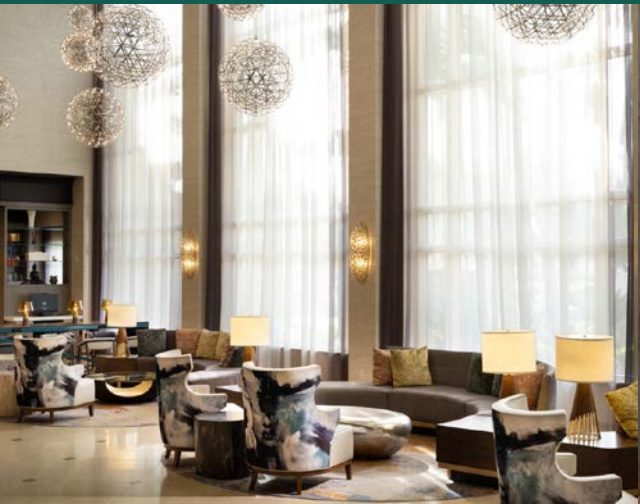




RLJ | Lodging Trust

NAREIT Conference
June 2020



RLJ has the liquidity and balance sheet strength to weather the COVID-19 crisis, ramp-up sooner in a recovery and embedded catalysts to outperform long-term

- **Successful execution of 2019 priorities improved our portfolio and strengthened our balance sheet**
- **Quickly implemented aggressive cost containment measures to preserve liquidity in response to COVID-19**
- **Strong liquidity positions RLJ to navigate an extended period of uncertainty**
- **Well-positioned for recovery with a transient-oriented portfolio, lean operating model and broad geographic diversification**
- **Embedded long-term growth catalysts such as Wyndham conversions, ROI projects and capital market opportunities remain intact**

We remain confident that despite COVID-19's unprecedented impact on lodging, our balance sheet allows us to navigate through this crisis and be well-positioned for a recovery



STRONG POSITIONING ENTERING 2020

Successful execution of key 2019 strategic priorities enabled RLJ to enter 2020 in a position of strength

Sold 47 non-core assets and generated significant liquidity

- Improved 2019 absolute RevPAR by over 8%
- Generated over \$720M of cash proceeds

Wyndham Guarantee Termination

- Terminated Wyndham Guarantee and received \$35M

Simplified capital structure over the last two years

- Repaid \$524M FCH Senior Notes in 2018
- Refinanced approximately \$1.4B of debt in 2019
- Lowered interest rate, extended maturities and enhanced financial flexibility



