

Investor and Analyst Day

October 3, 2017 | New York

ASHFORD
HOSPITALITY PRIME

Forward Looking Statements and Non-GAAP Measures

In keeping with the SEC's "Safe Harbor" guidelines, certain statements made during this presentation could be considered forward-looking and subject to certain risks and uncertainties that could cause results to differ materially from those projected. When we use the words "will likely result," "may," "anticipate," "estimate," "should," "expect," "believe," "intend," or similar expressions, we intend to identify forward-looking statements. Such forward-looking statements include, but are not limited to, our business and investment strategy, our understanding of our competition, current market trends and opportunities, projected operating results, and projected capital expenditures.

These forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated including, without limitation: general volatility of the capital markets and the market price of our common stock; changes in our business or investment strategy; availability, terms and deployment of capital; availability of qualified personnel; changes in our industry and the market in which we operate, interest rates or the general economy, and the degree and nature of our competition. These and other risk factors are more fully discussed in the company's filings with the Securities and Exchange Commission.

EBITDA is defined as net income before interest, taxes, depreciation and amortization. EBITDA yield is defined as trailing twelve month EBITDA divided by the purchase price or debt amount. A capitalization rate is determined by dividing the property's net operating income by the purchase price. Net operating income is the property's funds from operations minus a capital expense reserve of either 4% or 5% of gross revenues. Hotel EBITDA flow-through is the change in Hotel EBITDA divided by the change in total revenues. EBITDA, FFO, AFFO, CAD and other terms are non-GAAP measures, reconciliations of which have been provided in prior earnings releases and filings with the SEC or in the appendix to this presentation.

The calculation of implied equity value is derived from an estimated blended capitalization rate ("Cap Rate") for the entire portfolio using the capitalization rate method. The estimated Cap Rate is based on recent Cap Rates of publically traded peers involving a similar blend of asset types found in the portfolio, which is then applied to Net Operating Income ("NOI") of the company's assets to calculate a Total Enterprise Value ("TEV") of the company. From the TEV, we deduct debt and preferred equity and then add back working capital and the company's investment in Ashford Inc. to derive an equity value.

The capitalization rate method is one of several valuation methods for estimating asset value and implied equity value. Among the limitations of using the capitalization rate method for determining an implied equity value are that it does not take into account the potential change or variability in future cash flows, potential significant future capital expenditures, the intended hold period of the asset, or a change in the future risk profile of an asset.

This overview is for informational purposes only and is not an offer to sell, or a solicitation of an offer to buy or sell, any securities of Ashford Hospitality Prime, Inc. or any of its respective affiliates, and may not be relied upon in connection with the purchase or sale of any such security.

Management Team



RICHARD J. STOCKTON
Chief Executive Officer & President

- 20 years of hospitality experience
- 1 year with Ashford
- 15 years with Morgan Stanley
- Cornell School of Hotel Administration, BS
- University of Pennsylvania MBA

PRESENTER



DERIC S. EUBANKS, CFA
Chief Financial Officer

- 17 years of hospitality experience
- 14 years with Ashford
- 3 years with ClubCorp
- CFA charterholder
- Southern Methodist University BBA

PRESENTER



JEREMY J. WELTER
EVP of Asset Management

- 12 years of hospitality experience
- 7 years with Ashford (5 years with Ashford predecessor)
- 5 years with Stephens Investment Bank
- Oklahoma State University BS

PRESENTER



DAVID A. BROOKS
Chief Operating Officer, General Counsel

- 32 years of hospitality & legal experience
- 14 years with Ashford (11 years with Ashford predecessor)
- University of North Texas BS, University of Houston JD



MARK L. NUNNELEY
Chief Accounting Officer

- 32 years of hospitality experience
- 14 years with Ashford (18 years with Ashford predecessor)
- Pepperdine University BS, University of Houston MS, CPA



J. ROBISON HAYS
Chief Strategy Officer

- 12 years of hospitality experience
- 12 years with Ashford
- 3 years of M&A experience at Dresser Inc. & Merrill Lynch
- Princeton University AB

Ashford App and Social Media

Follow Ashford Inc. Chairman and Chief Executive Officer, Monty J. Bennett, on Twitter at www.twitter.com/MBennettAshford or @MBennettAshford

The Ashford App is available for free download at Apple's App Store and Google play Store by searching "Ashford"



Q&A

email questions to:

questions@ashfordinc.com

Five Guiding Principles

ENGAGING

INNOVATIVE

TENACIOUS

PROFITABLE

ETHICAL



VISION – RICHARD J. STOCKTON

Strategic Overview



Focused strategy of investing in luxury hotels and resorts



Grow organically through strong revenue and cost control initiatives



Grow externally through accretive acquisitions of high quality assets



Targets conservative leverage of Net Debt / Gross Assets of 45% with non-recourse property debt



Highly-aligned management team and advisory structure







Recent Developments

Jan 2017	Mar 2017	Mar 2017	Mar 2017	May 2017	Jun 2017	Jun 2017
Announced Refined Strategy & Amendment to Advisory Agreement	$105M Common Equity & Convertible Preferred Equity Raise	$145.5M Acquisition of Park Hyatt Beaver Creek	$0.16 Increased Quarterly Common Dividend by 33%	$96.5M Acquisition of Hotel Yountville	Stockholders Approve Amendment to Advisory Agreement	Announced Progress on Non-Core Hotels Strategy

Refined Strategy

- Luxury focus
- Increase dividend
- 45% Net Debt / Gross Assets
- 10%-15% of gross debt in cash on-hand
- Identified non-core hotels strategy

Amended Advisory Agmt

- Removal of 1.1x multiple and tax gross up
- Change in majority no longer triggers termination fee
- Payment of $5 million to Ashford Inc.

