



RLJ | Lodging Trust
NAREIT Conference
November 2019



\$146

PRO FORMA RevPAR¹

32.3%

*HOTEL EBITDA
MARGIN¹*

\$4.2M

EBITDA / HOTEL²

\$454M

EBITDA²

108

Hotels

23,179

Rooms

HYATT CENTRIC MIDTOWN ATLANTA

¹ Year-to-date as of September 30, 2019 for the 108 hotel portfolio

² Based on the midpoint of the 2019 full year outlook

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Well-positioned to create long-term shareholder value

- Differentiated investment strategy to drive superior risk adjusted returns
- High quality portfolio located in prime locations within long-term growth markets
- Significant embedded value in the portfolio
- Fortress balance sheet with significant investment capacity
- Strong platform with seasoned management team and proactive asset management with superior operational expertise
- Compelling valuation and attractive dividend

Continue to build on the momentum from our portfolio transformation

3Q Financial Overview and Highlights

- Achieved relatively flat RevPAR in choppy environment
- Delivered Pro Forma Hotel EBITDA of \$113.6M
- Attained strong Pro Forma Hotel EBITDA margin of 31.4%
- Fortress balance sheet with \$845M in unrestricted cash and over \$1 billion in investment capacity
- Leverage significantly below target with net debt to TTM EBITDA of 3.2x
- Repurchased 2.8 million common shares for \$47.2M
- Enhanced portfolio with the closing of the previously announced sale of the 18 hotel portfolio and one non-core hotel

2019 Updated Outlook

- Pro forma RevPAR growth: 0.0% to +1.0%
- Pro forma Hotel EBITDA Margin: 31.6% to 32.2%
- Pro forma Consolidated Hotel EBITDA: \$448.0M to \$460.0M
- Adjusted EBITDA: \$453.5M to \$460.5M
- Adjusted FFO per Diluted Share and Unit: \$1.98 to \$2.04



MULTIPLE LEVERS TO CREATE SHAREHOLDER VALUE



HYATT HOUSE EMERYVILLE

Significant investment capacity of \$1B with opportunity to deploy on several unique catalysts

REINVESTMENT OPPORTUNITIES

ROI Projects	<ul style="list-style-type: none"> Expect to invest between \$150 - \$200 million in ROI projects over the next 3-5 years 	<ul style="list-style-type: none"> Green initiatives Space configuration Operational 	<ul style="list-style-type: none"> Minimum low double digit unlevered IRR's
Conversions	<ul style="list-style-type: none"> Opportunity to convert several hotels in conjunction with renovations in 2020 and beyond 	<ul style="list-style-type: none"> Over 20 hotels with franchise agreements expiring in the near term 	<ul style="list-style-type: none"> Currently exploring conversion of: <ul style="list-style-type: none"> Embassy Suites Mandalay Beach Hotel & Resort Wyndham Portfolio
Capital Markets	<ul style="list-style-type: none"> Share buybacks Other refinancings Additional deleveraging 	<ul style="list-style-type: none"> FelCor Senior Notes callable in 2020 Legacy FelCor Preferreds 	<ul style="list-style-type: none"> Significant accretion from capital market activities: <ul style="list-style-type: none"> Trading at a significant discount to NAV Legacy FelCor bonds carry 6% interest rate FelCor preferreds with a coupon of 7.8%

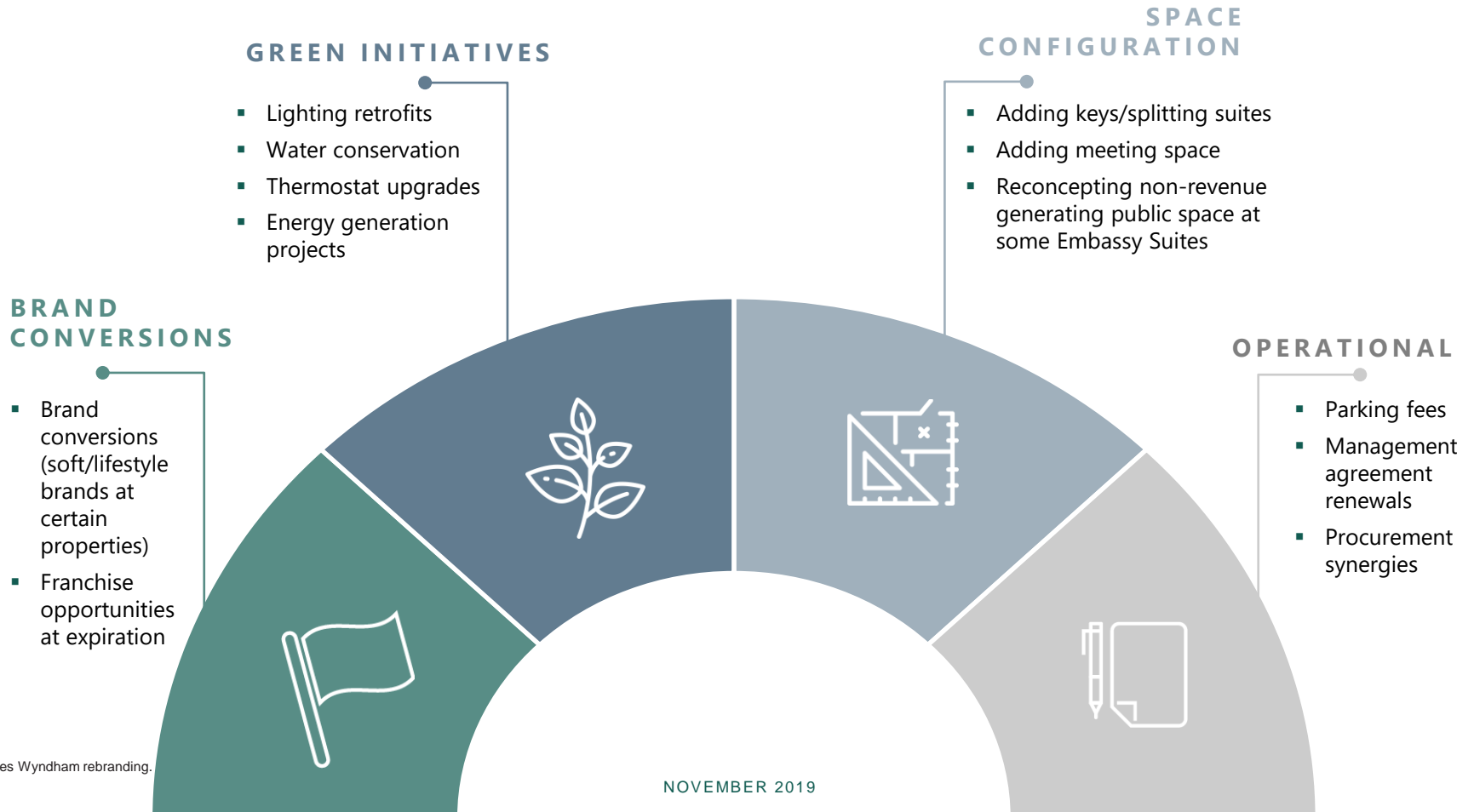
ADDITIONAL PORTFOLIO ENHANCEMENTS

Additional Dispositions	<ul style="list-style-type: none"> Incremental, opportunistic non-core dispositions that further improve portfolio quality
Wyndham Termination	<ul style="list-style-type: none"> Upside from rebranding of Wyndham hotels, representing 13% of EBITDA <ul style="list-style-type: none"> Expect to invest capital during rebrandings, which will be partially offset by key money and termination payment from Wyndham