Strong Strategic Execution in 2019

Generated Incremental Cash

~ **\$0.8B**

- Sold 47 hotels
- Wyndham Termination

Improved Capital Structure

\$1.4B

- Debt Refinanced
- Reduced Interest Expense
- Enhanced Maturity Ladder

Strengthened Portfolio

+8%

- Increase in Absolute RevPAR

+22%

- EBITDA per Hotel

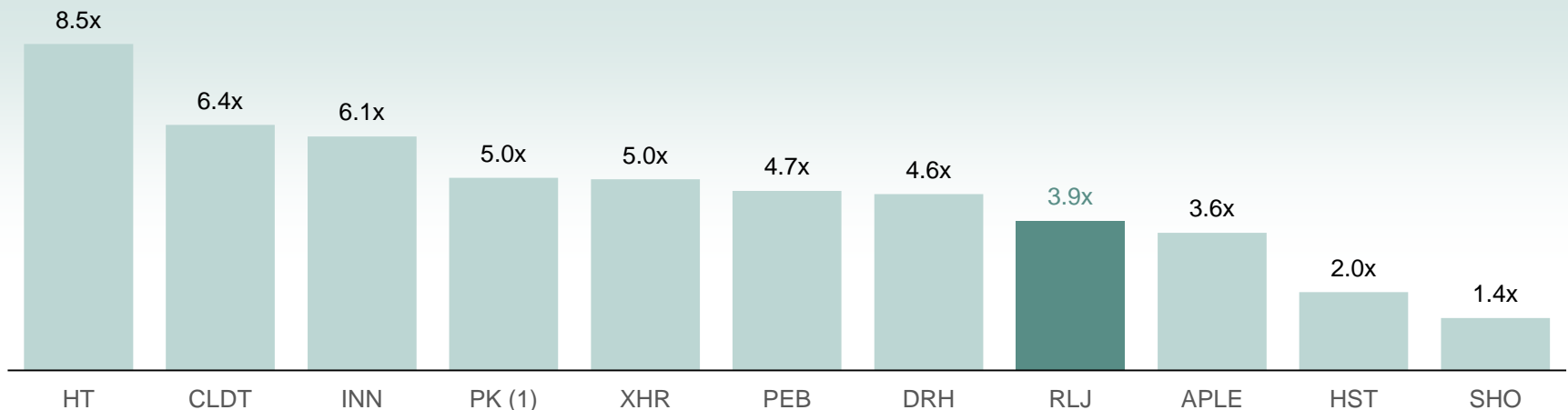
RLJ entered 2020 with a strong balance sheet, significant liquidity and low leverage

Best-In-Class Balance Sheet

- Significant liquidity: entered 2020 with ~\$900M of cash
- Net Debt to EBITDA of 3.1x, below the lodging REIT peer average
- No debt maturities until 2022
- Undrawn line of credit

