



RLJ | Lodging Trust

RLJ: WELL-POSITIONED FOR LONG-TERM GROWTH
NOVEMBER 2018



RLJ LODGING TRUST PROFILE

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Note: Unless otherwise noted, all figures as of November 2, 2018 and exclude Chateau LeMoyne-French Quarter New Orleans, an unconsolidated joint venture. 2017 pro-forma statistics reflect the 150 hotel portfolio owned as of November 2, 2018.

Attractive Hotel Investment Platform

- Strategy, diversification, and scale drive value for shareholders
- High-quality portfolio with RevPAR approaching full-service hotels with higher margins
- 150 hotels with over \$570M in 2017 Hotel EBITDA across 25 states¹

Differentiated Investment Strategy and Disciplined Capital Allocation

- Differentiated investment strategy yields superior risk-adjusted returns
- Premium-branded rooms-oriented, high-margin assets located in diversified markets with favorable long-term growth
- Strong and flexible balance sheet, with conservative leverage, low cost of debt and no significant near-term maturities

Value Creation Opportunities Embedded in Portfolio

- Near-term disposition initiatives will further enhance the portfolio quality
- Long-term rebranding/conversion and other capital allocation initiatives expected to create opportunities for long-term growth

Proven Capital Allocation Track Record

- The NOI yield on recent acquisitions (since 2014) has increased from 6.8% to 9.0% via a 47% increase to NOI
- Executed nearly \$1 billion of non-core asset sales since late 2016 at an average EBITDA multiple of 17x
- Generated an estimated 23% ROI on brand conversions

1. Pro forma statistic for the 150 hotels owned as of November 2, 2018.

Capital Allocation

- Sold the Embassy Suites Napa Valley for \$102.0 million in July, representing a 14.6x EBITDA multiple and a 6.1% cap rate on May 2018 TTM results
- Sold the Vinoy Renaissance St. Petersburg Resort & Golf Club in August for a total of \$188.5 million, at a 19.6x EBITDA multiple and 3.9% cap rate on July 2018 TTM results
- Sold the DoubleTree Burlington for \$35.0 million in September at a 17.3x EBITDA multiple and 4.5% cap rate on August 2018 TTM results, inclusive of required capital expenditures
- Sold Holiday Inn Fisherman's Wharf 243-room Annex building for \$75.3 million in gross proceeds in October at a 18.8x EBITDA multiple and 4.4% cap rate on September 2018 TTM results

Balance Sheet

- \$425 million in unrestricted cash as of September 30, 2018 provides ample liquidity
- Repaid approximately \$635 million in debt in 2018 including the \$85 million mortgage loan secured by the Knickerbocker Hotel in November, using proceeds from asset sales
- Maintained a net debt to Adjusted EBITDA ratio for the trailing twelve months ended September 30, 2018 of 3.5x

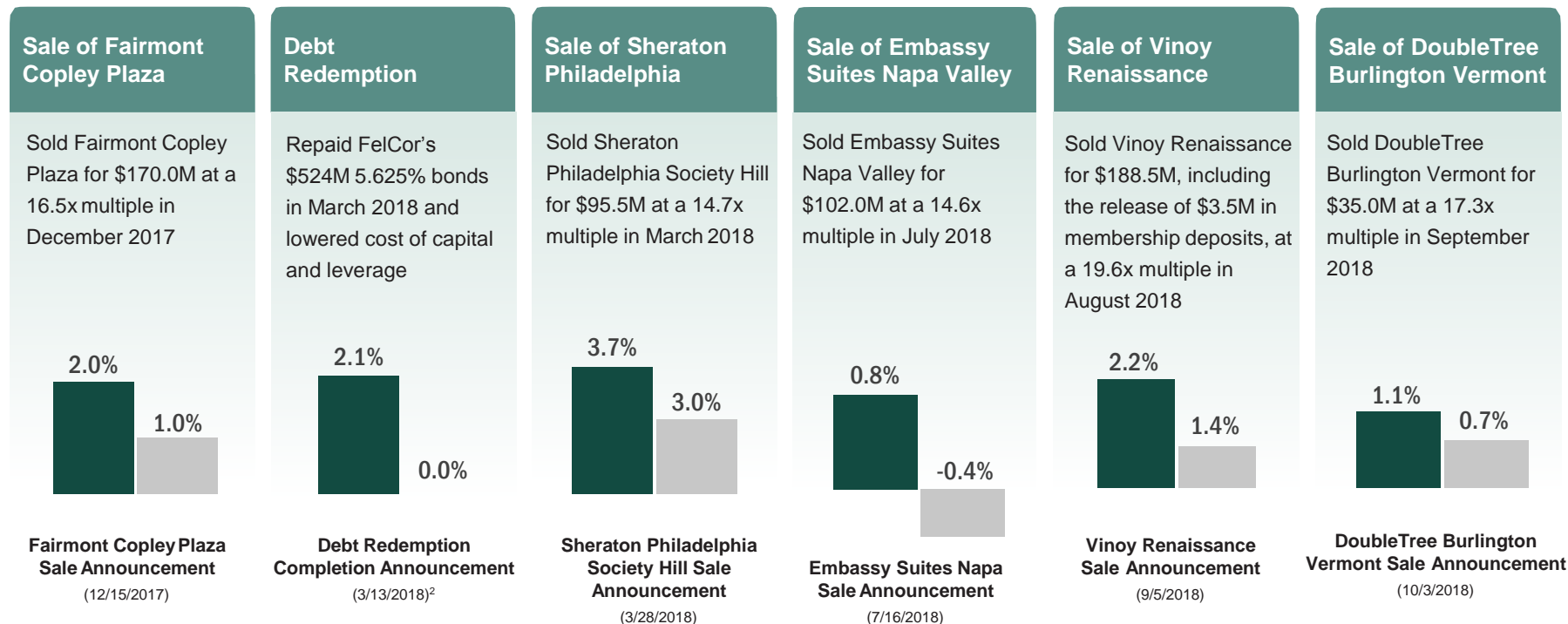
Operational

- Pro forma RevPAR of -0.1% year-to-date¹
- Pro Forma Hotel EBITDA Margin of 32.7% year-to-date¹
- 3Q operating costs increased just 2.4%

1. Pro forma statistics assume properties had been owned for the full comparable period as of September 30, 2018.

MARKET IS RESPONDING FAVORABLY TO STRATEGIC PRIORITIES

As RLJ continues to execute on its stated strategy post FelCor merger, it has outperformed peers by about 210 basis points since mid-November 2017



Price Returns vs Peers

■ RLJ Lodging Trust ■ Peers¹

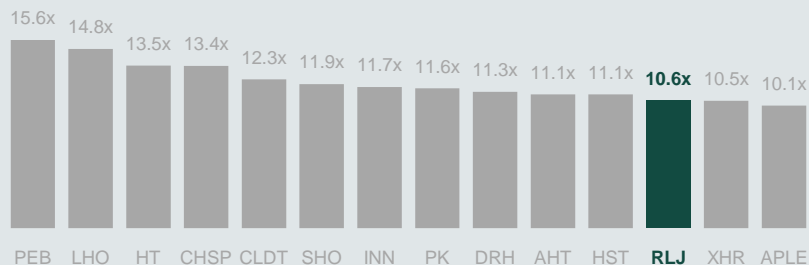
Note: FactSet data

1. Peers include APLE, CHSP, CLDT, DRH, HPT, HST, HT, INN, PK, SHO, and XHR.

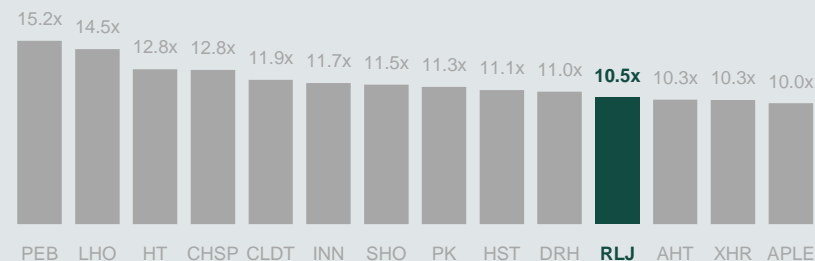
2. Press release was disseminated on March 12, 2018 after market close.

