

Annual Shareholder Meeting

May 2018



RLJ | Lodging Trust

RLJ Lodging Trust Profile



26

States

155

Hotels

30,210

Guestrooms

84%

2017 Rooms revenue mix

\$596 Million

2017 Hotel EBITDA

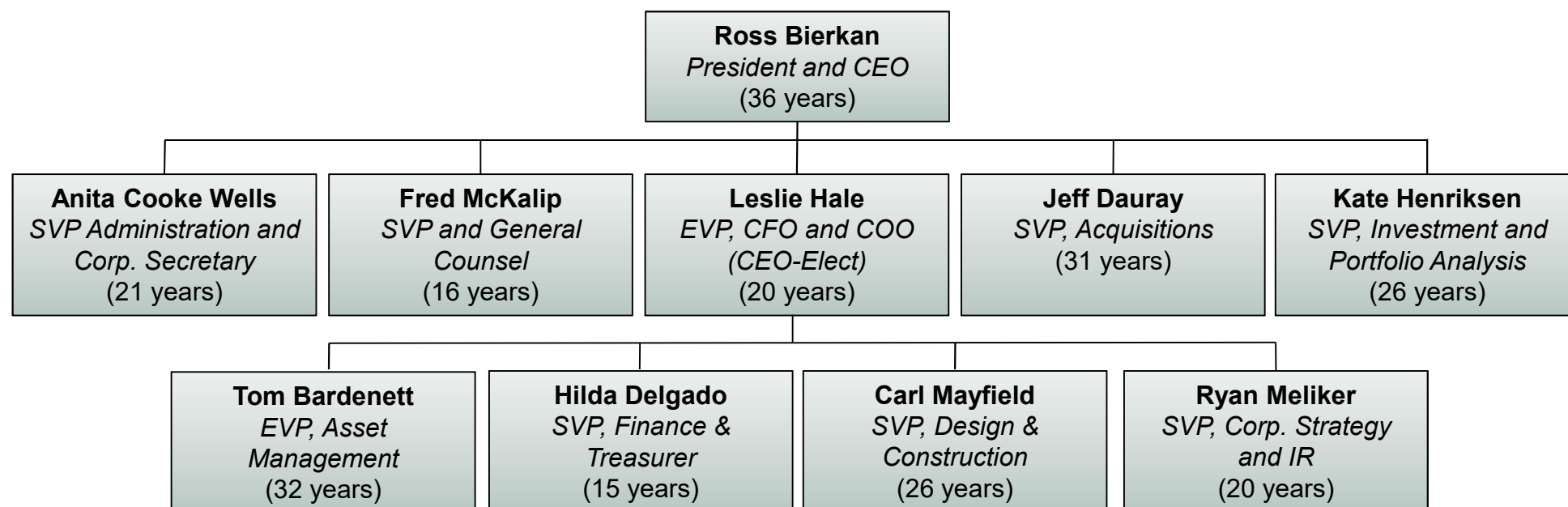


Note: Unless otherwise noted, all figures as of May 24, 2018 and exclude Chateau LeMoyne-French Quarter New Orleans, an unconsolidated joint venture.

Seasoned Leadership Team

Senior management team with an extensive lodging and real estate background and deep experience operating through multiple lodging and economic cycles

- Average industry experience of nearly 25 years
- Average executive tenure with RLJ is over 10 years
- Purchased over 200 hotels since inception
- Completed approximately \$11 billion of acquisitions and dispositions since inception
- Managed almost \$1 billion of CapEx and renovation investments since IPO



Note: Years represent total years of real estate and/or lodging industry experience.

Demonstrated Track Record as a Public Company

Since going public, RLJ has demonstrated a consistent track record of delivering solid performance

- Consistent track record of solid operating performance (RevPAR, Consolidated EBITDA, and EBITDA Margin)
- Since going public, RLJ has returned more than \$1.0 billion to shareholders while raising \$1.1 billion in net proceeds through its IPO and two follow-on offerings; total return to shareholders of approximately 69% since IPO ⁽¹⁾
- Distributed cumulative dividends totalling \$7.27 per share or approximately \$939 million in common dividends;
- Repurchased 8.8 million shares for \$241 million at an average price per share of \$27.46
- Dividend per share CAGR of 14% from 2011 to 2017 ⁽²⁾
- Generated significant free cash flow; an average of 21% of AFFO growth ⁽³⁾

Note: As of May 18, 2018, unless otherwise noted.