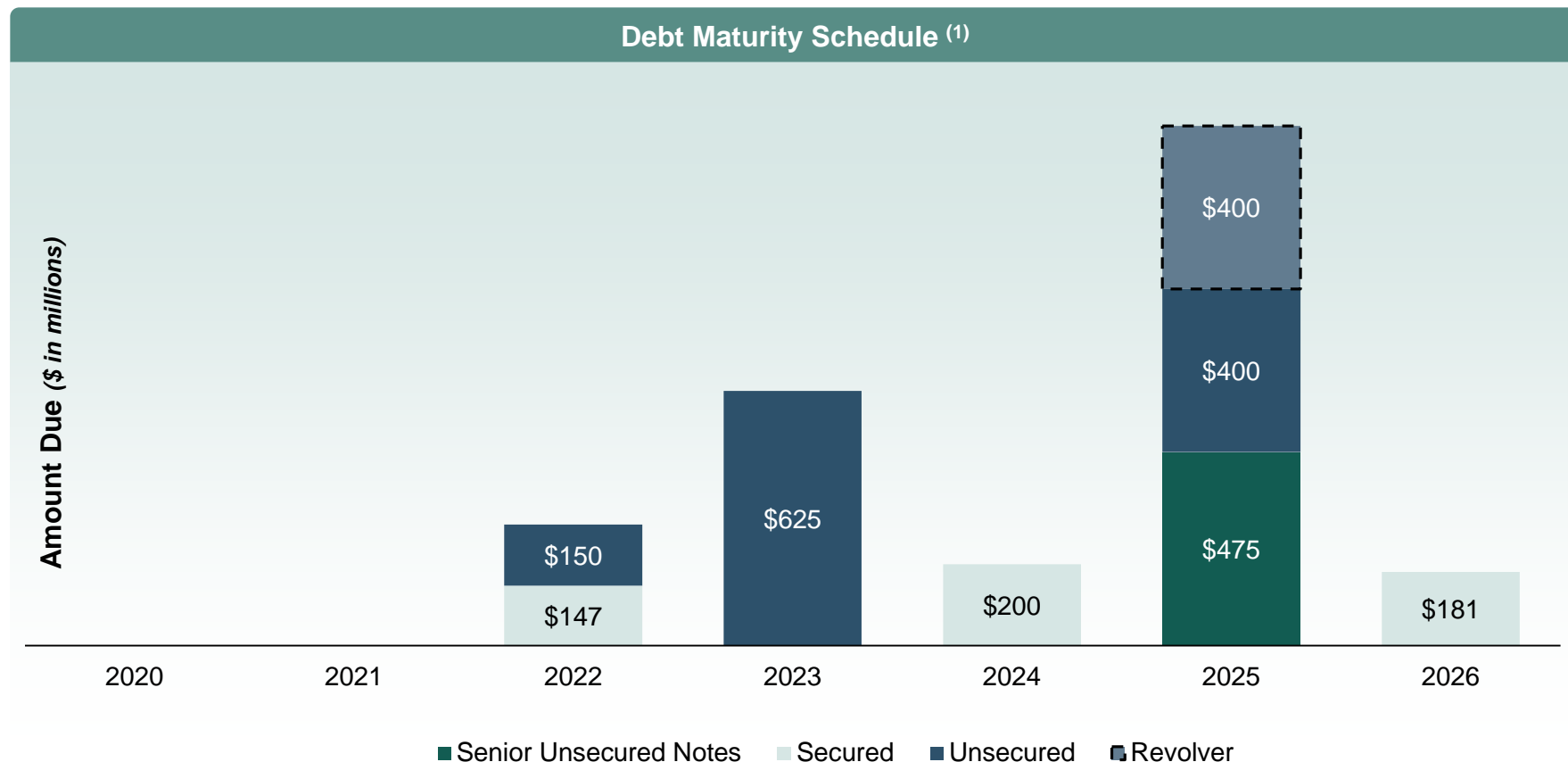


Q1 2020 Net Debt / LTM EBITDA



1. 2019 EBITDA pro forma adjusted for the disposition of 7 properties and adjusted to assume CHSP was acquired on 1/1/2019.

RLJ entered 2020 with a well-staggered maturity profile with no debt maturities until 2022



1. Debt maturity schedule as of March 31, 2020 and assumes all extension options are exercised. \$400M RCL draw in March 2020; total size of RCL is \$600M.

