

RAYMOND JAMES /
WELLS FARGO
LODGING HQ TOUR

MAY 2023



RLJ's portfolio is well-positioned to capture recovery in urban demand and to capitalize on unique internal and external opportunities to drive 2023 EBITDA growth

**URBAN MARKET
GROWTH****Urban market growth expected to drive industry growth**

- Urban markets represent two-thirds of RLJ's portfolio
- Urban market RevPAR growth exceeded the Industry in Q1 2023

**INTERNAL
GROWTH
CATALYSTS****Completed three transformative conversions with two in progress for 2023**

- The Mills House and Zachari Dunes joined Hilton's Curio Collection; The Pierside in Santa Monica launched as an independent
- 2023 Conversions underway include Hotel Tonnelle New Orleans, a Tribute Portfolio Hotel, and the DoubleTree by Hilton Houston Medical Center Hotel & Suites

**EXTERNAL
GROWTH
CATALYSTS****Acquired four high-quality, young assets in top growth markets since 2021**

- Acquisitions performing above RLJ's underwriting
- Continue to maintain acquisition pipeline and ability to execute all-cash transactions

**STRONG
BALANCE
SHEET****~\$1.1B of liquidity available for internal and external growth initiatives**

- Year-to-date repurchased \$40 million of common shares on a leverage neutral basis
- Well laddered debt maturities with no maturities until 2024 and 93% of debt fixed or hedged

**HIGH-QUALITY
PORTFOLIO****High-quality portfolio with an attractive growth profile**

- Urban-centric portfolio growth expected to exceed the Industry
- Lean operating model and efficient footprint with fewer FTEs than full-service properties

OPERATING PERFORMANCE & OUTLOOK



THE MILLS HOUSE HOTEL CHARLESTON

RLJ's performance sequentially improved each month through Q1, with Urban markets outperforming from growth in all segments of demand

Q1 RevPAR achieved 95% of 2019 levels and accelerated through the quarter

- RevPAR reached 99% of 2019 in March

Urban hotels, representing over 2/3rds of EBITDA, generated the highest RevPAR growth

- Urban RevPAR increased 36% over last year and achieved 96% of 2019, with March achieving 101%
- Urban strength was broad based, led by Southern California, D.C., Charleston, Austin, and Boston

Corporate travel recovery continued

- Business Transient demand improved 1,000 basis points from fourth quarter
- Weekday ADR exceeded 2019 throughout Q1

Group remains strong, with revenues achieving nearly 100% of 2019 levels in Q1

- Q1 group ADR achieved 111% of 2019
- 2023 group revenue pace improved to 95% of 2019, representing 1,300 basis point improvement in the year

Leisure demand remained seasonally strong, with rate growth continuing

- Leisure ADR achieved 125% of 2019, the highest of the pandemic
- Continued to benefit from Urban recovery and “hybrid” work flexibility

We expect to benefit from growth in all segments of demand, with outperformance driven by Urban markets

Provided 2Q Outlook

- Comparable RevPAR of \$155.00 to \$159.00 / Comparable Hotel EBITDA of \$121.0M to \$130.0M
- Adjusted EBITDA of \$112.0M to \$121.0M / Adjusted FFO per share of \$0.51 to \$0.57

Q2 to benefit from improvement in all segments of demand

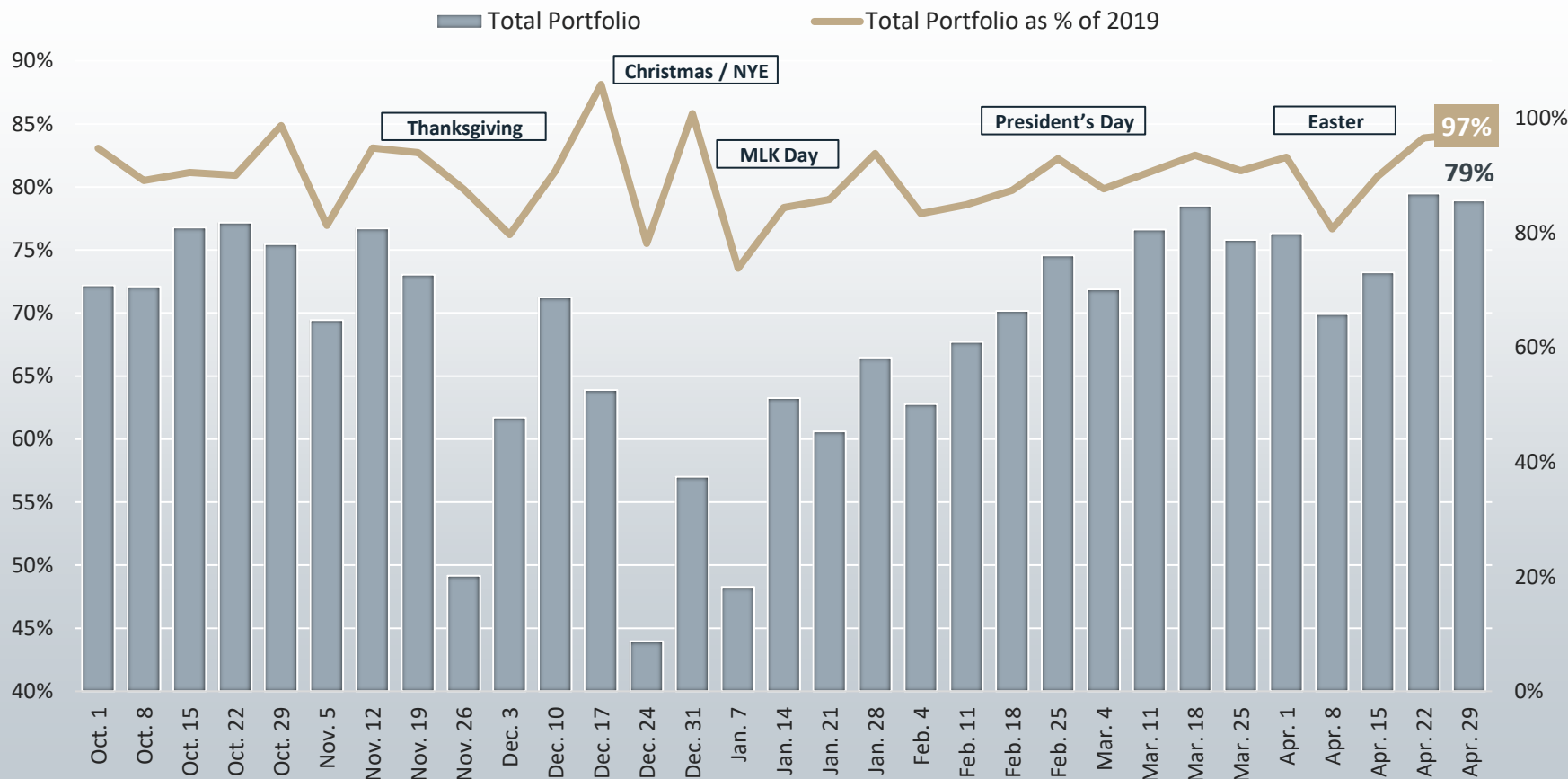
- Leisure demand should remain healthy, especially urban leisure which is benefitting from continued flexibility from the “hybrid” working environment
- As demonstrated in Q1, Business Transient should continue to improve, with corporate demand broadening
- Group demand expected to continue to strengthen, especially small social and corporate groups
- Return of international travel expected to drive incremental demand, especially in gateway Urban markets