ATTRACTIVE RELATIVE VALUATION VS. LODGING REIT PEERS

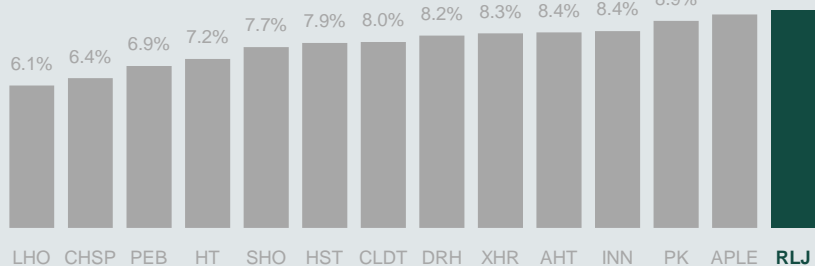
TEV/2018E EBITDA¹



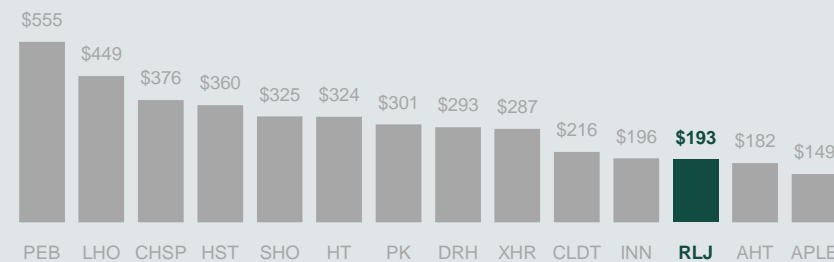
TEV/2019E EBITDA¹



Implied Cap Rate²



Price per Key Valuation³



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 2, 2018.

1. EBITDA estimates based on consensus data per FactSet as of November 2, 2018.

2. 2018 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.