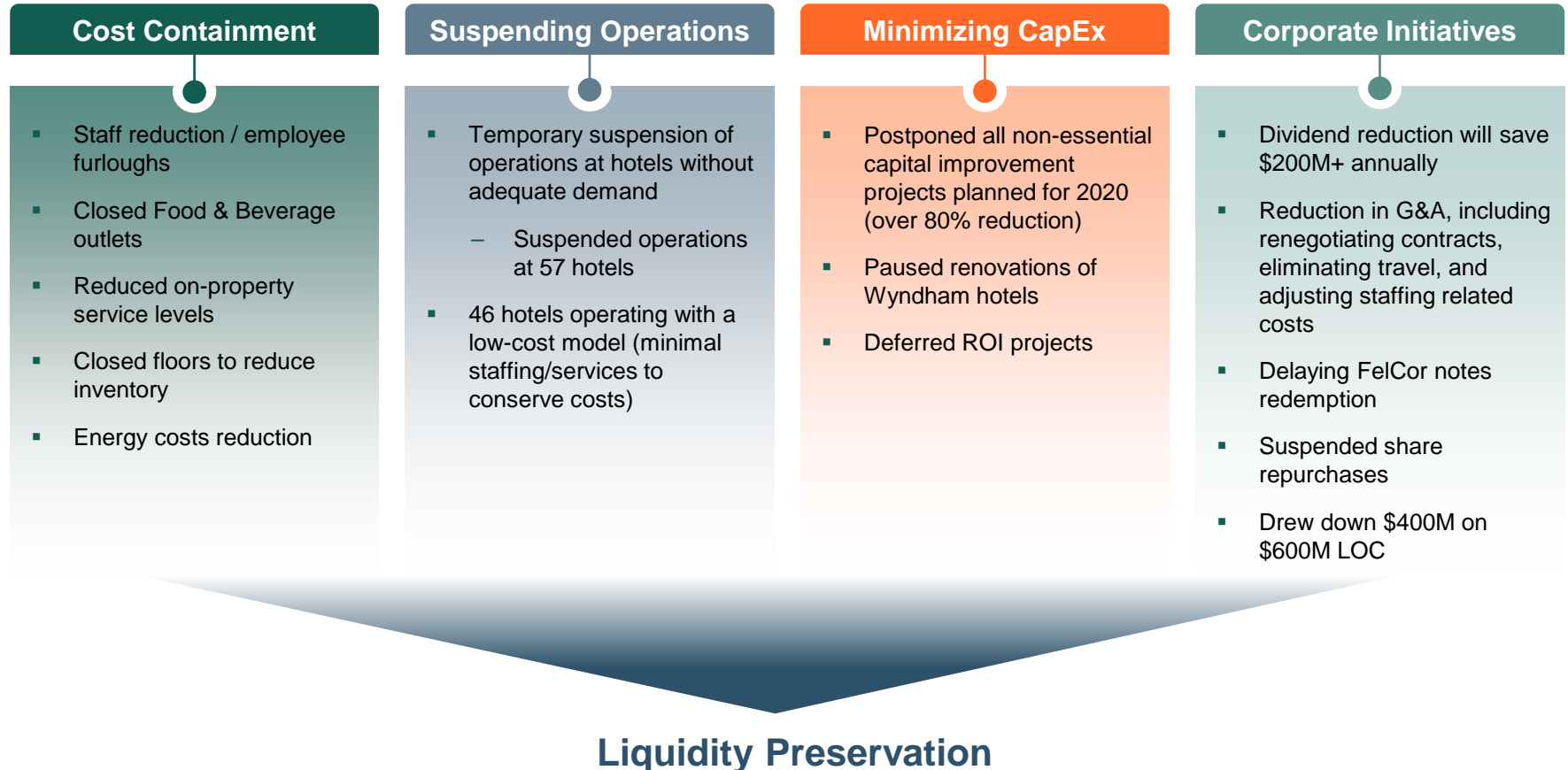


PROACTIVE RESPONSE



RENAISSANCE PITTSBURGH

RLJ took proactive and aggressive steps to mitigate the impact of the demand shock from COVID-19 to preserve liquidity





