

BANK OF AMERICA  
GLOBAL REAL ESTATE  
CONFERENCE

SEPTEMBER 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 markets expected to drive industry growth**

- Urban markets represent over two-thirds of RLJ's portfolio
- Urban market performance continues to outpace the broader industry in Q3

**INTERNAL  
GROWTH  
CATALYSTS****Completed 2022 transformative conversions and launched 2023 conversions**

- The Mills House and Zachari Dunes joined Hilton's Curio Collection; The Pierside in Santa Monica launched as an independent
- 2023 Conversions include Hotel Tonnelle New Orleans, a Tribute Portfolio Hotel; the DoubleTree by Hilton Houston Medical Center; and, 21c Museum Hotel Nashville joining Hilton's Tapestry Collection

**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**

- During Q2, repurchased \$25.5 million of common shares on a leverage neutral basis
- Following \$825M of recent refinancings, have no maturities until 2024 and 93% of debt is fixed/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

## Urban hotel performance continues to outpace the overall portfolio

### Q3 quarter-to-date RevPAR (July-August), up ~2.4%

- Occupancy and ADR growth of 1.3% and 1.1% respectively, over last year

### RevPAR growth in Urban markets continue to outperform the overall portfolio

- Urban markets benefitting from improving business transient and international demand, strong group and “Bleisure” demand
- Positive demand / supply dynamics in urban markets

### Group pace for Q3 exceeding 2019 levels

- Q3 group revenues at 103% of 2019 levels and significantly ahead of last year
- Full-year group pace at 97% of 2019 levels

### Urban leisure seeing robust demand, with resorts continuing to normalize

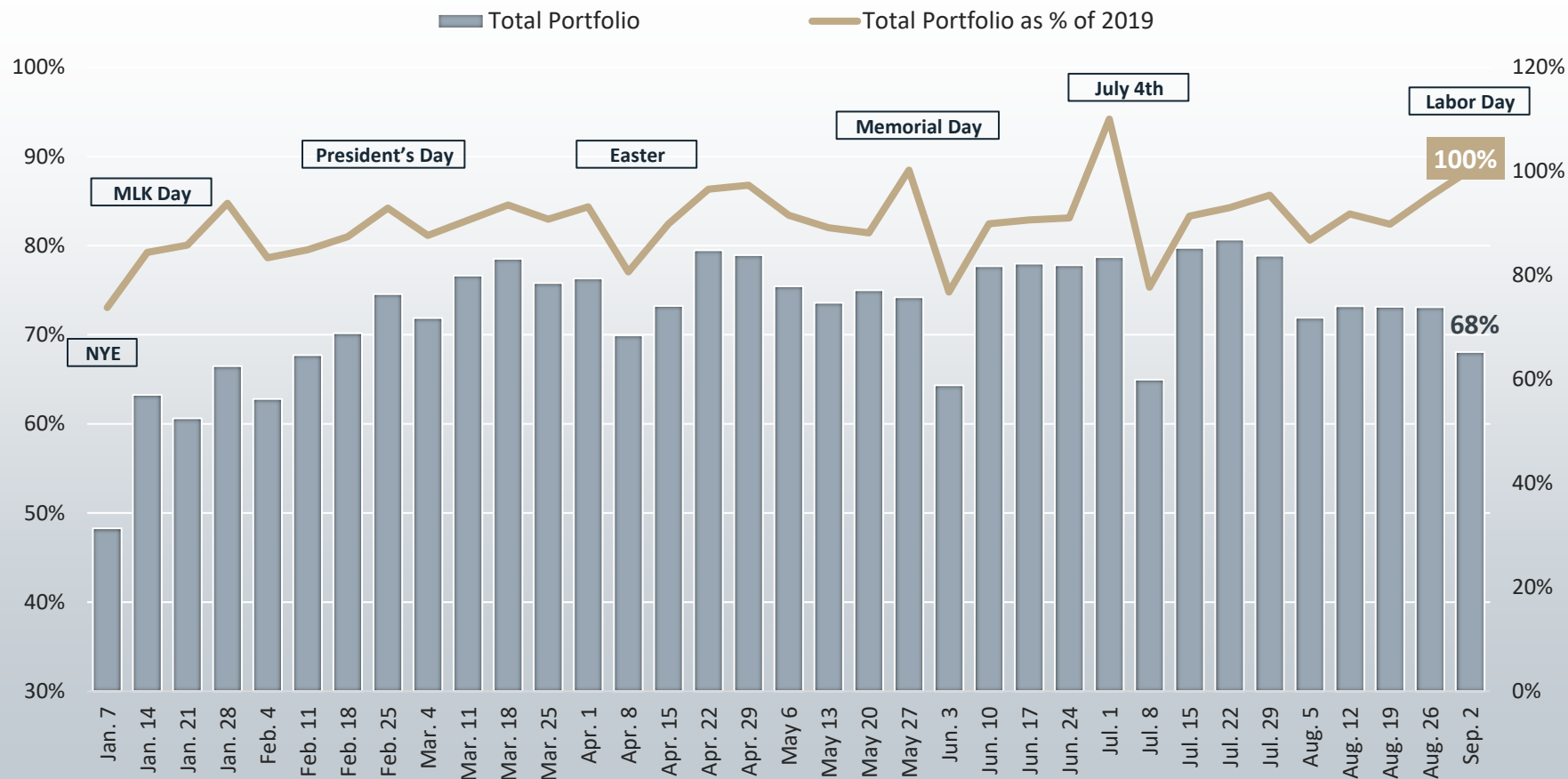
- Weekend RevPAR growth over last year in Urban markets ahead of portfolio by 100 bps in July - August

