COLLECTION	Luxury Collection Conversion	\$8.4	\$3.4	88%	Cc
CHARLESTON RENAISSANCE	F&B Repositioning	\$2.1	\$0.5	52%	Cc
MARGARITAVILLE BEACH HOUSE	Rebranding	\$3.5	\$1.3	82%	Cc
EMBASSY SUITES BETHESDA	Brand Conversion	\$3.3	\$0.5	28%	Cc
HOTEL CLIO, LUXURY COLLECTION	F&B and Public Space Renovation	\$2.5	\$0.5	42%	Cc
	Luxury Collection Conversion	\$3.6	\$1.2	74%	Cc
	Recently Completed	\$33.2	\$8.8	59%	
ORCHARDS INN	Resort Repositioning	\$16.0	\$2.6	20%	
BOSTON HILTON	Third Floor Reconfiguration	\$6.0	\$1.0	33%	
THE LANDING	Additional 14 Keys	\$6.1	\$1.2	42%	
BURLINGTON HILTON	Soft brand Conversion	\$2.6	\$0.8	75%	
	F&B Repositioning	\$1.3	\$0.4	69%	
	Total in Planning	\$32.0	\$6.1	34%	
	<b>Recently Completed &amp; Active ROI Pipeline</b>	<b>\$65.2</b>	<b>\$14.9</b>	<b>47%</b>	
	<b>Shadow ROI Pipeline</b>	<b>\$25MM of Capital Spend</b>		<b>Estimated 20%+</b>	

1. Estimated Capital Spend and Estimated Incremental EBITDA based upon management proformas
2. Estimated IRRs are calculated assuming a 3-year stabilization period and a 10.0x terminal multiple

% BRAND MANAGED	
COMPANY	PERCENT OF MANAGEMENT CONTRACTS
XHR	86%
HST	84%
PK	81%
SHO	59%
PEER AVERAGE	57%
PEB	25%
DRH-Prior	24%
<b>DRH-Current</b>	<b>6%</b>

Source: Company filings, Robert W. Baird & Co  
 Note: DRH Prior is prior to the disposition of Frenchman's Reef and The Lexington Hotel, and the six Marriott-managed hotels converted to franchise agreements.

### BENEFITS OF LOW EXPOSURE

- **SUPERIOR COST CONTROLS**
  - Utilize most cost-effective procurement & sourcing
  - Identify cost-effective product alternatives
- **OWNER-CENTRIC CASH/CAPITAL MANA**
  - Owner dictates cash man and distribution
  - Owner dictates capital inv purchasing decisions
- **SUPERIOR LABOR MANAGEMENT**
  - Management staff levels and compensation
  - Non-exempt staff levels, scheduling, and compensation
- **LOWER COST OF OPERATIONS**
  - Management fee differen
  - Operating cost savings
  - Measurably enhance prof

## 2 LONG-TERM MANAGEMENT CONTRACTS

### CREATES VALUE ENTERPRISE / ASSET VALUE

- Source of value to self-managed portfolio/asset buyers
- Buyers value ability to execute their strategy
- Expands audience of prospective buyers
- Unencumbered hotels worth 15-20% more than encumbered