STRONG LIQUIDITY

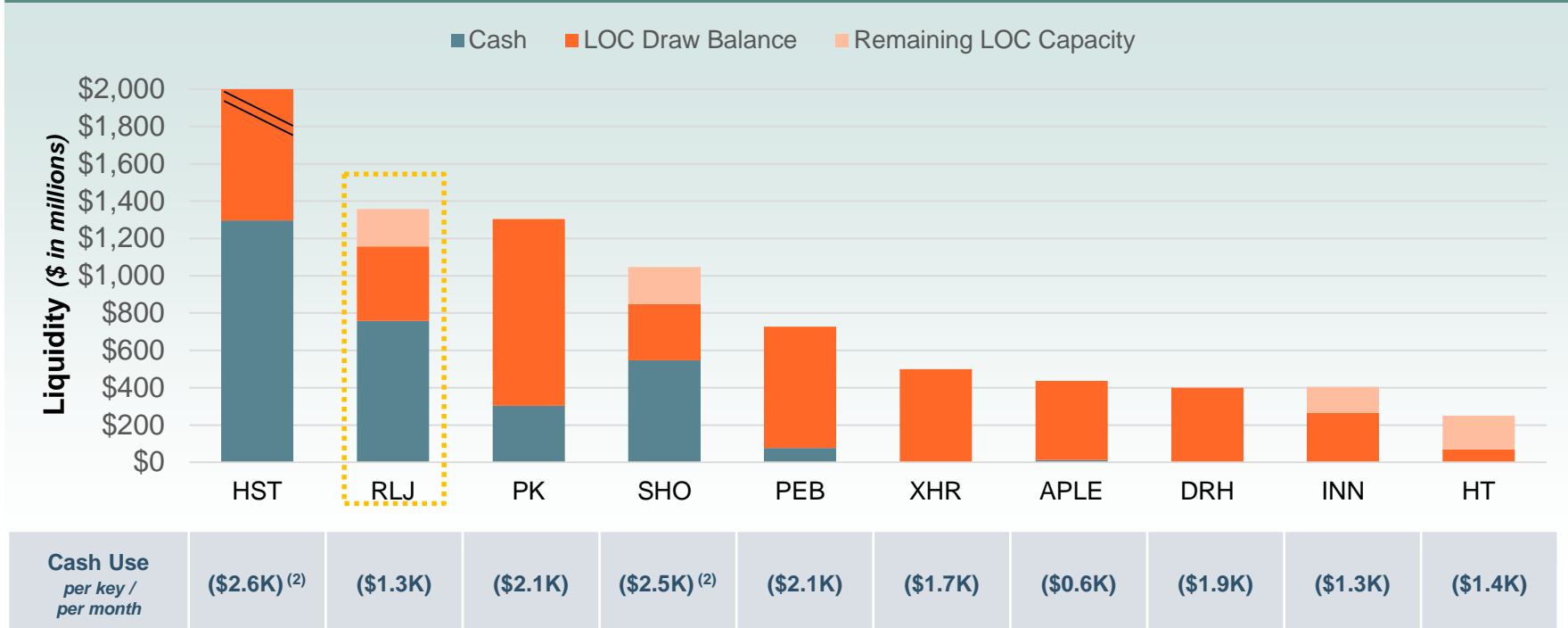


EMBASSY SUITES TAMPA

RLJ is well positioned with both significant liquidity and a long runway

- RLJ holds cash on hand of \$1.2B and \$200M undrawn line of credit
- Monthly cash burn lower for RLJ portfolio vs. traditional Full-Service portfolios

Peer Liquidity Summary ⁽¹⁾



1. As of March 31, 2020. Cash Use is midpoint of range of Company stated, unless otherwise noted.
 2. Excludes CapEx.

RLJ estimates average monthly cash burn across its portfolio to be ~\$25M to \$35M⁽¹⁾

- *Expects to maintain strong liquidity position even if there is a long duration of COVID-19 impact*
- *RLJ's Focused-Service and Compact Full-Service portfolio have lower operating cost model vs. Traditional Full-Service*

Average hotel-level monthly costs of approximately \$5M to \$14M

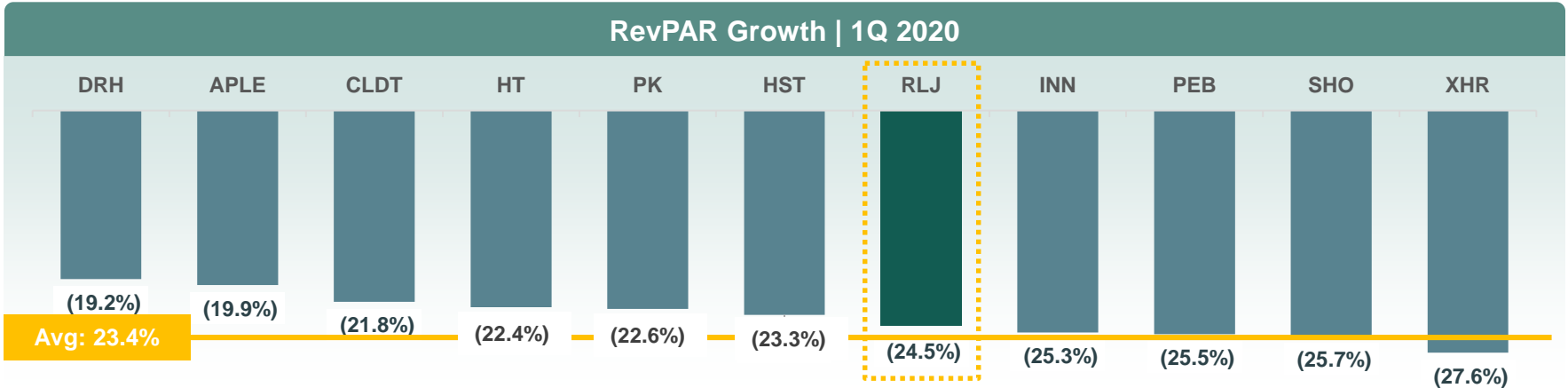
- Assumes carrying cost per hotel of \$140,000 at current occupancy levels
- Monthly carrying costs of \$110,000 for our Select-Service hotels vs. \$190,000 for our Full-Service hotels
- Hotels that remain open are generating shortfalls 40% lower than closed hotels