Year-over-year RevPAR growth in 2023 expected to continue throughout the year

- Comps are easier during the first half of 2023
- Growth is expected to continue during the second half as urban markets improve
- Portfolio benefitting from continued ramp of embedded catalysts
 - Three completed conversions in ramp-up ahead of underwriting, and 2023 conversions already benefitting from flag change in advance of renovation

Occupancy continues to close the gap to 2019 levels, following normal seasonal and holiday patterns

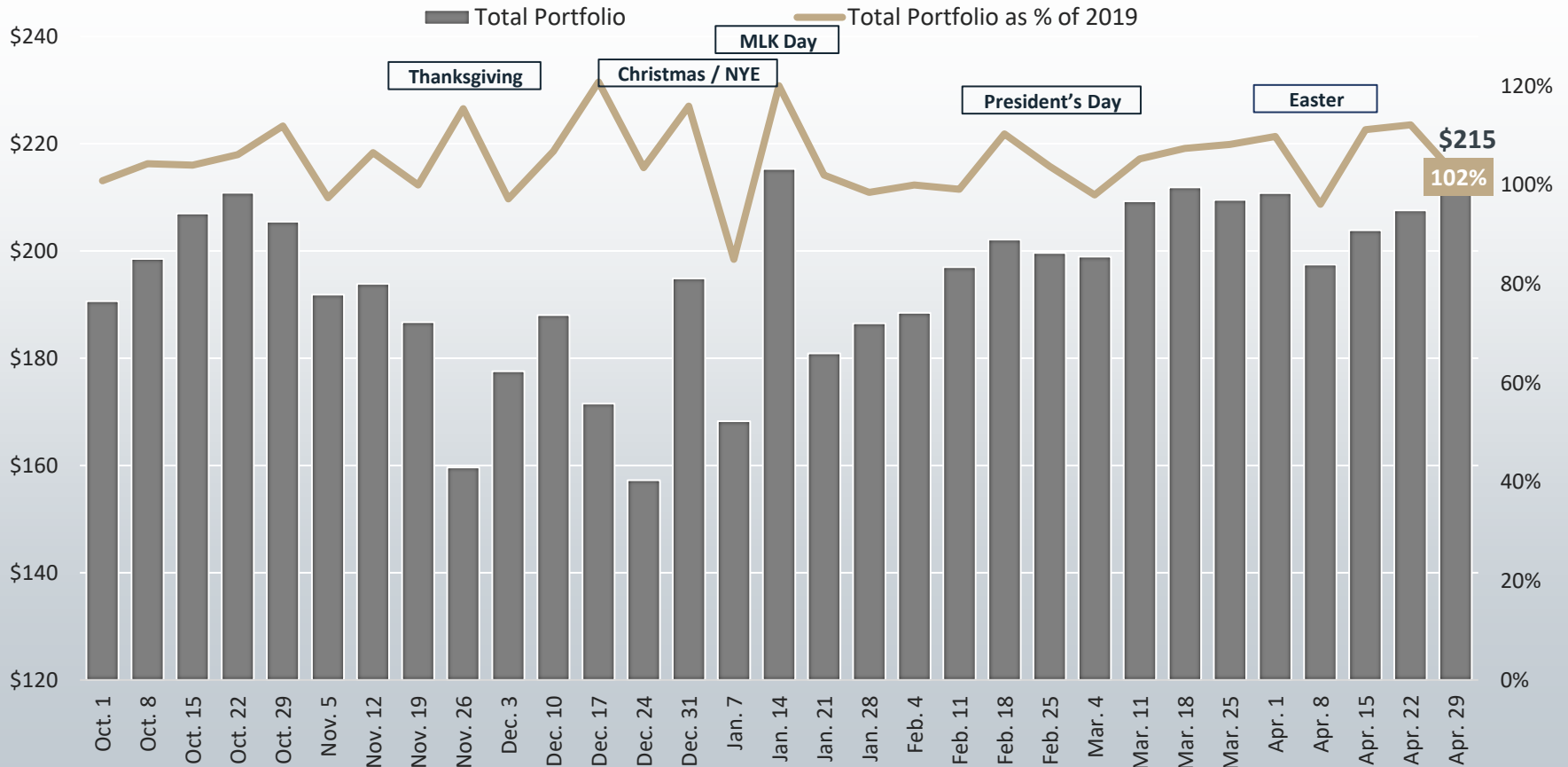
RLJ Weekly Occupancy vs % of 2019 (1)