LONG-TERM VALUE-ADD OPPORTUNITIES: FOCUS ON MINING EMBEDDED VALUE

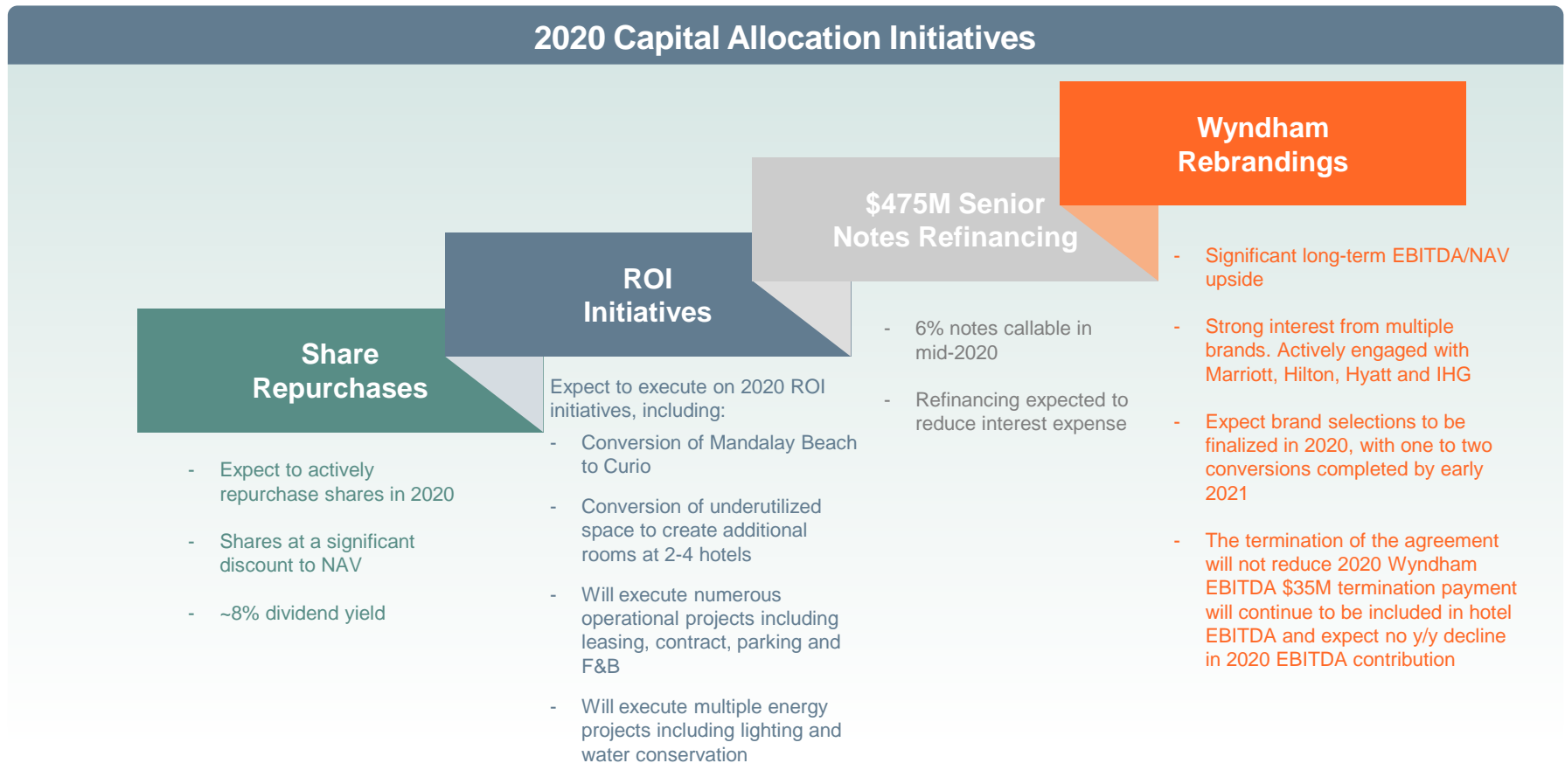
RLJ expects to invest \$150M – \$200M into “value-add” opportunities over next 3 – 5 years¹

Value Added Projects



1. Excludes Wyndham rebranding.

RLJ has developed a 2020 action plan to start deploying the investment capacity generated from recent asset sales



RLJ expects the deployment of its investment capacity to benefit 2020 earnings.

Dispositions provided over \$1.0B of investment capacity

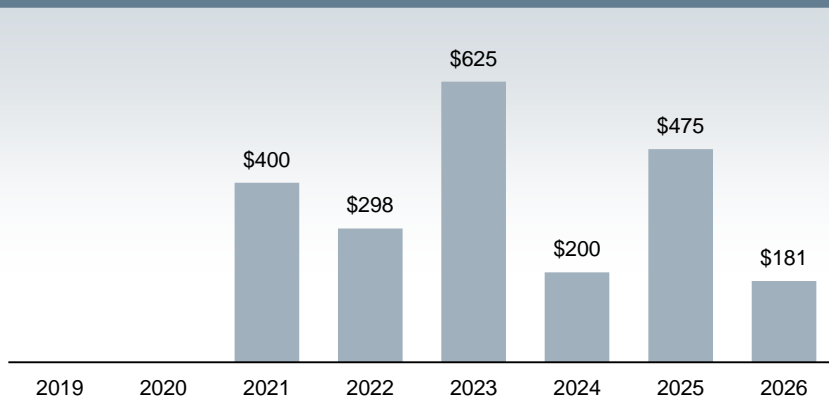
Balance Sheet Highlights

- No maturities before 2021¹
- 89 unencumbered hotel assets
- 100% of debt is fixed / hedged
- \$600 million availability on revolver²

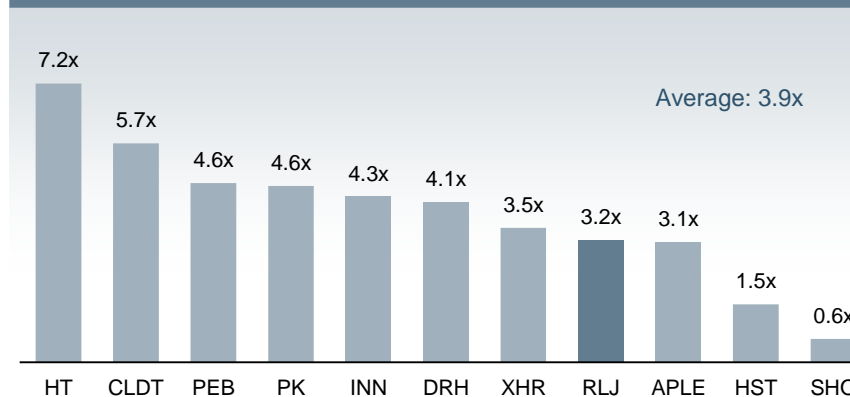
Credit Statistics²

Total Debt	\$2.2B
Net Debt / LTM EBITDA	3.2x
Weighted Average Maturity	3.8 years
Weighted Average Interest Rate	4.1%
Interest Coverage Ratio	4.6x

Debt Maturity Schedule (\$M)^{1, 2}



Net Debt / EBITDA³



1. Assumes all extensions.

2. As of September 30, 2019.

3. 2019 EBITDA is based on consensus estimates. Net Debt is based on company filings and press releases.



