



RLJ Lodging Trust Announces Action Plan to Mitigate Impact of COVID-19

April 3, 2020

BETHESDA, Md.--(BUSINESS WIRE)--Apr. 3, 2020-- RLJ Lodging Trust (the "Company") (NYSE: RLJ) today announced that, in addition to the significant efforts underway to protect the health and safety of guests and employees, the Company is taking aggressive steps to mitigate the ongoing operational and financial impacts on its hotels from the COVID-19 pandemic.

"Over the past several weeks, the impact of the COVID-19 pandemic on the global economy, the United States and the local communities where our hotels are located, has accelerated. Our hearts are with those employees and people who have been directly impacted by this unprecedented event," commented Leslie D. Hale, President and Chief Executive Officer. "We are taking necessary and proactive measures on multiple fronts to address the disruption from this crisis. These measures include temporarily suspending operations in many of our markets and further strengthening our balance sheet and liquidity to position us to navigate through these uncertain times."

Some of the operational measures that the Company has taken to date include:

- **Suspension of Hotel Operations:** The Company, along with its operators, has temporarily suspended operations at over 50% of its hotels and will continue to evaluate the suspension of operations at its remaining hotels over the next several weeks. The decision to suspend operations was made in response to the elimination of hotel demand, resulting from COVID-19 and the related government and health official mandates in many markets, which are in the best interest of the communities served by RLJ's properties and employees.

- **Cost Containment Initiatives:** The Company's asset managers are working closely with its hotel management partners to materially reduce operating expenses and preserve liquidity by putting stringent operational cost containment measures in place. These measures include significantly reduced staffing, elimination of non-essential amenities & services and the closure of several floors and all food & beverage outlets at properties that remain open.

- **Capital Investment Reduction:** The Company expects to reduce its 2020 capital expenditure program by over 80% by deferring all capital investments, other than completing projects that are substantially underway and are nearing completion. Near-term, the Company will take appropriate steps to protect and preserve its properties and re-evaluate its 2020 capital plan at a time when there is improved economic clarity.

- **ROI Project Suspensions:** The Company reviewed all 2020 ROI initiatives and is suspending 90% of these projects.

At the corporate level, the Company is also taking aggressive actions to increase liquidity and preserve cash.

- **Common Stock Dividend Reduction:** The Company's Board of Trustees recently authorized the reduction in the first quarter common cash dividend to \$0.01 per common share. The Company's Board of Trustees will continue to monitor the Company's financial performance and economic outlook to assess when it is appropriate to resume a regular quarterly common dividend, at a level determined to be prudent based on the economic outlook, or declare and pay any dividend required to be made for 2020 at the end of the year.

- **Increased Liquidity to \$1.2 Billion in Corporate Cash:** Out of an abundance of caution the Company took the proactive step to further enhance its liquidity position by drawing \$400 million under its \$600 million corporate line of credit, adding to its existing cash balance of approximately \$800 million. By preemptively drawing this capital, the Company has ensured that it maintains significant liquidity to meet its obligations over an extended period of time. The Company has no scheduled debt maturities until 2022.

The Company, in conjunction with its third party management partners will continue to evaluate additional measures that may be necessary to address the effects of the ongoing disruption in the broader economy and the lodging industry from COVID-19.

About Us

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust that owns primarily premium-branded, high-margin, focused-service and compact full-service hotels. The Company's portfolio consists of 103 hotels with approximately 22,570 rooms, located in 23 states and the District of Columbia and an ownership interest in one unconsolidated hotel with 171 rooms.

Forward Looking Statements

The following information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, measures being taken in response to the COVID-19 pandemic, and the impact of the COVID-19 pandemic on our business, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty and a worsening of global economic conditions or low levels of economic growth; the duration and scope of the COVID-19 pandemic and its impact on the demand for travel and on levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel; the impact of the COVID-19 pandemic and actions taken in response to the pandemic on global and regional economies, travel, and economic activity; the pace of recovery when the COVID-19 pandemic

subsidies; the effects of steps we and our third party management partners take to reduce operating costs; increased direct competition, changes in government regulations or accounting rules; changes in local, national and global real estate conditions; declines in the lodging industry, including as a result of the COVID-19 pandemic; seasonality of the lodging industry; risks related to natural disasters, such as earthquakes and hurricanes; hostilities, including future terrorist attacks or fear of hostilities that affect travel; the Company's ability to obtain lines of credit or permanent financing on satisfactory terms; changes in interest rates; access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt; the Company's ability to identify suitable acquisitions; the Company's ability to close on identified acquisitions and integrate those businesses; and inaccuracies of the Company's accounting estimates. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward-looking statements and urge investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.

For additional information or to receive press releases via email, please visit our website:

<http://www.rljlodgingtrust.com>

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