

BANK OF AMERICA
GLOBAL REAL ESTATE
CONFERENCE

SEPTEMBER 2024



The evolution of RLJ's portfolio over the last several years has positioned it to benefit from the upside in urban demand and to capitalize on unique internal and external growth catalysts

HIGH-QUALITY PORTFOLIO

High-quality portfolio with an attractive growth profile

- Urban-centric portfolio growth expected to exceed the Industry
- Urban markets represent over two-thirds of RLJ's portfolio

INTERNAL GROWTH

Phase I and II initiatives to generate \$14M to \$18M of incremental EBITDA

- Three conversions announced in 2023 underway in New Orleans, Houston and Nashville
- Two conversions of the Renaissance and the Wyndham in Pittsburgh
- Expanded conversion pipeline by acquiring Wyndham Boston Beacon Hill

EXTERNAL GROWTH

Well-positioned to drive external growth

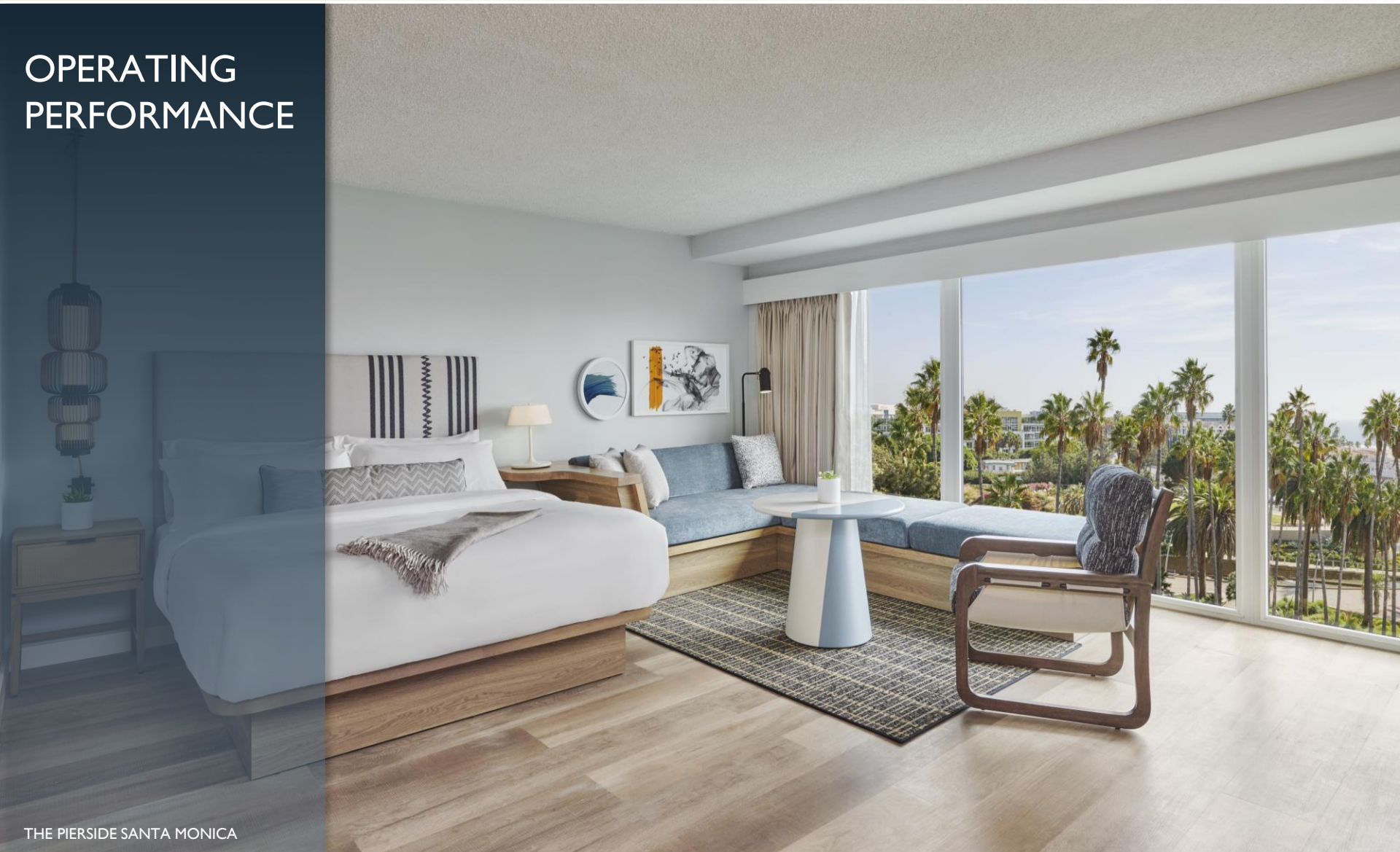
- Ability to execute all-cash transactions in a constrained lending environment
- Acquired Hotel Teatro in Denver for \$35.5M in June 2024

BALANCE SHEET

Low leveraged balance sheet with a strong track record of returning capital

- ~\$0.8B of liquidity providing optionality
- Repurchased shares and announced increase to quarterly dividend