(1) As of week ending April 29, 2023; for comparable hotels; results excludes the Chateau LeMoyné-French Quarter New Orleans, which is a fully unconsolidated hotel. Unaudited, for comparison purposes only.

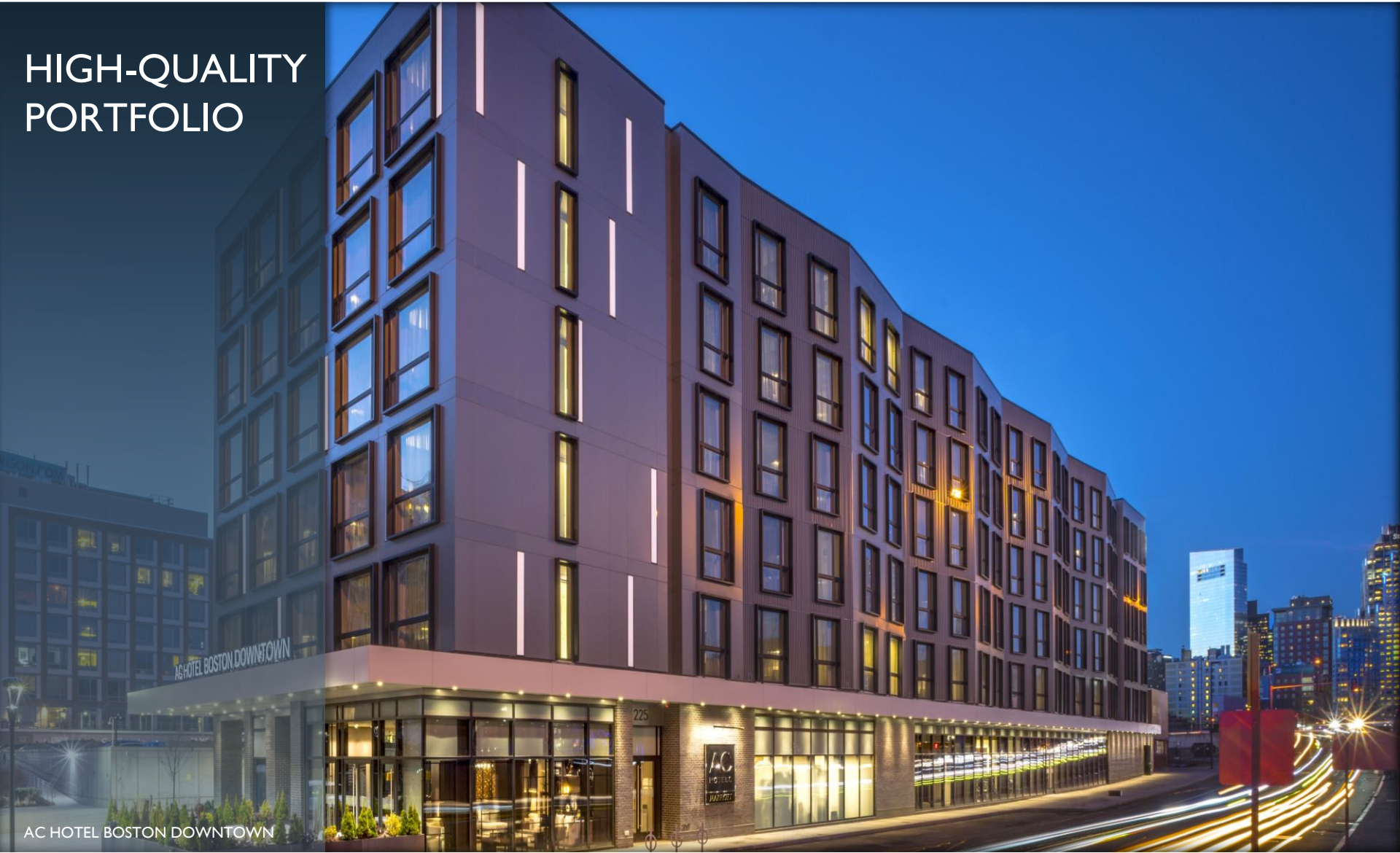
ADR continues to maintain pricing power, consistently exceeding pre-pandemic levels

RLJ Weekly ADR vs % of 2019 ⁽¹⁾



(1) As of week ending April 29, 2023; for comparable hotels; results excludes the Chateau LeMoyné-French Quarter New Orleans, which is a fully unconsolidated hotel. Unaudited, for comparison purposes only.