WYNDHAM REBRANDING OPPORTUNITY



THE MILLS HOUSE WYNDHAM GRAND HOTEL CHARLESTON

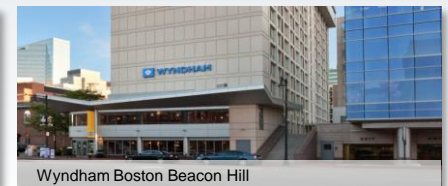
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Significant upside from the rebranding of Wyndham hotels, representing 13% of EBITDA

Transaction Benefits

- Hotels are located in prime locations in core urban markets
- Attractive hotel real estate
- Expect key money from interested brands
- Expect upside potential from rebranding hotels:
 - Underwriting 20 points of market share gains
 - Opportunity to remix distribution channels

Heart of Demand Locations in Compelling Markets



RLJ to receive \$35M from Wyndham to terminate NOI guarantee and management agreements

Transaction Highlights

Summary

- RLJ entered an agreement to terminate the Wyndham management agreement and guarantee on eight hotels as of December 31, 2019

Consideration

- RLJ to receive \$35M termination payment from Wyndham in early 2020

Transitional Agreements

- Transitional franchise and/or management agreements through 2020 with RLJ option to extend an additional year

Timing

- Expect rebrandings to occur in several stages

RLJ'S PROVEN CONVERSION TRACK RECORD

HUMBLE OIL BUILDING MARRIOTT COMPLEX

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RLJ has a proven track record of executing complex brand conversions which have created significant value

- **In-house Design & Construction team with extensive conversion experience**
 - Team has expertise in design, engineering, architecture and project/construction management
 - RLJ has executed multiple brand conversions, including converting three former Wyndham hotels into Hilton family brands
 - Re-branded several hotels since IPO
 - Converted four independent hotels/apartments/student housing to branded hotels
- **Acquiring opportunistic, value-add properties is part of RLJ's DNA**
 - Underwriting team evaluates each acquisition for brand conversion and repositioning opportunities
 - D&C team plays a critical role in the identification of value-add opportunities
- **RLJ's conversions have created significant shareholder value**
 - In aggregate, converted properties in the portfolio have significantly increased RevPAR and EBITDA
 - Achieved significant NAV lift from converted properties relative to acquisition and conversion costs
- **Conversions have been recognized by Marriott, Hilton, and IHG**

Property Profile



Key Acquisition Metrics

- Year Built: 1930
- Room Count: 166 (150 pre conversion)
- Purchase Price: \$29.5M (\$197K/key)

Renovation Upgrades

- Renovation Cost: \$27.0M
- Renovation/Key: \$163K
- Highlights:
 - ▶ Renovated 150 rooms and added 16 keys
 - ▶ Created more public space by closing existing adjacent bar
 - ▶ Full elevator modernization and seismic upgrade
 - ▶ Historic facade restoration

Operational Metrics

	Initial TTM ¹	Sept. 19 TTM	Chg.
Occupancy	80.1%	89.2%	11%
ADR	\$259.75	\$269.36	4%
RevPAR	\$208.02	\$240.29	16%
EBITDA	\$5.6M	\$7.3M	30%

(1) Represents Aug. 2016 TTM

Conversion Overview

- Conversion from student housing facility to Courtyard by Marriott
- Added 16 new rooms
- Comprehensive renovation completed at a significant discount to replacement cost

Before



After



CASE STUDY – SPRINGHILL SUITES HOUSTON DOWNTOWN CONVENTION CENTER

Property Profile



Key Acquisition Metrics

- Year Built: 1921
- Room Count: 167 (82 pre conversion)
- Purchase Price: \$15.6M (\$190K/key)

Renovation Upgrades

- Renovation Cost: \$17.0M
- Renovation/Key: \$102K
- Highlights:
 - ▶ Converted 82 apartment units and added 85 keys
 - ▶ Created 1,900 sq. ft. of meeting space from garage
 - ▶ Historic facade restoration
 - ▶ Implemented energy management system in guestrooms

Operational Metrics

	Initial TTM ¹	Sept. 19 TTM	Chg.
Occupancy	58.4%	73.9%	26%
ADR	\$162.26	\$146.25	(10%)
RevPAR	\$94.81	\$108.04	14%
EBITDA	\$2.3M	\$2.6M	14%

(1) Represents Aug. 2016 TTM

Conversion Overview

- Conversion of Humble complex apartment tower into SpringHill Suites
- Added 85 new guestrooms
- Creatively added a public space lobby
- Renovation completed at a significant discount to replacement cost

Before



After



Property Profile



Key Acquisition Metrics

- Year Built: 1986
- Room Count: 198 (196 pre conversion)
- Purchase Price: \$40.0M (\$204K/key)

Renovation Upgrades

- Renovation Cost: \$7.5M
- Renovation/Key: \$38K
- Highlights:
 - ▶ Complete interior and exterior upgrades including all guest rooms
 - ▶ Asian inspired design influenced by the surrounding Chinatown neighborhood

Operational Metrics

	Dec. 10 TTM ¹	Sept. 19 TTM	Chg.
Occupancy	69.2%	84.8%	23%
ADR	\$123.00	\$207.14	68%
RevPAR	\$85.15	\$175.70	106%
EBITDA	\$2.5M	\$6.0M	144%

(1) Represents prior ownership results

Conversion Overview

- Conversion from Red Roof Inn to Fairfield Inn & Suites
- Compressed renovation timeframe to three months
- Conversion to vibrant modern design to complement the hotel's location in the heart of Chinatown

Before



After



Property Profile



Key Acquisition Metrics

- Year Built: 1975
- Room Count: 160
- Purchase Price: \$29.4M (\$184K/key)

Renovation Upgrades

- Renovation Cost: \$7.9M
- Renovation/Key: \$49K
- Highlights:
 - ▶ Fresh exterior with reconfigured entry canopy
 - ▶ Custom décor for public space and guest rooms
 - ▶ Updated all public spaces and renovated exterior

Operational Metrics

	Initial TTM ¹	Sept. 19 TTM	Chg.
Occupancy	78.1%	81.4%	4%
ADR	\$159.76	\$188.98	18%
RevPAR	\$124.85	\$153.88	23%
EBITDA	\$3.5M	\$4.1M	18%

(1) Represents Mar. 2013 TTM

Conversion Overview

- Conversion from Hollywood Heights independent hotel to Hilton Garden Inn
- Minimized revenue loss with hotel continuing to be in operation throughout the conversion
- Developed creative solutions for various layout challenges

