

SANTA MONICA, NOVEMBER 2023



RLJ LODGING TRUST

AC HOTEL BOSTON DOWNTOWN

225



AC HOTEL BOSTON DOWNTOWN

# Key Takeaways for Today

## INTENTIONAL EVOLUTION



We want you to know that RLJ's evolution has been intentional and thoughtful over the past several years

## WELL-POSITIONED FOR THE NEW NORMAL



We want you to have clarity around how our portfolio is positioned to capture emerging trends

## HIGH QUALITY PORTFOLIO



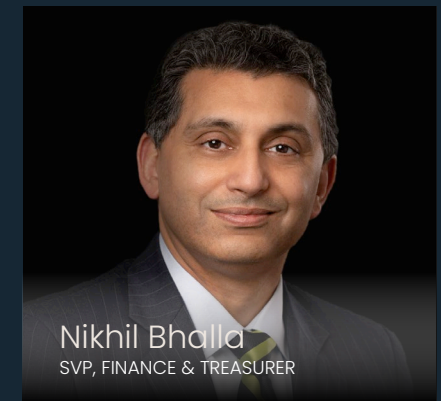
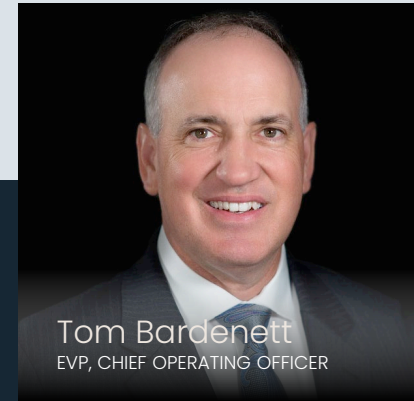
We want you to understand the nature and underlying quality of our assets

## MULTIPLE CHANNELS OF GROWTH



We want you to have confidence in our strong relative positioning to drive growth

# Our Presenters Today: Experienced And Talented Leadership Team



RLJ EVOLUTION

# Intentional Evolution Over Last Several Years

ACTIVE PORTFOLIO  
MANAGEMENT



IDENTIFIED  
EMBEDDED VALUE



EXECUTED STRATEGIC  
ACQUISITIONS



POSITIONED BALANCE  
SHEET OPTIONALITY



PORTFOLIO

# Active Portfolio Management



- Sold** 65 non-core assets<sup>(1)</sup>
- Sold non-rooms oriented, lower margin assets
  - Sold capital intensive, slower growth assets



**Added 50 bps** to RevPAR growth profile



**Accretive 14.8x** TTM EBITDA Multiple

(1) Consists of assets sold from 2017-2023

<p><b>10</b> Assets</p>	<p><b>1100 bps</b> Lower Margins</p>
<p><b>CORE</b> <b>ASSETS</b></p>	
<p><b>55</b> Assets</p>	<p><b>38%</b> Lower RevPAR</p> <p><b>60%</b> Lower EBITDA / Key</p> <p><b>Capital Intensive</b></p>

\*Based on last full year of ownership

PORTFOLIO

# Unlocking Embedded Value



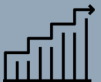
Identified opportunities to unlock embedded growth in portfolio



Assessed repositioning for each asset and brought Wyndham conversion opportunities forward



Management team mined the portfolio for various revenue and margin enhancements



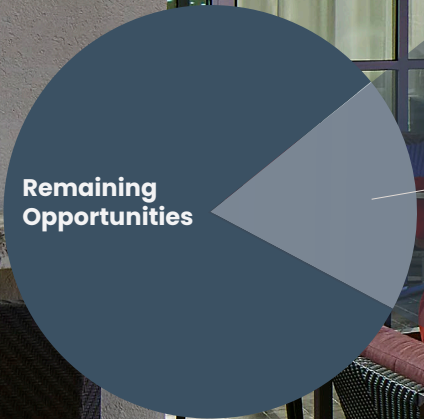
Thoughtful execution to maximize return potential



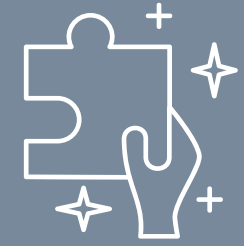
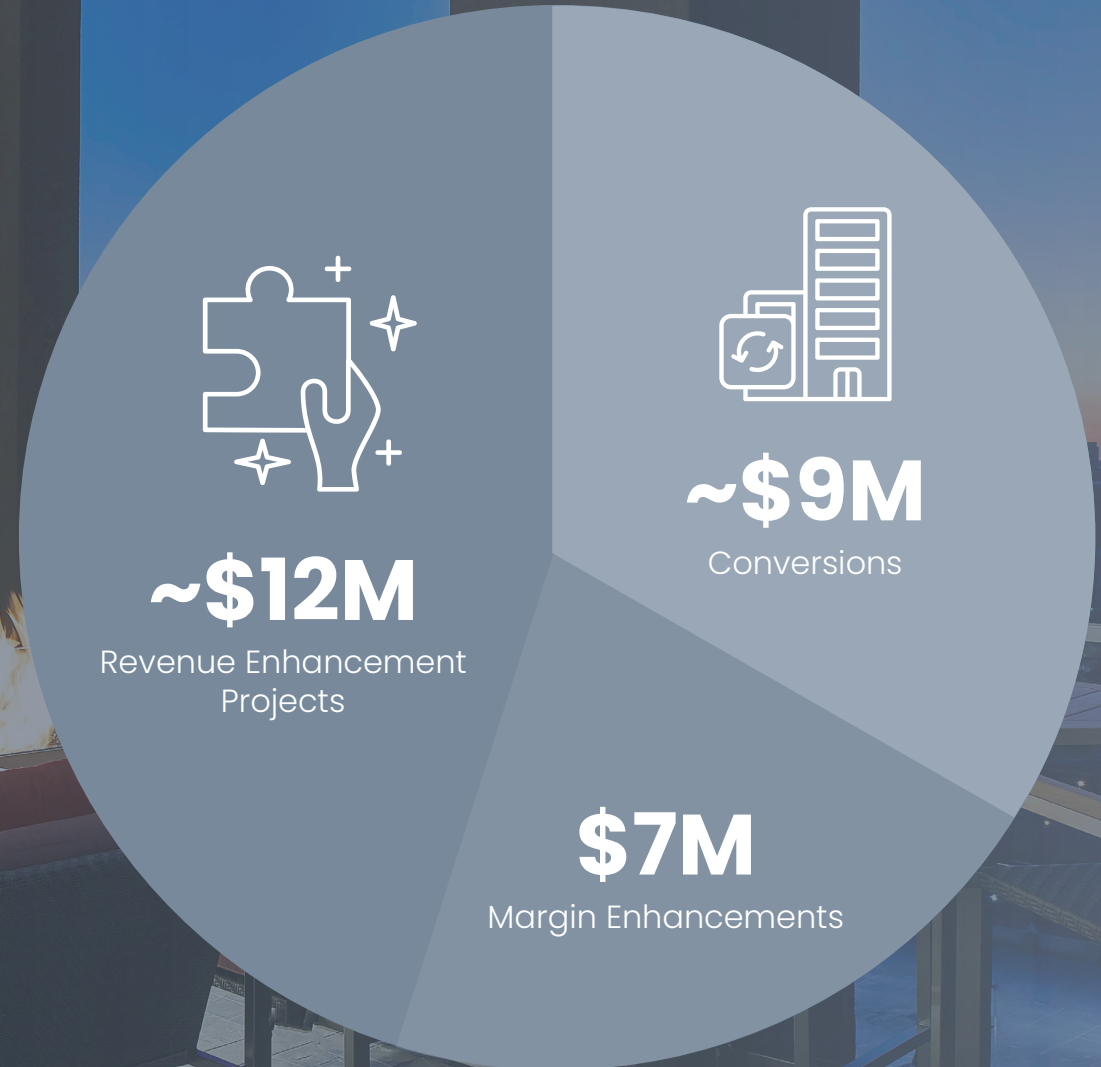
# Portfolio of Opportunities

Exceeding Initial Underwriting

2023 Pacing Ahead of Underwriting at \$28M<sup>(1)</sup>



**PHASE I**  
U/W (\$23M-\$28M)



**~\$9M**  
Conversions

**~\$12M**  
Revenue Enhancement  
Projects

**\$7M**  
Margin Enhancements



THE PIERSIDE SANTA MONICA





CASE STUDY

# The Pierside Santa Monica Reimagined as an Independent Lifestyle Hotel

EXPECTED STABILIZATION

**\$300**

Stabilized REVPAR

**\$8.0M**

Stabilized EBITDA

**60%**

IRR

vs. INITIAL UNDERWRITING

**Achieving Underwriting**

\$80 Ahead of Initial RevPAR<sup>(1)</sup>

**+13%**

Incremental \$2.7M of EBITDA<sup>(1)</sup>

**+15%**

(1) Compared to 2019 results



THE MILLS HOUSE HOTEL,  
A CURIO COLLECTION HOTEL



CASE STUDY

# The Mills House Hotel, a Curio Collection Hotel by Hilton

EXPECTED STABILIZATION

**\$310**

Stabilized REVPAR

**\$15.5M**

Stabilized EBITDA

**150%**

IRR

vs. INITIAL UNDERWRITING

**+24%**

\$60 Ahead of Underwriting

**+55%**

\$6M Ahead of Underwriting

**3.0x**

of expected 50% IRR

EXECUTION

# Strategic Acquisitions

## Enhanced Portfolio Quality / Metrics

Acquired four young assets for \$257M at attractive stabilized yields of 8.0% – 8.5% in high growth markets:

**Atlanta • Boston • Denver Cherry Creek • Nashville**



**+\$20**

RevPAR<sup>(1)</sup>  
vs.  
Portfolio



**+16%**

EBITDA/Key<sup>(1)</sup>  
vs.  
Portfolio



**+215 bps**

Margins<sup>(1)</sup>  
vs.  
Portfolio



AC HOTEL BOSTON DOWNTOWN



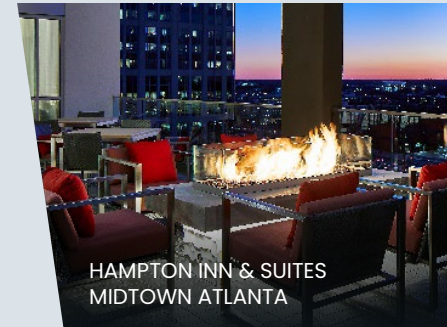
AC HOTEL BOSTON DOWNTOWN



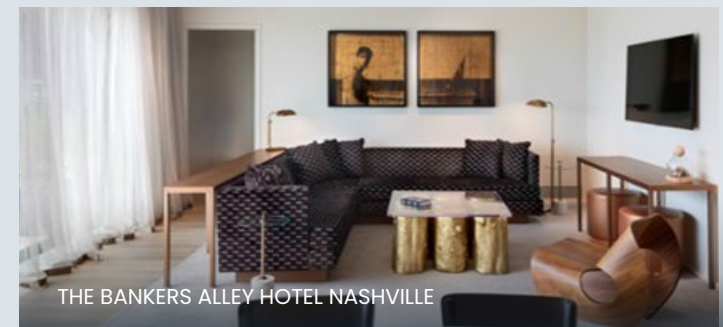
MOXY DENVER CHERRY CREEK



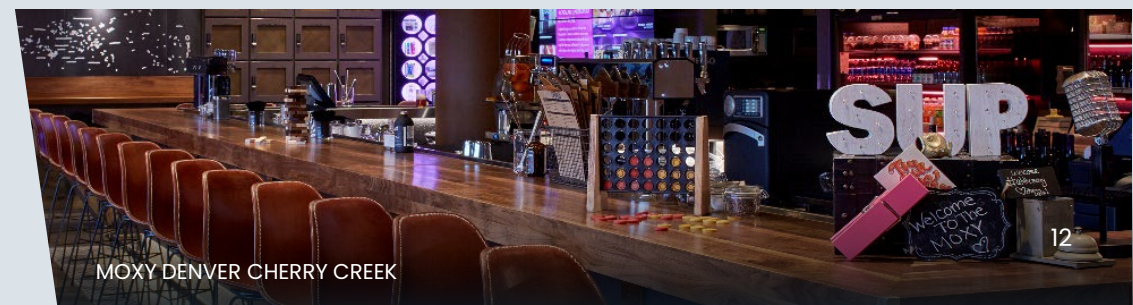
MOXY DENVER CHERRY CREEK



HAMPTON INN & SUITES  
MIDTOWN ATLANTA



THE BANKERS ALLEY HOTEL NASHVILLE



MOXY DENVER CHERRY CREEK

**SUP**

Welcome to the Moxy

(1) Projected for 2023

CASE STUDY

# AC Hotel Boston Downtown

Acquired in October 2021

Outperforming underwriting with current NOI yield of 8.5% vs initial underwritten of 7.5% - 8.0%



**+\$25 ADR**

11% Ahead of Underwriting

~\$261 ADR<sup>(1)</sup>



**+25% Ahead of Underwriting**

+\$1.5M EBITDA

~\$7.5M EBITDA<sup>(1)</sup>



(1) Based on projected 2023 performance

# Balance Sheet Optionality

**\$1.1B**

Total Liquidity

2018 to Present

**\$300M**

stock repurchases

**93%**

Fixed / Hedged Debt

**~13%**

% of float bought back

**3.97%**

Average Interest Rate

**25-30%**

Free Cash Flow as % of Hotel EBITDA

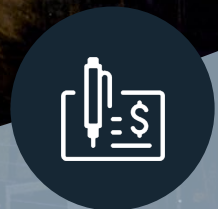


PORTFOLIO

# Multiple Channels to Drive Growth



URBAN CENTRIC PORTFOLIO  
Organic Growth



INITIAL  
Conversions/  
Acquisitions



FUTURE  
Pipeline of  
Conversions

BALANCE SHEET  
Optionality



# RLJ Today



HYATT PLACE WASHINGTON DC / WHITE HOUSE



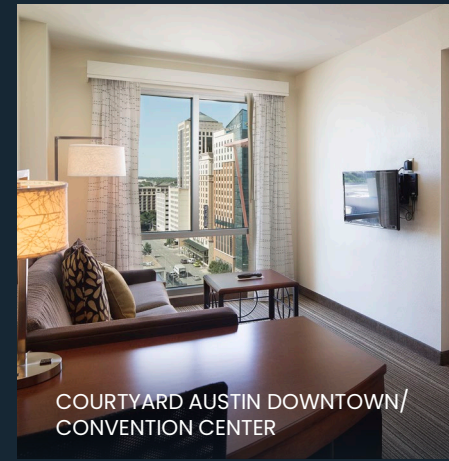
THE PIERSIDE SANTA MONICA



THE MILLS HOUSE HOTEL CHARLESTON



AC HOTEL BOSTON DOWNTOWN



COURTYARD AUSTIN DOWNTOWN/  
CONVENTION CENTER

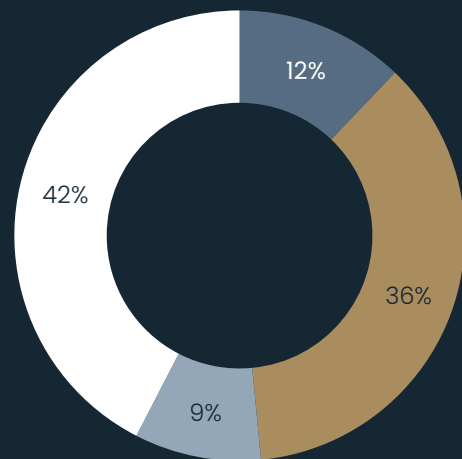
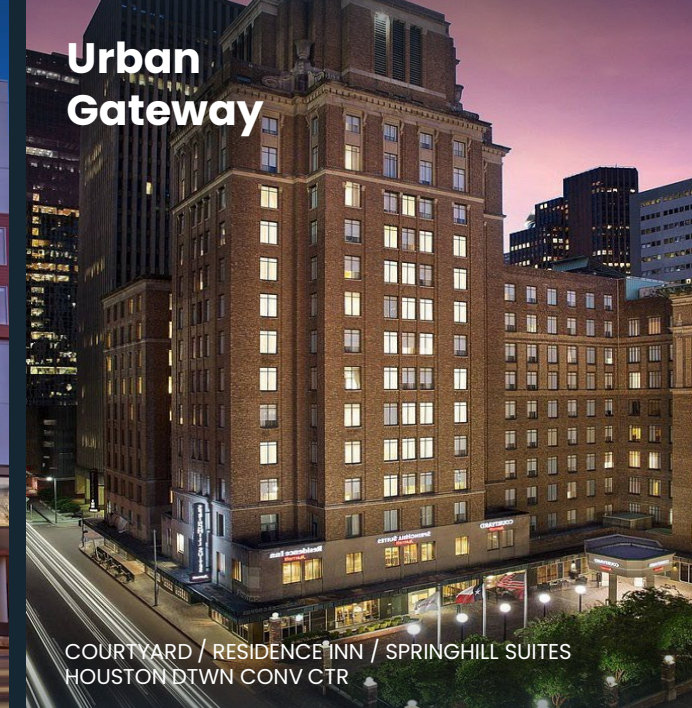
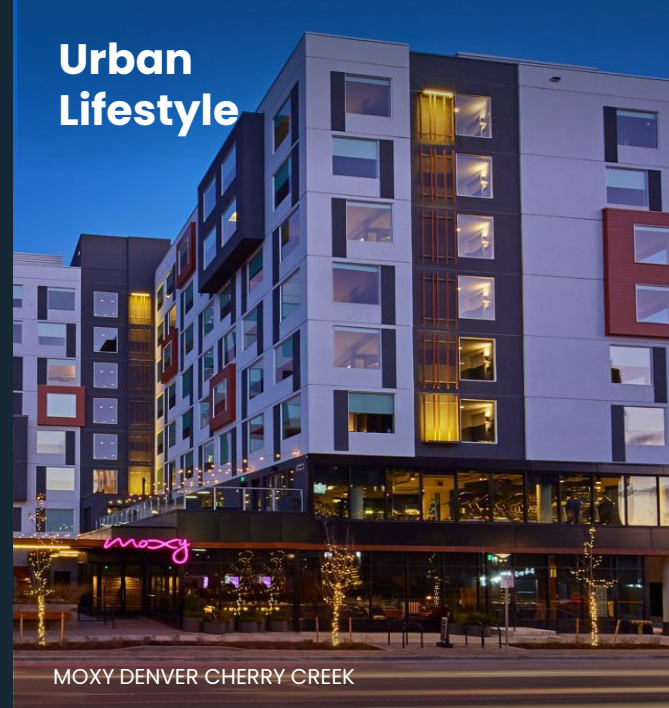