### Updated Q3 Outlook

- Given recent weather events and other factors, project Hotel EBITDA to be between the midpoint and low-end of outlook range

Occupancy improved with seasonal trends continuing

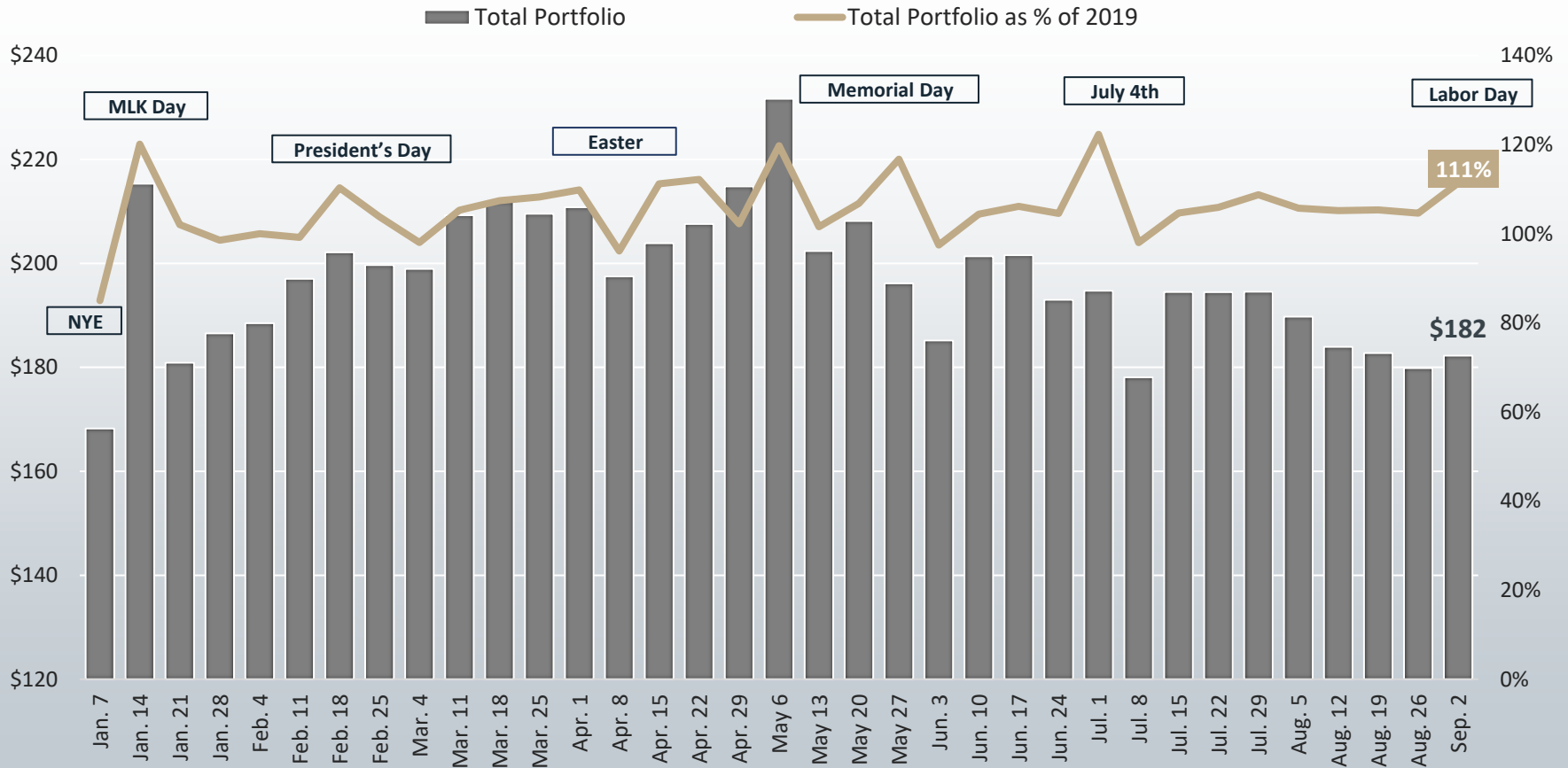
RLJ Weekly Occupancy vs % of 2019 <sup>(1)</sup>