Before



Current





PORTFOLIO TRANSFORMATION



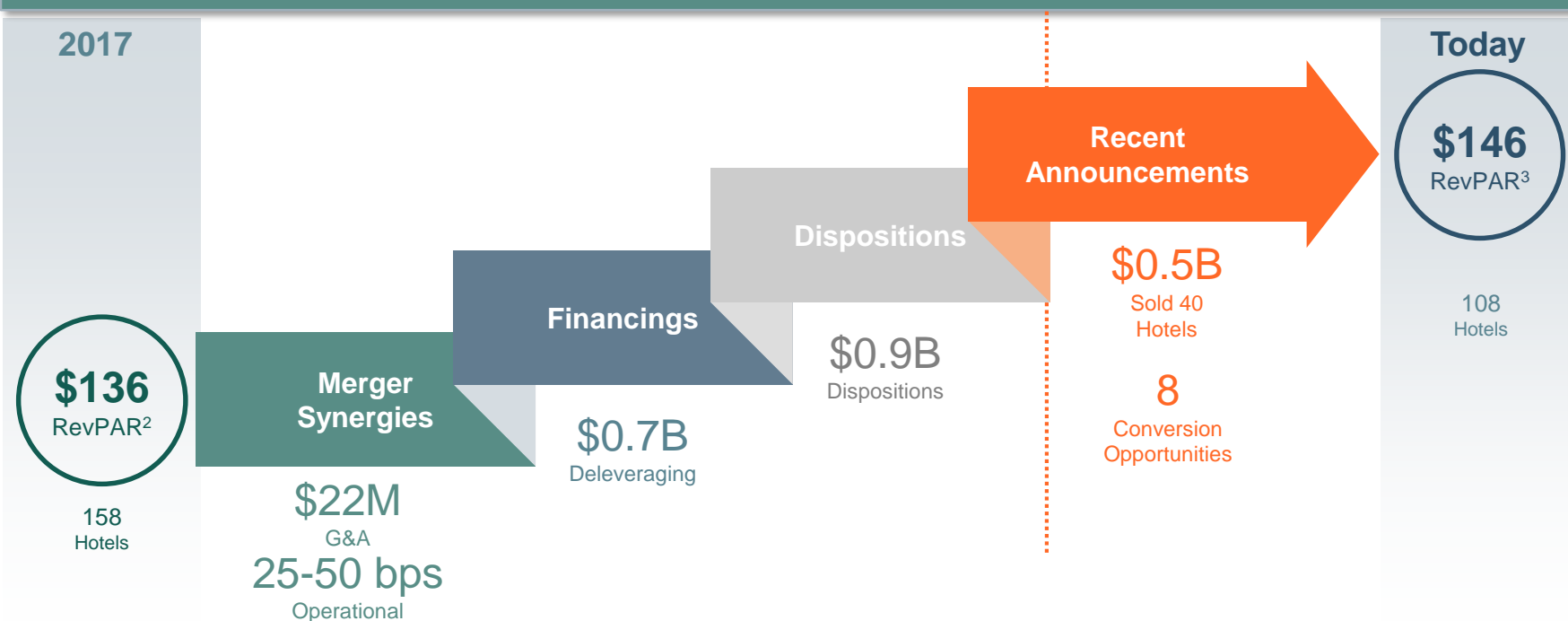
RENAISSANCE PITTSBURGH HOTEL

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Disposition of non-core hotels and termination of Wyndham are critical steps in RLJ's long-term strategy to drive shareholder value

- Since 2017, RLJ has executed its strategy and disposed of 50 hotels for \$1.4B, increased absolute RevPAR by 7%, reduced leverage to 3.2x¹ and realized \$22M of corporate synergies
- RLJ has over \$1B of investment capacity and multiple company specific catalysts to drive value

Strategic Execution is Driving Shareholder Value



1. Represents trailing twelve month Net Debt to EBITDA as of September 30, 2019.

2. Full-Year reported RevPAR as of December 31, 2017.

3. Based on YTD September 30, 2019.

Portfolio transformation enhanced growth profile and unlocked significant embedded value

Sold slow-growth, low-RevPAR assets with meaningful capital needs, improving portfolio quality

- Disposed of 39 hotels for ~\$490M at an accretive EBITDA multiple of 10.6x¹, inclusive of capital requirements
- Assets not aligned with RLJ's long-term vision, with absolute RevPAR ~\$50 below current portfolio
- Reduced exposure to slower growth submarkets within Austin and Denver

Terminated Wyndham agreements, unlocking significant embedded value

- Finalized agreement to terminate NOI guarantee effective as of the end of 2019
 - Termination payment of \$35M from Wyndham
- High quality hotels located in premium markets with outsized growth expectations
- Expect rebrandings to start in early 2021, unlocking embedded NAV potential

Elevating growth profile

- Enhancing RevPAR growth
 - Adding 50 bps to annual growth following dispositions
 - Unlocking 200 bps of incremental growth from rebranding Wyndham hotels
- Enhanced geographic footprint with increased concentration in high quality markets (NoCal, SoCal, D.C. and Charleston)

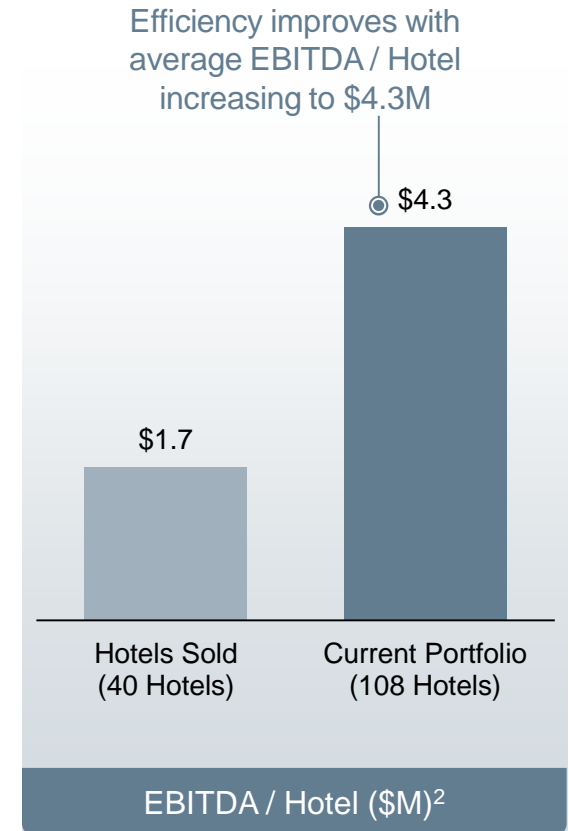
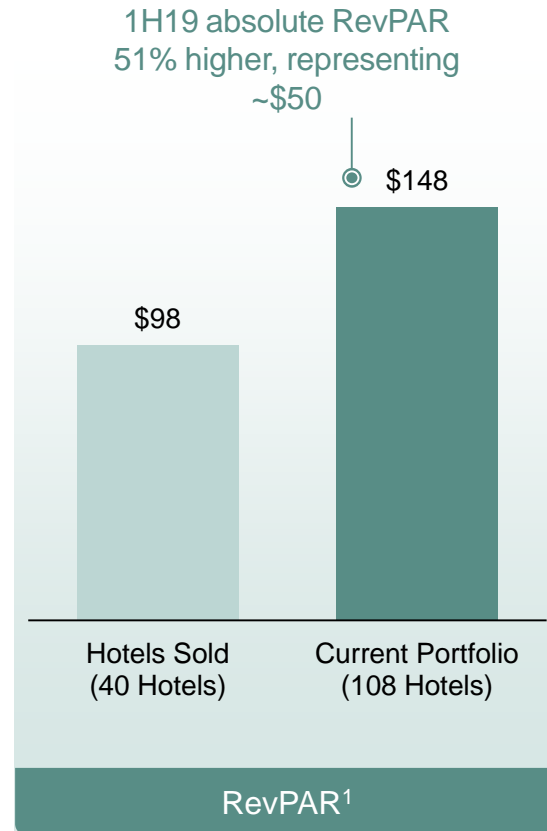
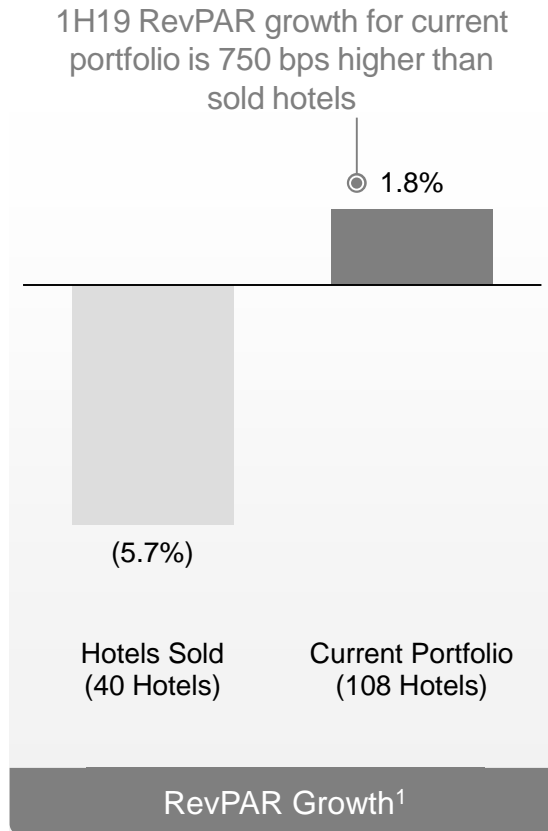
Fortress balance sheet well-positioned to pursue accretive capital allocation opportunities