OPERATING PERFORMANCE



THE PIERSIDE SANTA MONICA

RLJ's urban-centric portfolio continues to drive above industry RevPAR growth

July achieved RevPAR growth of 3.8%

- Occupancy and ADR increased by 2.6% and 1.1% respectively
- Urban hotels in markets such as Chicago, Denver, NYC and Pittsburgh drove strong growth
- Group and corporate revenues continued to drive revenue growth
- Leisure revenue growth was flat
- Expect July growth to be the highest of Q3

Demonstrated balance sheet optionality

- Acquired Hotel Teatro in Denver for \$35.5M in an off-market transaction
- Current brand conversions are on track
- Repurchased \$5M of stock⁽¹⁾ and announced a quarterly dividend increase beginning with the third quarter

FY 2024 outlook unchanged from Q2

- Comparable RevPAR growth between 1.0% and 2.5% and Hotel EBITDA between \$382.5M and \$402.5M
- Adjusted EBITDA between \$346.5M and \$366.5M and AFFO/Share between \$1.45 and \$1.58

(1) As of year-to-date, August 1, 2024



URBAN CENTRIC PORTFOLIO
ORGANIC GROWTH

INITIAL CONVERSIONS /
ACQUISITIONS

FUTURE
PIPELINE OF CONVERSIONS

BALANCE SHEET
OPTIONALITY



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



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

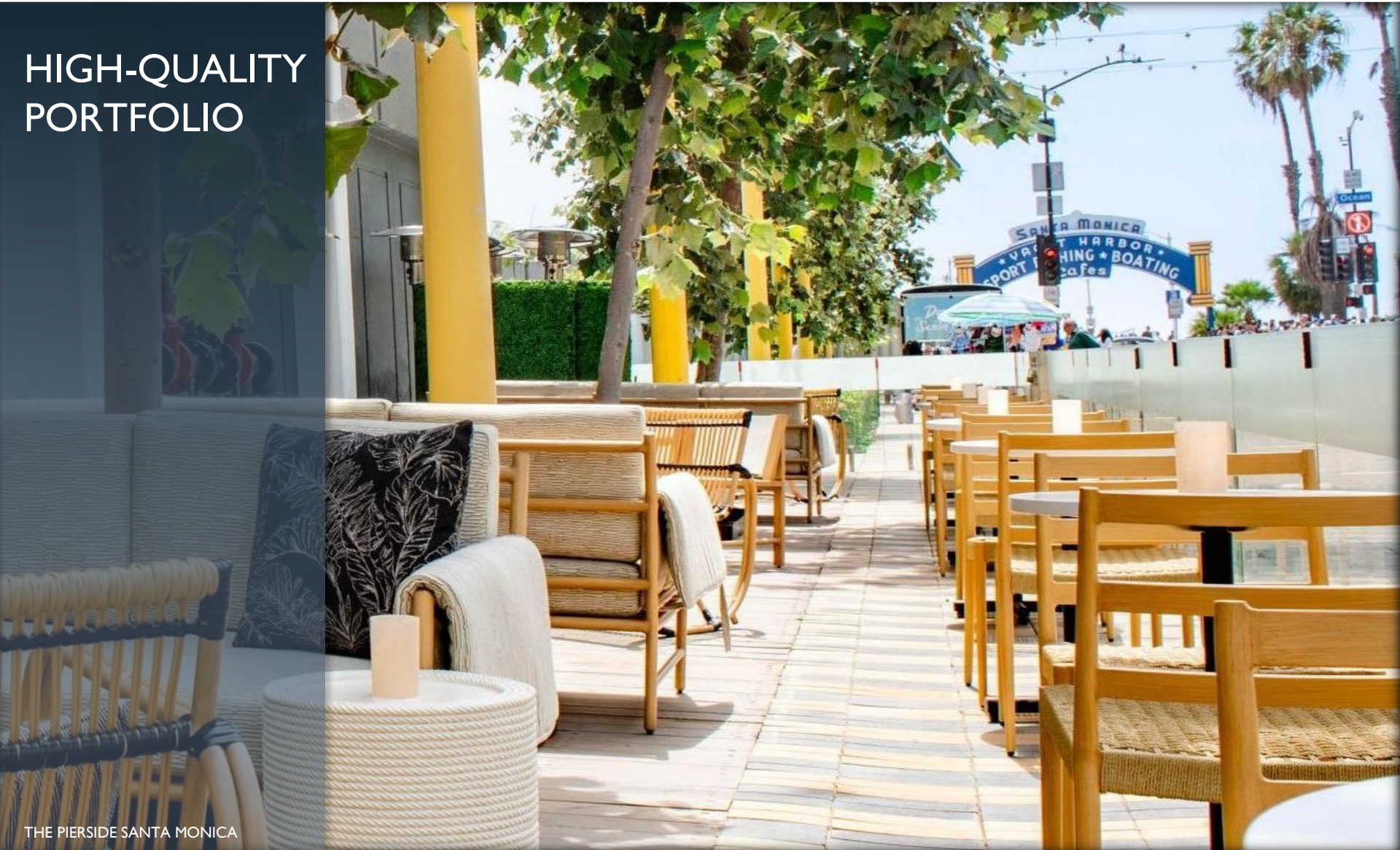


- Targeting two conversions per year
- Executing incremental revenue enhancement opportunities