**\$20M incremental EBITDA generated through active asset management and robust ROI projects**

**10**

**HOTEL ACQUISITIONS  
IN THE PAST 5 YEARS**

**\$48M**

**EBITDA AT  
ACQUISITION**

**\$68M**

**2022 FORECASTED  
EBITDA**

BEFORE



AFTER



**SIGNIFICANT LIQUIDITY AVAILABLE**

**~\$400M<sup>1</sup>**

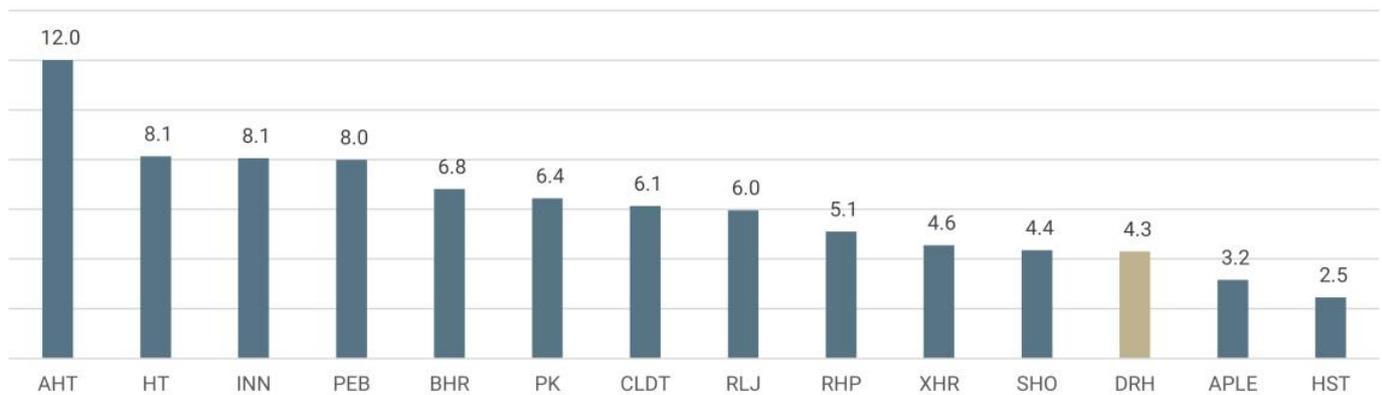
\$72M Corporate Cash  
 \$118M Cash at Hotels  
 \$200M Undrawn Revolver

**MAJORITY OF PORTFOLIO IS UNENCUMBERED**

**75%**

26 of 34 Hotels  
 Unencumbered

**PEER (NET DEBT + PREFERRED) / EBITDA**



(1) As of June 30, 2022

(2) 2022E (Net Debt+Preferred)/EBITDA, Source: Baird Securities

# ACQUIRED KIMPTON FORT LAUDERDALE BEACH (FORT LAUDERDALE, FLORIDA)



## KEY DEAL HIGHLIGHTS

- Off-market acquisition of a lifestyle resort property with dedicated beach amenities and services for guests
- Fee simple, unencumbered by management.
- Reopened mid-2021 after a complete rehabilitation to current building and hurricane codes while preserving historic Art Deco architecture
- Price/key is 40% below AC Hotel (\$600k/key, Feb 2022)
- Only IHG Hotels & Resorts or Kimpton in the market.
- Forecast stabilization at an 8% NOI yield.



**ACQUISITION DATE** 4/1/22  
**PURCHASE PRICE** \$35.3 MILLION  
**LOCATION** FORT LAUDERDALE, FL  
**NUMBER OF ROOMS** 96

## UPSIDE OPPORTUNITIES

- Revenue and expense synergies with DiamondRock's Westin Fort Lauderdale Beach Resort two blocks away
- Significant profit upside in resort
  - Enhance revenue management
  - Un-utilized rooftop bar and swimming pool with panoramic views of the Intracoastal
  - Revenue opportunity in resort fees
  - Improve marketing of hotel and F&B outlets
- Profit potential in adjacent Tiffany House residences (not included in underwriting)
  - Opportunity to collect parking revenue from 230+ space parking garage (DRH owned) with mandatory valet access for guests and residents.
  - Create RMA program for condo-owners

## ACCOLADES FOR FORT LAUDERDALE

- Third highest occupancy market in Florida
- Top 25 Popular U.S. Destinations (TripAdvisor)
- Best U.S. Destination for Meetings & Conferences
- Annual Formula 1 event scheduled for 2022



This summary information sheet contains certain "forward-looking statements" relating to, among other things, hotel EBITDA and hotel net operating income after capital reserves. 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 on this summary information sheet. When we use the words "projected," "expected," "planned" and "estimated" or other similar expressions, we are identifying forward-looking statements. The forward-looking statements on this summary information sheet are subject to the safe harbor of the Private Securities Litigation Reform Act of 1995. All information on this sheet is as of August 4, 2021. We undertake no duty to update the information to conform to actual results or changes in our expectations. This fact sheet contains statistics and other data that has been obtained from information available from public sources. For additional information, please visit our website at [www.drhc.com](http://www.drhc.com).