- RLJ has approximately \$1B of investment capacity to pursue share repurchases, conversion/ROI and other value creation opportunities

Attractive valuation

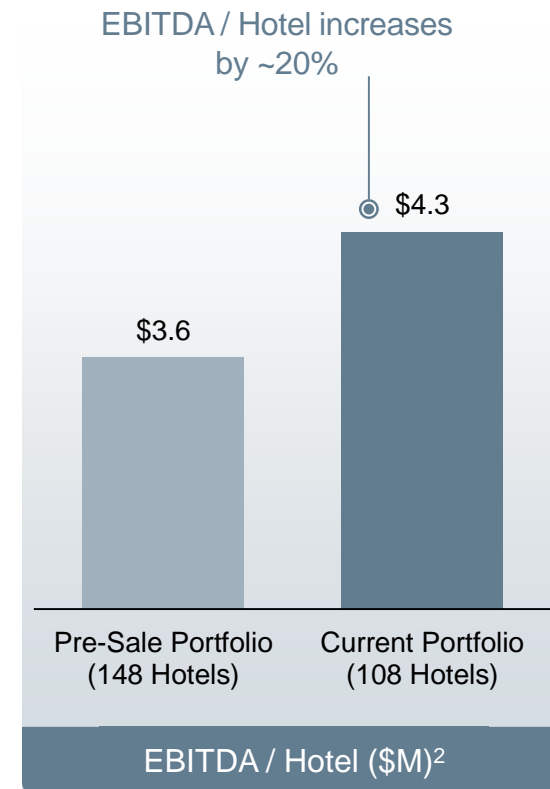
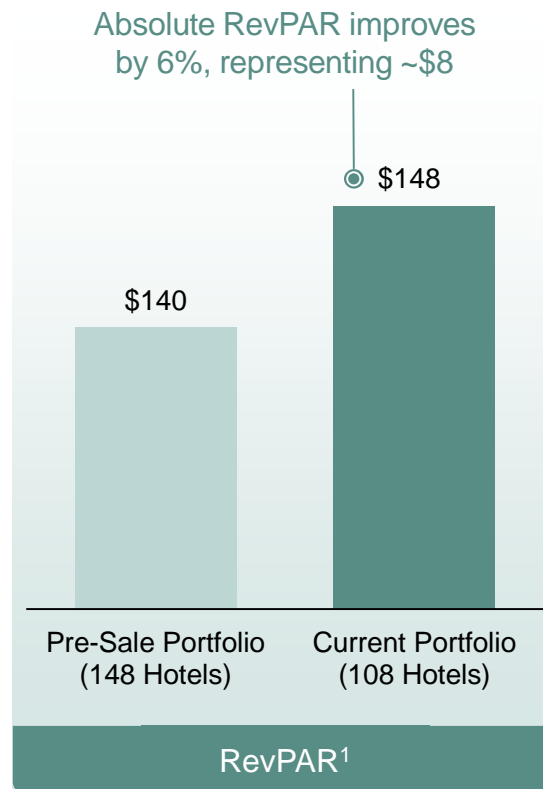
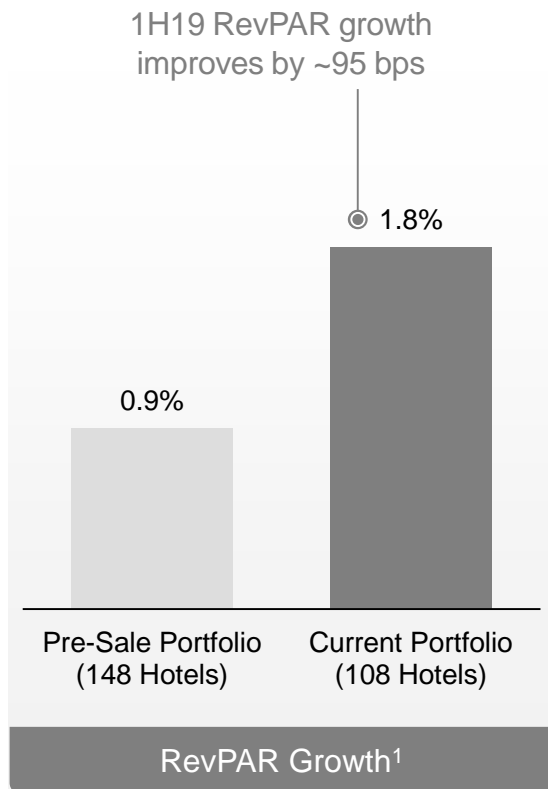
- RLJ is trading at a significant discount to NAV

Sale of slow-growth, low-RevPAR assets is transformational



1. Based on June 30, 2019
 2. Based on full-year 2018

Selling these non-core hotels further highlights the underlying quality of our portfolio



1. Based on June 30, 2019
 2. Based on full-year 2018

Increased concentration in high quality, long-term growth markets

- NoCal and SoCal now represent ~29% of EBITDA¹
- Reduced exposure to certain slow-growth, low-RevPAR submarkets of Denver, Austin and Louisville