- Strong Liquidity
- Generate significant free cash flow
- Optionality to drive external / internal growth
- Ability to return capital to shareholders

HIGH-QUALITY PORTFOLIO



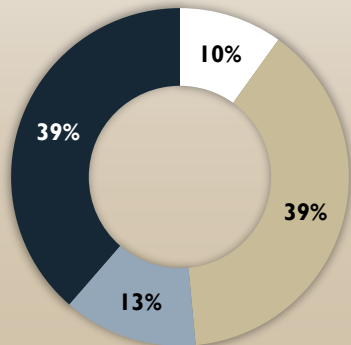
THE PIERSIDE SANTA MONICA

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

Portfolio Overview⁽¹⁾

Hotels	96 ⁽¹⁾	Y/Y Growth %
ADR	\$197	+ 4.5%
RevPAR	\$141	+ 9.0%
EBITDA/Key	\$19k	+ 8.5%
Urban Footprint	71%	

Brand Exposure



- Hilton
- Marriott
- HYATT
- Independent/Other



(1) Based on FY 2023 EBITDA pro forma for the portfolio owned as of June 30, 2024; excludes Chateau LeMoyné which is unconsolidated



URBAN LIFESTYLE

URBAN GATEWAY

RESORT

URBAN METRO

34

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

19

of HOTELS

11%

of EBITDA

\$16K

EBITDA / KEY

Based on FY 2019 EBITDA pro forma for the portfolio owned as of June 30, 2024; excludes Chateau LeMoyné which is unconsolidated

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



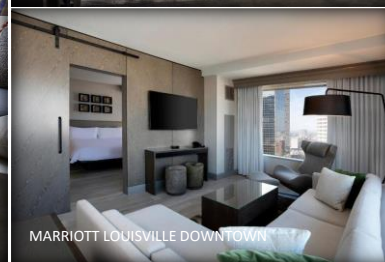
MOXY DENVER CHERRY CREEK



THE KNICKERBOCKER NEW YORK



THE BANKER'S ALLEY HOTEL NASHVILLE



MARRIOTT LOUISVILLE DOWNTOWN



HYATT CENTRIC MIDTOWN ATLANTA

(1) Based on FY 2019 EBITDA pro forma for the portfolio owned as of June 30, 2024; 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⁽¹⁾



⁽¹⁾ Based on FY 2019 EBITDA pro forma for the portfolio owned as of June 30, 2024; 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 June 30, 2024; excludes Chateau LeMoyné which is unconsolidated