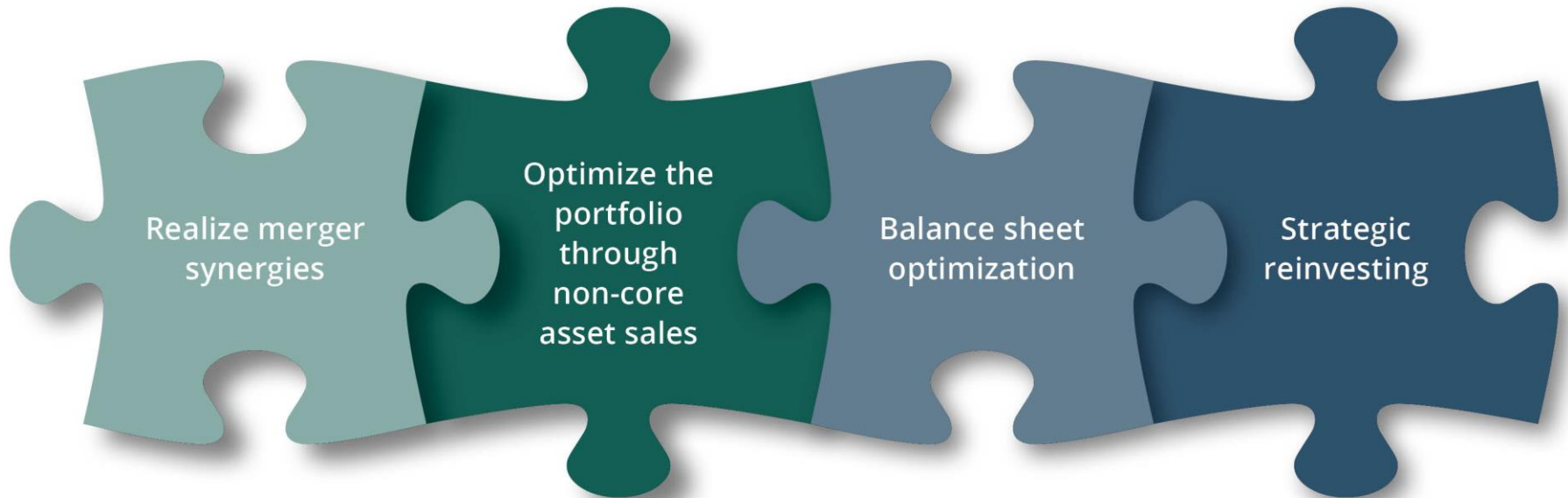
SIGNIFICANT SHORT-TERM AND LONG-TERM EMBEDDED VALUE

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MULTIPLE LEVERS FOR SHORT-TERM & LONG-TERM VALUE CREATION

Strategic initiatives are creating meaningful value for shareholders

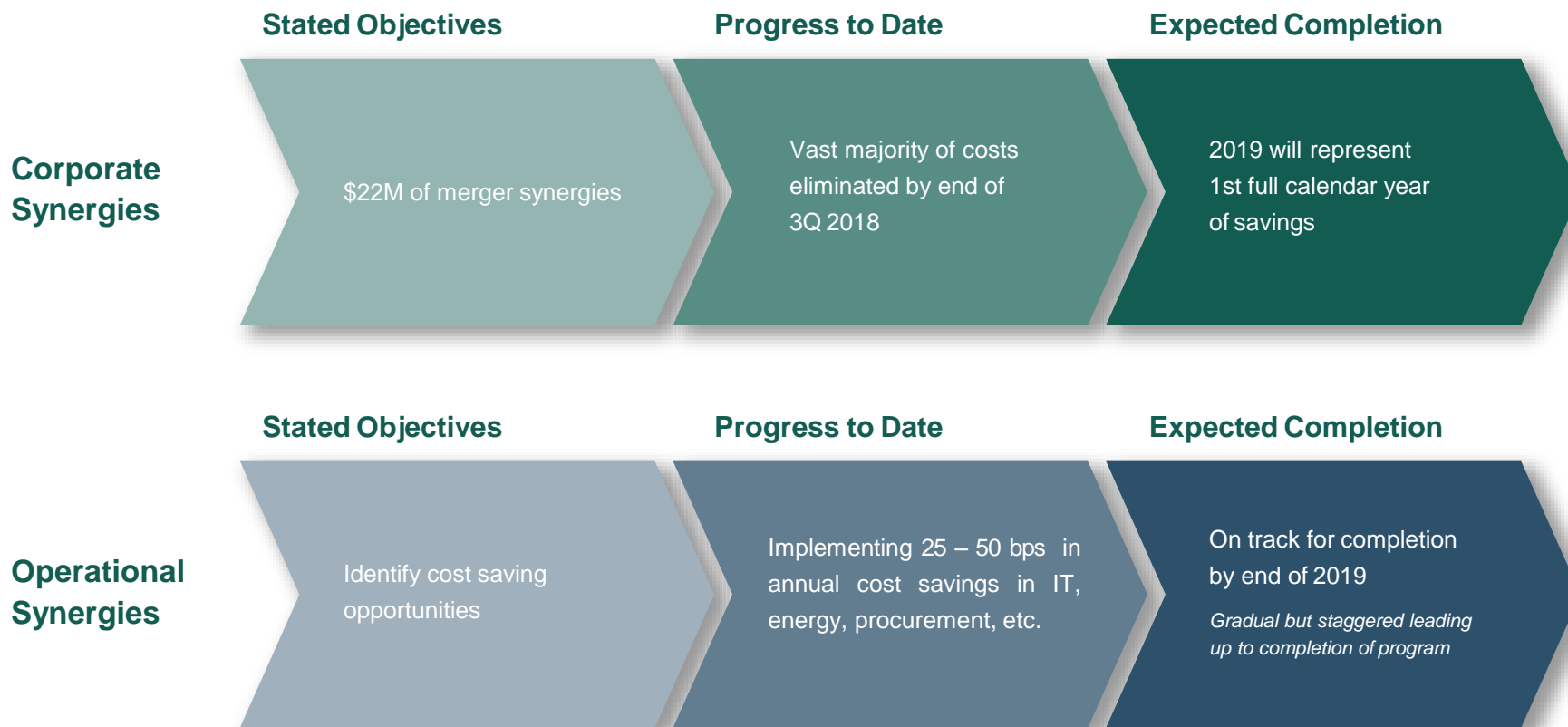




MERGER SYNERGIES: CORPORATE AND OPERATIONAL

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Significant cost savings through corporate and operational synergies





SALE OF NON-CORE ASSETS: STRONG MOMENTUM, ENTERING NEW PHASE

RLJ continues to execute its disposition strategy, having sold over \$700 million of hotels at a weighted average multiple of almost 17x in the past twelve months

- Completed second round of asset sales generating approximately \$414 million in incremental proceeds as of October 2018
 - On target to sell three remaining non-core FelCor hotels by 1Q 2019
 - Evaluating additional dispositions of legacy RLJ assets in slower growth markets, with elevated capital needs and / or low RevPAR
- Following the sale of the remaining targeted FelCor hotels, RLJ portfolio EBITDA margins and RevPAR index will improve by approximately 40 bps and 25 bps, respectively¹

Capital Recycling Strategy

	Stated Objective	Progress To Date	Expected Completion
Non-Core FelCor Assets	Sell \$300 to \$500M of non-core hotels over 12 to 18 months <ul style="list-style-type: none"> • Identified seven non-core FelCor hotels for monetization • Anticipated in aggregate selling for at least a 14x EBITDA multiple 	Sold four identified non-core FelCor hotels since late 2017 for \$489M, at approximately 17x EBITDA <ul style="list-style-type: none"> • Fairmont Copley Plaza • Sheraton Philadelphia Society Hill • Vinoy Renaissance • DoubleTree Burlington Vermont 	Sell remaining non-core FelCor hotels by first quarter 2019; pursue dispositions of non-core legacy RLJ assets
Legacy RLJ Assets	Identify legacy RLJ hotels with low RevPAR or less attractive growth profiles	15 to 20 assets identified <ul style="list-style-type: none"> • Sold DoubleTree Columbia 	
Opportunistic Sales	Opportunistic sale of assets where market pricing is at a premium	Sold Embassy Suites Napa Valley for \$102M Sold Holiday Inn Fisherman's Wharf 243-room Annex building for \$75.3M	Ongoing; receptive to monetizing assets at premium valuations

1. Based on 2017 Hotel EBITDA margin adjusted for assets sold to date and excludes three remaining non-core FelCor assets identified for sale; RevPAR index based on STR data as of November 2, 2018.



RLJ continues to optimize its balance sheet and cost of capital

Stated Objectives

- Target leverage of 4.0x or below
- Pay down \$500 million of debt
- Repay 5.625% Senior Notes
- Optimize cost of capital

Progress to Date

- Ended 3Q 2018 at 3.5x leverage ratio
- \$524 million Senior Notes redeemed in March 2018 with proceeds from asset sales and revolver drawdown
- \$85 million mortgage secured by the Knickerbocker Hotel repaid in November 2018
- Achieved 2018 objective of paying down \$500 million of debt as of August 2018

Expected Completion

- Evaluate opportunities to further optimize balance sheet and cost of capital



RLJ continues to recycle asset sale proceeds into value enhancing opportunities such as targeted renovations, brand conversions, deleveraging or share repurchases



Key Renovations

- Marriott San Francisco Union Square
- Embassy Suites San Francisco Airport Waterfront
- Embassy Suites San Francisco Airport South
- Embassy Suites Tampa CBD



Opportunistic Deleveraging

- Longer term opportunities exist to retire higher cost debt and preferred equity
 - FelCor 6.0% Sr. Unsecured Notes (callable June 2020)
 - FelCor 7.8% Convertible Preferred



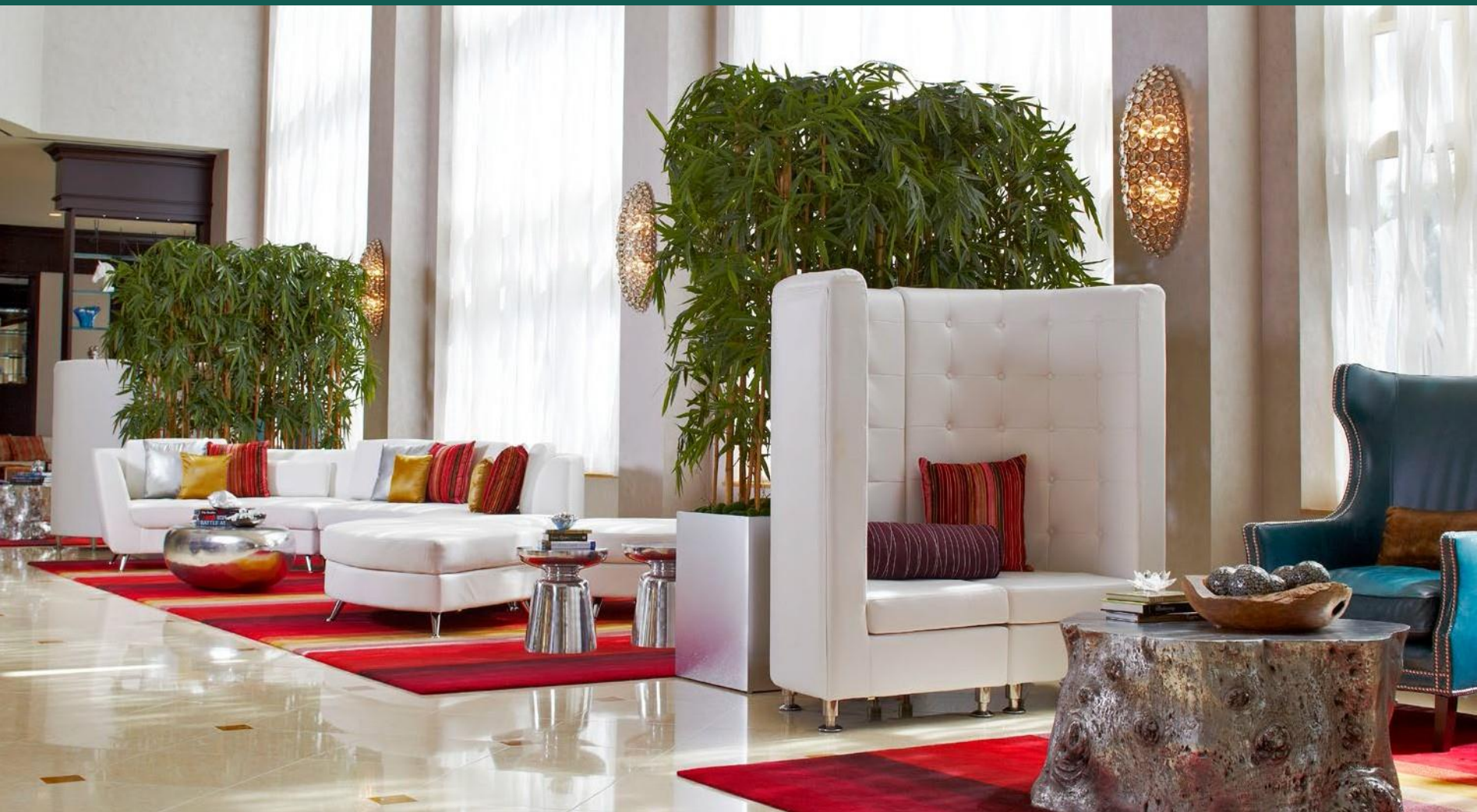
Brand Conversion Opportunities

- Embassy Suites Mandalay Beach to Hilton Curio
- Embassy Suites Deerfield Beach to Hilton or Hilton Curio