(1) As of week ending September 2, 2023; for comparable hotels; results excludes the Chateau LeMoyne-French Quarter New Orleans, which is a fully unconsolidated hotel. Unaudited, for comparison purposes only.

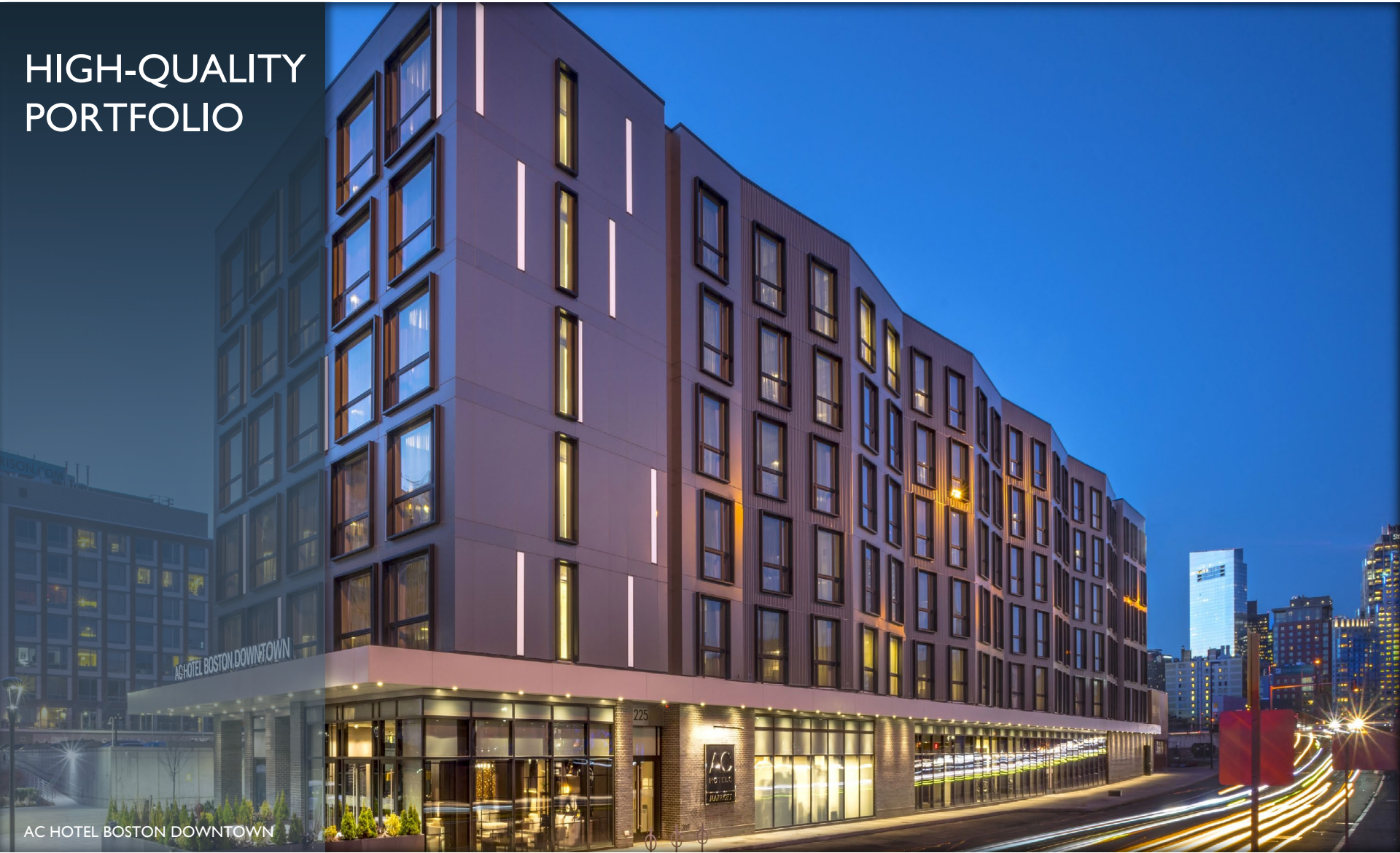
ADR maintaining pricing power and continuing to exceed pre-pandemic levels