URBAN METRO

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

11% OF EBITDA⁽¹⁾



HYATT HOUSE SANTA CLARA



EMBASSY SUITES DALLAS LOVE FIELD



HYATT PLACE MADISON DOWNTOWN



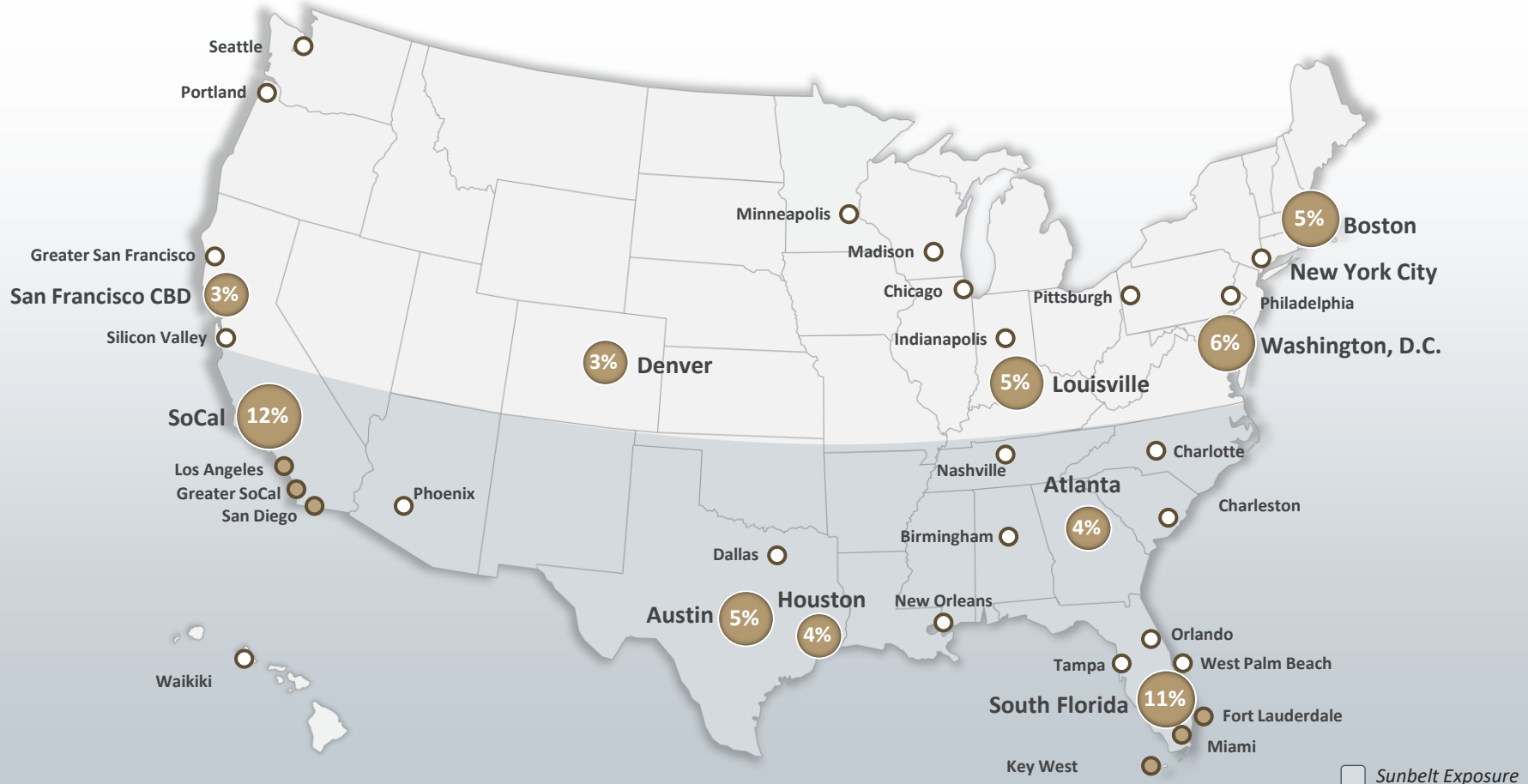
EMBASSY SUITES MINNEAPOLIS AIRPORT

MARRIOTT CHICAGO MIDWAY

⁽¹⁾ Based on FY 2019 EBITDA pro forma for the portfolio owned as of June 30, 2024; 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 2023 EBITDA pro forma for the portfolio owned as of June 30, 2024; excludes Chateau LeMoine which is unconsolidated

EXTERNAL GROWTH CATALYSTS



MOXY DENVER CHERRY CREEK

RLJ acquired the Hotel Teatro Downtown Denver in May



Rooms-Oriented

- Converted boutique lifestyle hotel purchased for \$35.5M, with 110 rooms



High Margins

- ~32% stabilized margins



High Growth Market

- Colorado is one of the fastest growing lodging markets, driven by tech and life science firms, venture capital, and population growth



Heart of Demand Location

- Enviable location that caters to both leisure and business travelers, tapping into seven-day-a-week demand
- Situated within heart-of-demand location in Denver CBD, Hotel Teatro is in close proximity to key attractions such as the recently expanded Colorado Convention Center



Strong RevPAR

- Strategic positioning captures above market occupancy and rate
- National leading RevPAR growth of +8.4% from 2009 - 2019