Layered in property-level fixed costs and corporate costs

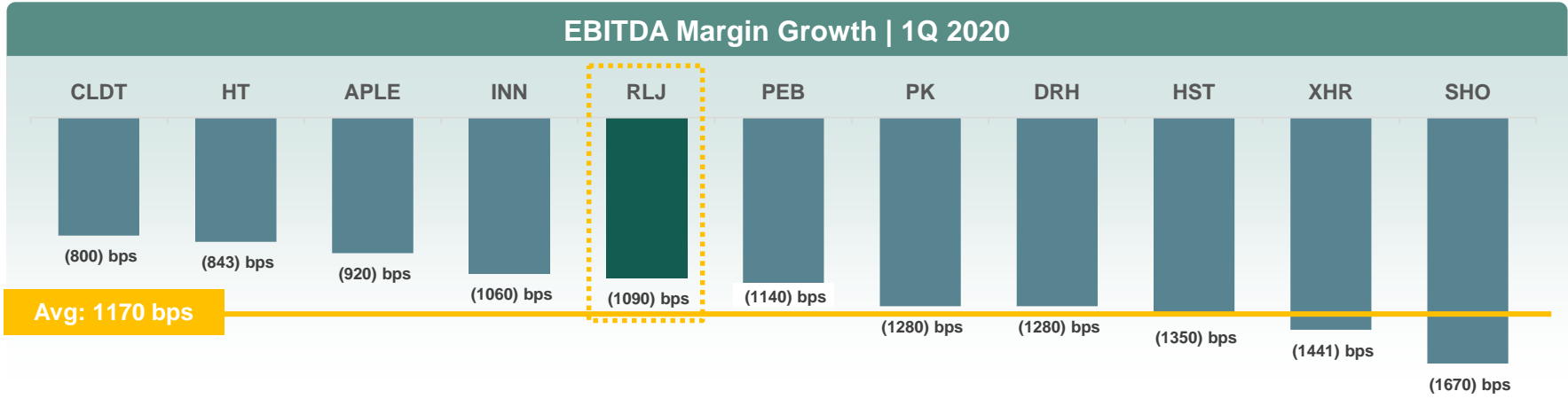
- Average hotel fixed costs of \$7M, primarily property taxes and insurance
- Corporate-level monthly cash G&A of \$2M
- \$11M to \$12M corporate costs including debt service and preferred dividends

RLJ's operating model is more resilient than lodging REIT peers with our lean operating cost structure

RevPAR Growth | 1Q 2020



EBITDA Margin Growth | 1Q 2020





POSITIONED FOR RECOVERY

HYATT HOUSE EMERYVILLE

RLJ expects ramp-up of hotels to be influenced by hotel type and location

- Leisure and drive-to segments are recovering sooner than group, which is expected to lag

Market Type	Comments		Asset Type	Comments
Drive-to	- "Drive-to" markets are seeing pent-up demand		Economy	- Economy hotels are seeing from "drive-to", leisure travel as restrictions are lifted
Leisure	- Timing of economy reopening is coinciding with the end of school year		Select-Service / Extended Stay	- Large room/bay size offers attractive value proposition
Non-Gateway / Suburban	- Localized demand and less dependent on air travel		Full-Service / Airport	- Slower to recover due to higher reliance on business transient and group demand
Airport	- Expect recovery in air travel to be only gradual		Luxury	- Slower to recover given consumer confidence will need to rebound significantly - Dependent on discretionary spending
Gateway / Urban	- Reliant on business transient and international which should see slower recovery		Convention	- Slower to recover with cities and companies likely to restrict large group gatherings while evaluating advancements on COVID-19 testing and vaccines