RLJ Weekly ADR vs % of 2019 <sup>(1)</sup>



(1) As of week ending September 2, 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<sup>(1)</sup>

23

States

96

Comparable Hotels

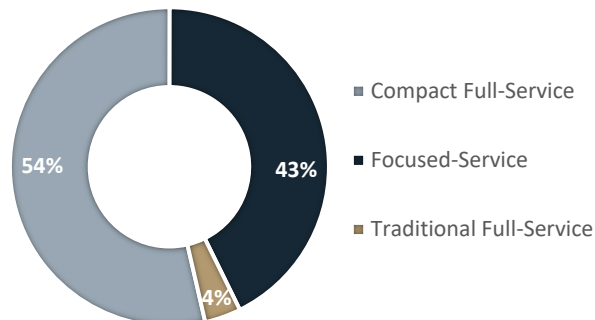
21,239

Guestrooms

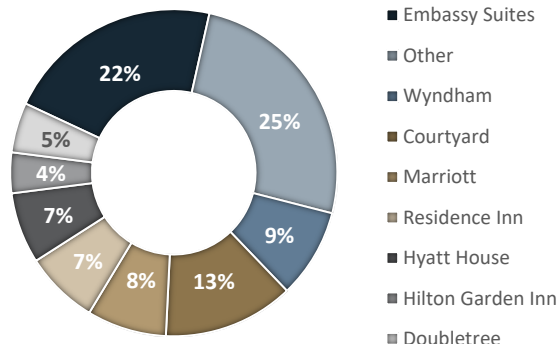
84%

Rooms Revenue Mix<sup>(3)</sup>

Property Types<sup>(2)</sup>



Flags<sup>(2)</sup>



Operating Metrics<sup>(3)</sup>

79%

Occupancy

\$185

ADR

\$146

RevPAR

\$447M

Hotel EBITDA

33.3%

Hotel EBITDA Margin

(1) As of June 30, 2023

(2) Represented as a percentage of FY 2019 EBITDA

(3) Based on FY 2019 pro forma portfolio owned as of June 30, 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

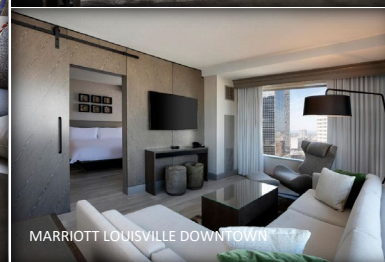
**\$16K**  
EBITDA / KEY

Based on pro forma FY 2019 EBITDA for hotels owned As of June 30, 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<sup>(1)</sup>



