

gurney's newport resort & marina



## Pebblebrook Update on Recent Operating Trends

August 2022



# Forward-Looking Statements

*This presentation contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of Pebblebrook Hotel Trust's (the "Company") business, financial condition, liquidity, results of operations, plans and objectives. These forward-looking statements are based on the Company's beliefs, assumptions, estimates and expectations of future performance, taking into account information currently available to the Company. These beliefs, assumptions, estimates and expectations can change as a result of many possible events or factors, not all of which are known to the Company. If a change occurs, the Company's business, prospects, financial condition, liquidity and results of operations may vary materially from these forward-looking statements. These risks and uncertainties include, but are not limited to, the state of the U.S. economy, supply and demand in the hotel industry and other factors as are described in greater detail in the Company's filings with the Securities and Exchange Commission, including, without limitation, the Company's Annual Report on Form 10-K for the year ended December 31, 2021. You should carefully consider these risks when you make an investment decision concerning the Company's securities. You are cautioned not to place undue reliance on any forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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# Updates on Portfolio and Operating Trends

- On August 2, the Company sold **Sofitel Philadelphia at Rittenhouse Square** in Philadelphia, PA for \$80 million. Net proceeds of this sale were used to reduce the Company's outstanding debt borrowings associated with recent hotel acquisitions.
- The Company currently has two additional hotels under contract for sale for approximately \$103.9 million of gross proceeds. These sales are expected to be completed during the third quarter, in line with the Company's prior expectation.
- July estimated operating results exceeded expectations due to robust leisure demand and the continuing rapid recovery in business demand. July estimated RevPAR exceeded July 2019 by 3%, with total revenues 4% above and hotel EBITDA 2% ahead of July 2019. **This was the first month that room revenues, total revenues and hotel EBITDA exceeded 2019 results.** Portfolio hotel ADR achieved a 23% premium over same-hotel July 2019, the highest premium yet for ADR, and the highest ADR ever for any month in the Company's history.
- Business travel demand, both group and transient, saw further improvement in July. Urban hotel occupancies reached 79% for the last two, non-holiday weeks, in July, with rates at a 7% premium over July 2019. Occupancies at the Company's urban hotels also remained healthy during the first two weeks of August.
- Leisure travel demand continued to show strength throughout July and ADR premiums over the comparable period in 2019 remain very strong. For the weeks ended July 24 through August 14, our resort ADRs were more than 50% above the comparable period in 2019.



# Recent Operating Trends

In July, group and transient business travel demand accelerated, as occupancy rose to 74%. For the first time since the pandemic began, total revenues, RevPAR, and Hotel EBITDA all exceeded the same-hotel comparable period in 2019. August operating results are expected to be down to July due to normal back-to-school seasonality. August results are not expected to exceed 2019 levels.

2022 Same-Property Portfolio <sup>(1)</sup>	Occ	ADR	RevPAR	Total Revenue	Hotel EBITDA	Variance to 2019	
						Total Revenue	RevPAR
January	34%	\$269	\$91	\$57.0	(\$3.1)	(44%)	(44%)
February	50%	\$308	\$153	\$84.9	\$20.5	(21%)	(20%)
March	62%	\$305	\$188	\$116.2	\$38.8	(9%)	(10%)
<b>Q1 2022</b>	<b>48%</b>	<b>\$297</b>	<b>\$144</b>	<b>\$258.0</b>	<b>\$56.2</b>	<b>(23%)</b>	<b>(23%)</b>
April	68%	\$319	\$218	\$128.3	\$46.6	(3%)	(4%)
May	67%	\$314	\$210	\$129.4	\$42.9	(6%)	(8%)
June	73%	\$323	\$236	\$138.1	\$49.3	(1%)	(3%)
<b>Q2 2022</b>	<b>69%</b>	<b>\$319</b>	<b>\$221</b>	<b>\$395.7</b>	<b>\$138.8</b>	<b>(3%)</b>	<b>(5%)</b>
<b>July(F)</b>	<b>74%</b>	<b>\$334</b>	<b>\$246</b>	<b>\$142.3</b>	<b>\$50.4</b>	<b>4%</b>	<b>3%</b>