HIGH-QUALITY PORTFOLIO



AC HOTEL BOSTON DOWNTOWN

RLJ owns a geographically diversified portfolio of premium branded, high-margin hotels

Portfolio Overview⁽¹⁾

23

States

96

Comparable Hotels

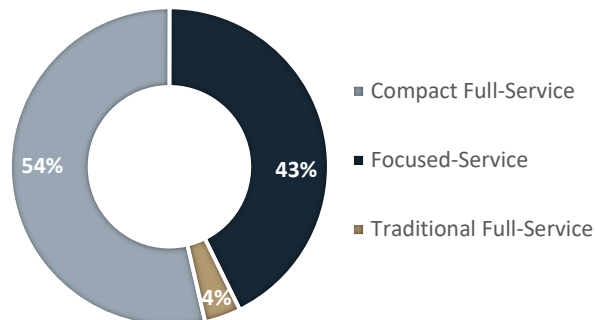
21,239

Guestrooms

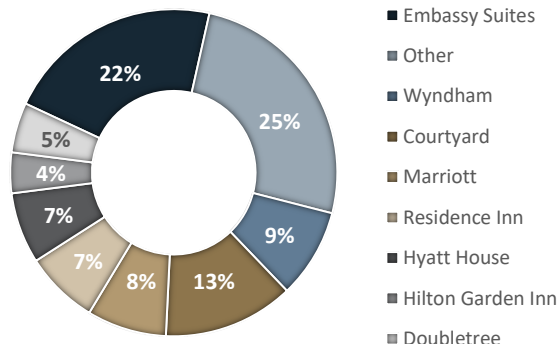
84%

Rooms Revenue Mix⁽³⁾

Property Types⁽²⁾



Flags⁽²⁾



Operating Metrics⁽³⁾

79%

Occupancy

\$185

ADR

\$146

RevPAR

\$447M

Hotel EBITDA

33.3%

Hotel EBITDA Margin

(1) As of March 31, 2023

(2) Represented as a percentage of FY 2019 EBITDA

(3) Based on FY 2019 pro forma portfolio owned as of March 31, 2023; includes recently acquired hotels on stabilized basis



URBAN LIFESTYLE

URBAN GATEWAY

RESORT

URBAN METRO

33
of HOTELS

39%
of EBITDA

\$21K
EBITDA / KEY

32
of HOTELS

36%
of EBITDA

\$22K
EBITDA / KEY

11
of HOTELS

14%
of EBITDA

\$25K
EBITDA / KEY

20
of HOTELS

11%
of EBITDA

\$16K
EBITDA / KEY

Based on pro forma FY 2019 EBITDA for hotels owned As of March 31, 2023

URBAN LIFESTYLE

PROPERTIES IN TOP URBAN SUBMARKETS THAT BENEFIT FROM SEVEN-DAY-A-WEEK DEMAND AND “BLEISURE” WITH HIGH LEISURE MIX

39% OF EBITDA⁽¹⁾



AC HOTEL BOSTON DOWNTOWN



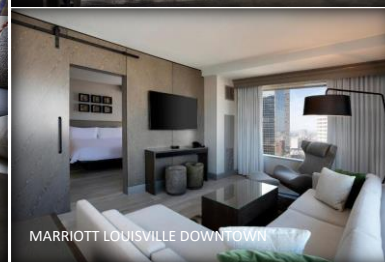
MOXY DENVER CHERRY CREEK



THE KNICKERBOCKER NEW YORK



21c HOTEL NASHVILLE



MARRIOTT LOUISVILLE DOWNTOWN



HYATT CENTRIC MIDTOWN ATLANTA

(1) Based on FY 2019 EBITDA pro forma for the portfolio owned As of March 31, 2023; excludes Chateau LeMoyne which is unconsolidated

URBAN GATEWAY

PROPERTIES LOCATED IN TOP HOTEL MARKETS IN THE U.S., THAT ARE ALSO THE NATION'S KEY ECONOMIC CENTERS

36% OF EBITDA⁽¹⁾



⁽¹⁾ Based on FY 2019 EBITDA pro forma for the portfolio owned As of March 31, 2023; excludes Chateau LeMoyné which is unconsolidated

RESORT

PROPERTIES LOCATED IN RESORT DESTINATIONS WITH
A HIGH LEISURE MIX

14% OF EBITDA⁽¹⁾



ZACHARI DUNES ON MANDALAY BEACH-HOTEL & RESORT



WYNDHAM SANTA MONICA AT THE PIER



HILTON CABANA MIAMI BEACH



EMBASSY SUITES DEERFIELD BEACH RESORT



DOUBLETREE GRAND KEY RESORT



FAIRFIELD INN & SUITES KEY WEST

⁽¹⁾ Based on FY 2019 EBITDA pro forma for the portfolio owned As of March 31, 2023; excludes Chateau LeMoyne which is unconsolidated