1. From May 10, 2011 to May 18, 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.

3. Approximate growth over the 2011 to 2017 period.

RLJ Top Markets

RLJ has significantly increased its exposure to markets poised to see strong growth and recovery in 2019 and beyond

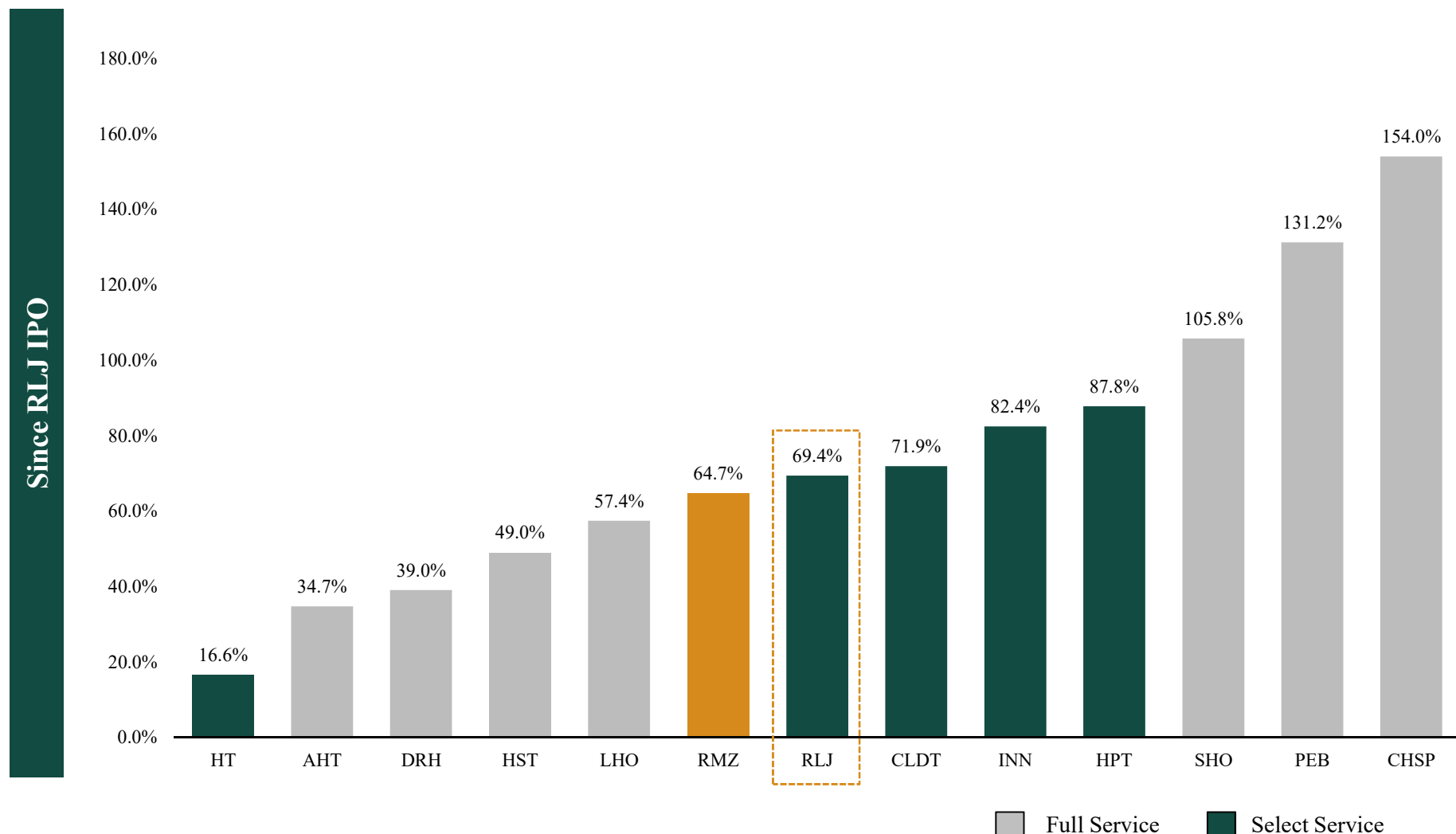
2016		
#	Market	% of EBITDA
1	Northern California	11%
2	Austin	9%
3	South Florida	9%
4	Denver	8%
5	Chicago	7%
6	Washington DC	7%
7	Louisville	6%
8	Houston	5%
9	Southern California	5%
10	New York City	5%

2017			
#	Market	% of EBITDA	Ranking Change
1	Northern California	15%	—
2	Southern California	9%	↑
3	South Florida	9%	—
4	Austin	7%	↓
5	Denver	5%	↓
6	Washington DC	5%	—
7	New York City	5%	↑
8	Houston	5%	—
9	Chicago	4%	↓
10	Louisville	4%	↓

Note: Rankings based on Pro forma Consolidated Hotel EBITDA.

Lodging Sector – Total Return Performance

Since IPO, the stock has performed in the top half of the sector; 2017 impacted by FelCor merger, which the company expects to deliver long term shareholder value



Sources: FactSet & SNL Financial as of May 18, 2017, unless otherwise noted.