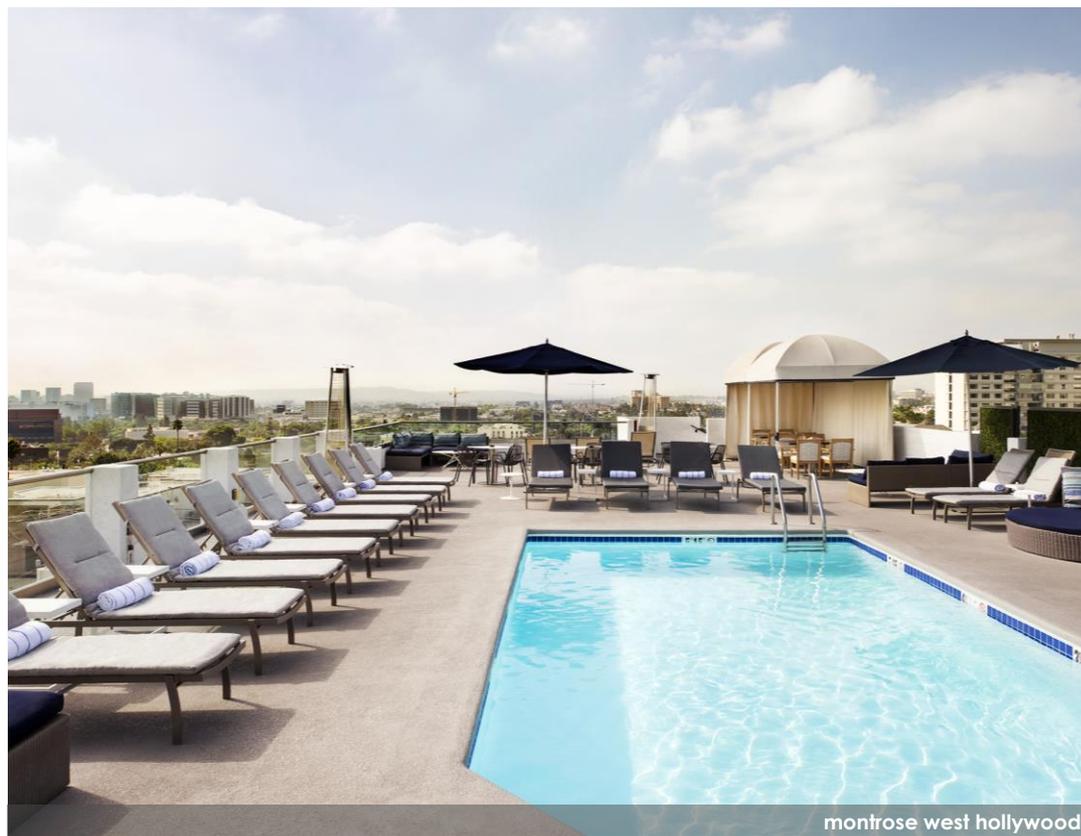
Note: Dollars in millions, except for ADR, RevPAR and Adjusted FFO per Diluted Share.

(1) Includes information for all of the hotels the Company owned as of August 18, 2022, except 1 Hotel San Francisco (which is excluded from January-December given the property's closure for renovation), Inn on Fifth (which is excluded from January-March given the property's acquisition on May 11 and is currently excluded from May due to a delay in data feeds), and Gurney's Newport Resort & Marina (which is excluded from January-June given the property's acquisition on June 23). Additionally, following its sale on June 28, The Marker San Francisco is excluded from April-December.

# Weekly Operating Trends: Urban Portfolio Rapidly Improving

The Company's urban hotel occupancies continue to improve, excluding holiday-impacted weeks, with business demand recovering and leisure customers returning to the cities. Occupancies in the mid to upper 70's have been consistently achieved during non-holiday weeks in July and August. The ongoing recovery in business travel is expected to continue in September and the fourth quarter as companies encourage more meetings, business transient reverts to its healthy historical weekday travel patterns and higher volumes and convention attendance further improves.