URBAN METRO

PROPERTIES LOCATED IN NICHE SUBMARKETS WITHIN MAJOR U.S. HOTEL MARKETS

11% OF EBITDA⁽¹⁾



EMBASSY SUITES MINNEAPOLIS AIRPORT

MARRIOTT CHICAGO MIDWAY

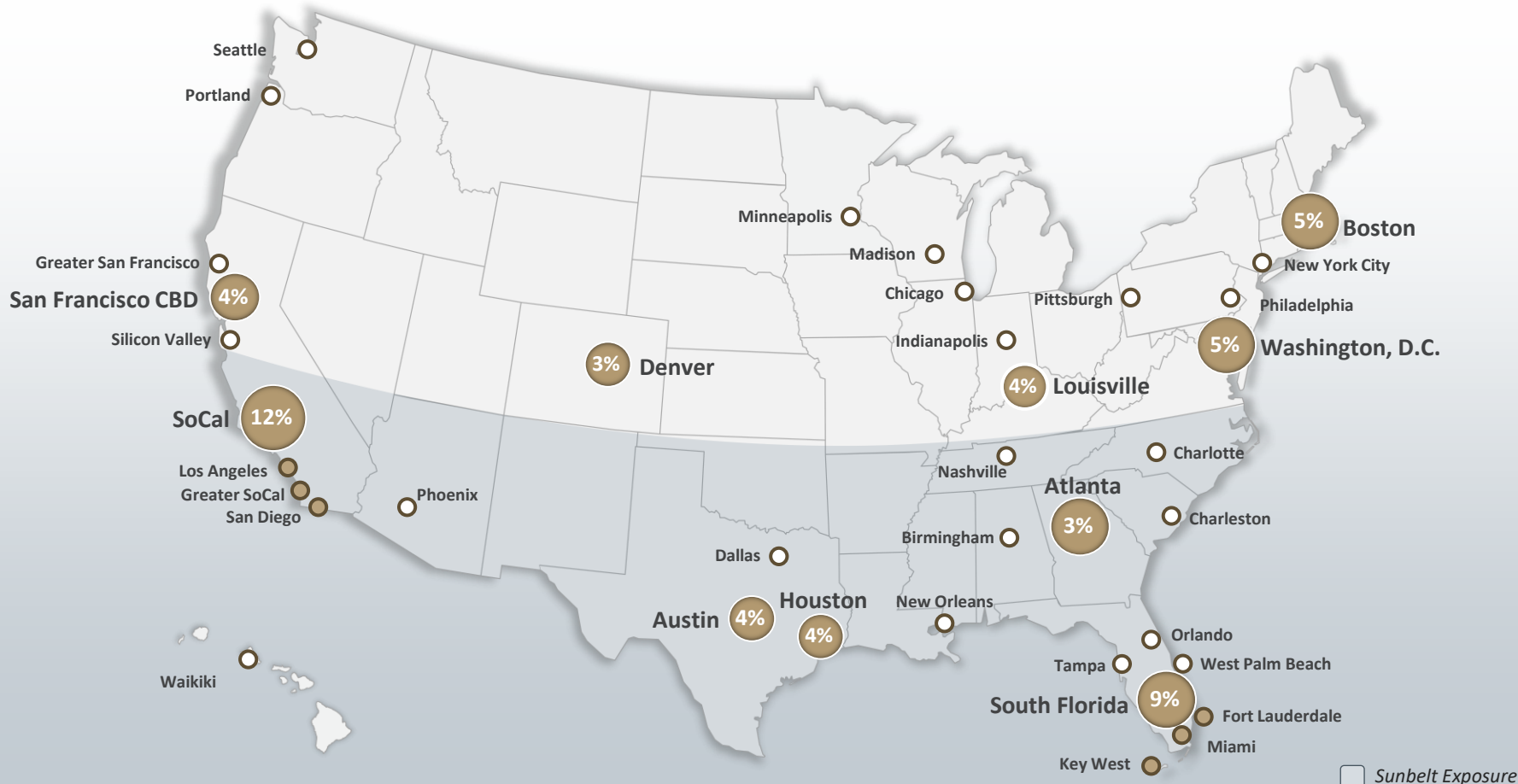
EMBASSY SUITES DALLAS LOVE FIELD

HYATT PLACE MADISON DOWNTOWN

⁽¹⁾ Based on FY 2019 EBITDA pro forma for the portfolio owned As of March 31, 2023; excludes Chateau LeMoyné which is unconsolidated

RLJ's footprint in top Urban markets is well-positioned to capture recovery in all segments

- Sunbelt markets represent 51% of RLJ's Hotel EBITDA⁽¹⁾
- Over 2/3^{rds} of RLJ's portfolio is concentrated in Urban markets⁽¹⁾



Note: Shaded submarkets are included in larger percentages where applicable





(1) Based on FY 2019 EBITDA pro forma for the portfolio owned as of March 31, 2023; excludes Chateau LeMoyne which is unconsolidated

EXTERNAL GROWTH CATALYSTS



21C HOTEL NASHVILLE

RLJ accretively deployed capital into four high-quality acquisitions in top growth markets

HAMPTON INN & SUITES ATLANTA MIDTOWN	AC HOTEL BOSTON DOWNTOWN	MOXY DENVER CHERRY CREEK	21C HOTEL NASHVILLE
			
<p>186 KEYS</p> <p>\$150 STABILIZED REVPAR</p> <p>2020 YEAR BUILT</p>	<p>205 KEYS</p> <p>\$200 STABILIZED REVPAR</p> <p>2018 YEAR BUILT</p>	<p>170 KEYS</p> <p>\$170 STABILIZED REVPAR</p> <p>2017 YEAR BUILT</p>	<p>124 KEYS</p> <p>\$260 STABILIZED REVPAR</p> <p>2017 YEAR REDEVELOPED</p>
<p>~8.0 - 8.5% STABILIZED NOI YIELD</p>	<p>~7.5 - 8.0% STABILIZED NOI YIELD</p>	<p>~8.0 - 8.5% STABILIZED NOI YIELD</p>	<p>~8.0 - 8.5% STABILIZED NOI YIELD</p>