Multiple Levers for Value Creation

Key strategic initiatives will create meaningful value for shareholders

1

Realize merger synergies

2

Optimize the portfolio through non-core asset sales

3

Balance sheet optimization

4

Strategic reinvesting

Non-Core Asset Sales

RLJ is executing its disposition strategy having sold almost \$300 million of FelCor hotels at a weighted average multiple of 15.2x

- Incremental \$200 – \$400 million in proceeds expected from second round of asset sales in 2018
 - On target to sell five remaining non-core FelCor hotels by 1Q 2019
 - Targeting legacy RLJ assets in slower growth markets and / or with higher expected capital outlays

Fairmont Copley Plaza



- 383-room hotel in Boston, MA
- Sold for \$170.0 million in December 2017
- Sale price represents a 4.6% capitalization rate and 16.5x EBITDA multiple on projected 2017 results

**Embassy Suites
Marlborough**



- 229-room hotel in Marlborough, MA
- Sold for \$23.7 million in February 2018
- Opportunistic sale given significant upcoming PIP requirements
- Sale price represents an 11.9x EBITDA multiple on 2017 results, inclusive of in-flight capital investment

**Sheraton Philadelphia
Society Hill**



- 364-room hotel in Philadelphia, PA
- Sold for \$95.5 million in March 2018
- Sale price represents a 5.6% capitalization rate and 14.7x EBITDA multiple on 2017 results

Market is Responding Favorably To Strategic Priorities

As RLJ continues to execute on its stated strategy post FelCor merger, it has outperformed peers

✓ *Sale of Fairmont Copley Plaza*

- Sold Fairmont Copley Boston for \$170.0M at a 16.5x multiple in December 2016

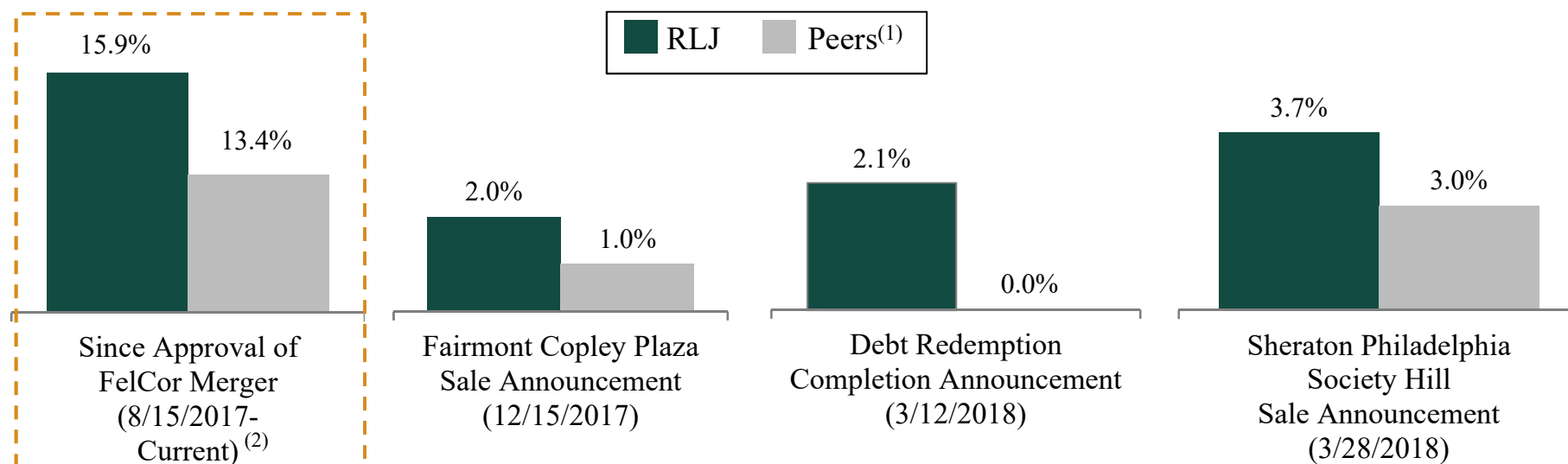
✓ *Debt Redemption*

- Repaid FelCor's \$525M 5.625% bonds in March 2018 and lowered cost of capital and leverage

✓ *Sale of Sheraton Philadelphia*

- Sold Sheraton Philadelphia Society Hill for \$95.5M at a 14.7x multiple in March 2018

Price Returns vs. Peers



Note: FactSet as of 5/18/2018.

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

(2) Based on total shareholder return.

Commitment to Guiding Principles

RLJ remains committed to its fundamental guiding principles:

Drive Operational Excellence

- **Increase RevPAR premiums and operating margins through aggressive asset management and asset repositioning**

Prudently Allocate Capital

- **Enhance overall portfolio quality through strategic dispositions**
- **Recycle capital into retiring higher-rated debt and opportunistic share buybacks**

Disciplined Balance Sheet Management

- **Maintain a conservative and flexible balance sheet with well laddered maturities**
- **Target net debt / EBITDA of 4.0x or less**

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 urge 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 SEC.