<sup>(1)</sup> Based on FY 2019 EBITDA pro forma for the portfolio owned As of June 30, 2023; excludes Chateau LeMoyné 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<sup>(1)</sup>



<sup>(1)</sup> Based on FY 2019 EBITDA, pro forma for the portfolio owned As of June 30, 2023; excludes Chateau LeMoyne which is unconsolidated

# RESORT

PROPERTIES LOCATED IN RESORT DESTINATIONS WITH  
A HIGH LEISURE MIX

14% OF EBITDA<sup>(1)</sup>



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

<sup>(1)</sup> Based on FY 2019 EBITDA pro forma for the portfolio owned As of June 30, 2023; excludes Chateau LeMoyné which is unconsolidated

# URBAN METRO

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

11% OF EBITDA<sup>(1)</sup>



EMBASSY SUITES MINNEAPOLIS AIRPORT

MARRIOTT CHICAGO MIDWAY

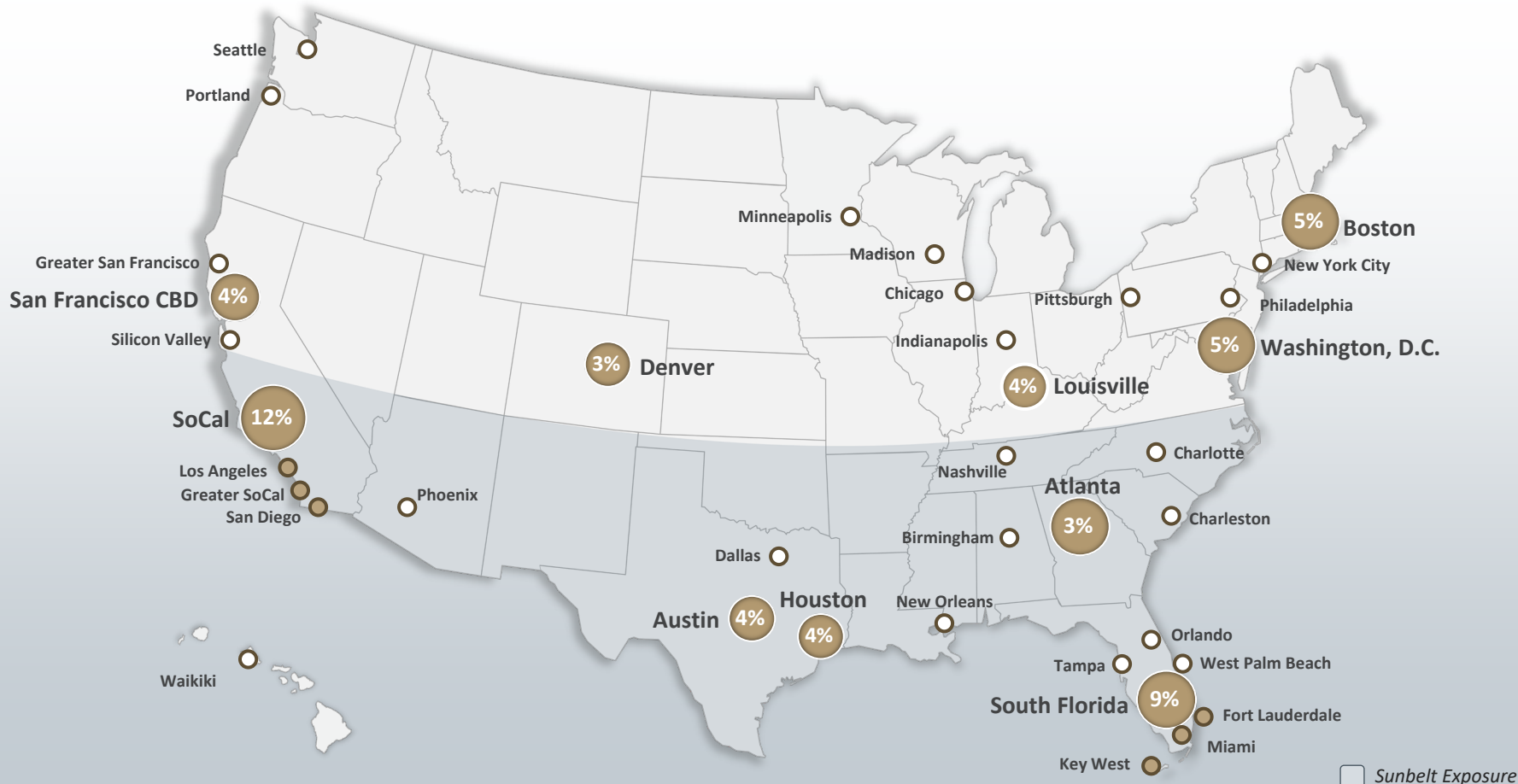
EMBASSY SUITES DALLAS LOVE FIELD

HYATT PLACE MADISON DOWNTOWN

<sup>(1)</sup> Based on FY 2019 EBITDA pro forma for the portfolio owned As of June 30, 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<sup>(1)</sup>
- Over 2/3<sup>rds</sup> of RLJ's portfolio is concentrated in Urban markets <sup>(1)</sup>



Note: Shaded submarkets are included in larger percentages where applicable  
 (1) Based on FY 2019 EBITDA pro forma for the portfolio owned as of June 30, 2023; excludes Chateau LeMoine which is unconsolidated