Share Repurchases

- Leverage neutral transactions while maintaining target leverage ratio <4x
- Opportunistic share repurchases at significant discount to NAV and based on our view of lodging fundamentals
- Existing share repurchase authorization of \$198.9 million



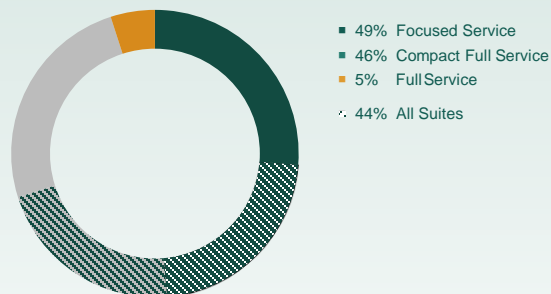
COMPANY SNAPSHOT

RLJ's ~ \$5.6 billion diversified portfolio is comprised of high-quality, high-margin, premium branded hotels that generate superior RevPAR and outsized market share

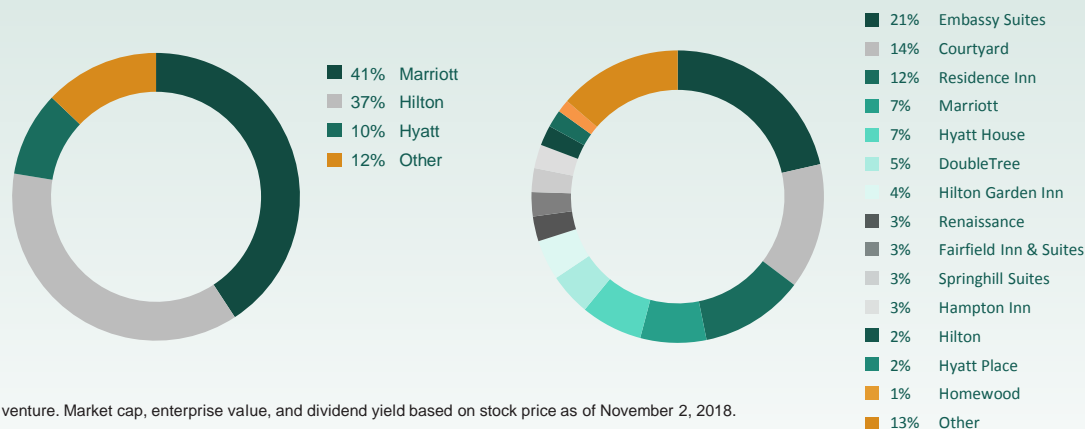
Market Cap	\$3.4B	RevPAR ¹	\$135.31
Enterprise Value	\$5.6B	RevPAR Index ^{1,2}	110.2%
Enterprise Value / Key	\$195,687	Hotel EBITDA Margin ³	34.7%
Dividend Yield	6.9%	Net Debt / EBITDA ⁴	3.5x

Marriott, Hilton, and Hyatt brands account for ~90% of our Hotel EBITDA¹

Property Type Diversification¹



Premium Branded Flags Deliver Outsized Market Share¹



Note: Figures exclude the Chateau LeMoyne-French Quarter New Orleans, an unconsolidated joint venture. Market cap, enterprise value, and dividend yield based on stock price as of November 2, 2018.

1. 2017 pro-forma statistic for the 150 hotels owned as of November 2, 2018.

2. Excludes hotels under renovation in 2017 and pro forma for assets sold-to-date.

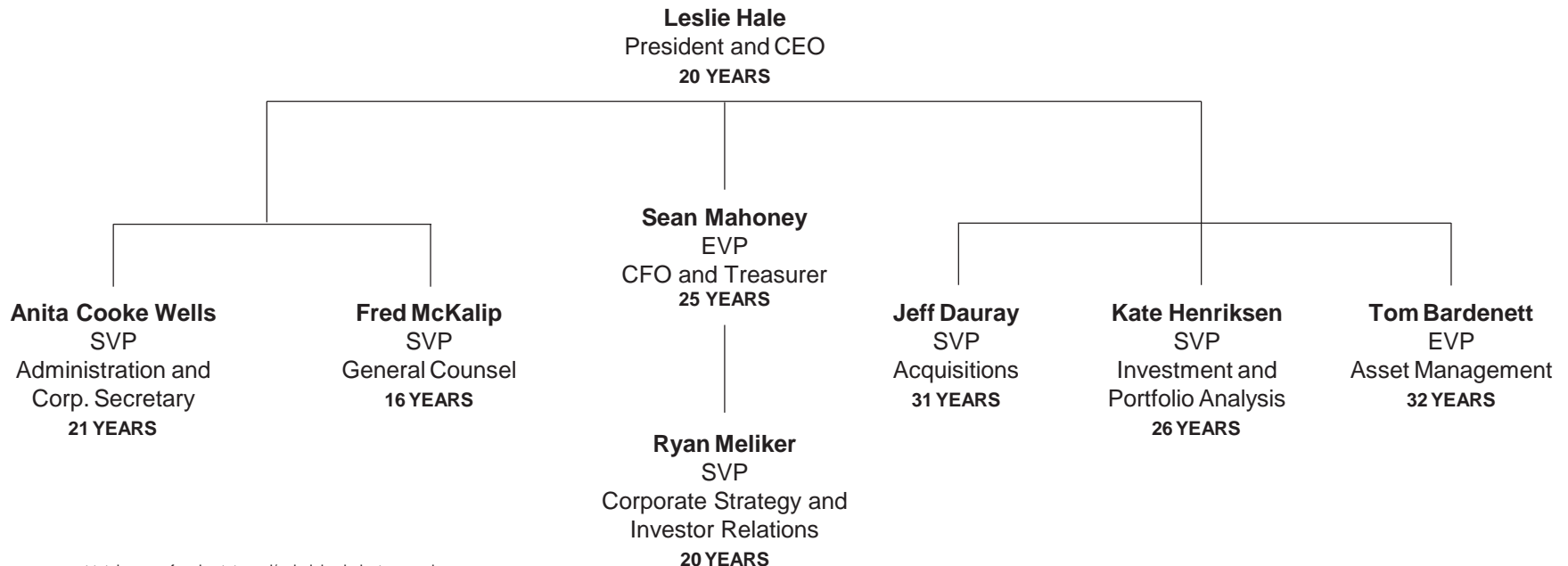
3. 2017 pro-forma statistic for the 150 hotels owned as of November 2, 2018 and excludes remaining non-core FelCor hotels targeted for sale.