INTERNAL GROWTH CATALYSTS



ZACHARI DUNES ON MANDALAY BEACH

Conversions, Revenue Enhancement and Margin Expansion opportunities represent a significant source of value creation

Property	Project	Incremental Investment ⁽¹⁾	EBITDA ⁽²⁾	Value Creation ⁽³⁾	Unlevered IRR
2022 Conversions					
Wyndham Santa Monica	Conversion to Independent	\$10.0M to \$11.0M	\$2.0M to \$3.0M	\$120M	40%+
Wyndham Mills House	Conversion to Curio Brand	\$6.0M to \$7.0M	\$2.0M to \$3.0M		
Embassy Suites Mandalay Beach	Conversion to Curio Brand	\$12.0M to \$13.0M	\$3.0M to \$4.0M		
Revenue Enhancements					
Completed ROIs	Space initiatives and operational	\$5.0M	\$3.0M	\$120M	50%+
Near-Term ROIs	Space initiatives and operational	\$3.0M to \$4.0M	\$6.0M to \$8.0M		
Margin Expansion					
Amended Agreements	Renewals	--	\$4.0M / 30 bps	\$85M	--
2022-2023 Renewals	Renewals	--	\$3.0M / 20 bps		
Aggregate		\$36 to \$40M	\$23M to \$28M	~\$325M	--

(1) For conversions, incremental investment calculated as additional investment required for conversion vs normal renovation

(2) Stabilized EBITDA

(3) Assumed 14x stabilized EBITDA for Conversions and 12x average industry mid-cycle multiple for Revenue Enhancements and Margin Expansion initiatives

Completed 2022 conversions poised to significantly exceed initial underwriting



ZACHARI DUNES ON MANDALAY BEACH

\$30 - \$40 **\$3M - \$4M** **40%+**
 INCREMENTAL INCREMENTAL UNLEVERED
 REVPAR⁽¹⁾ EBITDA⁽¹⁾ IRR

- Reinvented as a high-quality, lifestyle Curio Collection resort and 1 of only 2 Hilton resorts on the west coast
- Re-concepted F&B / elimination of comp services drives incremental profitability



THE MILLS HOUSE HOTEL CHARLESTON

\$30 - \$40 **\$2M - \$3M** **50%+**
 INCREMENTAL INCREMENTAL UNLEVERED
 REVPAR⁽¹⁾ EBITDA⁽¹⁾ IRR

- Repositioned as a Curio Collection to attract top Hilton Honors members and higher ADR
- Enhance F&B to drive out-of-room spend



THE PIERSIDE SANTA MONICA

\$50 - \$60 **\$2M - \$3M** **40%+**
 INCREMENTAL INCREMENTAL UNLEVERED
 REVPAR⁽¹⁾ EBITDA⁽¹⁾ IRR

- Redeveloped as an Independent Lifestyle to capture ADR opportunities within market
- Enhances margins by 400 to 500 bps
- Expected to unlock significant value given cap rate compression with up-branding

(1) Annual, upon stabilization based on underwriting

Mandalay Beach Embassy Suites relaunched as The Zachari Dunes, joining Hilton's Curio Collection

BEFORE



AFTER



Wyndham Charleston converted to The Mills House Hotel, joining Hilton's Curio Collection