# EXTERNAL GROWTH CATALYSTS



THE BANKER'S ALLEY 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	THE BANKER'S ALLEY HOTEL NASHVILLE
			
<p><b>186</b> KEYS</p> <p><b>\$150</b> STABILIZED REVPAR</p> <p><b>2020</b> YEAR BUILT</p>	<p><b>205</b> KEYS</p> <p><b>\$200</b> STABILIZED REVPAR</p> <p><b>2018</b> YEAR BUILT</p>	<p><b>170</b> KEYS</p> <p><b>\$170</b> STABILIZED REVPAR</p> <p><b>2017</b> YEAR BUILT</p>	<p><b>124</b> KEYS</p> <p><b>\$260</b> STABILIZED REVPAR</p> <p><b>2017</b> YEAR REDEVELOPED</p>
<p><b>~8.0 - 8.5%</b> STABILIZED NOI YIELD</p>	<p><b>~7.5 - 8.0%</b> STABILIZED NOI YIELD</p>	<p><b>~8.0 - 8.5%</b> STABILIZED NOI YIELD</p>	<p><b>~8.0 - 8.5%</b> 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 <sup>(1)</sup>	EBITDA <sup>(2)</sup>	Value Creation <sup>(3)</sup>	Unlevered IRR
<b>2022 Conversions</b>					
Wyndham Santa Monica	Conversion to Independent	\$10.0M to \$11.0M	\$2.0M to \$3.0M	<b>\$120M</b>	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		
<b>Revenue Enhancements</b>					
Completed ROIs	Space initiatives and operational	\$5.0M	\$3.0M	<b>\$120M</b>	50%+
Near-Term ROIs	Space initiatives and operational	\$3.0M to \$4.0M	\$6.0M to \$8.0M		
<b>Margin Expansion</b>					
Amended Agreements	Renewals	--	\$4.0M / 30 bps	<b>\$85M</b>	--
2022-2023 Renewals	Renewals	--	\$3.0M / 20 bps		
<b>Aggregate</b>		<b>\$36 to \$40M</b>	<b>\$23M to \$28M</b>	<b>~\$325M</b>	<b>-</b>