4. TTM Adjusted EBITDA as of September 30, 2018.

RLJ HAS THE RIGHT LEADERSHIP TEAM TO DELIVER STRATEGIC VISION

RLJ leadership is well-positioned to guide the Company through its ongoing strategic initiatives

- Broad and deep bench with substantial industry and public company experience
- Seasoned management team with longstanding tenure
- Prudent capital allocation track record having completed ~\$11B of acquisitions and dispositions since inception
- Managed ~\$1B of transformational hotel CapEx and renovations
- Reduced leverage accretively since IPO and post-FelCor transaction to 4.0x or better

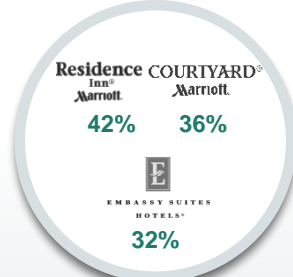


RLJ's investment strategy yields superior risk-adjusted returns and significant free cash flow

Strategic Principles



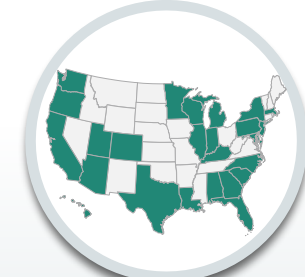
**Rooms-Oriented
Assets**



**High-Margin
Assets¹**



**Premium
Brands**



**Diversified
Portfolio Located
in Urban & Dense
Commercial Markets**

Key Benefits

- Revenue attributable primarily to rooms drives robust profit margins and significant free cash flow
- Premium branded hotels generate superior RevPAR
- Outsized market share; RLJ RevPAR index of 110%²
- Lean operating structure provides an “all-weather” strategy across the entire lodging cycle
- Markets with strong growth profiles, multiple demand drivers and high-barriers-to-entry
- Superior risk-adjusted returns

1. Figures represent 2017 Hotel EBITDA margins for respective brands within the RLJ pro-forma portfolio of 150 hotels owned as of November 2, 2018.

2. Excludes hotels under renovation in 2017 within the RLJ pro-forma portfolio of 150 hotels owned as of November 2, 2018.

RLJ's hotels generate revenues predominantly from rooms, driving robust operating margins and significant free cash flow

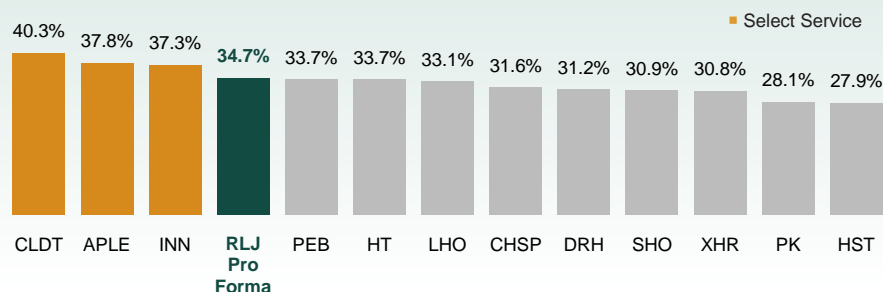
Targeted Property Type

- Rooms-oriented revenue
 - Room revenue accounts for 80%+ of total revenue
 - Lean operating structure
 - High margins and significant free cash flow generation
- High transient exposure
 - ~80% transient revenue mix
 - Balanced corporate demand and leisure exposure
- Efficient hotel footprint
 - Limited ancillary services
 - Lower capital needs

Typical RLJ Asset

Size	100 – 300 rooms
Rooms Revenue	>80%
Meeting Space	<10K SF
F&B Service	Limited
Capex Requirements	Lower than larger hotels per key

EBITDA Margins¹



Note: As reported 2017 figures.

1. RLJ reflects pro forma Revenue and Adjusted EBITDA, adjusted for assets sold to-date and excludes three FelCor non-core assets identified for sale.

Premium brands generate superior RevPAR, outsized market share and higher margins through superior distribution networks and loyalty base

RLJ 2017 RevPAR Index Premium of 110%¹



Global Distribution

Real-time reservation / demand management systems with access to more than 2 million hotel rooms across 100+ countries worldwide

Strong Loyalty Program

Customer loyalty in the hospitality industry means frequent stays. More than 200 million combined global rewards members drive repeat hotel stays

Effective Brand Segmentation

Offers all guest types a broad spectrum of highly recognized brands across chain segments

Strong Brand Awareness

Brand awareness and recognition drive unmatched guest loyalty and RevPAR premiums

Multiple Brand Channels

Multi-channel booking platform drives room nights and maximizes revenues. ~70% of North American bookings come through brand channels

Source: Brand websites.












1. Excludes hotels under renovation in 2017 and also adjusted for assets sold-to-date.

PREMIUM BRANDS DRIVE REVPAR OUTPERFORMANCE

Premium flags within the primary brand platforms and segments, generate outsized RevPAR index

- Marriott, Hilton and Hyatt brands account for nearly 90% of RLJ's EBITDA
- RLJ RevPAR Index of 110%¹
- Top ranked flags per JD Power
(over 75% of EBITDA with brands that rank within the top 5 of the JD Power 2017 North American Hotel Guest Satisfaction rankings)

Overview of RLJ's Brands

Brand	RLJ Exposure ²	Brand Family	Segment	Brand RevPAR Index ³	Brand	RLJ Exposure ²	Brand Family	Segment	Brand RevPAR Index ³
	21%	Hilton	Upper Upscale	122.2%		4%	Hilton	Upscale	117.1%
	14%	Marriott	Upscale	109.7%		3%	Marriott	Upper Upscale	111.8%
	12%	Marriott	Upscale	120.0%		3%	Marriott	Upscale	109.8%
	7%	Marriott	Upper Upscale	106.3%		3%	Marriott	Upper Midscale	106.1%
	7%	Hyatt	Upscale	110.5%		3%	Hilton	Upper Midscale	119.5%
	5%	Hilton	Upscale	105.8%	Other ⁴	18%	NA	NA	NA

Note: Figures exclude the Chateau LeMoine-French Quarter New Orleans, an unconsolidated joint venture.

1. Excludes hotels under renovation in 2017 and also adjusted for assets sold-to-date.

2. Based on 2017 pro forma consolidated hotel EBITDA adjusted for assets sold to date.

3. Brand RevPAR index provided by brands.

4. Includes Hyatt Place, Homewood Suites, Hilton, Wyndham (protected with ~9% of EBITDA guarantee and 3% escalator), and other branded and non-branded hotels.

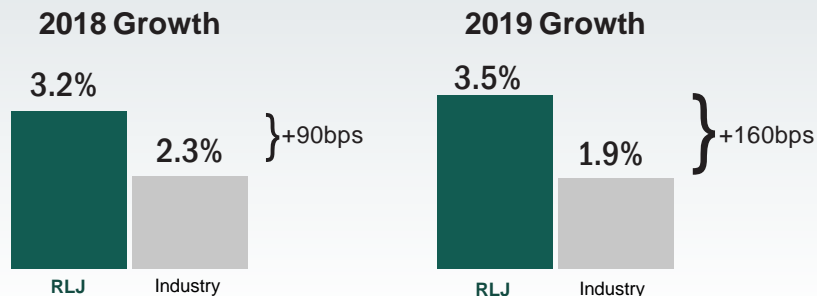
LONG-TERM GROWTH MARKETS WITH MULTIPLE DEMAND DRIVERS

RLJ hotels are located in markets with multiple demand drivers and favorable long-term growth trends; RLJ markets are projected to see demand growth in excess of the industry in 2018 and 2019

Targeted Property Type

- Markets with multiple demand drivers and robust economic growth profile
 - Urban and dense commercial markets with high-barriers-to-entry
 - Markets with strong presence of large corporations, entrepreneurship, universities, governments, arenas, etc.
 - Markets with a mix of both business and leisure demand

Market Demand Growth Forecast¹



RLJ MSA Exposure²

Two-thirds of hotel EBITDA generated in top 25 MSAs



- 40% Top 10 MSAs
- 26% Top 11–25 MSAs
- 20% Top 26–50 MSAs
- 14% Other

Note: Excludes MSAs which are not tracked.