RLJ's transient orientation and exposure to a number of drive-to, leisure markets should allow for early ramp up

Transient segment, especially leisure is expected to ramp up first during a recovery

- RLJ's portfolio is primarily transient oriented (>80% of revenues) with shorter booking window
- There is likely to be some pent-up leisure demand initially; should benefit RLJ's hotels in South Florida, SoCal, Charleston, New Orleans among others that represent ~45% of transient revenues ⁽¹⁾
- Drive-to markets represents ~35% of revenues ⁽¹⁾
- RLJ has eight hotels located in resort-oriented markets, which represents ~10% of revenues ⁽¹⁾

Suite product will be very attractive in a social distancing environment

- Brands such as Residence Inn, Hyatt House, Homewood Suites and Embassy Suites offer larger room size, an all-suites product, which is appealing to families and extended stay travelers
- Hotels with extended-stay features represent ~50% of revenues ⁽¹⁾

Soft suspension model will allow for quicker post re-opening ramp-up

- RLJ continues to maintain a few FTEs at suspended hotels, which will allow faster reopening without significant incremental reopening costs

RLJ has the liquidity and balance sheet strength to weather the COVID-19 crisis, ramp-up sooner in a recovery and embedded catalysts to outperform long-term

- **Successful execution of 2019 priorities improved our portfolio and strengthened our balance sheet**
- **Quickly implemented aggressive cost containment measures to preserve liquidity in response to COVID-19**
- **Strong liquidity positions RLJ to navigate an extended period of uncertainty**
- **Well-positioned for recovery with a transient-oriented portfolio, lean operating model and broad geographic diversification**
- **Embedded long-term growth catalysts such as Wyndham conversions, ROI projects and capital market opportunities remain intact**

We remain confident that despite COVID-19's unprecedented impact on lodging, our balance sheet allows us to navigate through this crisis and be well-positioned for a recovery

Q&A



APPENDIX



HUMBLE OIL BUILDING MARRIOTT COMPLEX

Although currently paused, we continue to maintain high conviction in the embedded growth catalysts within our portfolio and their potential to unlock significant value

Wyndham conversion opportunity

- 8 Wyndham branded hotels represented over 13% of 2019 EBITDA
 - Located in key markets such as Santa Monica, Charleston, Boston and Philadelphia
 - Opportunity to reposition as lifestyle brands and unlock significant NAV

\$150-200M in identified ROI opportunities with minimum low double-digit unlevered IRR's

- Green initiatives (lighting retrofits, water conservation, energy generation projects)
- Space configuration (adding keys, splitting suites, re-concepting underutilized space)
- Operational (parking fees, management agreement renewals, procurement savings)
- Additional brand conversions with over 20 hotel franchise agreements expiring within 5-years

Capital markets opportunities

- Debt refinancing and redemption activities
- Additional deleveraging

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, measures being taken in response to the COVID-19 pandemic, and the impact of the COVID-19 pandemic on our business, 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," 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 and a worsening of global economic conditions or low levels of economic growth; the duration and scope of the COVID-19 pandemic and its impact on the demand for travel and on levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel; the impact of the COVID-19 pandemic and actions taken in response to the pandemic on global and regional economies, travel, and economic activity; the pace of recovery when the COVID-19 pandemic subsides; the effects of steps we and our third party management partners take to reduce operating costs; increased direct competition, changes in government regulations or accounting rules; changes in local, national and global real estate conditions; declines in the lodging industry, including as a result of the COVID-19 pandemic; 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 Securities and Exchange Commission.