ZACHARI DUNES MANDALAY BEACH



# Urban, Growth Oriented Portfolio

		Repositioning Lift <sup>(2)</sup>
Hotels	96 <sup>(1)</sup>	
ADR	\$185	<b>+7%</b>
RevPAR	\$146	<b>+9%</b>
EBITDA/Key	\$21k	<b>+11%</b>
Margins	34%	<b>+125 bps</b>
Urban Footprint	66%	



- Hilton
- Marriott
- HYATT
- Independent/Other

(1) Based on FY2019 comparable portfolio owned as of September 30, 2023 (includes 2021/2022 acquisitions on a stabilized basis, excludes Chateau LeMoynes)


(2) Relative to 2018 as reported




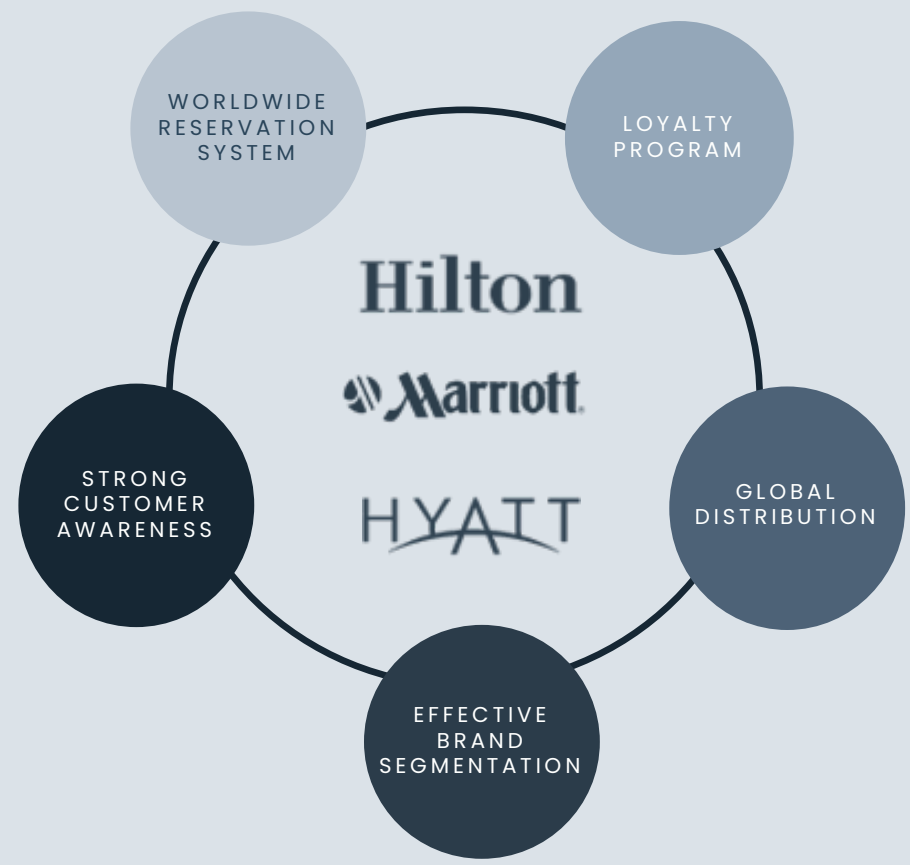
HYATT HOUSE CHARLOTTE

## Affiliated with Global Brands

 Target premium brands

 Attain strong market share

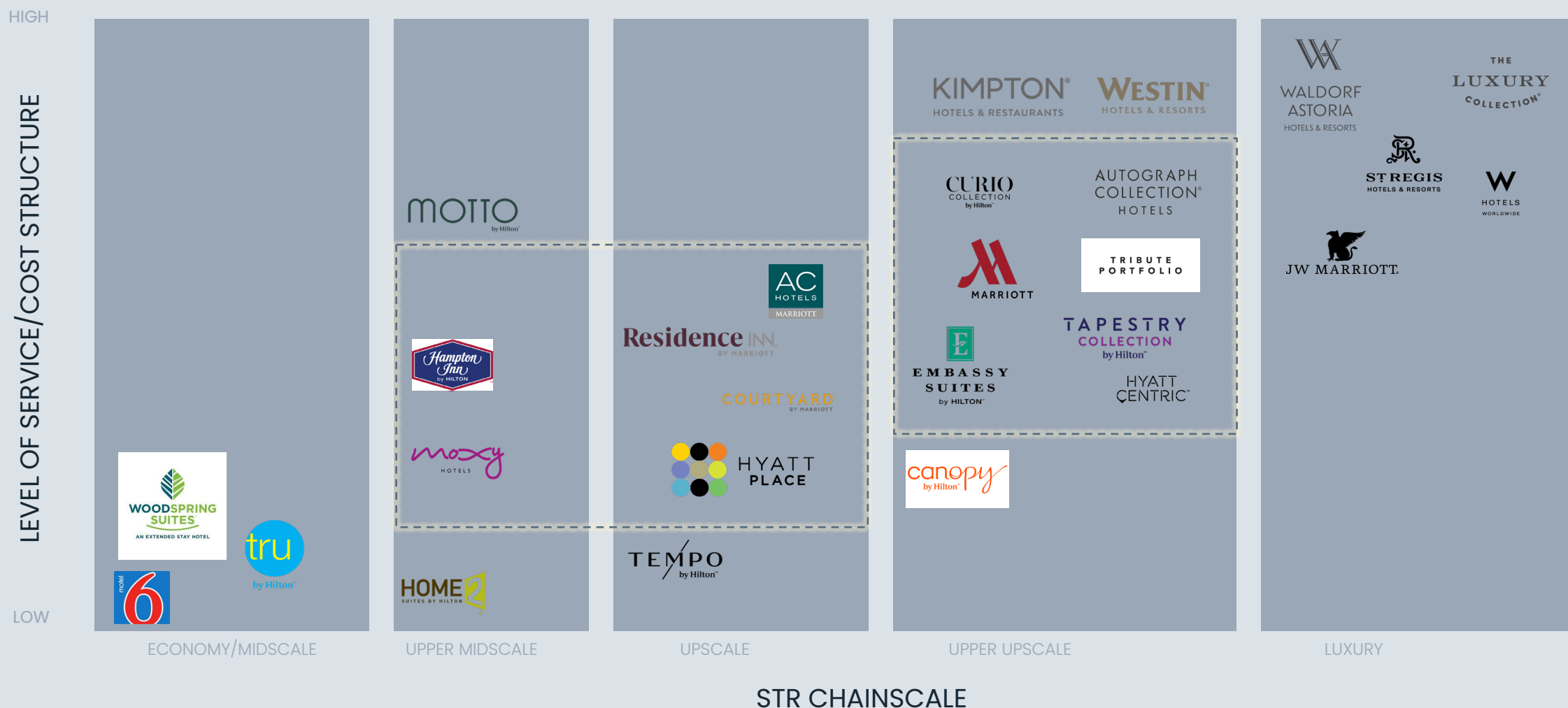
 Consistently command RevPAR premiums



POSITIONING

# Expansion into Lifestyle Brands

AC Hotels, Moxy and Curio Collection remains consistent with our strategy of rooms-focused, high-margin hotels



CASE STUDY

# We Own a Rooms Oriented Portfolio

Rooms

F&B

Other Income

% OF REVENUE <sup>(1)</sup>	MARGINS <sup>(1)</sup>
~83%	~75%
~11%	~27%
6%	~78%

(1) Projected for 2023



HAMPTON INN & SUITES MIDTOWN ATLANTA

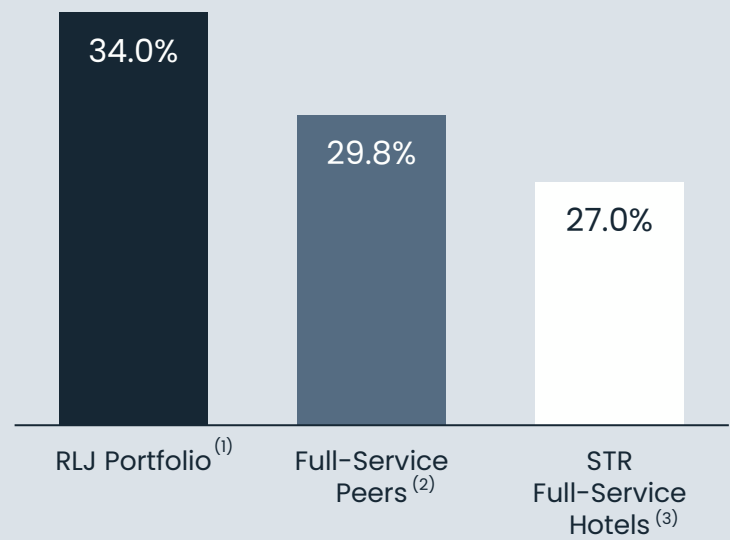
# Lean Operating Model

On average our hotels have:

- 
**< 300** Keys
- 
**<10,000** sq ft of Meeting Space
- 
**Limited F&B**
- 
**High Margins**

Rooms revenue and limited food and beverage drive superior margins and free cash flow

## Superior EBITDA Margins



(1) Pro Forma RLJ 2019  
 (2) 2019 Reported margins from DRH, HST, PEB, PK, SHO & XHR  
 (3) 2019 Figures from 2020 STR HOST Almanac