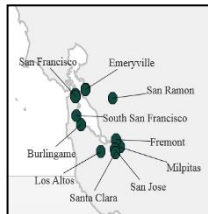
1. Per CBRE.

2. Based on 2007 US Census MSA populations and 2017 pro-forma Hotel EBITDA for the 150 hotels owned as of November 2, 2018.

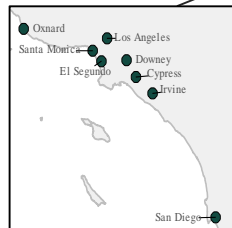
RLJ has a highly diversified portfolio with exposure to urban and dense commercial markets

- Exposure to 25 states
 - RLJ's top 10 markets account for 69% of EBITDA
- No individual hotel accounts for more than 2.5% of Hotel EBITDA

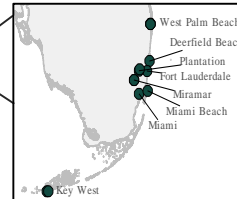
Northern California



Southern California



South Florida



of Rooms



Top-10 Markets by EBITDA¹

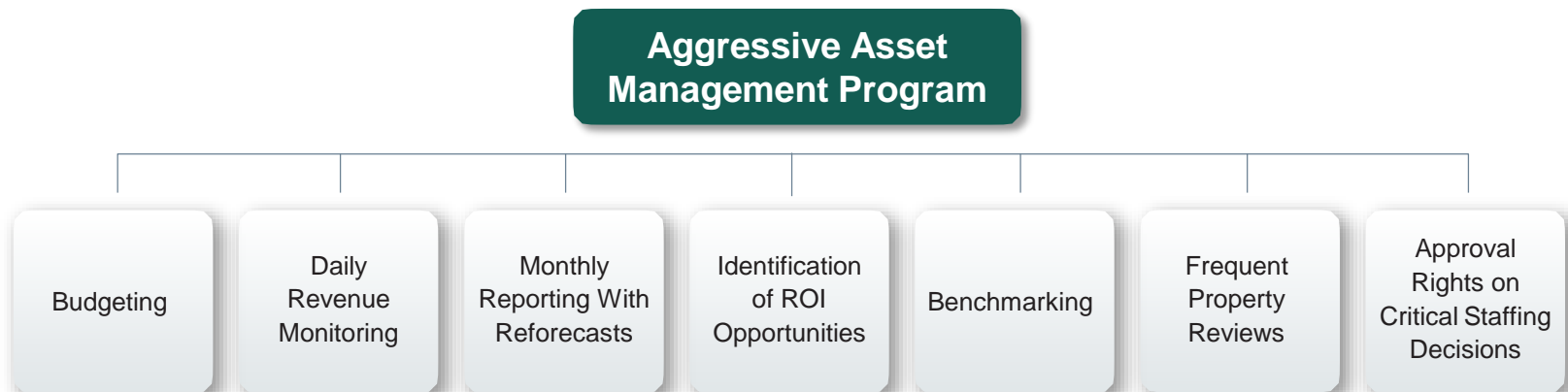
Market	EBITDA
Northern California	14%
Southern California	10%
South Florida	9%
Austin	7%
Denver	6%
Washington, DC	5%
New York City	5%
Houston	5%
Chicago	4%
Louisville	4%
Subtotal	69%

Note: Figures exclude the Chateau LeMoyne-French Quarter New Orleans, an unconsolidated joint venture.

1. Based on 2017 pro forma consolidated hotel EBITDA adjusted for assets sold to date.

RLJ has a proven asset management platform that supports investment efforts

- In-house operational expertise strengthens investment underwriting process
- Asset management expertise promotes effective utilization of capital
 - Franchise requirements
 - Asset preservation and life safety monitoring
 - Revenue and efficiency enhancement
- Independent property management
 - 100% of our hotels are operated by independent managers
 - 16 operating companies provide an opportunity to implement best practices across the portfolio and benchmark operators against one another¹



1. Reflects the pro-forma portfolio of 150 hotels owned as of November 2, 2018.

STRONG BALANCE SHEET – CONSERVATIVE LEVERAGE, LADDERED MATURITIES & AMPLE LIQUIDITY

RLJ faces no meaningful near-term maturities and has an interest coverage greater than 5.0x; strong track record of conservative balance sheet management

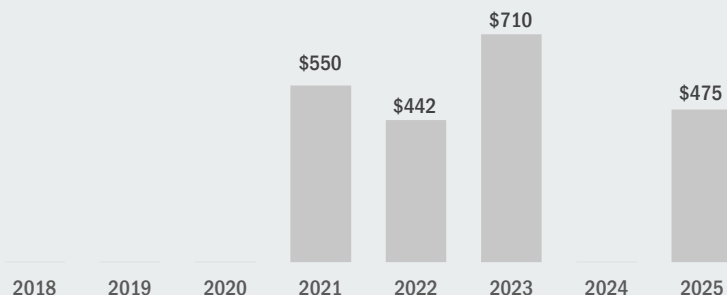
Balance Sheet Highlights

- No significant maturities before 2021 ¹
- 132 unencumbered hotel assets ²
- 88% of debt is fixed / hedged
- \$600 million availability on revolver
- Approximately 10% of EBITDA protected by Wyndham corporate guarantee with a 3% annual escalator ³

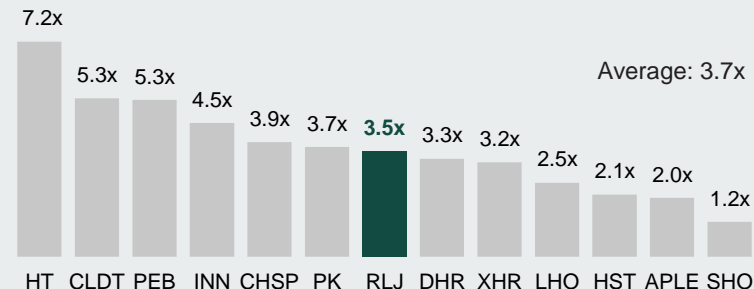
Credit Statistics²

Total Debt	\$2.2B
Net Debt / LTM 9/30/18 EBITDA	3.5x
Weighted Average Maturity	4.3 years
Weighted Average Interest Rate	4.1%
Interest Coverage Ratio	5.2x
Fixed / Hedged Debt	88%

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



Net Debt / LTM 9/30/18 EBITDA⁴



1. Assumes all extensions

2. As of September 30, 2018 adjusted for subsequent asset sale and Knickerbocker mortgage loan payoff. Net debt/ LTM EBITDA and interest coverage ratio as of September 30, 2018.

3. Based on 2017 pro forma consolidated hotel EBITDA adjusted for assets sold to date.

4. Reflects June 30, 2018 data for peers that have not yet reported financial results for the three months ended September 30, 2018 as of November 2, 2018.