# ACQUIRED TRANQUILITY BAY BEACHFRONT RESORT (MARATHON, FLORIDA)



**ACQUISITION DATE** 1/6/22  
**PURCHASE PRICE** \$63 MILLION  
**LOCATION** MARATHON, FL  
**NUMBER OF UNITS** 103



## KEY DEAL HIGHLIGHTS

- 2021 TripAdvisor Traveler's Choice Award and consistently among the top hotels in Marathon, FL.
- 12 oceanfront acres with 1,000 feet of shoreline
- Strict development ordinances constrain supply and supports the highest RevPAR of any major U.S. market
- >\$645 ADR (2021E), nearly 3x the portfolio average
- >11% capitalization rate on trailing 2021 proforma NOI or over \$50,000/key in Hotel EBITDA
- Investment comprised of (1) fee simple ownership of 16 units and all resort amenities and infrastructure and (2) durable, long-term rental management agreements for 84 third-party owned beach homes and (3) majority of three vacation rental units.

## UNIT COMPOSITION

16 Units	16 Bedrooms	One Bedroom	450 Sq. Ft.
46 Units	92 Bedrooms	Two Bedroom	840 Sq. Ft.
41 Units	123 Bedrooms	Three Bedroom	1,320 Sq. Ft.
<b>103 Units</b>	<b>231 Bedrooms</b>		<b>970 Sq. Ft.</b>

## UPSIDE OPPORTUNITIES

- Significant revenue upside
  - Entitled for marina development
  - Enhanced F&B programming at pool and beach area
  - Initiate wedding-market programming
  - Enhanced revenue management
- Benefit from clustering with other DRH Resorts



## RESORT MAP



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# ACQUIRED HENDERSON BEACH RESORT (DESTIN, FLORIDA)



**ACQUISITION DATE** 12/23/21  
**PURCHASE PRICE** \$112.5 MILLION  
**LOCATION** DESTIN, FL  
**NUMBER OF ROOMS** 170  
**NUMBER OF RMAs:** 46  
**EVENT SPACE** 40,000 SQ FT



## KEY DEAL HIGHLIGHTS

- AAA Four Diamond Award in 2019. Consistently recognized by Travel + Leisure, US News & World Report and other periodicals as one of the best resorts in Florida.
- Best located resort in the market; A+ beach access to the white sands of Florida's "Emerald Coast"
- Explosive population growth in feeder markets (Houston, Dallas, Atlanta, Nashville, Birmingham); outpaced U.S. growth 2.5-to-1
- >\$430 ADR (2021E), 80%+ above the portfolio average
- 6.4% capitalization rate on 2021E NOI; stabilization at 8% NOI yield or \$53,000/key in Hotel EBITDA



## UPSIDE OPPORTUNITIES

- Significant revenue upside
  - Enhanced revenue management
  - Room segmentation strategies
  - Operating synergies with Henderson Park Inn
  - Benefit from clustering with other DRH Resorts
  - Improve F&B programming
  - Enhance group sales penetration
- Yield management of 46 onsite condo units operated under Rental Management Agreements (RMA)

## LOCATION AND FEEDER MARKETS



This summary information sheet contains certain "forward-looking statements" relating to, among other things, hotel EBITDA and hotel net operating income after capital reserves. 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 on this summary information sheet. When we use the words "projected," "expected," "planned" and "estimated" or other similar expressions, we are identifying forward-looking statements. The forward-looking statements on this summary information sheet are subject to the safe harbor of the Private Securities Litigation Reform Act of 1995. All information on this sheet is as of January 13, 2022. We undertake no duty to update the information to conform to actual results or changes in our expectations. This fact sheet contains statistics and other data that has been obtained from information available from public sources. For additional information, please visit our website at [www.drhc.com](http://www.drhc.com).