~32%
Stabilized Margins

\$323,000
Price Per Key

\$223
Stabilized RevPAR

INTERNAL GROWTH CATALYSTS

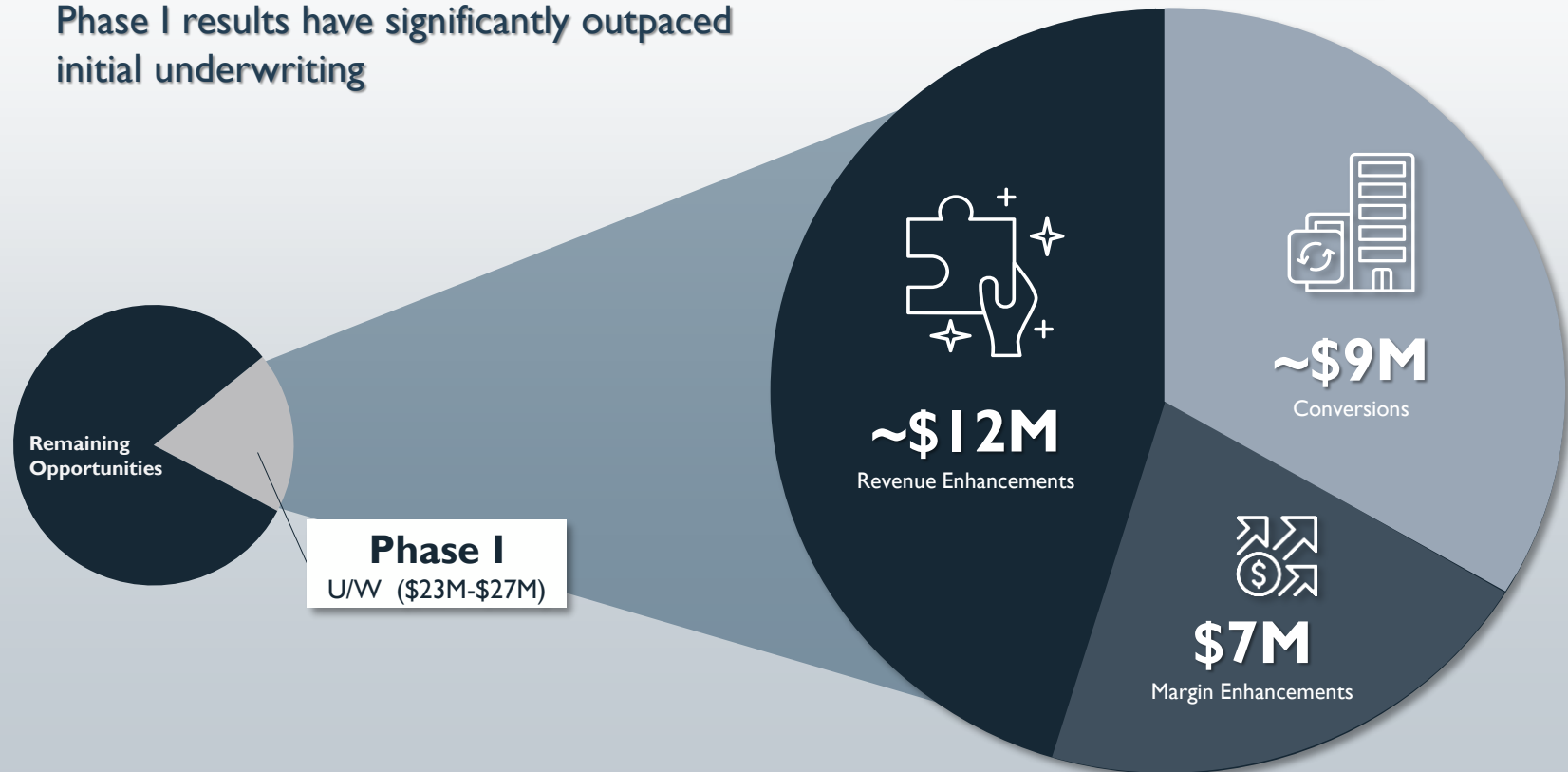


THE MILLS HOUSE CHARLESTON

Initial Phase of opportunities only represents a fraction of the total portfolio of opportunities

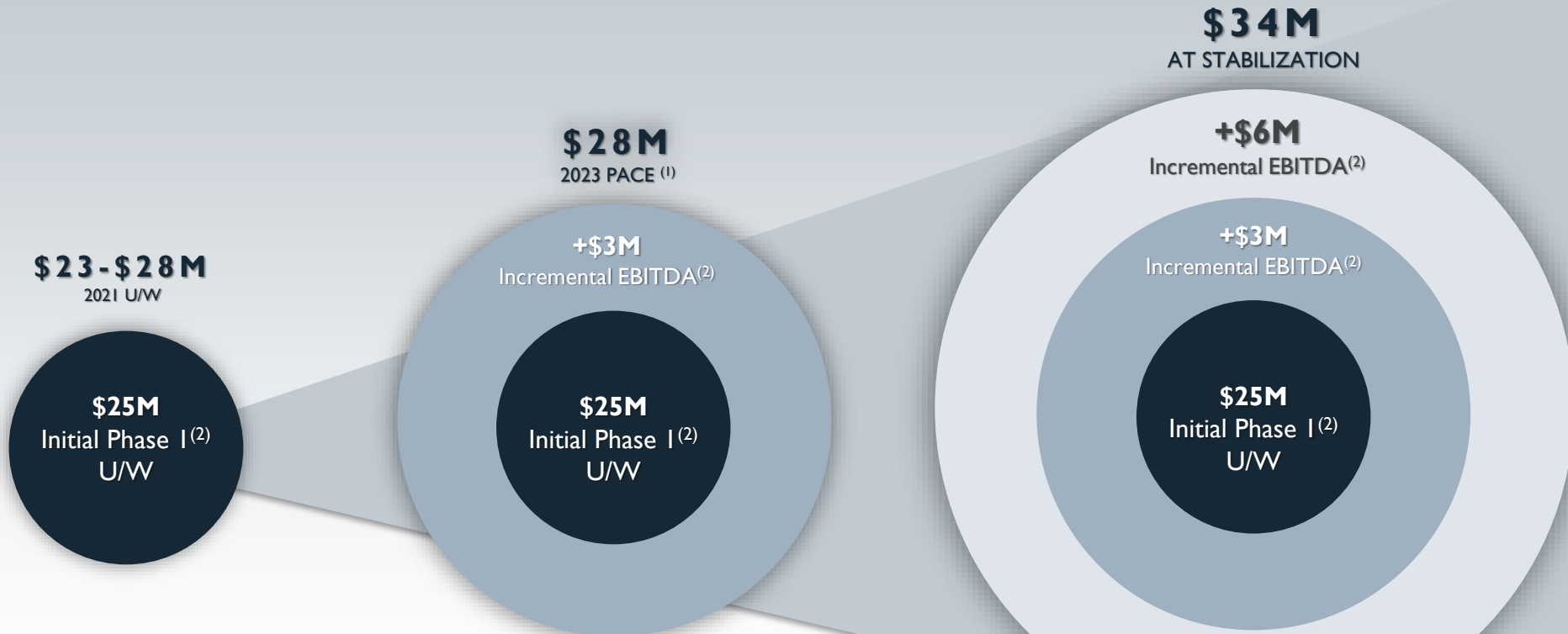
2023 Pacing Ahead of Underwriting at \$28M ⁽¹⁾

Phase I results have significantly outpaced initial underwriting



(1) Based on 2023 expected EBITDA

As of 2023, Phase I Value Creation Initiatives achieved the top-end of initial underwriting with room for stabilized EBITDA to grow by an incremental \$9M