Weekly Total Urban Portfolio <sup>(1)</sup>				
Week Ended	2022 Occ	2022 ADR	2019 ADR	2022 Room Revenue <sup>(2)</sup>
Jun 5 <sup>(3)</sup>	58%	\$275	\$246	\$11.6
Jun 12	80%	\$324	\$286	\$18.8
Jun 19 <sup>(3)</sup>	73%	\$302	\$274	\$15.6
Jun 26	76%	\$276	\$260	\$14.8
Jul 3 <sup>(3)</sup>	67%	\$263	\$209	\$12.7
Jul 10 <sup>(3)</sup>	58%	\$260	\$264	\$10.8
Jul 17	77%	\$282	\$286	\$15.6
Jul 24	79%	\$292	\$272	\$16.6
Jul 31	79%	\$278	\$270	\$15.4
Aug 7	74%	\$267	\$258	\$13.9
Aug 14	73%	\$269	\$268	\$13.8



# Weekly Operating Trends: Total and Resort Portfolios

Weekly resort occupancies maintained their strength and improved in July as the strong summer season ramped up across our western and northeast resorts. Total resort and portfolio demand continued to gain traction following the 4<sup>th</sup> of July holiday weekend, as occupancies nearly hit 80% for the entire portfolio in the second half of July as the resort portfolio achieved a weekly occupancy of 80% or more twice.

Weekly Total Hotel & Resort Portfolio <sup>(1)</sup>				
Week Ended	2022 Occ	2022 ADR	2019 ADR	2022 Room Revenue <sup>(3)</sup>
Jun 5 <sup>(4)</sup>	59%	\$298	\$245	\$16.0
Jun 12	79%	\$338	\$281	\$24.4
Jun 19 <sup>(4)</sup>	74%	\$323	\$273	\$21.4
Jun 26	77%	\$300	\$262	\$20.8
Jul 3 <sup>(4)</sup>	67%	\$311	\$225	\$19.6
Jul 10 <sup>(4)</sup>	59%	\$312	\$266	\$17.4
Jul 17	77%	\$320	\$291	\$23.1
Jul 24	79%	\$333	\$276	\$24.8
Jul 31	79%	\$321	\$275	\$23.3
Aug 7	75%	\$311	\$262	\$21.4
Aug 14	73%	\$307	\$271	\$20.5

Weekly Total Resort Portfolio <sup>(2)</sup>				
Week Ended	2022 Occ	2022 ADR	2019 ADR	2022 Room Revenue <sup>(3)</sup>
Jun 5 <sup>(4)</sup>	61%	\$382	\$244	\$4.4
Jun 12	75%	\$398	\$251	\$5.6
Jun 19 <sup>(4)</sup>	77%	\$396	\$265	\$5.8
Jun 26	83%	\$382	\$271	\$6.0
Jul 3 <sup>(4)</sup>	68%	\$473	\$311	\$6.9
Jul 10 <sup>(4)</sup>	66%	\$464	\$278	\$6.6
Jul 17	78%	\$446	\$313	\$7.5
Jul 24	81%	\$466	\$297	\$8.1
Jul 31	80%	\$457	\$297	\$7.9
Aug 7	78%	\$449	\$283	\$7.5
Aug 14	72%	\$433	\$284	\$6.7



(1) Includes information for all of the hotels the Company owned as of August 18, 2022, with the exception of Inn on Fifth, Gurney's Newport Resort & Marina and 1 Hotel San Francisco (data for all three properties is included beginning the week ended July 3). The Marker San Francisco is included through the week ended June 12 then excluded thereafter due to its sale. Includes information for Sofitel Philadelphia through the weekend of July 24 then excluded thereafter due to its sale.

(2) Includes Chaminade Resort & Spa, Estancia La Jolla Hotel & Spa, Gurney's Newport Resort & Spa (beginning the week ended July 3), Inn on Fifth (beginning the week ended July 3) Jekyll Island Club Resort, LaPlaya Beach Resort & Club, L'Auberge Del Mar, Margaritaville Hollywood Beach Resort, Paradise Point Resort & Spa, San Diego Mission Bay Resort, Skamania Lodge, Southernmost Beach Resort and The Marker Key West Harbor Resort.