# High Margin Assets with RevPAR Approaching Full-Service Hotels



**RLJ LODGING TRUST**

**HOMEWOOD SUITES  
WASHINGTON DC**

RevPAR	<b>\$173.21</b>
EBITDA/Key	<b>\$26k</b>
EBITDA Margin	<b>35.8%</b>



**VS. COMP**

**RENAISSANCE  
WASHINGTON DC**

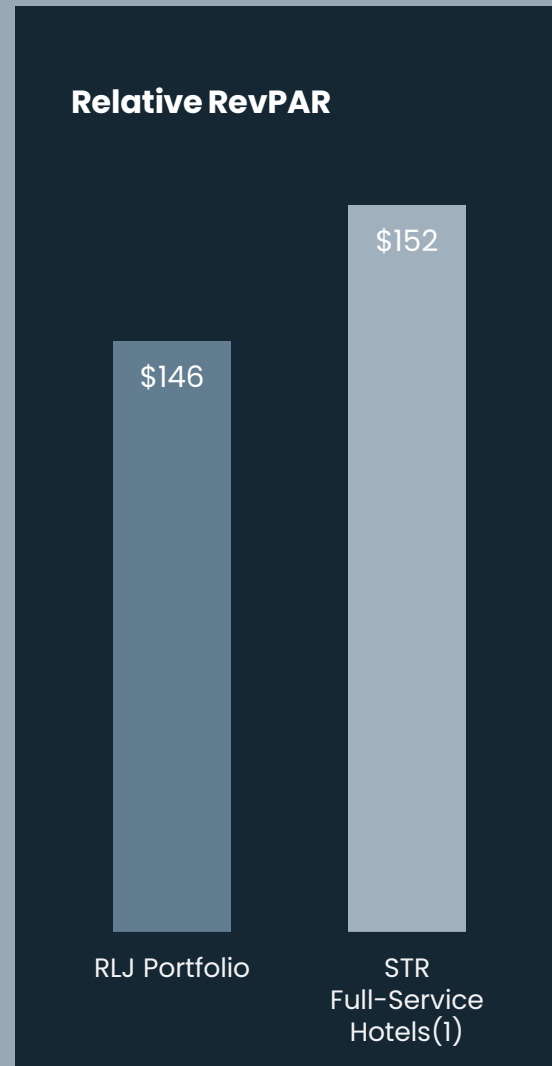
RevPAR	<b>\$181.69</b>
EBITDA/Key	<b>\$30k</b>
EBITDA Margin	<b>28.6%</b>



**VS. COMP**

**THE WESTIN  
WASHINGTON DC**

RevPAR	<b>\$178.26</b>
EBITDA/Key	<b>\$26k</b>
EBITDA Margin	<b>31.5%</b>



(1) 2019 Figures from 2020 STR HOST Almanac

# Geographically Diversified Portfolio

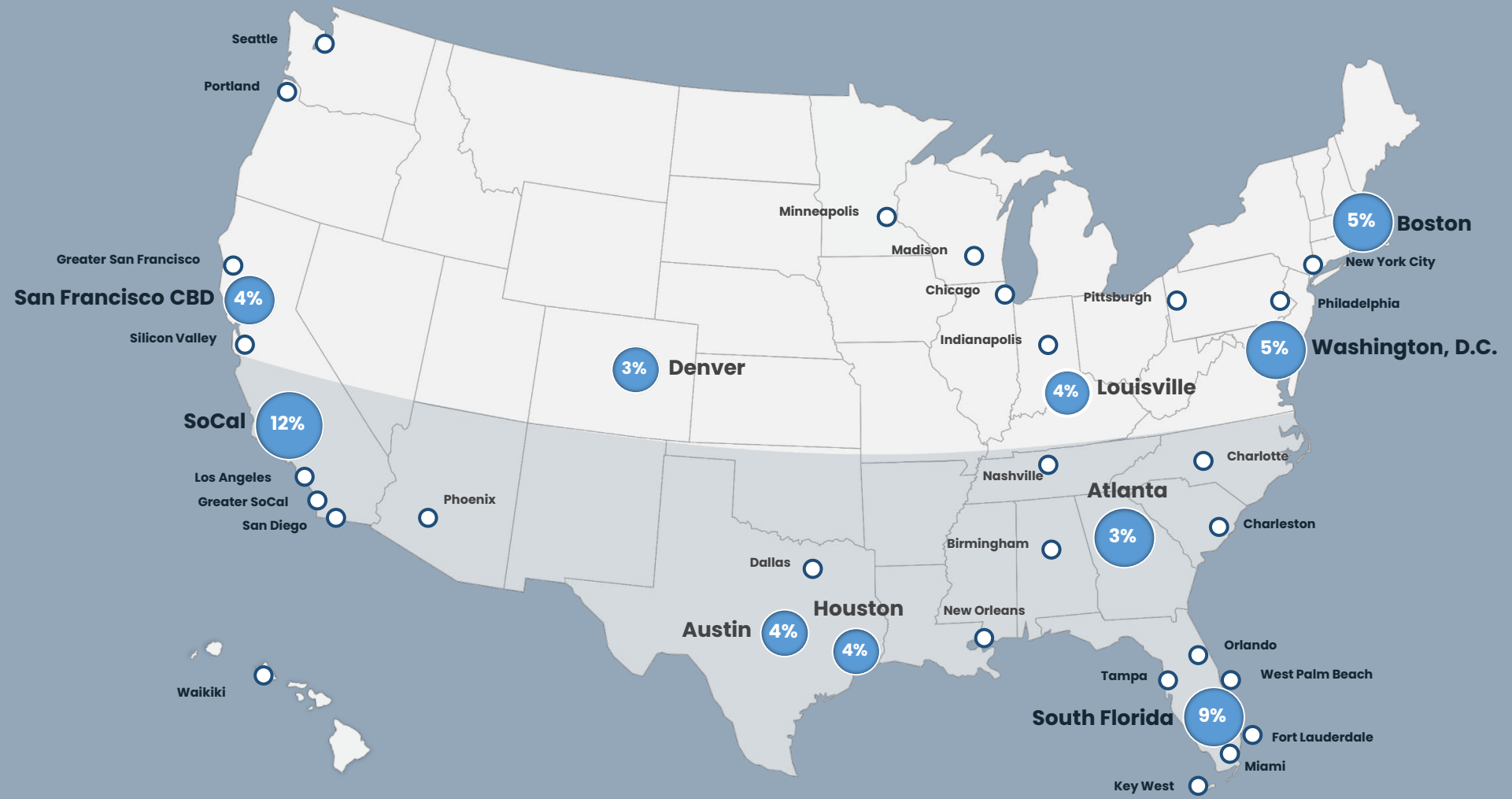
## Urban Centric

**~75%**

of RLJ's EBITDA is generated in the Top 25 Hotel Markets

**>50%**

of EBITDA is generated in the Sun Belt



TARGET MARKETS

# Characteristics

Market Characteristics We Seek

RLJ Identified and Entered a Number of Top Markets Early



Multiple demand generators

7-Day a week demand drivers

Balanced drive to/fly to market access

Strong economic backdrop

High barriers to entry

Key West FL

Charleston SC

Austin TX





EARLY MARKET ADOPTER



## Charleston, SC



### Long-term Growth Market

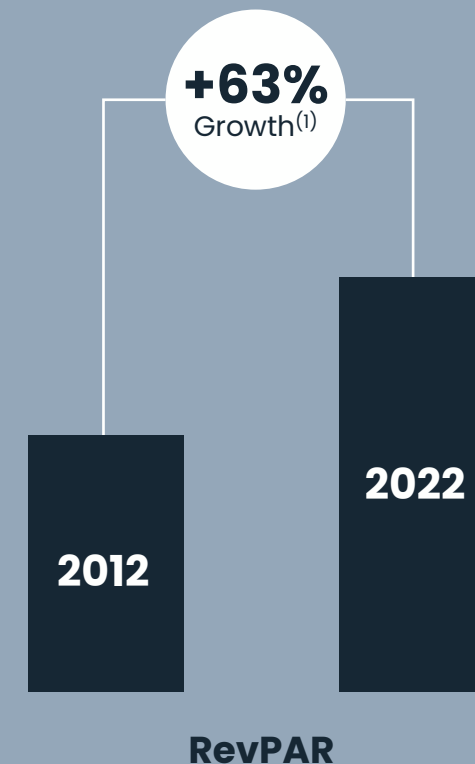
- Outsized organic demand growth
  - Large corporate relocations and airport expansion
  - Population growth
- Top drive-to leisure market



Limited supply, due to historic preservation laws



High ADR and RevPAR Market



(1) Based on 2022 STR Market report

HEART OF DEMAND LOCATIONS

# 7 Day a Week Demand Drivers



Benefit from balanced Weekday / Weekend Demand



Proximate to multiple demand generators  
- Sports/Entertainment, Corporate and Government



Brands/product type capture all segments  
- Lifestyle brands and significant all-suites product



PORTFOLIO

# Ideal Portfolio Mix

RLJ's portfolio is:



**Rooms oriented**



**High Growth Markets**



**High Margin**



**Heart of demand locations**



**High RevPAR**



**7-day a week demand**



HYATT PLACE WASHINGTON DC / WHITE HOUSE



ZACHARI DUNES MANDALAY BEACH



RENAISSANCE PITTSBURGH



EMBASSY SUITES ATLANTA BUCKHEAD



DOUBLETREE GRAND KEY RESORT



AC HOTEL BOSTON DOWNTOWN

# High Quality Portfolio



THE MILLS HOUSE HOTEL CHARLESTON



ZACHARI DUNES MANDALAY BEACH



THE KNICKERBOCKER NYC



HILTON CABANA MIAMI BEACH

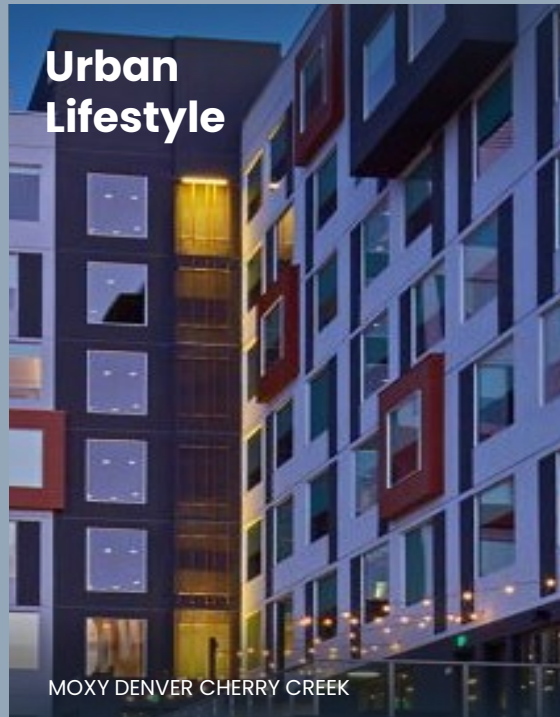


FAIRFIELD INN AND SUITES  
WASHINGTON DC DOWNTOWN



MARRIOTT LOUISVILLE DOWNTOWN

# High Quality Portfolio



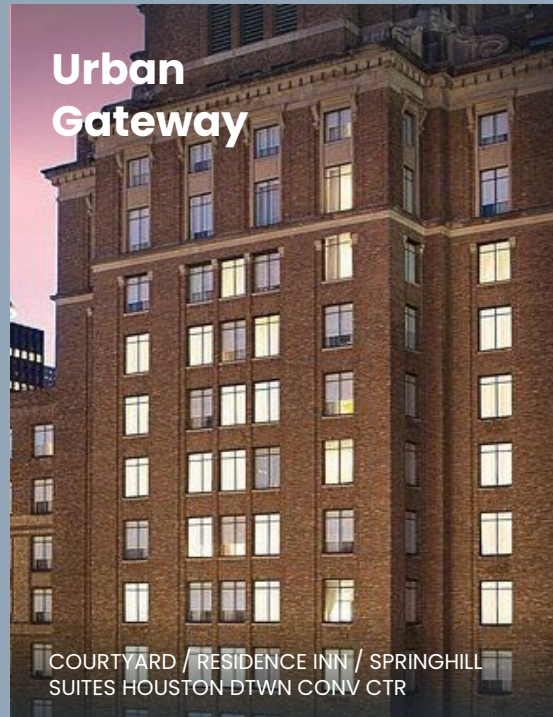
## Urban Lifestyle

MOXY DENVER CHERRY CREEK

**33**  
# of Hotels

**39%**  
of EBITDA

**\$21K**  
EBITDA / KEY



## Urban Gateway

COURTYARD / RESIDENCE INN / SPRINGHILL SUITES HOUSTON DTWN CONV CTR

**32**  
# of Hotels

**36%**  
of EBITDA

**\$22K**  
EBITDA / KEY



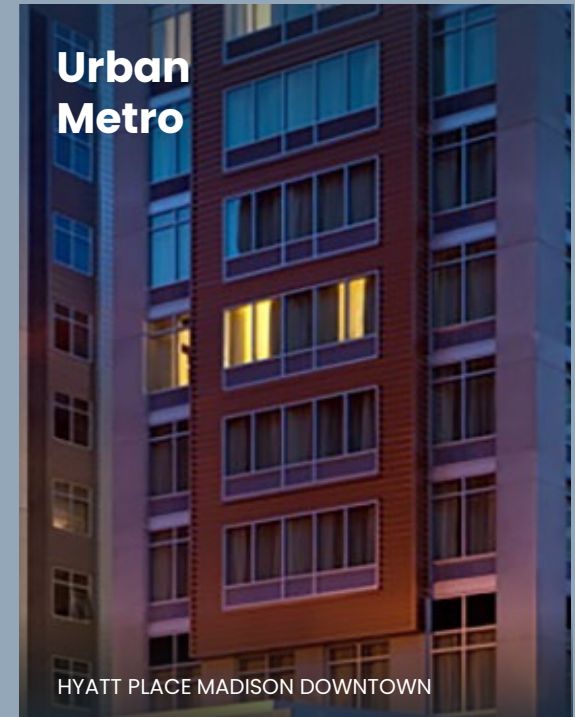
## Resort

HILTON CABANA MIAMI BEACH

**11**  
# of Hotels

**14%**  
of EBITDA

**\$25K**  
EBITDA / KEY



## Urban Metro

HYATT PLACE MADISON DOWNTOWN

**20**  
# of Hotels

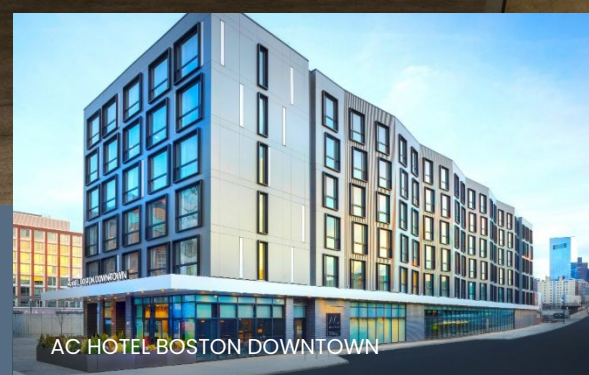
**11%**  
of EBITDA

**\$16K**  
EBITDA / KEY

# Urban Lifestyle

Properties in top urban markets that benefit from seven-day-a-week demand and “bleisure” with ‘live, work, play’ demand, represent

# 39%

 of EBITDA<sup>(1)</sup>

AC HOTEL BOSTON DOWNTOWN



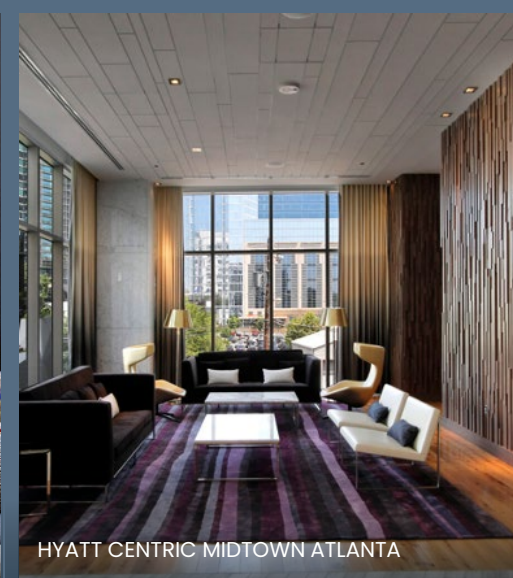
THE KNICKERBOCKER NYC



MARRIOTT LOUISVILLE DOWNTOWN



MOXY DENVER CHERRY CREEK



HYATT CENTRIC MIDTOWN ATLANTA



RENAISSANCE PITTSBURGH

(1) Based on pro forma FY 2019 for Hotels owned as of September 30, 2023

URBAN LIFESTYLE

# Moxy Denver Cherry Creek



Heart of Demand location in Denver's upscale Cherry Creek submarket

Benefits from corporate, lifestyle, leisure demand throughout the week

High barriers to entry



**34%**  
EBITDA Margin<sup>(1)</sup>



**\$205**  
ADR<sup>(1)</sup>



**86%**  
Rooms Revenue<sup>(1)</sup>

(1) Projected for 2023

# Urban Gateway

Properties located in key gateway hotel markets in the U.S., that are also the nation's top economic centers represent

**36%** of EBITDA<sup>(1)</sup>



HYATT PLACE WASHINGTON DC / WHITE HOUSE



HILTON GARDEN INN NEW ORLEANS CONVENTION CENTER



COURTYARD NEW YORK MANHATTAN UPPER EAST SIDE



FAIRFIELD INN & SUITES WASHINGTON DC DOWNTOWN



MARRIOTT SAN FRANCISCO UNION SQUARE



COURTYARD SAN FRANCISCO UNION SQUARE

<sup>(1)</sup> Based on pro forma FY 2019 for Hotels owned as of September 30, 2023