(1) Based on 2023 EBITDA
 (2) Shown at the midpoint of the range

The 2023 conversions currently underway are poised to significantly exceed initial underwriting



HOTEL TONNELLE NEW ORLEANS



DOUBLETREE HOUSTON MEDICAL CENTER



BANKERS ALLEY HOTEL NASHVILLE

- New Orleans is a top leisure, drive-to market with the hotel located in the heart of the Historic Garden District
- Repositioning as a Tribute Portfolio Hotel, joining Marriott's family of independent boutique hotels to allow for capturing higher rated Bonvoy guests

- Hotel located across from the Texas Medical Center - home to 60 medical institutions, as one of the largest medical complexes in the world
- Rebranding captures significant lift in ADR, already in the market, as well as higher rated Hilton rewards members

- Nashville is a strong growth market with a diversified economy benefiting from existing and emerging corporate expansions/relocation
- Opportunity to capture higher rated rewards members and drive market share by joining Hilton's Tapestry Collection

**+\$25-\$30
ADR Lift⁽¹⁾**

**+\$5M-\$6M
Incremental EBITDA⁽¹⁾**

**~50%+
Unlevered IRR⁽¹⁾**

(1) Annual, upon stabilization based on underwriting

Announced two conversion in Pittsburgh



AUTOGRAPH PITTSBURGH DOWNTOWN

Conversion from Renaissance Pittsburgh Hotel

- Iconic building in prime CBD location
- Autograph Collection expected to capture higher ADR



COURTYARD AT THE UNIVERSITY OF PITTSBURGH

Conversion from Wyndham Pittsburgh University Center

- Benefits from multiple demand drivers given prime location on university campus
- Courtyard affiliation expected to capture higher ADR

**+\$15-\$20
ADR Lift⁽¹⁾**

**+\$2M-\$3M
Incremental EBITDA⁽¹⁾**

**~50%
Unlevered IRR⁽¹⁾**

(1) Annual, upon stabilization based on underwriting

Executed on a number of high return ROI projects to increase out-of-room spend by reimagining and optimizing non-revenue generating space



EMBASSY SUITES DEERFIELD BEACH RESORT

- Re-imagined indoor / outdoor oceanfront bar to drive out-of-room spend
- Added new sundries market, providing a new profit center
- Completed comprehensive renovation of all suites

EMBASSY SUITES LOS ANGELES INTERNATIONAL AIRPORT (LAX) SOUTH

- Created multi-functional social and small group meeting space as part of a transformational lobby renovation





DOUBLETREE SUITES BY HILTON HOTEL AUSTIN

- Added new guestrooms and suites
- Activated the lobby bar, elevating guest experience

RESIDENCE INN BETHESDA DOWNTOWN

- Created new rooftop bar with city views
- Added a new “Grab & Go” market as a profit center

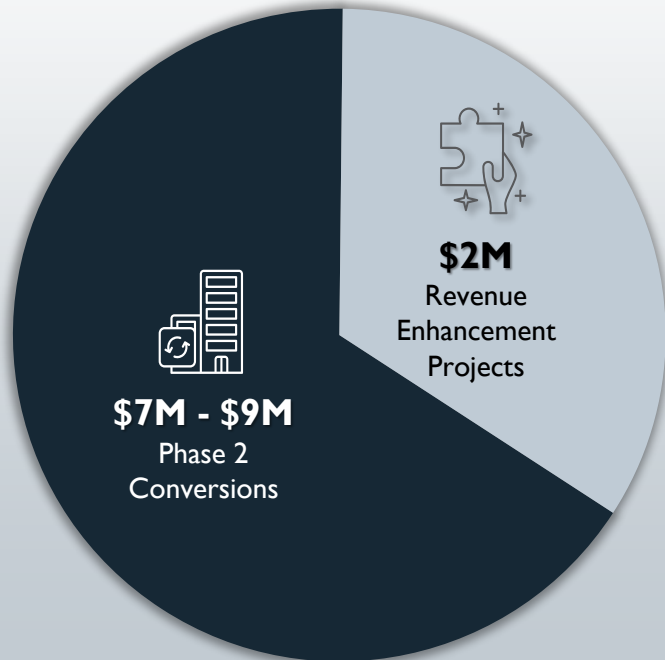


DOUBLETREE SUITES BY HILTON ORLANDO AT DISNEY

- Reimagined lobby to incorporate a new market and expand bar as profit centers
- Enhanced restaurant / bar and elevated public spaces