(3) Dollars in millions.

(4) Holiday impact.

# Weekday Operating Trends: Total and Urban Portfolios

A rapid return of business transient and group travel and the return of leisure to the cities has continued to boost the operating performance of the Company's portfolio in recent months, with weekday urban rates often outpacing those of 2019. While the first two weeks of July were negatively impacted by the historically normal 4th of July holiday weakness, the last two weeks of July and the first two weeks of August have remained strong. The forward booking pace into the fall remains healthy and encouraging.

Weekday Total Hotel & Resort Portfolio <sup>(1)</sup>					Weekday Total Urban <sup>(1)</sup> Portfolio <sup>(2)</sup>				
Week Ended	2022 Occ	2022 ADR	2019 ADR	2022 Room Revenue <sup>(3)</sup>	Week Ended	2022 Occ	2022 ADR	2019 ADR	2022 Room Revenue <sup>(2)</sup>
Jun 5 <sup>(4)</sup>	54%	\$285	\$244	\$10.0	Jun 5 <sup>(4)</sup>	53%	\$262	\$230	\$7.2
Jun 12	79%	\$340	\$286	\$17.5	Jun 12	81%	\$333	\$238	\$13.9
Jun 19 <sup>(4)</sup>	74%	\$319	\$276	\$15.2	Jun 19 <sup>(4)</sup>	74%	\$306	\$280	\$11.4
Jun 26	75%	\$295	\$270	\$14.2	Jun 26	74%	\$277	\$272	\$10.3
Jul 3 <sup>(4)</sup>	66%	\$303	\$219	\$13.5	Jul 3 <sup>(4)</sup>	66%	\$265	\$204	\$9.1
Jul 10 <sup>(4)</sup>	55%	\$300	\$270	\$11.0	Jul 10 <sup>(4)</sup>	53%	\$250	\$272	\$6.8
Jul 17	76%	\$314	\$295	\$16.0	Jul 17	76%	\$284	\$294	\$11.1
Jul 24	77%	\$319	\$276	\$16.5	Jul 24	78%	\$287	\$275	\$11.5
Jul 31	75%	\$312	\$274	\$15.8	Jul 31	78%	\$278	\$273	\$10.8
Aug 7	71%	\$301	\$265	\$14.3	Aug 7	72%	\$264	\$265	\$9.5
Aug 14	69%	\$297	\$270	\$13.8	Aug 14	72%	\$267	\$272	\$9.7



(1) Includes information for all of the hotels the Company owned as of August 18, 2022, with the exception of Inn on Fifth, Gurney's Newport Resort & Marina and 1 Hotel San Francisco (data for all three properties is included beginning the week ended July 3). Includes information for Sofitel Philadelphia through the weekend of July 24 and excluded thereafter due to its sale.

(2) Includes information for all of the hotels the Company owned as of July 26, 2022, excluding its resorts listed on the prior slide. The Marker San Francisco is included through the week ended June 12 then excluded thereafter due to its sale.

(3) Dollars in millions.

(4) Holiday impact.

# Weekend Operating Trends: Total and Resort Portfolios

Leisure demand remains robust and both total portfolio and resort portfolio average daily rates for the weekends are maintaining very high premiums over 2019. Weekend urban rates significantly improved over the past couple of months, with Resort rates and premiums remaining high, supporting the Company's optimistic outlook for Q3.