URBAN GATEWAY

# Hyatt Place Washington DC / White House



Heart of demand location  
in downtown DC, located  
right on K St

Benefits from corporate,  
government, and  
leisure demand



**36%**  
EBITDA Margin<sup>(1)</sup>



**\$230**  
ADR<sup>(1)</sup>



**92%**  
Rooms Revenue<sup>(1)</sup>

(1) Projected for 2023

# Resort

Properties located in resort destinations with a high leisure mix represent

# 14%

 of EBITDA<sup>(1)</sup>

EMBASSY SUITES DEERFIELD BEACH RESORT



DOUBLETREE GRAND KEY RESORT



COURTYARD WAIKIKI



ZACHARI DUNES MANDALAY BEACH

(1) Based on pro forma FY 2019 for Hotels owned as of September 30, 2023

RESORT

# Embassy Suites Deerfield Beach Resort



EMBASSY  
SUITES

Hilton

Midweek corporate business and weekend leisure demand

High barrier to entry location

Benefits from strong Leisure demand



**35%**

EBITDA Margin<sup>(1)</sup>



**\$240**

ADR<sup>(1)</sup>



**80%**

Rooms Revenue<sup>(1)</sup>

# Urban Metro

Properties located in niche submarkets within major U.S. Urban metros represent

**11%** of EBITDA<sup>(1)</sup>



(1) Based on pro forma FY 2019 for Hotels owned as of September 30, 2023

URBAN METRO

# Hyatt Place Madison Downtown



HYATT  
PLACE

HYATT®

Brand  
recognition in  
the market

A+ location, near  
university and  
government

Submarket that  
functions like an  
Urban market



**39%**

EBITDA Margin<sup>(1)</sup>



**\$190**

ADR<sup>(1)</sup>



**93%**

Rooms Revenue<sup>(1)</sup>

# RLJ Portfolio Built to Capture New Normal

## CONSUMER TRENDS



Increased “Bleisure” allowed by Hybrid work



Experiential focus with increased desire for unique accommodations



Ultimate mix between business / leisure travel still evolving



Small group emerging as a higher contributor to demand

## RLJ PORTFOLIO



Live, work, play locations



Increased mix of lifestyle, boutique hotels



Nature of assets and proximity to demand generators capture of all segments



Optimal meeting space to capture small group, which is primary group driver

# Growth



HYATT CENTRIC MIDTOWN ATLANTA



HILTON CABANA MIAMI BEACH



ZACHARI DUNES MANDALAY BEACH



MARRIOTT UNION SQUARE  
SAN FRANCISCO



EMBASSY SUITES MILPITAS



THE BANKERS ALLEY HOTEL NASHVILLE





PORTFOLIO

# Multiple Channels to Drive Growth



BALANCE SHEET  
Optionality

- Strong Liquidity
- Generate Significant Free Cash Flow
- Optionality to drive external / internal growth
- Ability to return capital to shareholders



FUTURE

Pipeline of Conversions

- Targeting two conversions per year
- Executing incremental revenue enhancement opportunities



URBAN CENTRIC PORTFOLIO

Organic Growth

- Multiple demand drivers
- Capture new normal
- Limited new supply
- Next leg of recovery

INITIAL

Conversions / Acquisitions

- Pacing ahead of underwriting
- External growth from high-growth markets
- Additional growth to stabilization



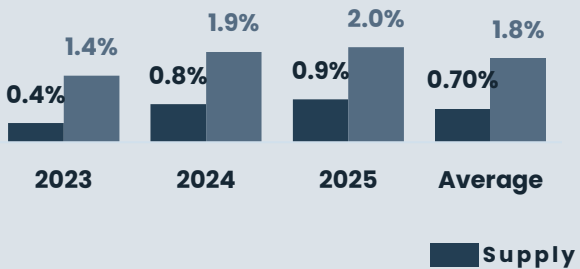
URBAN CENTRIC

# Organic Growth

Urban demand growth expected to significantly outpace new supply  
 New supply in Urban markets projected to remain low for multiple years

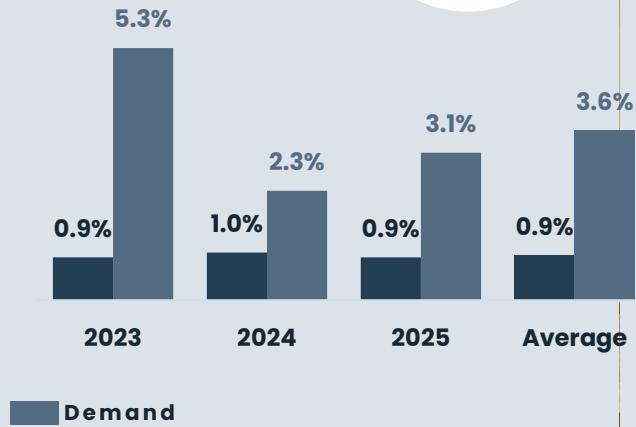
## INDUSTRY

**~110 BPS**  
 Demand exceeding Supply



## URBAN

**~270 BPS**  
 Demand exceeding Supply



# Phase I Value Creation

**\$34M**  
AT STABILIZATION

**\$28M**  
2023 PACE <sup>(1)</sup>

**\$23 - \$28M**  
2021 U/W

**\$25M**  
Initial Phase I <sup>(2)</sup>  
U/W

**+\$3M**  
Incremental EBITDA <sup>(2)</sup>

**\$25M**  
Initial Phase I <sup>(2)</sup>  
U/W

**+\$6M**  
Incremental EBITDA <sup>(2)</sup>

**+\$3M**  
Incremental EBITDA <sup>(2)</sup>

**\$25M**  
Initial Phase I <sup>(2)</sup>  
U/W

(1) Based on 2023 projected EBITDA

(2) Shown at the midpoint of the range

PHASE 2 | 2023 CONVERSIONS

# Converting Hotels to Drive Incremental EBITDA

Doubletree Suites Houston, formerly Wyndham

Hotel Tonnelle a Marriott Tribute Portfolio Hotel,  
New Orleans Garden District, formerly Hotel Indigo

The Bankers Alley Hotel Nashville,  
Tapestry Collection by Hilton, formerly 21C



**+\$25-\$30**

Avg ADR<sup>(1)</sup>



**+\$5M-\$6M**

Total Incremental EBITDA<sup>(1)</sup>



**~50%+**

Avg Unlevered IRR<sup>(1)</sup>

(1) Upon stabilization





## Phase 2 | 2024 Conversions

Coming soon

### Autograph Pittsburgh Downtown, from Renaissance

Iconic building in prime CBD location

Autograph Collection expected to capture higher ADR guests



**+\$15-\$20**

Avg ADR<sup>(1)</sup>



**+\$2M-\$3M**

Total Incremental EBITDA<sup>(1)</sup>

### Courtyard at the University of Pittsburgh, from Wyndham

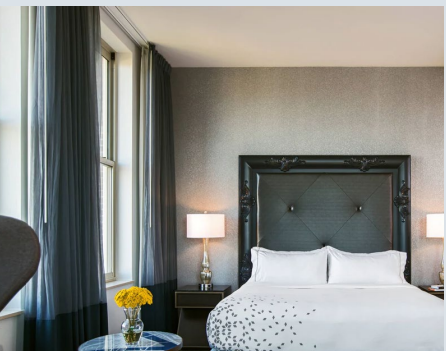
Benefits from multiple demand drivers given prime location on university campus

Courtyard affiliation expected to capture higher ADR



**~50%**

Avg Unlevered IRR<sup>(1)</sup>



(1) Upon stabilization

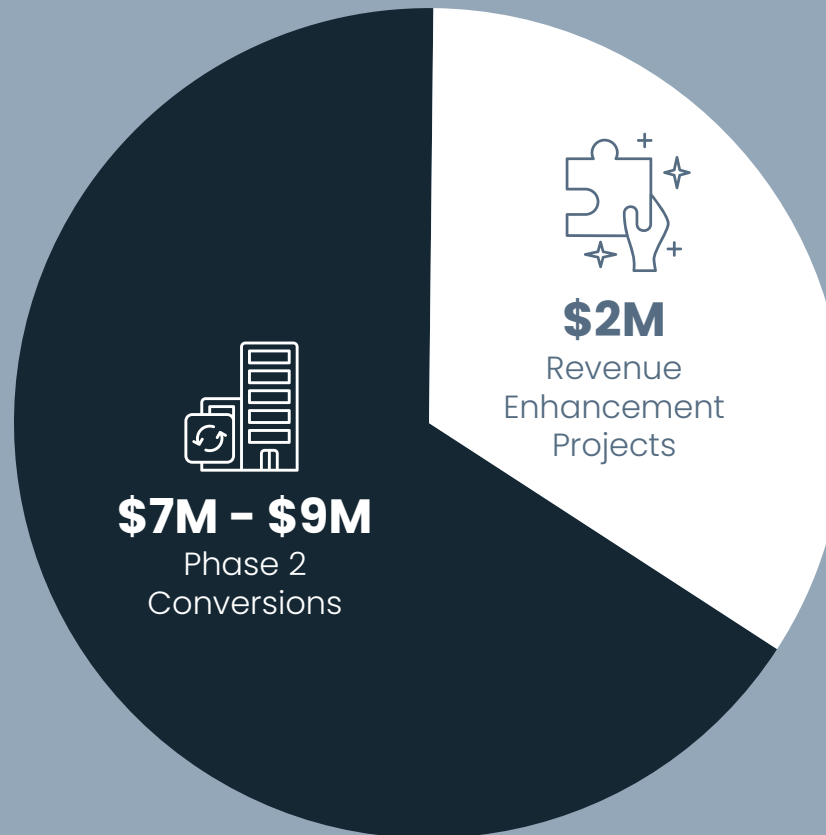
PHASE 2

## Phase 2 Expectations

Phase 2 projects expected to generate incremental stabilized EBITDA of :