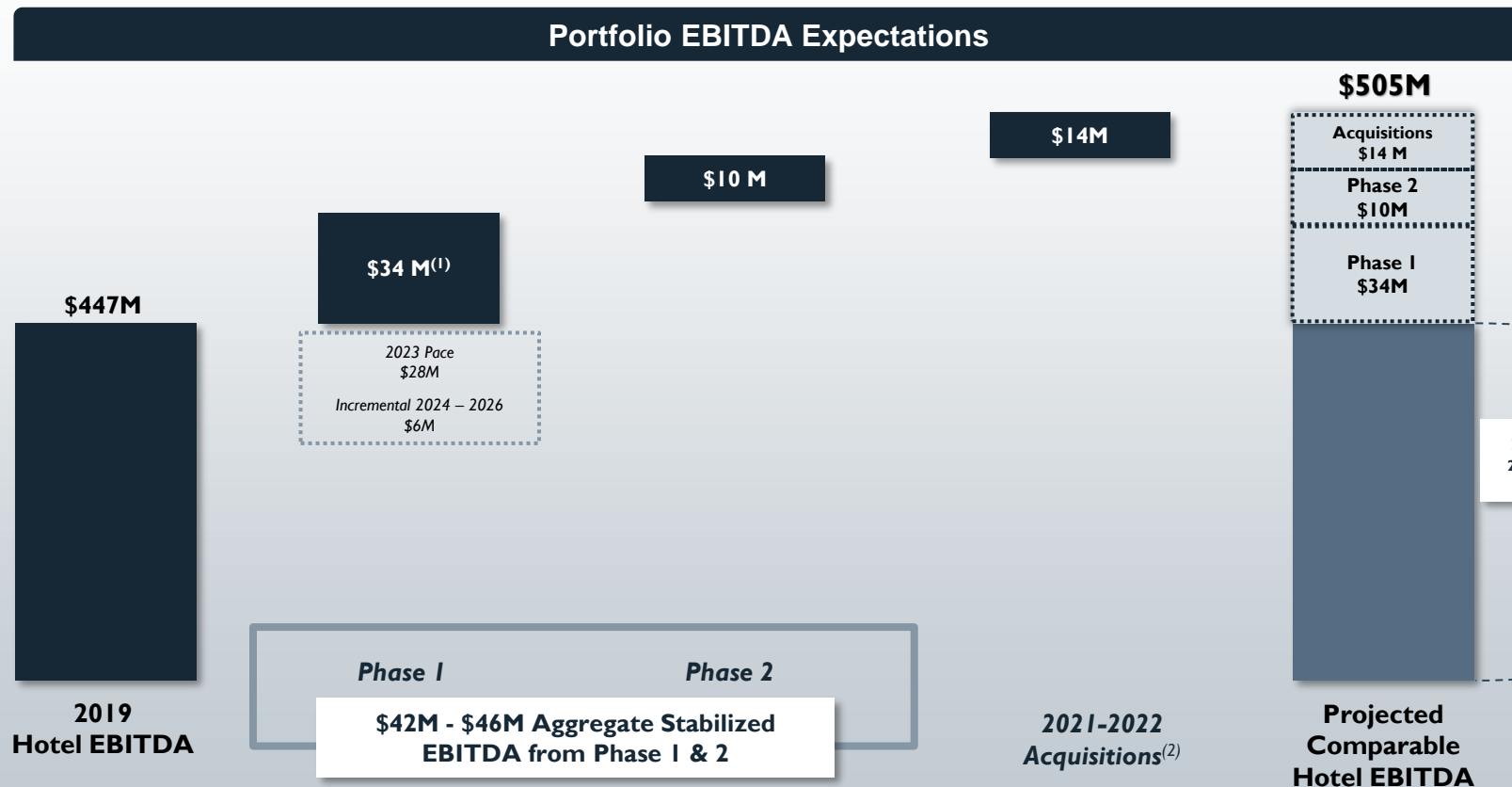
In addition to conversions, Phase 2 value creation will also benefit from \$2M in incremental EBITDA from ROI projects

Phase 2 Value Creation:
Expected +\$9M - \$11M
Of Incremental EBITDA



ZACHARI DUNES MANDALAY BEACH

RLJ expects to generate significant incremental EBITDA over the next several years from its internal and external growth initiatives



All figures are shown at the midpoint

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

(2) At stabilization

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



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

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

Incremental 10-to-15 conversion and value-add opportunities in portfolio

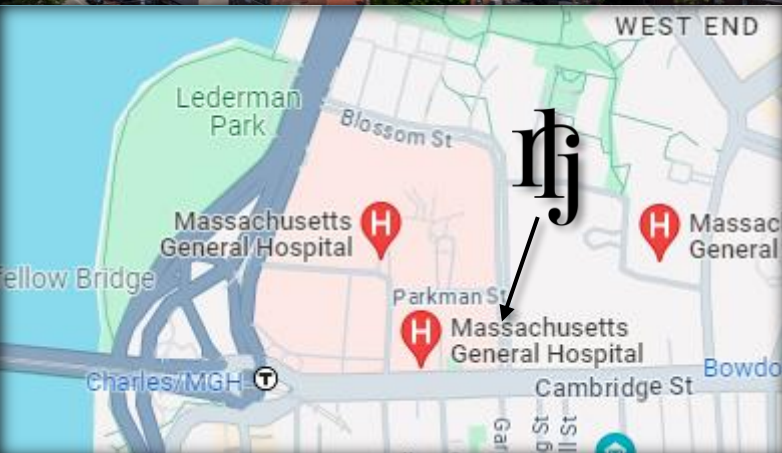


Expect to execute two incremental conversions per year

RLJ acquired the fee-simple ownership of the Wyndham Boston Beacon Hill in January