Change in RLJ Markets

	% EBITDA			Sold Hotels	Market Commentary
	2018	2019 ¹	Impact		
1. Northern California	14%	18%	✓ +	-	Increased exposure to a core long-term growth market
2. Southern California	10%	11%	✓ +	-	Increased exposure to a core long-term growth market
3. South Florida	10%	9%	✓ +	5	Improved footprint by selling hotels in primarily compression dependent submarkets
4. Austin	7%	6%	✓ +	6	Improved footprint in core CBD
5. New York	6%	6%	✓	-	-
6. Washington, D.C.	5%	5%	✓ +	2	Improved footprint in core CBD and high-demand submarkets
7. Chicago	5%	5%	✓ +	1	Enhanced market footprint by selling one slow-growth, low-RevPAR hotel
8. Houston	5%	4%	✓ +	2	Improved footprint in the CBD/Galleria submarkets
9. Louisville	4%	4%	✓ +	3	Improved market presence by concentrating RLJ's footprint in the CBD, close to the Convention center
10. Denver	5%	3%	✓ +	8	Improved footprint by selling slow growth, low RevPAR hotels
Other	29%	29%	✓ +	13	Improved positioning by exiting several compression dependent locations and non-core markets
Total	100%	100%		40	

1. At mid-point of 2019 Hotel EBITDA outlook.

RLJ TODAY IS CLOSELY ALIGNED WITH OUR LONG-TERM VISION

HOMWOOD SUITES SEATTLE LYNNWOOD

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RLJ's current portfolio of rooms oriented, high margin, premium branded hotels is aligned with its vision of owning hotels that drive significant NAV appreciation over time



Geographically diverse portfolio, with prime locations in growth oriented markets

- Concentrated in urban markets within close proximity to primary demand generators
- ~75% of EBITDA generated from Top 25 U.S. STR markets



Affiliated with premium brand families with strong loyalty programs, superior market share and pricing power

- Marriott International, Hilton Worldwide and Hyatt Hotels brand families make up ~84% of EBITDA



Absolute RevPAR in-line with full-service hotels while generating margins similar to select-service hotels

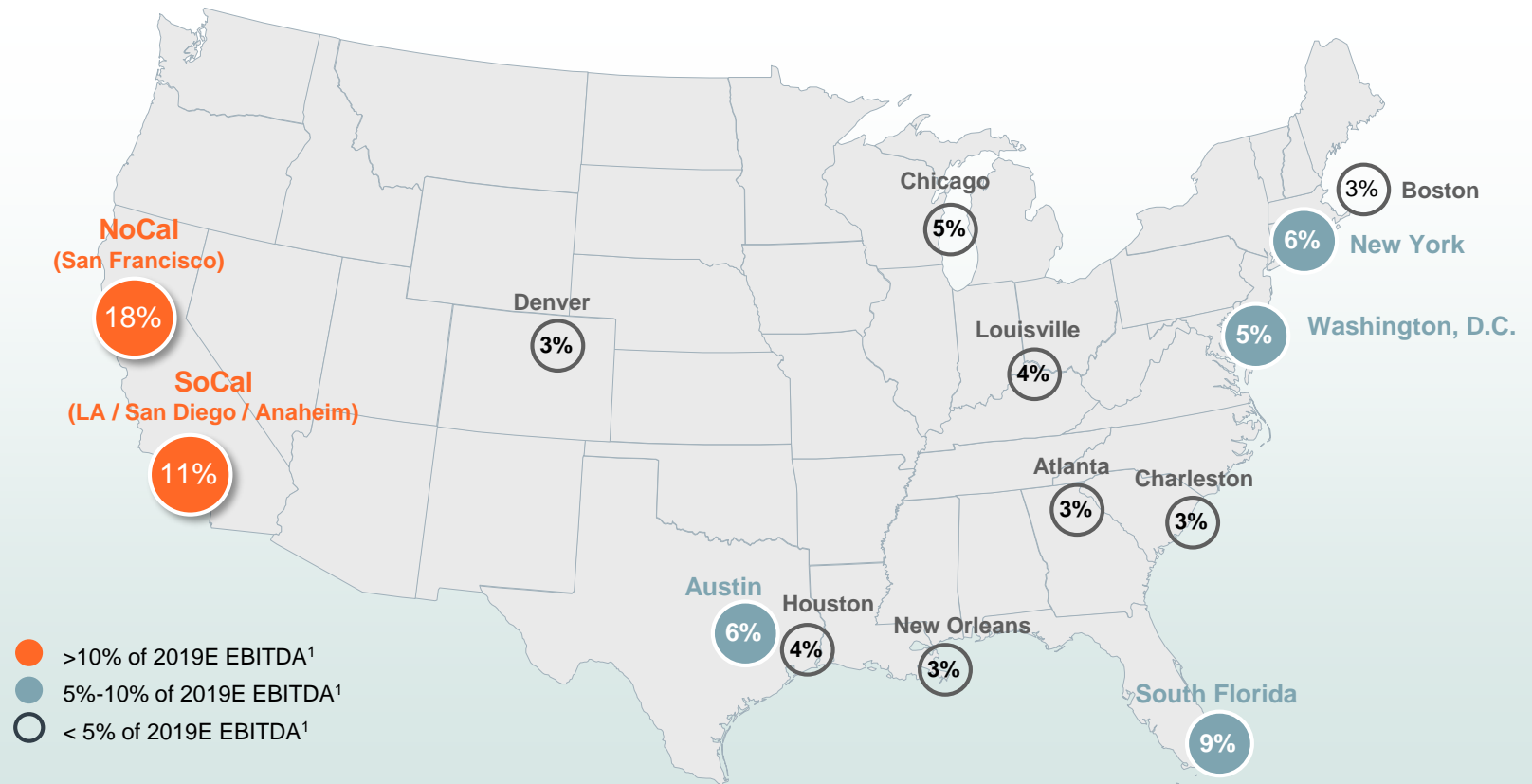
Embedded long-term growth potential



- Annual RevPAR growth expectations improve 50 bps from the disposition of 39 hotels
- Rebranding of Wyndham portfolio expected to generate 200 bps of incremental RevPAR growth over next 3 years
- Increased portfolio concentration in markets that are expected to outperform
- Improved management agreement flexibility

RLJ's current portfolio is broadly diversified with ~75% of EBITDA generated in Top 25 markets

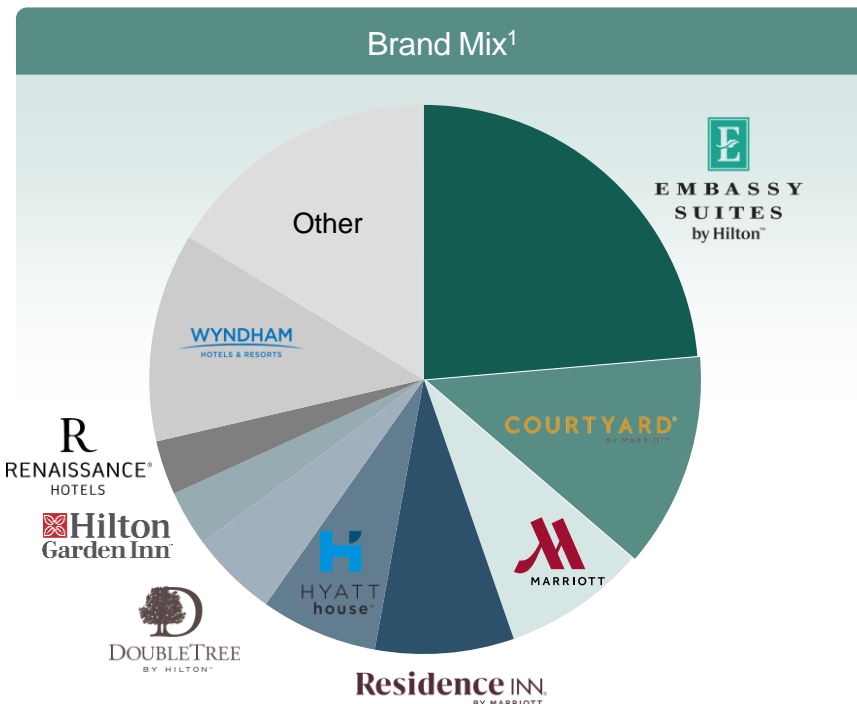
- NoCal and SoCal represent 29% of EBITDA
- Increased concentration in markets that are expected to outperform long-term