# \$9M-\$11M

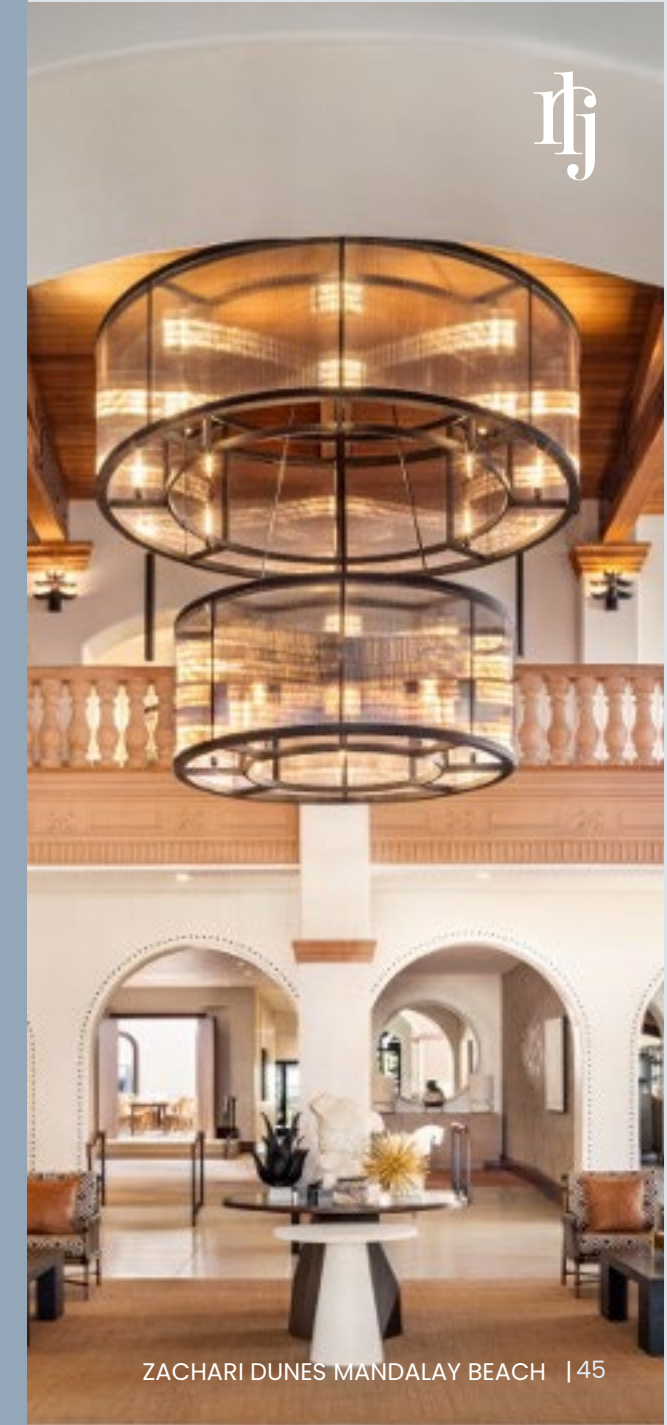
During 2024 - 2026



**\$7M - \$9M**  
Phase 2  
Conversions

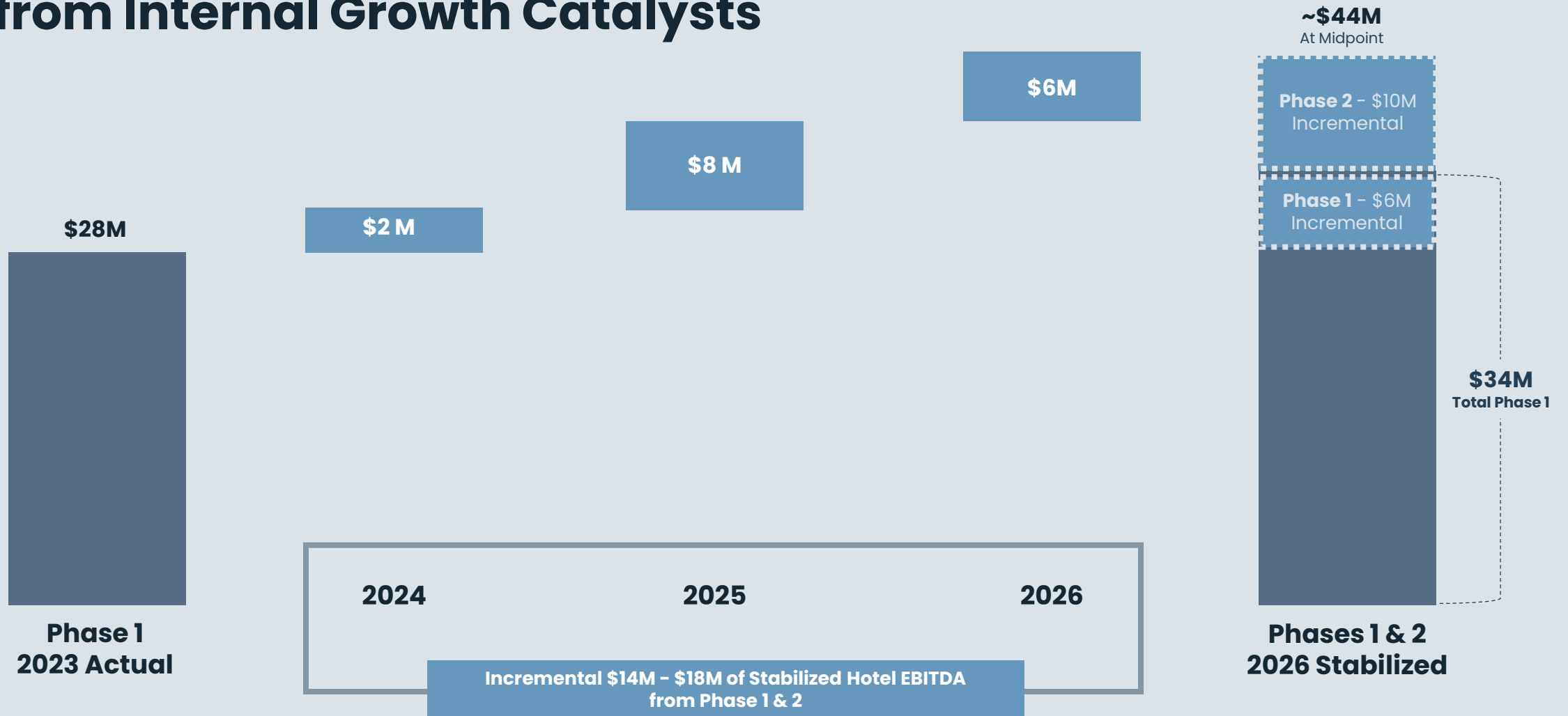


**\$2M**  
Revenue  
Enhancement  
Projects



COMBINED PHASE 1 & 2

# Incremental EBITDA from Internal Growth Catalysts

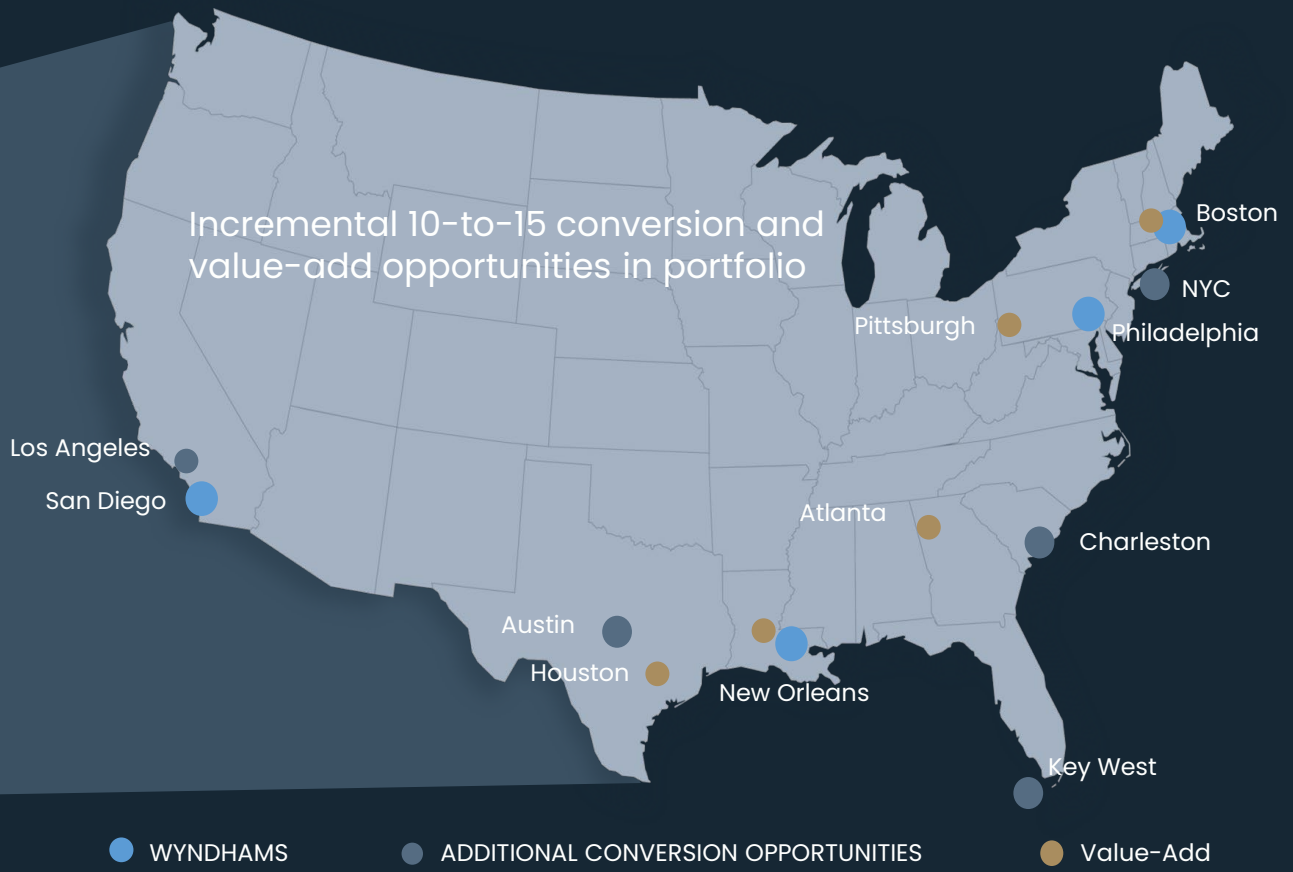


All figures are shown at the midpoint

# Embedded Pipeline of Opportunities

Expect to execute two conversions per year

- 
- Brand expirations
  - Conversions with renovations
  - Embedded real estate value creation
  - Incremental ROI opportunities