 PORTFOLIO



# DIAMONDROCK AT A GLANCE



**9,548 ROOMS**



**34 PROPERTIES**

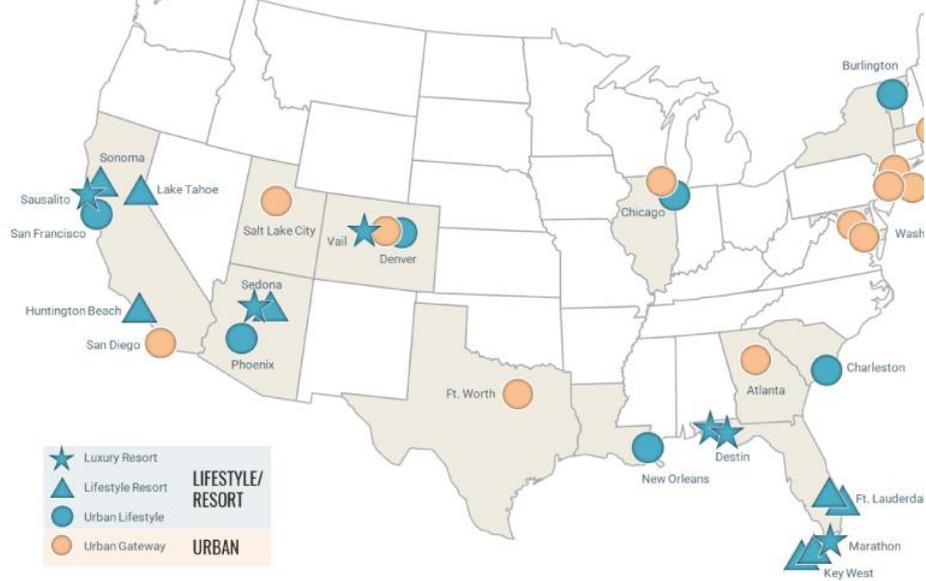


**23 GEOGRAPHIC MARKETS**



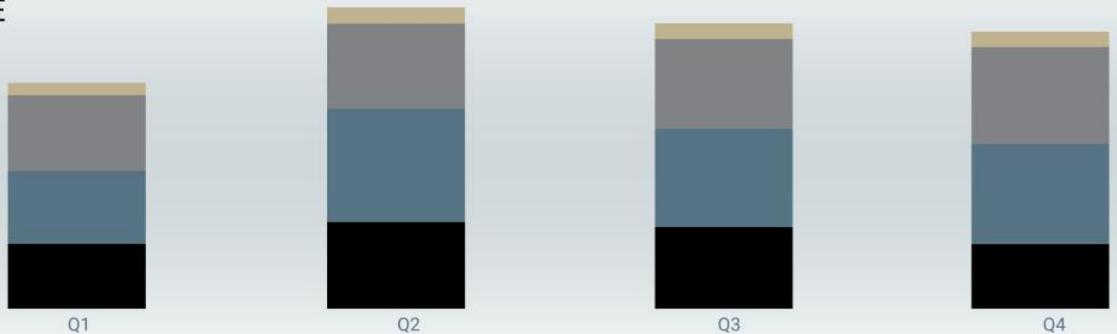
**4.3 AVG TRIPADVISOR SCORE**

## DIVERSIFIED GEOGRAPHIC MIX



## VARIOUS SOURCES OF REVENUE

- Contract/Other
- Leisure Transient
- Business Transient
- Group

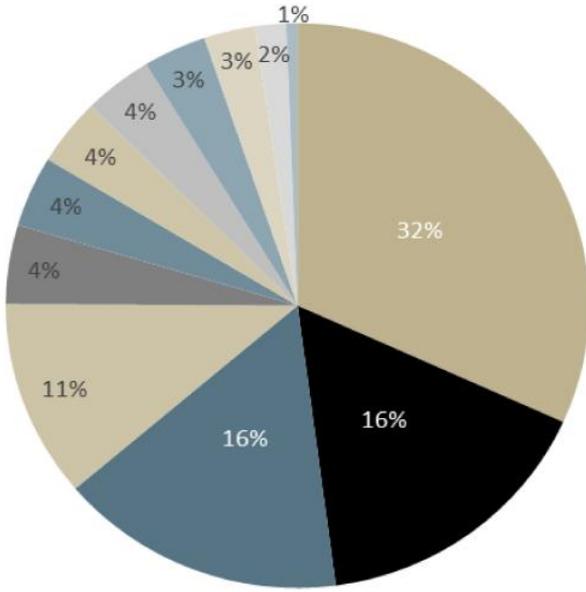


Note: All operating information is based on 2019 results, pro forma for all acquisitions and dispositions.

DIVERSIFIED PORTFOLIO WITH FOCUS ON RESORT AND LIFESTYLE PROPERTIES

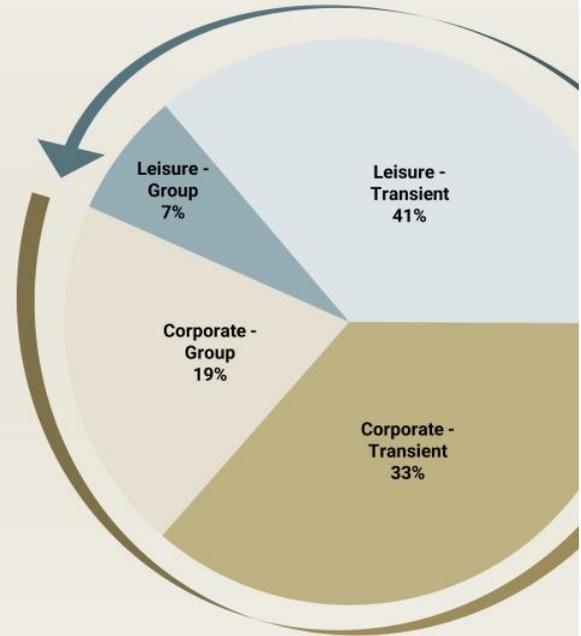
	KEYS	REVPAR (\$)	TREVPAR (\$)	REVENUE/KEY (\$000s)	EBITDA/KEY (\$000s)	% of 2019 EBITDA
LUXURY RESORT	930	\$281	\$489	\$179	\$48	15%
LIFESTYLE RESORT	1,312	\$185	\$302	\$110	\$32	15%
LIFESTYLE URBAN	1,491	\$185	\$256	\$93	\$29	15%
RESORT/LIFESTYLE	3,733	\$209	\$330	\$120	\$35	45%
URBAN GATEWAY	5,815	\$176	\$240	\$88	\$27	55%
<b>TOTAL</b>	<b>9,548</b>	<b>\$189</b>	<b>\$275</b>	<b>\$100</b>	<b>\$30</b>	<b>100%</b>

Note: 2021A results used for Henderson Beach Resort, 2022 Forecast used for Kimpton Goodland, 2019A results used for all other hotels.



- Aimbridge
- Sage Hospitality
- Passport Resorts
- EOS Hospitality
- HEI Hotels & Resorts
- Kimpton
- Vail Resorts
- Ocean Properties
- Marriott
- Evolution Hospitality
- Highgate Hotels
- Viceroy

Note: % of 2019 proforma EBITDA, 2022 projected EBITDA used for Kimpton Ft. Lauderdale