BEFORE



AFTER

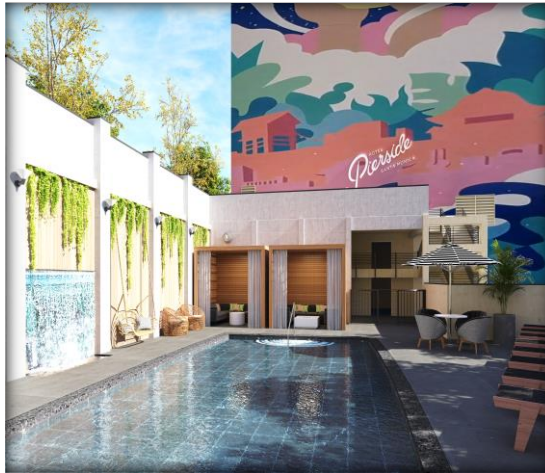


Santa Monica Wyndham converted to an Independent hotel

BEFORE

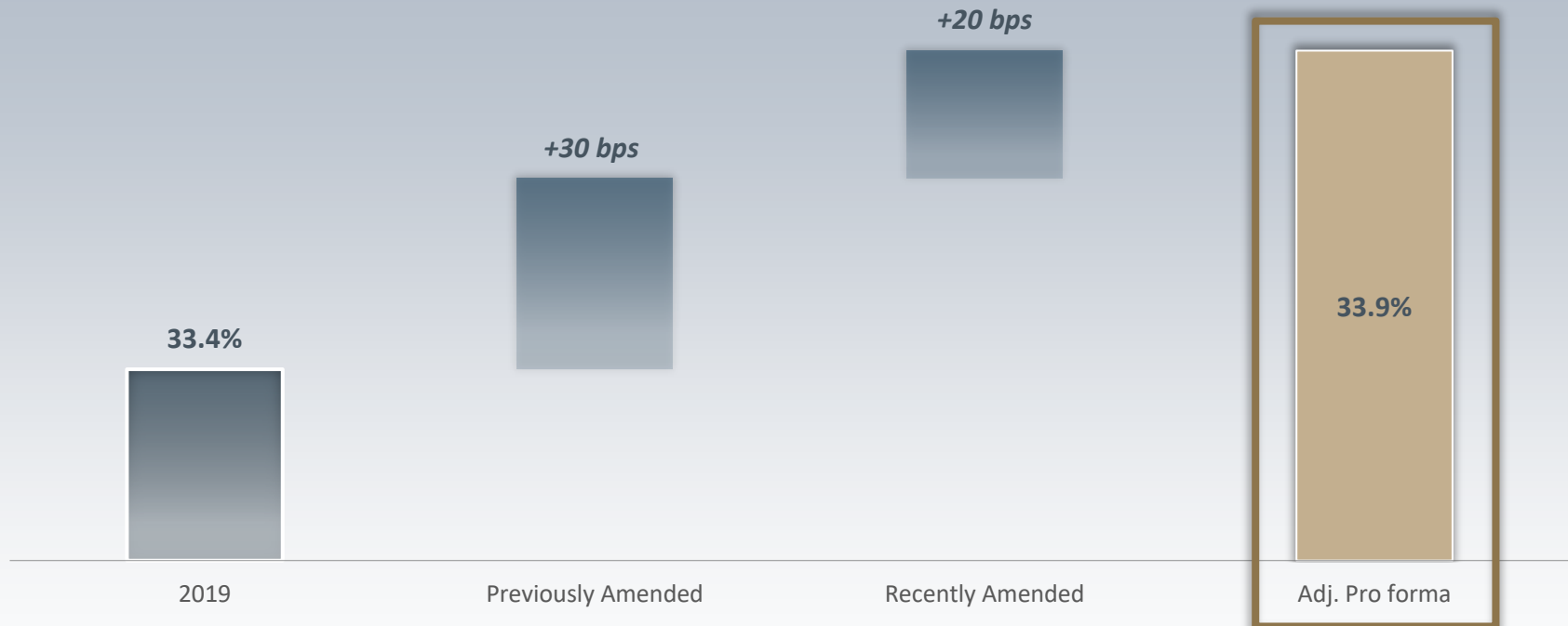


AFTER



Recent amendments have added ~50 bps of incremental margins

Embedded Value From Completed Contract Amendments



Total margin lift incremental to expected industrywide post COVID-19 EBITDA margin expansion

Incremental conversions and value-add opportunities to unlock significant embedded value over multiple years



CONVERSION & INCREMENTAL OPPORTUNITIES INCLUDE:

~ 20%⁽¹⁾ OF PORTFOLIO

- Brand expirations
- Conversions with renovations
- Embedded real estate value creation potential in “Incremental Opportunity” assets
- Incremental ROI opportunities

- Remix customer base
- Drive higher ADR
- Gain Market Share



Expect to execute two incremental conversions per year

⁽¹⁾ Consolidated, based on 2019 Hotel EBITDA

In 2023 RLJ is repositioning the former Houston Medical Center as a DoubleTree and the Garden District Hotel is joining Marriott's Tribute portfolio



HOTEL TONNELLE NEW ORLEANS (RENDERING)

HOTEL TONNELLE NEW ORLEANS

MARKET / SUBMARKET HIGHLIGHTS

- New Orleans is a top leisure, drive-to market
- Located in heart of New Orleans Historic Garden District

VALUE CREATION OPPORTUNITY

- Reposition as a Tribute Portfolio Hotel, joining Marriott's family of independent boutique hotels
- Capture higher rated Marriott Bonvoy guests
- Enhance F&B/meeting space to drive higher out-of-room spend
- Cap rate compression with up-branding
- Conversion scope includes:
 - Guestroom renovation , reimagined public / F&B space, meeting space expansion, outdoor seating & street presence



DOUBLETREE HOUSTON MEDICAL CENTER (RENDERING)

DOUBLETREE HOUSTON MEDICAL CENTER

MARKET / SUBMARKET HIGHLIGHTS

- Hotel located across from the Texas Medical Center
 - Texas Medical Center is home to 60 medical institutions, as one of the largest medical facilities in the world

VALUE CREATION OPPORTUNITY

- Opportunity to drive higher ADR and capture increased share by executing a comprehensive renovation
 - Capture higher rated Hilton Honors guests and drive market share
 - Rebranding captures significant lift in ADR, already in the market
 - Suite build ideal for extended stay demand
- Conversion scope includes:
 - Guestroom renovation, key and meeting space expansion, enhanced F&B options, and reimagined lobby