INVESTMENT STRATEGY YIELDS SUPERIOR RISK ADJUSTED RETURNS

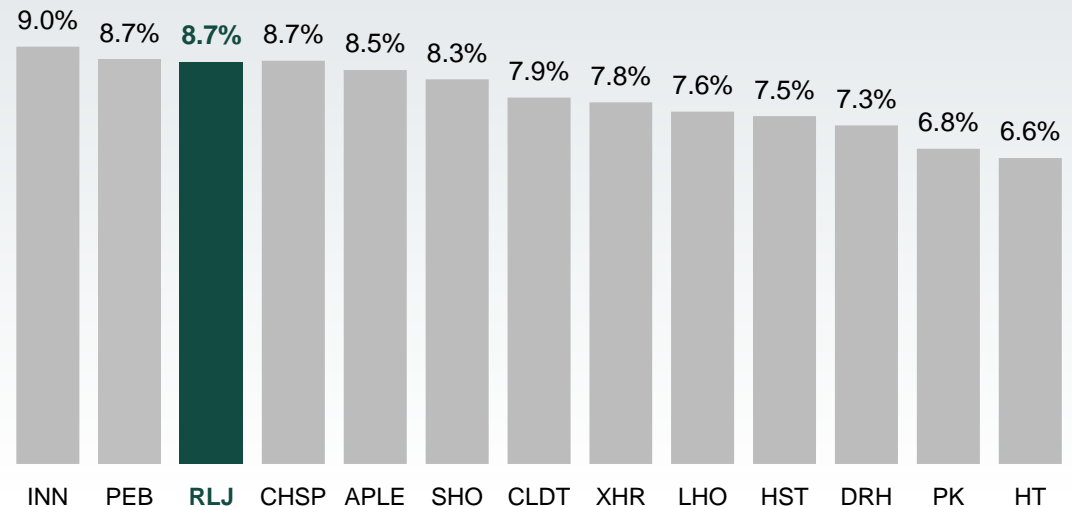
RLJ generates returns on invested capital at the high end of peer set, with less risk and volatility

- RLJ's yield on investment (Hotel EBITDA / Invested Capital¹) ranks towards the top of its peer set

RLJ Risk Mitigants

- Room-oriented revenue strategy
- Lean operating structure
- Asset and market diversification
- Premium brands
- Conservative leverage
- Wyndham guarantee

Return on Invested Capital



Hotel EBITDA / Invested Capital¹

Source: Company filings.

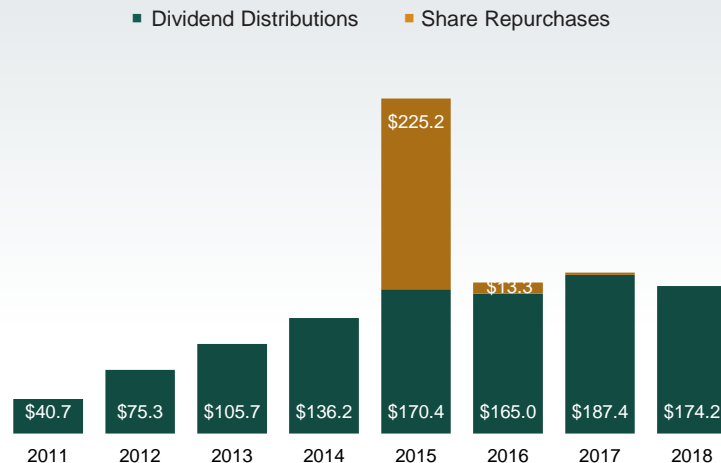
1. Hotel EBITDA is 2017 pro-forma Hotel EBITDA and Invested Capital is gross PP&E from the 2017 year-end balance sheet. RLJ data is adjusted for assets sold-to-date.

SIGNIFICANT RETURN OF CAPITAL

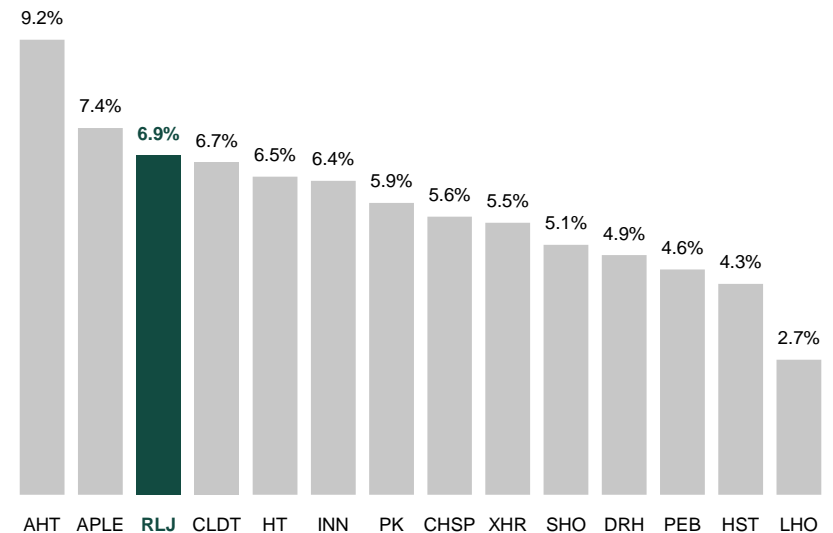
RLJ's assets generate significant cash flow which has allowed RLJ to return approximately \$1.3 billion to shareholders through dividends and share repurchases

- Distributed over \$1.1 billion in common dividends; current dividend yield of 6.9%¹
 - Dividend per share CAGR of 14% from 2011 to 2017²
 - RLJ will continue to return capital via recurring dividends and opportunistic share repurchases

Capital Returned to Shareholders



Dividend Yield



1. As of November 2, 2018.

2. Dividend per share for 2011 has been annualized based on Q4 2011's \$0.15/share dividend. Actual annual dividend per share was \$0.38.



RLJ allocates capital to drive returns in excess of the Company's cost of capital, while maintaining a flexible balance sheet and a well-covered dividend

- The company has a proven history for capital allocation across acquisitions, dispositions, renovations and return of capital

Accretive Acquisitions	Accretive Dispositions	Accretive Renovations	Return of Capital
<ul style="list-style-type: none"> • The NOI yield on recent acquisitions (since 2014) has increased from 6.8% to 9.0% via a 47% increase to NOI 	<ul style="list-style-type: none"> • Executed nearly \$1 billion of non-core asset sales since late 2016 at an average multiple of 17.0x EBITDA <ul style="list-style-type: none"> – Sales have been at a premium to expectations / estimated NAV and are highly accretive to RLJ's trading multiple • Recent dispositions accretive to portfolio margins, strategy and growth profile 	<ul style="list-style-type: none"> • Generated in excess of a 23% return on hotel brand conversions 	<ul style="list-style-type: none"> • Returned \$1.3 billion to shareholders in dividends and share repurchases

Note: Acquisition data excludes the Hyatt Place Washington DC, which was not open for the trailing twelve months at time of acquisition.

VALUE CREATION TRACK RECORD—ACQUISITIONS

RLJ has grown the NOI yield on recent acquisitions from 6.8% to 9.0% via a 47% increase to NOI

- Since 2014, RLJ has acquired 16 properties for an aggregate \$667 million and invested an additional \$67 million into those assets¹

All property acquisitions since 2014				
Property	Acquisition Date	NOI Yield at Acquisition	NOI Increase	Current NOI Yield (including historical CapEx) ¹
Hyatt House Charlotte Center City	3/12/2014	8.5%	-3.3% ²	7.4%
Hyatt House Cypress Anaheim	3/12/2014	8.7%	78.4%	10.3%
Hyatt House Emeryville SF Bay Area	3/12/2014	9.0%	59.2%	11.5%
Hyatt House San Diego Sorrento Mesa	3/12/2014	6.1%	106.4%	11.7%
Hyatt House San Jose Silicon Valley	3/12/2014	7.7%	65.8%	12.3%
Hyatt House San Ramon	3/12/2014	9.2%	67.5%	12.0%
Hyatt House Santa Clara	3/12/2014	8.2%	60.5%	11.9%
Hyatt Centric The Woodlands	3/12/2014	6.7%	-52.9% ²	3.1%
Hyatt Place Fremont Silicon Valley	3/12/2014	8.9%	77.9%	14.2%
Hyatt Place Madison Downtown	3/12/2014	7.3%	-14.2%	6.2%
Embassy Suites Irvine Orange Cnty Arprt	5/22/2014	4.7%	60.4%	6.0%
Courtyard Portland City Center	5/22/2014	7.7%	39.0%	10.1%
Hyatt Centric Midtown Atlanta	7/14/2014	3.4%	101.7%	6.9%
Doubletree Grand Key Resort	9/11/2014	5.0%	73.8%	7.8%
Homewood Suites Seattle Lynnwood	7/20/2015	5.5%	21.2%	6.7%
Residence Inn Palo Alto Los Altos	9/25/2015	7.4%	27.6%	9.3%
Total Acquisitions since 2014		6.8%	46.7%	9.0%

Note: Acquisition data excludes the Hyatt Place Washington DC, which was not open for the trailing twelve months at time of acquisition.