**52%  
CORPORATE**

# STRONG RESORT MARKET PRESENCE



## OVER 60% OF HOTELS LOCATED IN DESTINATION LEISURE MARKETS

LUXURY RESORT	<p>SAUSALITO, CA</p> <p>CAVALLO POINT</p>	<p>SEDONA, AZ</p> <p>L'AUBERGE DE SEDONA</p>	<p>VAIL, CO</p> <p>THE HYTHE, A LUXURY COLLECTION HOTEL</p>	<p>DESTIN, FL</p> <p>HENDERSON PARK INN</p>
	<p>MARATHON, FL</p> <p>TRANQUILITY BAY RESORT</p>	<p>DESTIN, FL</p> <p>HENDERSON BEACH RESORT</p>		
LIFESTYLE RESORT	<p>FORT LAUDERDALE, FL</p> <p>WESTIN FORT LAUDERDALE BEACH RESORT</p>	<p>FORT LAUDERDALE, FL</p> <p>KIMPTON FORT LAUDERDALE BEACH RESORT</p>	<p>KEY WEST, FL</p> <p>HAVANA CABANA</p>	<p>KEY WEST, FL</p> <p>MARGARITAVILLE BEACH HOUSE K</p>
	<p>LAKE TAHOE, CA</p> <p>THE LANDING RESORT AND SPA</p>	<p>SEDONA, AZ</p> <p>ORCHARDS INN</p>	<p>SONOMA, CA</p> <p>THE LODGE AT SONOMA RESORT</p>	<p>HUNTINGTON BEACH, CA</p> <p>KIMPTON SHOREBREAK RESORT</p>
URBAN LIFESTYLE	<p>BURLINGTON, VT</p> <p>HILTON BURLINGTON LAKE CHAMPLAIN</p>	<p>CHARLESTON, SC</p> <p>RENAISSANCE CHARLESTON HISTORIC DISTRICT</p>	<p>CHICAGO, IL</p> <p>THE GWEN, A LUXURY COLLECTION HOTEL</p>	<p>DENVER, CO</p> <p>HOTEL CLIO, A LUXURY COLLECTION</p>
	<p>PHOENIX, AZ</p> <p>KIMPTON PALOMAR PHOENIX</p>	<p>SAN FRANCISCO, CA</p> <p>HOTEL EMBLEM</p>	<p>NEW ORLEANS, LA</p> <p>BOURBON ORLEANS HOTEL</p>	

# HIGH QUALITY PORTFOLIO IN KEY GATEWAY MARKETS



## NEARLY 40% OF HOTELS LOCATED IN TOP GATEWAY MARKETS

URBAN  
GATEWAY





*The Hythe Vail, A Luxury Collection Hotel  
Vail, Colorado*

# ESG LEADERSHIP



*L'Auberge de Sedona  
Sedona, Arizona*

## GRESB ANNUAL RESULTS

	2017	2018	2019	2020	2021
DRH GRESB Score	53	75	81	84	86
Peer Score Average <sup>(1)</sup>	57	58	69	69	72
Index to Peer Score Average	93%	129%	117%	122%	119%



**GRESB**  
REAL ESTATE  
sector leader 2021



**GRESB**  
★★★★☆ 2021



**GRESB**  
REAL ESTATE  
Sector Leader 2020



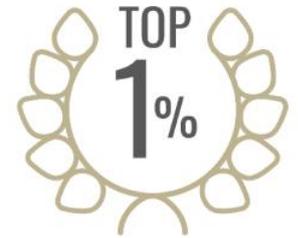
**GRESB**  
★★★★★ 2020

## ISS ESG RANKINGS<sup>(2)</sup>



As of May 31, 2022

## ISS-ESG CORPORATE RANKING



Currently Ranked in **Top 1%** of all US Real estate companies

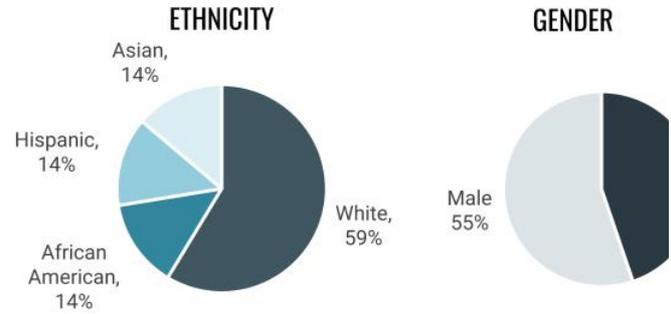
DiamondRock ranks in the **top 5%** of the Worldwide Real Estate Sector, earning an **ISS ESG Prime** designation