Weekend Total Hotel & Resort Portfolio <sup>(1)</sup>					Weekend Total Resort Portfolio <sup>(2)</sup>				
Weekend Started	2022 Occ	2022 ADR	2019 ADR	2022 Room Revenue <sup>(3)</sup>	Weekend Started	2022 Occ	2022 ADR	2019 ADR	2022 Room Revenue <sup>(3)</sup>
Jun 3	71%	\$323	\$250	\$6.0	Jun 3	70%	\$419	\$271	\$1.6
Jun 10	79%	\$334	\$269	\$6.9	Jun 10	81%	\$458	\$281	\$2.0
Jun 17 <sup>(4)</sup>	73%	\$332	\$265	\$6.2	Jun 17 <sup>(4)</sup>	81%	\$460	\$300	\$2.0
Jun 24	82%	\$312	\$242	\$6.6	Jun 24	89%	\$446	\$303	\$2.1
Jul 1 <sup>(4)</sup>	69%	\$332	\$239	\$6.1	Jul 1 <sup>(4)</sup>	71%	\$568	\$346	\$2.5
Jul 8	72%	\$335	\$257	\$6.4	Jul 8	78%	\$505	\$324	\$2.4
Jul 15	80%	\$335	\$279	\$7.1	Jul 15	85%	\$516	\$347	\$2.7
Jul 22	84%	\$366	\$278	\$8.3	Jul 22	92%	\$546	\$338	\$3.1
Jul 29	82%	\$341	\$276	\$7.5	Jul 29	89%	\$528	\$338	\$2.9
Aug 5	80%	\$333	\$256	\$7.2	Aug 5	87%	\$518	\$325	\$2.8
Aug 12	75%	\$330	\$272	\$6.7	Aug 12	83%	\$498	\$329	\$2.5



(1) Includes information for all of the hotels the Company owned as of August 18, 2022, with the exception of Inn on Fifth, Gurney's Newport Resort & Marina and 1 Hotel San Francisco (data for all three properties is included beginning the weekend started July 1). The Marker San Francisco is included through the weekend started June 10 then excluded thereafter due to its sale. Sofitel Philadelphia is included through the weekend started July 22 then excluded thereafter due to its sale.

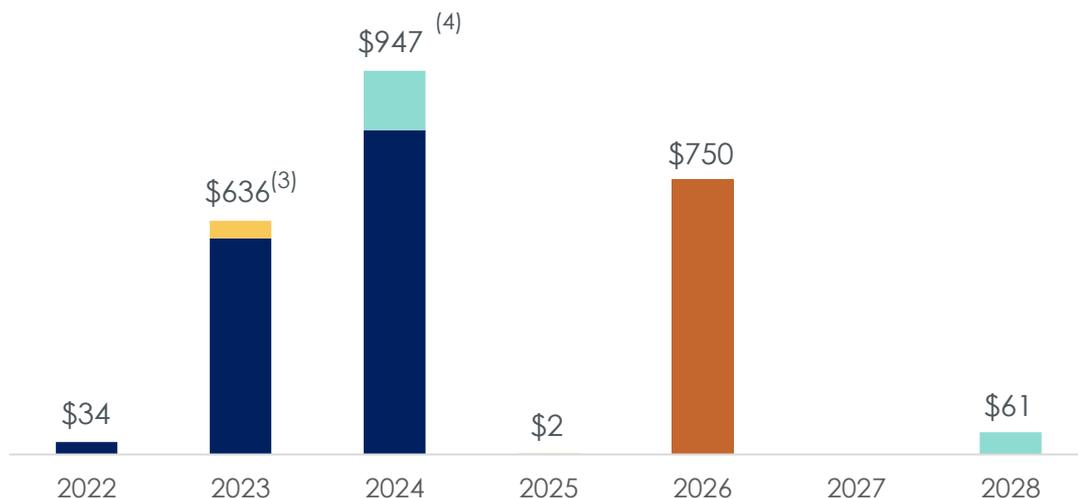
(2) Includes Chaminade Resort & Spa, Estancia La Jolla Hotel & Spa, Gurney's Newport Resort & Spa (beginning the weekend started July 1), Inn on Fifth (beginning the weekend started July 1), Jekyll Island Club Resort, LaPlaya Beach Resort & Club, L'Auberge Del Mar, Margaritaville Hollywood Beach Resort, Paradise Point Resort & Spa, San Diego Mission Bay Resort, Skamania Lodge, Southernmost Beach Resort and The Marker Key West Harbor Resort.

(3) Dollars in millions.

(4) Holiday impact.