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

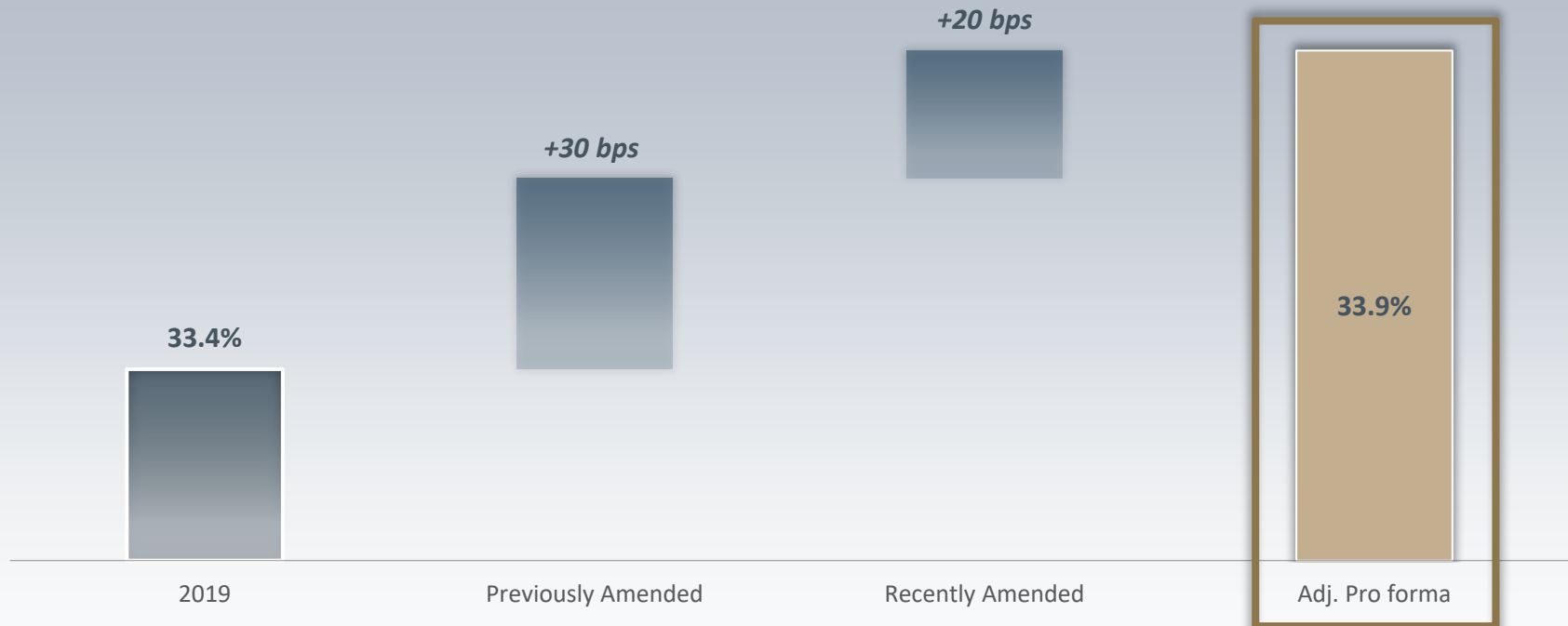


AFTER



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

RLJ is well positioned for continued value creation through incremental conversions and value-add opportunities



## CONVERSION & INCREMENTAL OPPORTUNITIES REPRESENT

~ 20%<sup>(1)</sup> OF PORTFOLIO

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

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



*Expect to execute two incremental conversions per year*

<sup>(1)</sup> Consolidated, based on 2019 Hotel EBITDA.



In 2023, three hotel conversions and repositionings are underway in New Orleans, Houston and Nashville



HOTEL TONNELLE NEW ORLEANS (RENDERING)

## HOTEL TONNELLE NEW ORLEANS

### MARKET / SUBMARKET HIGHLIGHTS

- New Orleans is a top leisure, drive-to market
- Hotel is located in the 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
- Conversion scope includes guestroom renovation, key and meeting space expansion, enhanced F&B options, and reimagined lobby



FORMER 21c MUSEUM HOTEL NASHVILLE

## FORMER 21c MUSEUM HOTEL NASHVILLE

### MARKET / SUBMARKET HIGHLIGHTS

- Nashville is a strong growth market with a diversified economy
  - Robust pipeline with over \$5B in major construction underway
- Benefiting from existing and emerging corporate expansions and relocations
  - Oracle, Amazon, Nissan, AllianceBernstein, HCA Healthcare, and EY
- \$1.2B Nashville International Airport expansion underway following consecutive record-breaking growth

### VALUE CREATION OPPORTUNITY

- Opportunity to capture higher rated rewards members and drive market share by joining Hilton's Tapestry Collection
- Comprehensive renovation scheduled for 2024