ENVIRONMENTAL

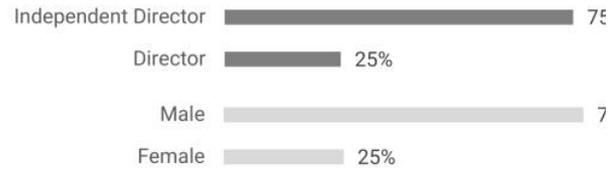
- **Completed** energy-saving pilot programs at two hotels; exploring rollout to remainder of portfolio
- **Launched** composting program at Westin Wash., D.C. City Center; exploring rollout to remainder of portfolio
- **Installed** “smart” thermostats and AI monitoring tool at seven hotels; 30 installations expected by year-end 2022
- **Verification** of 2021 energy, water, and waste emissions is currently underway
- **Evaluating several initiatives to further reduce carbon footprint, water and energy intensity, and waste.**

SOCIAL



GOVERNANCE

BOARD COMPOSITION



## ESG carbon reduction pilot at Westin Washington, DC City Center

### PILOT DESCRIPTION

- Installed sensors throughout the mechanical, electrical, and plumbing systems to gather data and evaluate efficiency and scheduling to identify opportunities for savings
- Conducted full analysis of optimization measures
- Identifies and prioritizes implementation road map
- Process allows tracking/verification of savings, evaluation of monthly performance, detection of faults in the system, and communication of performance to stakeholders

### PILOT GOAL

- Achieve **\$45K in annual energy savings** via software/sensors
- **Reduce carbon emissions by 1.7 tons per year**
- Expand program to other properties within the portfolio





EXECUTIVE TEAM

Henderson Beach Resort, Destin, FL

# EXTENSIVE MANAGEMENT AND HOSPITALITY EXPERIENCE



**MARK W. BRUGGER**  
CO-FOUNDER  
PRESIDENT, CEO AND DIRECTOR

- Co-founded DRH in 2004 and successfully led its IPO in 2005
- Named Forbes' list of America's Most Powerful CEOs 40 and Under and a finalist for the E&Y Entrepreneur of the Year Award
- Extensive background in real estate, capital markets, and structured finance



**JEFFREY J. DONNELLY**  
EXECUTIVE VP AND CFO

- Joined as CFO in 2019
- Previously Managing Director at Wells Fargo Securities where he co-founded Real Estate & Lodging Equity Research
- Served as AVP at AEW Capital Management, LP overseeing asset management and capital market transactions for diversified commercial real estate portfolio



**JUSTIN LEONARD**  
EXECUTIVE VP AND COO

- Joined as COO
- Previously Managing Director at Walton Street LLC for 23 years, recently as Principal of hotel investment. During his tenure he oversaw hotel management included 600 rooms and independent totaling over 1,000 rooms



**WILLIAM J. TENNIS**  
EXECUTIVE VP, GENERAL COUNSEL  
AND CORPORATE SECRETARY

- Joined as General Counsel in 2010
- Previously worked for Marriott for 17 years initially as Assistant General Counsel and then as Senior Vice President for the Global Asset Management Group
- Prior to joining Marriott, worked as an Associate at a New York law firm



**TROY FURBAY**  
EXECUTIVE VP AND CIO

- Joined as CIO in 2014
- Previously was Chief Investment Officer at Loews Hotels & Resorts
- Prior to that, served in senior investment roles with Kimpton Hotels and MeriStar Hospitality Corporation



**BRIONY R. QUINN**  
SENIOR VP AND TREASURER

- Joined DRH in 2018
- Promoted to Senior VP of Accounting in 2014 and Treasurer in 2018
- Prior to DRH, worked as Senior VP of Finance & Accounting at MeriStar Hospitality Corporation