# Balance Sheet, Maturity Schedule & Fixed/Floating Allocation

## Debt and Convertible Notes Maturity Schedule<sup>(1,2)</sup>



■ Bank Term Loan / Facility ■ Mortgage Debt ■ Unsecured Notes ■ Convertible Notes

Debt <sup>(1)</sup>	Amount	Weighted Int. Rate	% of Total
Fixed	\$1,901	3.2%	78%
Floating	\$528	4.2%	22%
<b>Total / Wtd. Avg</b>	<b>\$2,428</b>	<b>3.4%</b>	<b>100%</b>

Debt to Assets	Debt	Assets	Debt/Assets
Net Book Value <sup>(5)</sup>	\$2,429	\$5,774	42%
Public Enterprise Value <sup>(6)</sup>	\$2,429	\$5,693	43%
Estimated Gross Asset Value <sup>(7)</sup>	\$2,429	\$7,616	32%



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(1) Debt balances shown in millions; current as of August 18, 2022.

(2) The Convertible Notes have an initial conversion rate of 39.2549 per \$1,000 principal amount of the Notes (equivalent to a conversion price of approximately \$25.47 per common share of Pebblebrook and a conversion premium of approximately 35.0% based on the closing price of \$18.87 per common share on the date of issuance).

(3) Maturity date of November 2023 assumes Pebblebrook chooses to exercise its twelve-month option to extend debt maturity of the November 2022 term loans.

(4) Maturity date of May 2024 assumes Pebblebrook chooses to exercise its two one-year options to extend debt maturity of the mortgage loan on Margaritaville Hollywood Beach Resort.

(5) Represents GAAP defined investments in hotel properties, net of accumulated depreciation and amortized right-of-use assets.

(6) Based on \$18.00 per share.

(7) Based on \$32.50 per share midpoint of the Company's current NAV estimate.

# Non-GAAP Reconciliation

**Pebblebrook Hotel Trust**  
**Same-Property Portfolio**  
**Reconciliation of Hotel Net Income to Hotel EBITDA and Hotel Net Operating Income**  
**January, February, March, April, May, June and July (Estimate) 2022**  
*(Unaudited, in millions)*

	For the month of January, 2022	For the month of February, 2022	For the month of March, 2022	For the month of April, 2022	For the month of May, 2022	For the month of June, 2022	For the month of July(E), 2022
Hotel net income	(\$22.3)	\$1.3	\$19.6	\$27.5	\$23.5	\$29.7	\$31.1
Adjustment:							
Depreciation and amortization	\$19.2	\$19.2	\$19.2	\$19.1	\$19.4	\$19.6	\$19.3
Hotel EBITDA	<u>(\$3.1)</u>	<u>\$20.5</u>	<u>\$38.8</u>	<u>\$46.6</u>	<u>\$42.9</u>	<u>\$49.3</u>	<u>\$50.4</u>
Adjustment:							
Capital reserve	(2.2)	(3.4)	(4.6)	(5.1)	(5.1)	(5.5)	(5.6)
Hotel Net Operating Income	<u>(\$5.3)</u>	<u>\$17.1</u>	<u>\$34.2</u>	<u>\$41.5</u>	<u>\$37.8</u>	<u>\$43.8</u>	<u>\$44.8</u>

*This presentation includes certain non-GAAP financial measures as defined under Securities and Exchange Commission (SEC) rules. These measures are not in accordance with, or an alternative to, measures prepared in accordance with U.S. generally accepted accounting principles, or GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the hotels' results of operations determined in accordance with GAAP.*

*The Company has presented estimated hotel EBITDA and hotel net operating income after capital reserves for the periods above because it believes these measures provide investors and analysts with an understanding of the hotel-level operating performance. These non-GAAP measures do not represent amounts available for management's discretionary use, because of needed capital replacement or expansion, debt service obligations or other commitments and uncertainties, nor are they indicative of funds available to fund the Company's cash needs, including its ability to make distributions.*

*The Company's presentation of the hotels' estimated EBITDA and net operating income after capital reserves for the periods above should not be considered as an alternative to net income (computed in accordance with GAAP) as an indicator of the hotels' financial performance. The table above is a reconciliation for the periods above of the hotels' estimated EBITDA and net operating income after capital reserves calculations to net income in accordance with GAAP. Any differences are a result of rounding.*

# pebblebrook HOTEL TRUST