- Pulls forward an additional compelling conversion opportunity with significant upside potential
- Boston represents a top hotel market with a favorable growth outlook for the next several years
- Recent transaction in the market at \$875k / key
- Property's A+ location within Boston's Beacon Hill neighborhood, surrounded by Massachusetts General Hospital which is currently undergoing a \$1.8 billion expansion



8.5x
Multiple on
Acquisition Price¹

\$411,000
Price Per Key

>40%
EBITDA Upside

(1) Based on post-conversion stabilized EBITDA. Conversion capital expected to add 1.5x to multiple

STRONG
LIQUIDITY
& BALANCE
SHEET



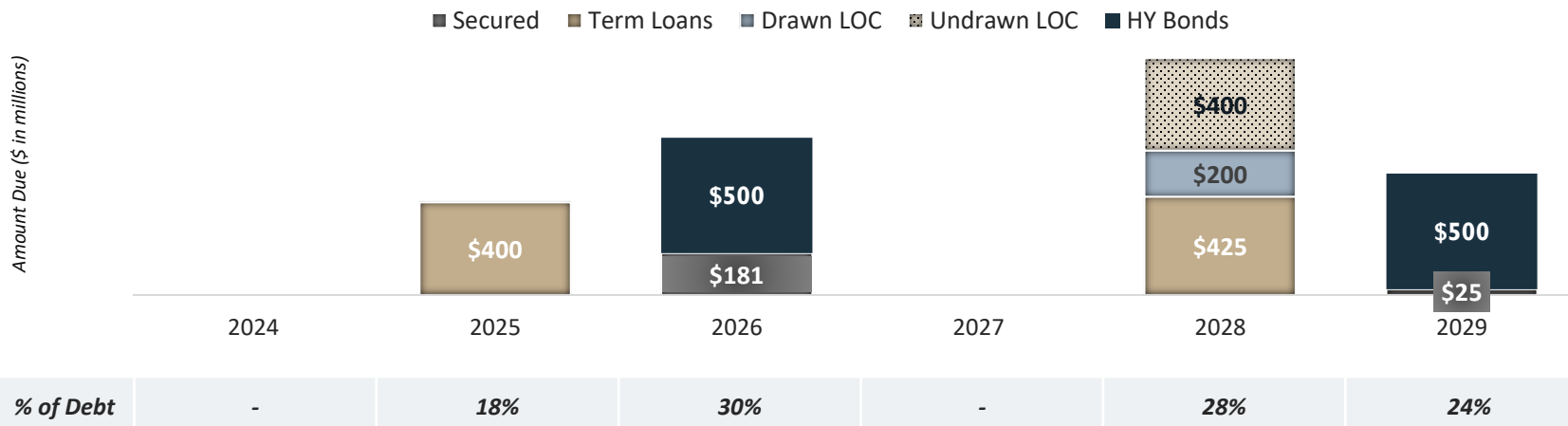
MARRIOTT LOUISVILLE DOWNTOWN

RLJ has a strong balance sheet and well-staggered debt maturity profile

Focused on maintaining a best-in-class balance sheet ⁽¹⁾

- \$771.1M of liquidity, including \$371.1M of cash
 - Addressed 2024 maturities by repaying \$200M of CMBS debt using LOC and exercised option to extend \$181M of mortgage debt to 2025
- 70% of debt fixed or hedged, with a portfolio weighted average interest rate of 4.75%
- Repurchased ~\$305 million of common shares since 2018, representing ~14% of float
- Well covered annualized dividend of \$0.60/share ⁽²⁾

Debt Maturity Schedule



(1) As of June 30, 2024
 (2) Beginning in Q3 2024

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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

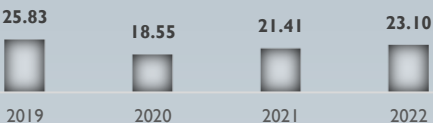
Our longstanding commitment to ESG is evidenced by...

ENVIRONMENTAL

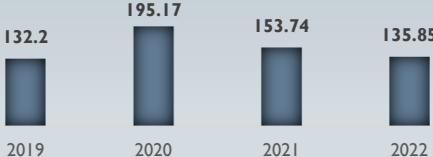
- 100% of our properties have undergone an energy efficiency assessment in the past three years
- 76% of our properties utilize an environmental management system, while 73% have low-flow toilets, faucets, or showerheads
- 62% of properties have installed bulk dispensers or non-plastic alternatives to replace mini toiletries



Greenhouse Gas Intensity (kgCO2e)



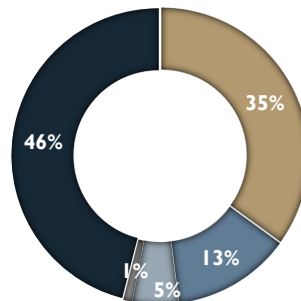
Energy Intensity (kWh)



Water Intensity (Gal)

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 51% female
- RLJ is active in social contribution with over \$4 million in donations

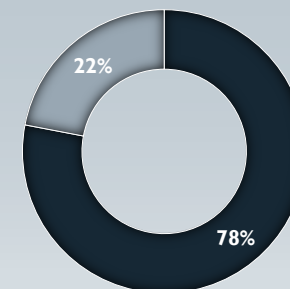
PARTNERSHIPS



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 for the quarter ended June 30, 2024, which will be filed on August 2, 2024, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.