1. At mid-point of 2019 Hotel EBITDA outlook.

Portfolio of premium branded, rooms oriented hotels with high operating margins

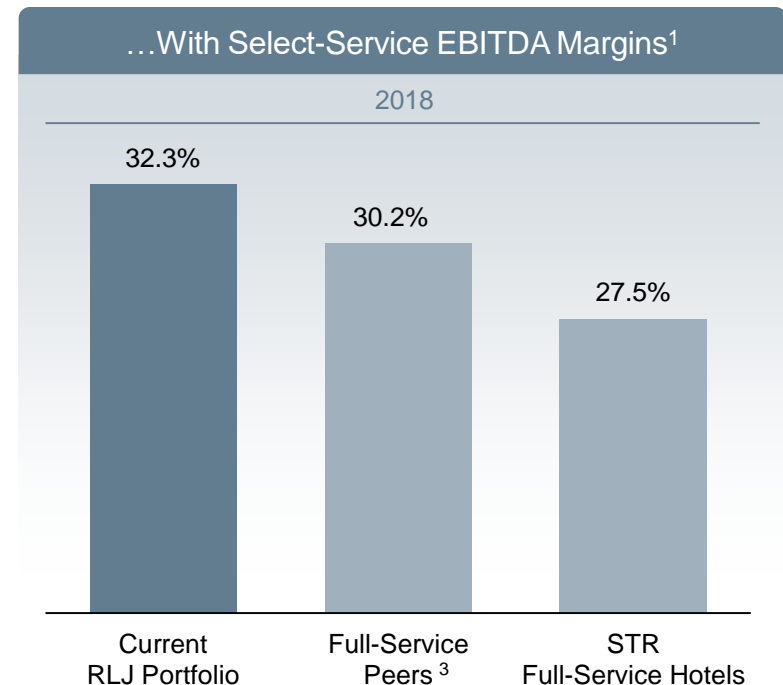
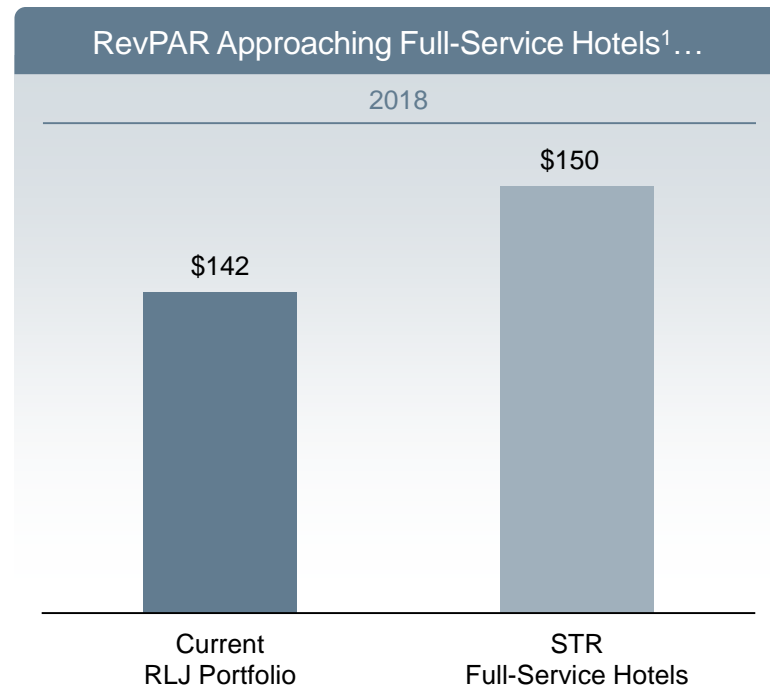
- Average of 100 to 300 rooms
- Lean operating model that generates >80% of revenues from rooms, which drives high margins
- Historically lower capex requirements on a per key basis compared to larger hotels
- Marriott, Hilton, and Hyatt represent ~84% of Hotel EBITDA



1. Based on midpoint of 2019E Hotel EBITDA outlook. Wyndham portfolio terminating as of December 31, 2019 and represents rebranding opportunity.

Our portfolio RevPAR is inline with full-service hotels and RLJ has an attractive margin profile, similar to select-service hotels

- Absolute RevPAR within ~6% of the U.S. Full-Service hotels¹
- EBITDA margins are 480 bps higher than U.S. Full-Service hotels¹ and outperforms full-service peers²
- Generates significant free cash flow



1. Represents Pro Forma 2018 actual RevPAR and margins for 108 RLJ hotels and Full-Service segment RevPAR and margins per STR HOST Almanac for year-end 2018.

2. Based on 2018 actuals.

3. RLJ's full-service peers include Host Hotels & Resorts, Xenia, Park Hotels, DiamondRock Hospitality, Sunstone Hotels and Pebblebrook Hotel Trust.