STRONG
LIQUIDITY
& BALANCE
SHEET



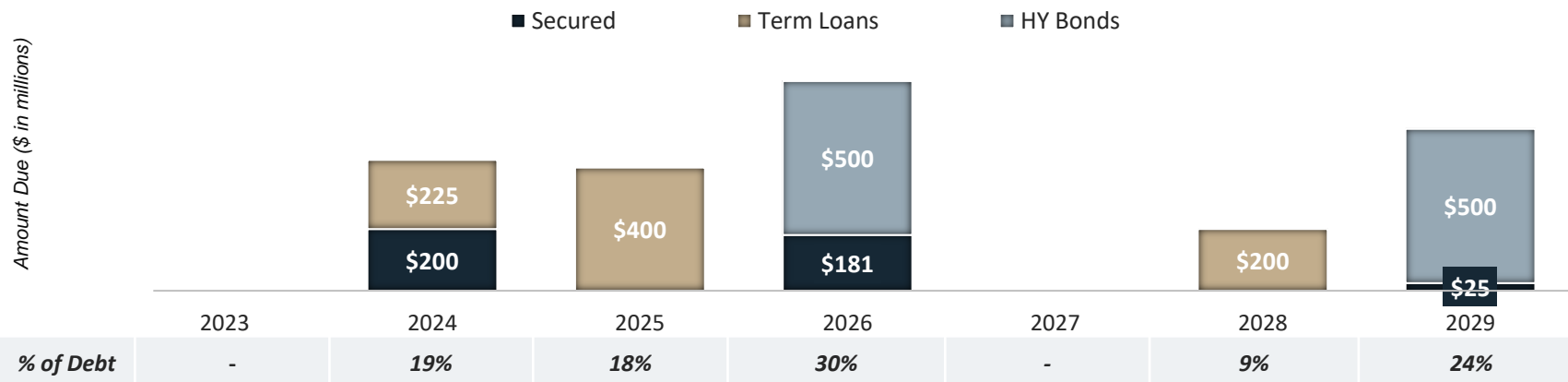
MARRIOTT LOUISVILLE DOWNTOWN

RLJ has a strong balance sheet and well-staggered debt maturity profile with no debt maturities until 2024

RLJ maintains best-in-class balance sheet

- ~\$1.1B of liquidity, comprising of ~\$474M of unrestricted cash and \$600M available under the revolving credit facility
- Extended maturities on \$425M of debt, maintaining a fully undrawn line of credit
- 93% of debt is currently fixed or hedged
- Year-to-date, have repurchased \$40M of stock, at an average price of \$10.22 on a leverage neutral basis
- Increased dividend by 60% to \$0.08 per common share in Q1

Debt Maturity Schedule ⁽¹⁾



(1) As of March 31, 2023, assumes all extension options are exercised. 2029 maturity includes \$25M of secured debt.

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HIGH-QUALITY PORTFOLIO

High-quality portfolio with an attractive growth profile

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CORPORATE RESPONSIBILITY



HILTON CABANA MIAMI BEACH

Our sustainability strategy aligns our ESG objectives with our commitment to generate long-term stakeholder value



In recognition of the strategic importance of increasing environmental efficiency we...

- Achieved cost reductions through investment in energy, carbon and water efficiency projects across our portfolio
- Routinely track asset efficiency profile to monitor progress and identify opportunities for continued cost and energy reductions



Our commitment and leadership on social responsibility continues with...

- Supporting communities through inclusive labor practices, policies and philanthropic volunteer and donation programs that encourage a culture of generosity and community engagement
- Maintaining a diverse and inclusive culture at all levels of our organization from associate to board membership



We are strengthening our approach to governance by...

- Maintaining transparency with investors on our strategic approach to ESG performance
- Having formed a Corporate Responsibility Committee, reporting to the Board of Trustees

Our sustainability strategy aligns our ESG objectives with our commitment to generate long-term stakeholder value

D

Drive revenue growth by following a disciplined investment strategy and through aggressive asset management

R

Reduce cost through investments in energy and water conservation and other “greening” efforts

I

Improve our human capital by championing our corporate culture of diversity and inclusivity, to boost motivation, attract top talent and retain associates

V

Validate our sustainability commitments through external benchmarking and transparent reporting

E

Expand our engagement with our partners, suppliers and the communities in which we operate

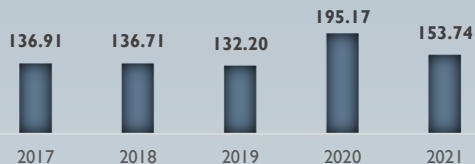
Our longstanding commitment to ESG is evidenced by...

ENVIRONMENTAL

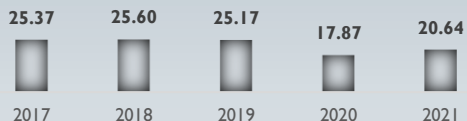
- 77% of our properties have equipped guestrooms with digital thermostats
- 76% of our properties utilize an environmental management system, while 73% have low-flow toilets, faucets, or showerheads
- 40% cost savings on water & carbon reduction investments



Greenhouse Gas Intensity (kgCO2e)



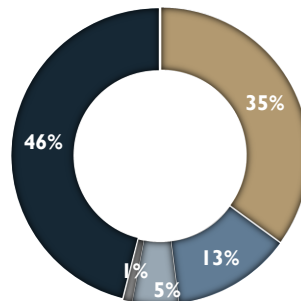
Water Intensity (Gal)



Energy Intensity (kWh)

SOCIAL

Associate Ethnicity



African American Asian Hispanic Other White

- 56% of trustees are ethnically diverse, with 33% female
- Over half of RLJ's corporate employees are ethnically diverse, with 56% female
- RLJ is active in social contribution with over \$4 million in donations and 427 service hours among associates

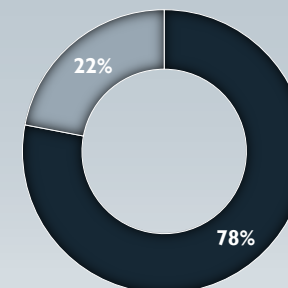
PARTNERSHIPS



GOVERNANCE

- Maintain a highly diverse and independent Board, and committed to continuing refreshment
 - 7 of 9 trustees are independent, including all members of our Board Committees
 - 3 of 9 trustees are women
 - 5 of 9 trustees are ethnically diverse
 - Trustee skills, qualifications and experience matrix are disclosed in proxy statements
- Robust Code of Business Conduct and Ethics to consistently guide and set our ethical standards across our Company
- Robust policy development centered around ethics and risk mitigation

Board Independence



Independence Executive Chairman & CEO

This 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, 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 our actual results could differ materially from those set forth in the forward-looking 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 on Form 10-K for the year ended December 31, 2022, which will be filed on February 28, 2023, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.