# Balance Sheet Optionality

**\$1.1B**

Total Liquidity

2018 to Present

**\$300M**

stock repurchases

**93%**

Fixed / Hedged Debt

**~13%**

% of float bought back

**3.97%**

Average Interest Rate

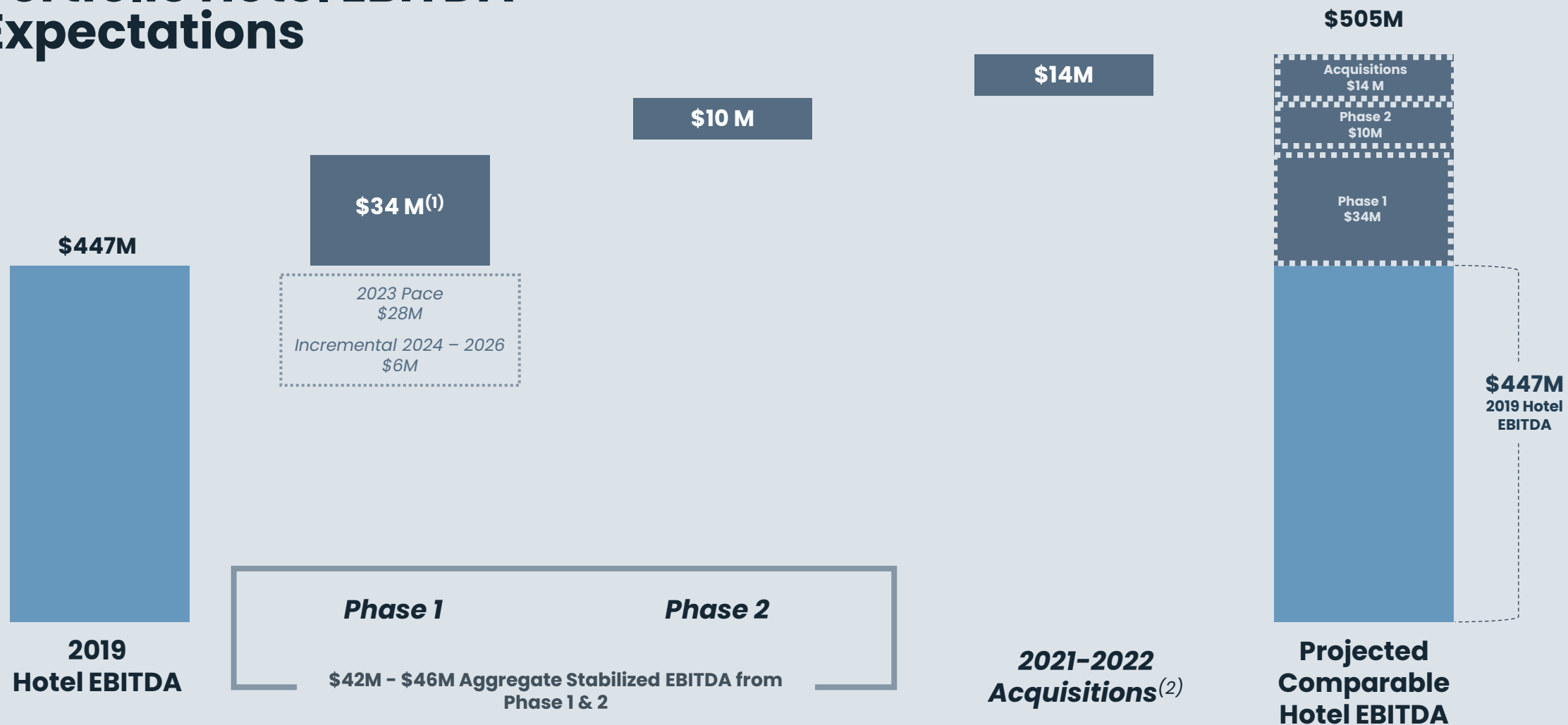
**~\$400M**

2024–2026 Forecasted Aggregate  
Free Cash Flow



HOTEL EBITDA BRIDGE

# Portfolio Hotel EBITDA Expectations



All figures are shown at the midpoint

(1) Actual 2023, plus projected 2024 – 2026 EBITDA at midpoint of range

(2) At stabilization



PORTFOLIO

# Multiple Channels to Drive Growth



FUTURE

## Pipeline of Conversions

- Targeting two conversions per year
- Executing incremental revenue enhancement opportunities

BALANCE SHEET  
Optionality

- Strong Liquidity
- Generate Significant Free Cash Flow
- Optionality to drive external / internal growth
- Ability to return capital to shareholders



INITIAL

## Conversions / Acquisitions

- Pacing ahead of underwriting
- External growth from high-growth markets
- Additional growth to stabilization



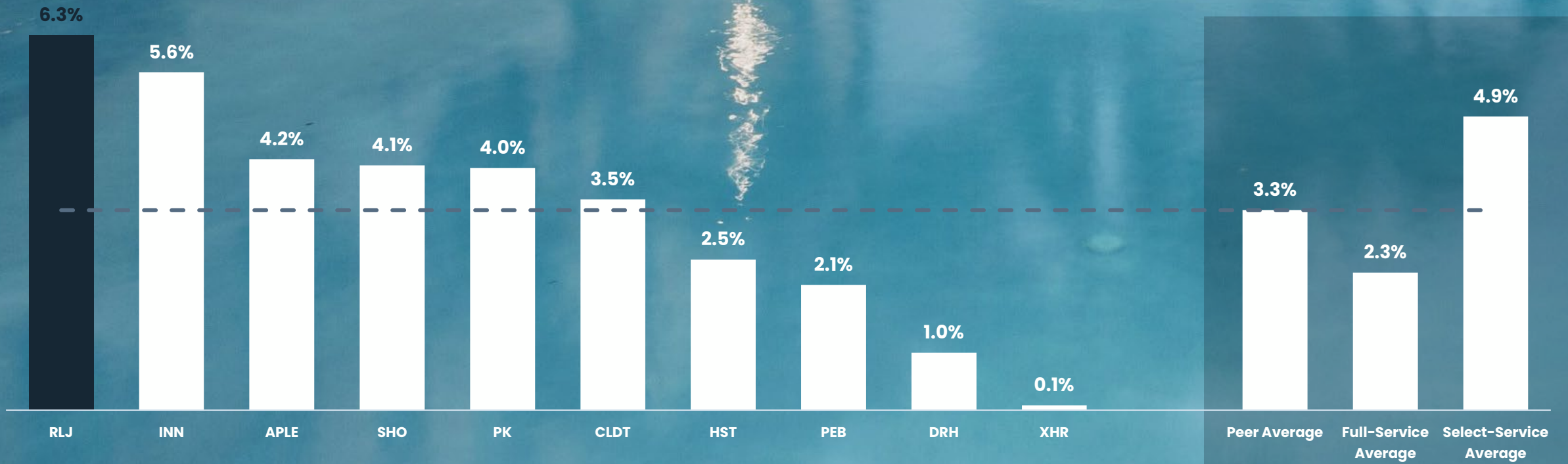
URBAN CENTRIC PORTFOLIO

## Organic Growth

- Multiple demand drivers
- Capture new normal
- Limited new supply
- Next leg of recovery

LEADING GROWTH

# Consensus Adjusted EBITDA CAGR 2023-2025



# Key Takeaways for Today

## INTENTIONAL EVOLUTION



We want you to know that RLJ's evolution has been intentional and thoughtful over the past several years

## WELL-POSITIONED FOR THE NEW NORMAL



We want you to have clarity around how our portfolio is positioned to capture emerging trends

## HIGH QUALITY PORTFOLIO



We want you to understand the nature and underlying quality of our assets

## MULTIPLE CHANNELS OF GROWTH



We want you to have confidence in our strong relative positioning to drive growth

THANK YOU



RLJ LODGING TRUST

AC HOTEL BOSTON DOWNTOWN

225



AC HOTEL DOWNTOWN BOSTON

## FORWARD – LOOKING STATEMENTS

*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, including, without limitation, projections of future performance, expectations of results upon stabilization, impact of conversions and internal growth 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, as may be updated or supplemented in the Company’s Quarterly Reports on Form 10-Q, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.*