STRONG  
LIQUIDITY  
& BALANCE  
SHEET



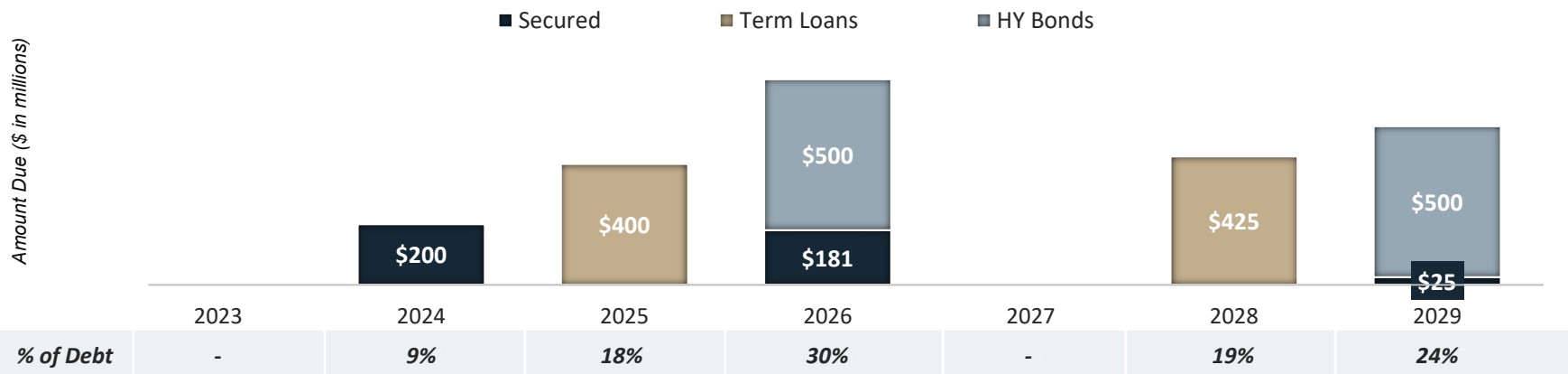
MARRIOTT LOUISVILLE DOWNTOWN

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 ~\$477M of unrestricted cash and \$600M available under the revolving credit facility
- Recast \$600M senior unsecured revolving credit facility and entered a new \$225M senior unsecured term loan
  - Well laddered debt maturities with no maturities until 2024 while maintaining a fully undrawn line of credit
- 93% of debt is currently fixed or hedged
- During Q2, repurchased approximately \$25.5M of stock, at an average price of \$10.23 on a leverage neutral basis
- Increased dividend by 25% to \$0.10 per common share beginning with Q3

### Debt Maturity Schedule <sup>(1)</sup>



<sup>(1)</sup> As of June 30, 2023, assumes all extension options are exercised. 2029 maturity includes \$25M of secured debt.

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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

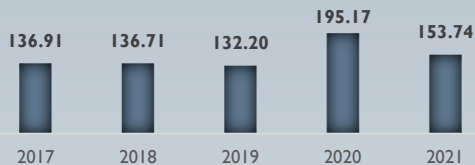
Our longstanding commitment to ESG is evidenced by...

ENVIRONMENTAL

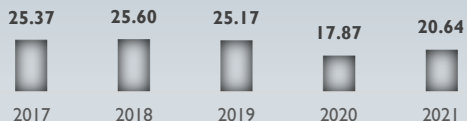
- 77% of our properties have equipped guestrooms with digital thermostats
- 76% of our properties utilize an environmental management system, while 73% have low-flow toilets, faucets, or showerheads
- 40% cost savings on water & carbon reduction investments



Greenhouse Gas Intensity (kgCO2e)



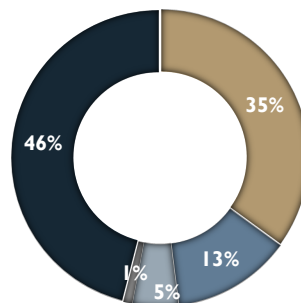
Water Intensity (Gal)



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

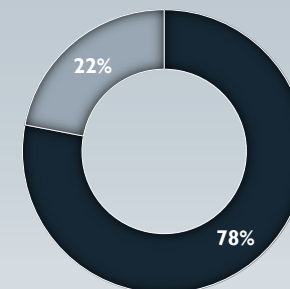
PARTNERSHIPS



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 and 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.*