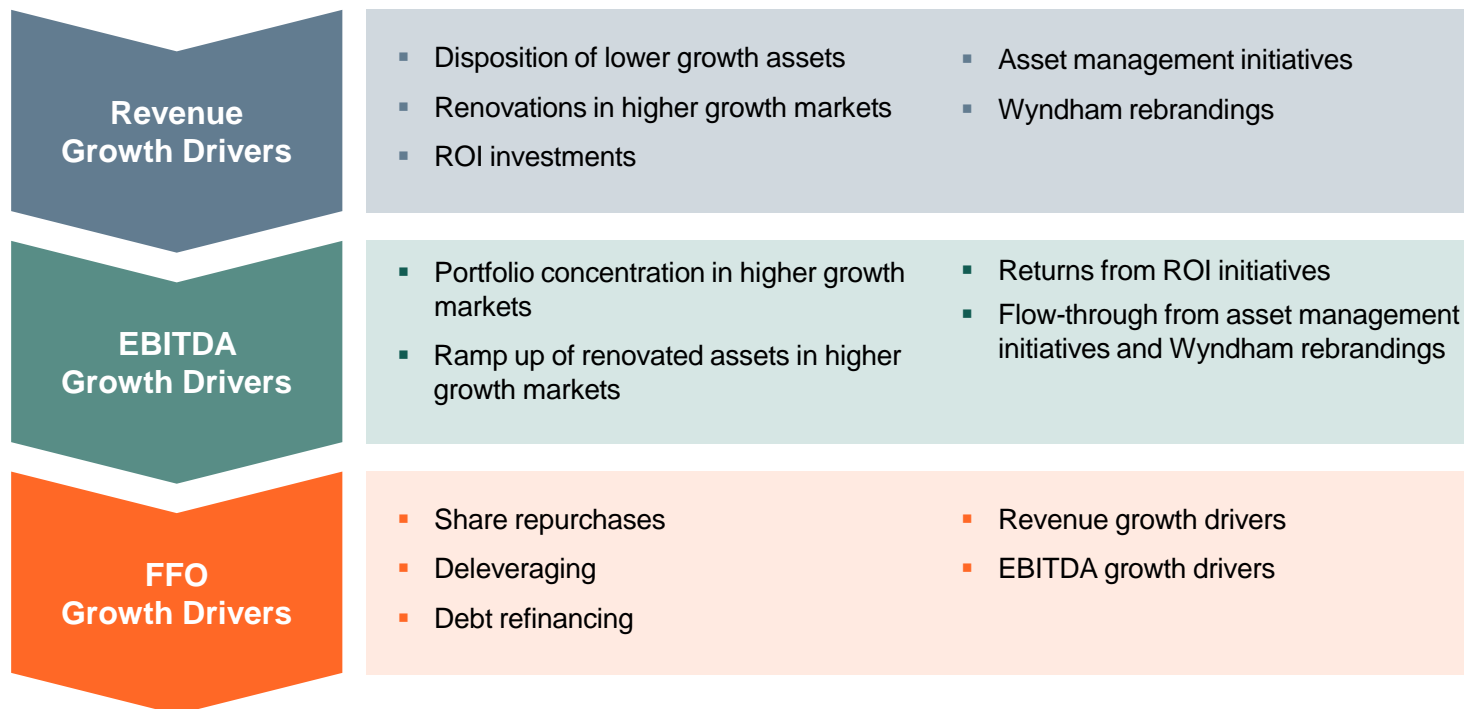


VALUATION OPPORTUNITY

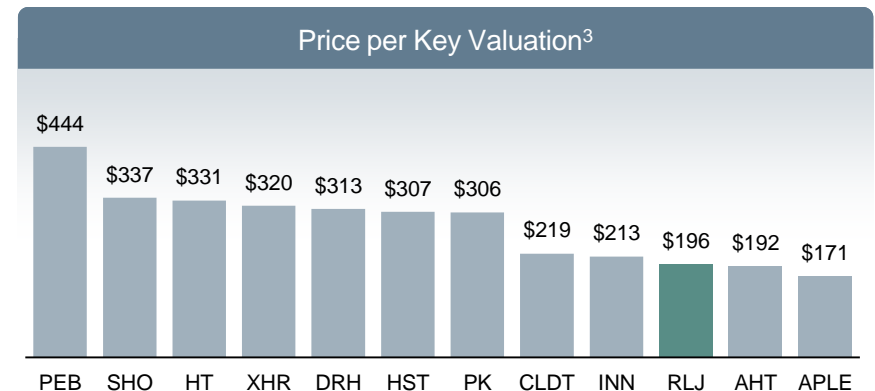
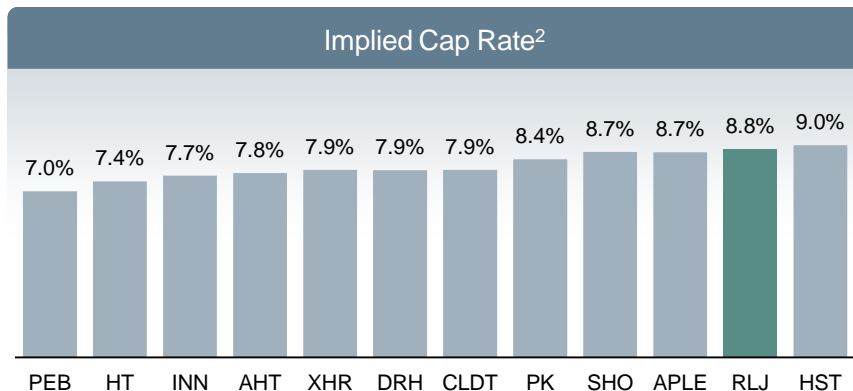
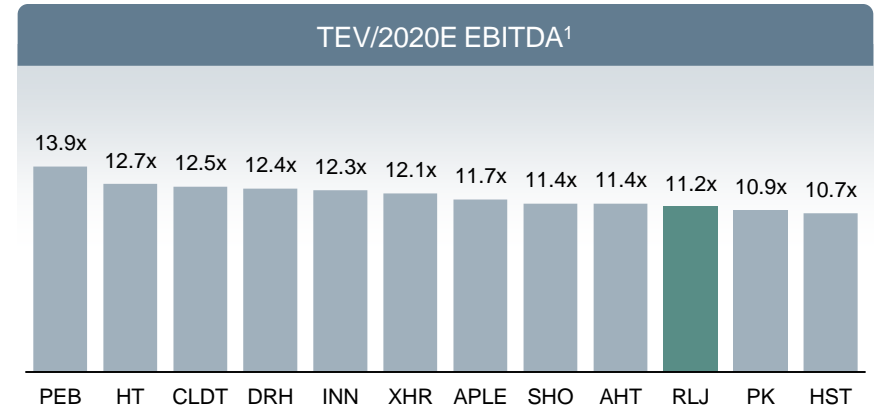
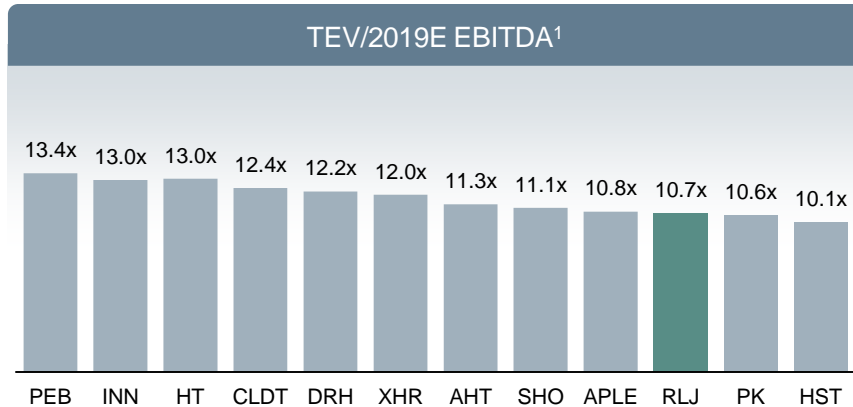
HILTON CABANA MIAMI BEACH

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Successful execution of RLJ's strategy has significantly improved Revenue, EBITDA and FFO growth potential



ATTRACTIVE RELATIVE VALUATION VS. PEERS



Notes: Actual financials are based on public filings. For market capitalization purposes, fully diluted shares include shares, units, options using the treasury method and any convertible securities. Total Enterprise Value defined as Equity Market Capitalization + Debt (at share) + Preferred Stock + Minority Interest – Cash.
Based on stock prices as of November 7, 2019.

1. EBITDA estimates based on consensus data per FactSet as of November 7, 2019.

2. 2019E Consensus NOI per FactSet and Wall Street Research.

3. Calculated as enterprise value divided by the pro rata number of rooms owned. Includes pro rata share of joint ventures.

Forward-Looking Statements

This presentation contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, 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," "may" 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, increased direct competition, changes in government regulations or accounting rules, changes in local, national and global real estate conditions, declines in the lodging industry, 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 urges 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.