1. Based on TTM NOI as of September 30, 2018 and total investment as of December 31, 2017, including capital investment and excludes recent FeiCor hotels.

2. Property under renovation during the trailing twelve months ended September 30, 2018.

RLJ: WELL-POSITIONED FOR LONG-TERM GROWTH

NOVEMBER 2018

VALUE CREATION TRACK RECORD—DISPOSITIONS

RLJ has sold 54 hotels at attractive valuations over the last seven years, generating approximately \$1.4 billion in proceeds

- Dispositions focused on non-core assets and those with opportunistic pricing
 - In 2016, RLJ sold two NY hotels for a combined \$286M (\$495K/key, 4.7% cap rate), capitalizing on strong international interest and reducing NYC exposure as the market entered a soft period
- Since December 2016, sold nearly \$1 billion in hotels at a weighted average multiple of 17.0x EBITDA¹
 - Proceeds used to pay down debt and fund accretive capital recycling

Recent Dispositions						
Asset	# Rooms	Date of Sale	Sale Price (\$M)	Price / Room (\$)	EBITDA Multiple	Rationale
Hilton NY Fashion District	280	Dec. 16	\$142.8	\$510,000	17.7x ¹	• Opportunistic / softening market. EBITDA multiple inclusive of planned capital expenditures
Hilton Garden Inn NY W 35th St	298	Dec. 16	\$143.0	\$480,000	18.9x ¹	• Opportunistic / softening market. EBITDA multiple inclusive of planned capital expenditures
Fairmont Copley	383	Dec. 17	\$170.0	\$443,864	16.5x	• Not aligned with rooms-oriented investment strategy • Opportunistic sale at attractive valuation
Embassy Suites Marlborough	229	Feb. 18	\$23.7	\$103,493	11.9x ¹	• Favorable sale due to upcoming PIP requirements. EBITDA multiple inclusive of in-flight capital expenditures
Sheraton Philadelphia Society Hill	364	Mar. 18	\$95.5	\$262,363	14.7x	• Not aligned with rooms-oriented investment strategy • Sold at attractive NAV & EBITDA valuations
Embassy Suites Napa Valley	205	Jul. 18	\$102.0	\$497,561	14.6x	• Capitalized on strong investor appetite for resort-oriented assets. Buyer has opportunity to rebrand to Curio
DoubleTree Columbia	152	Aug. 18	\$12.9	\$84,868	14.1x ¹	• Favorable sale due to upcoming PIP requirements. EBITDA multiple inclusive of planned capital expenditures
Vinoy Renaissance	362	Aug. 18	\$188.5	\$520,718	19.6x	• Full service hotel not aligned with rooms-oriented strategy • Attractive sale to local high net worth buyer
DoubleTree Burlington Vermont	309	Sep. 18	\$35.0	\$113,269	17.3x ¹	• Suburban property with significant group space • EBITDA multiple inclusive of required capital expenditures
Holiday Inn SF - Fisherman's Wharf Annex	243	Oct. 18	\$75.3	\$309,671	18.8x	• Sold 243-room building after transfer of the remaining leasehold to the ground lessor at expiration
Total¹	2,825		\$988.7	\$349,979	17.0x¹	

Note: EBITDA multiple based on 2016 EBITDA for Hilton Garden Inn NY and Hilton NY Fashion District. 2017 EBITDA for the Fairmont Copley, Embassy Suites Marlborough, and Sheraton Philadelphia. July 2018 TTM EBITDA for the DoubleTree Columbia and Vinoy Renaissance. August 2018 TTM EBITDA for the DoubleTree Burlington Vermont. September 2018 TTM EBITDA for the Holiday Inn SF – Fisherman's Wharf Annex.

1. EBITDA multiple adjusted to include in-flight capital expenditures for Embassy Suites Marlborough, planned capital expenditures for the Hilton NY Fashion District, Hilton Garden Inn NY West 35th Street, DoubleTree Columbia, and required capital expenditures for the DoubleTree Burlington Vermont.

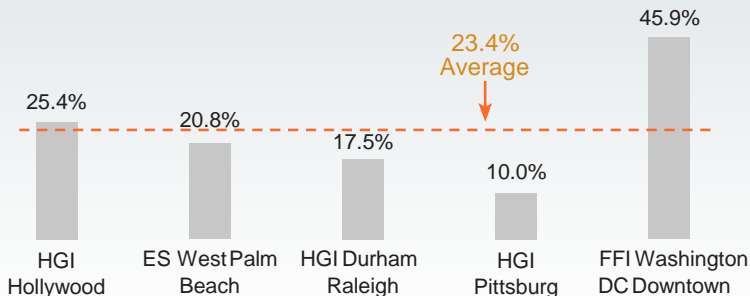
VALUE CREATION TRACK RECORD: BRAND CONVERSION PROJECTS

Extensive experience in value creation through complex renovations and conversions

Capital Returned to Shareholders

- RLJ has executed multiple brand conversions throughout its history including five conversions since IPO
- Each of RLJ's brand conversions since IPO has generated double digit returns on investment, with an average return in year two of operations of 23.4%
- Winner of eight renovation and conversion awards with Marriott, Hilton, and IHG

Conversion Returns on Invested Capital¹



1. Brand conversion returns based on year two NOI after conversion.

2. Includes prior ownership results, data based on December 2010 TTM vs. March 2012 TTM.

Fairfield Inn Washington DC Downtown

- \$7.4M conversion from Red Roof Inn in 2011
- RevPAR grew 57% to \$133.87²
- NOI increased 83%²
- 2017 NOI yield on total investment of 13%



VALUE CREATION TRACK RECORD: PROPERTY CONVERSION PROJECTS

Experience in value creation through complex property conversions to hotels



Courtyard San Francisco Union Square

- In 2015, RLJ completed the conversion of a 150-unit student housing facility to a 166-room Courtyard by Marriott
- The property has exceeded the initial underwritten yield of 8.6%

Key Metrics

Purchase Price	\$29.5 million	2017 NOI	\$6 million
Conversion Cost	\$27.0 million	2017 NOI Yield	10.1%
Additional CapEx to Date	\$3.1 million		
Invested Capital	\$59.6 million		

SpringHill Suites Houston Downtown

- In 2015, RLJ completed the conversion of an 82-unit apartment building to a 167-room SpringHill Suites
- The property has generated a 6.9% yield on total investment

Key Metrics

Purchase Price	\$15.6 million	2017 NOI	\$2.5 million
Conversion Cost	\$17.0 million	2017 NOI Yield	6.9%
Additional CapEx to Date	\$3.1 million		
Invested Capital	\$35.7 million		



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.