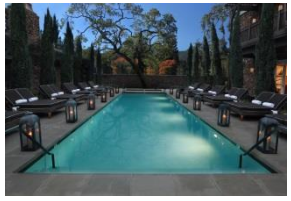
Park Hyatt Beaver Creek





Hotel Yountville





Courtyard Philadelphia

- Upbranding to Autograph Collection by Marriott

Marriott Plano

- Listed for sale

$207 → **$212** → **$217** → **#1**

FY16 RevPAR(1) | **Q1 17 RevPAR(1)** | **Q2 17 RevPAR(1)** | **RevPAR Leader**

(1) TTM comparable RevPAR as reported

High-Quality Hotels in Leading Urban & Resort Markets

















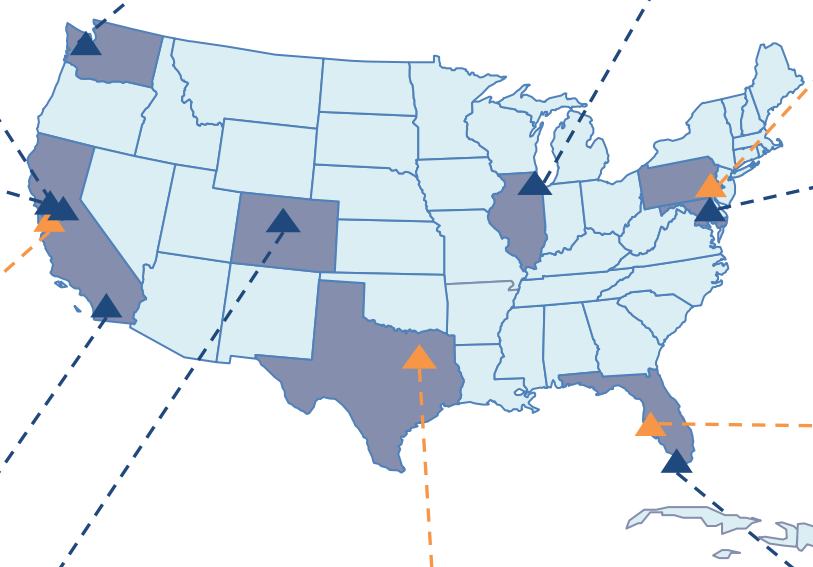












▲ **Core Assets** ▲ **Non-Core Assets**

Portfolio Overview

$251 CORE REVPAR

$217 OVERALL REVPAR

- Core **portfolio quality unparalleled** in the public lodging REIT sector
- **Geographically diversified** portfolio located in strong markets

Core	Location	Number of Rooms	TTM ADR[1]	TTM OCC[1]	TTM RevPAR[1]	TTM Hotel EBITDA[1],[2]	% of Total
Bardessono	Napa Valley, CA	62	$761	83%	$634	$5,152	3.7%
Hotel Yountville	Napa Valley, CA	80	$553	82%	$452	$6,529	4.7%
Ritz-Carlton St. Thomas	St. Thomas, USVI	180	$559	77%	$433	$8,815	6.3%
Pier House	Key West, FL	142	$417	86%	$361	$10,521	7.5%
Park Hyatt Beaver Creek	Beaver Creek, CO	190	$439	63%	$277	$10,198	7.3%
Marriott Seattle Waterfront	Seattle, WA	358	$266	86%	$230	$15,922	11.4%
Capital Hilton	Washington D.C.	550	$239	90%	$215	$18,577	13.3%
Sofitel Chicago Magnificent Mile	Chicago, IL	415	$210	83%	$174	$7,251	5.2%
Hilton Torrey Pines	La Jolla, CA	394	$199	84%	$168	$14,520	10.4%
Total Core		**2,371**	**$301**	**83%**	**$251**	**$97,487**	**69.8%**
Non-Core							
Courtyard San Francisco Downtown	San Francisco, CA	408	$266	86%	$228	$11,816	8.5%
Renaissance Tampa	Tampa, FL	293	$189	80%	$152	$6,567	4.7%
Courtyard Philadelphia Downtown [3]	Philadelphia, PA	499	$183	82%	$149	$12,650	9.1%
Marriott Plano Legacy	Dallas, TX	404	$186	72%	$134	$11,064	7.9%
Total Non-Core		**1,604**	**$207**	**80%**	**$166**	**$42,097**	**30.2%**
Total Portfolio		**3,975**	**$264**	**82%**	**$217**	**$139,584**	**100.0%**

(1) As of June 30, 2017
(2) Reconciliations provided in Q2 earnings release filed on 8/2/17
(3) Announced repositioning to Autograph Collection by Marriott
Note: Hotel EBITDA in thousands

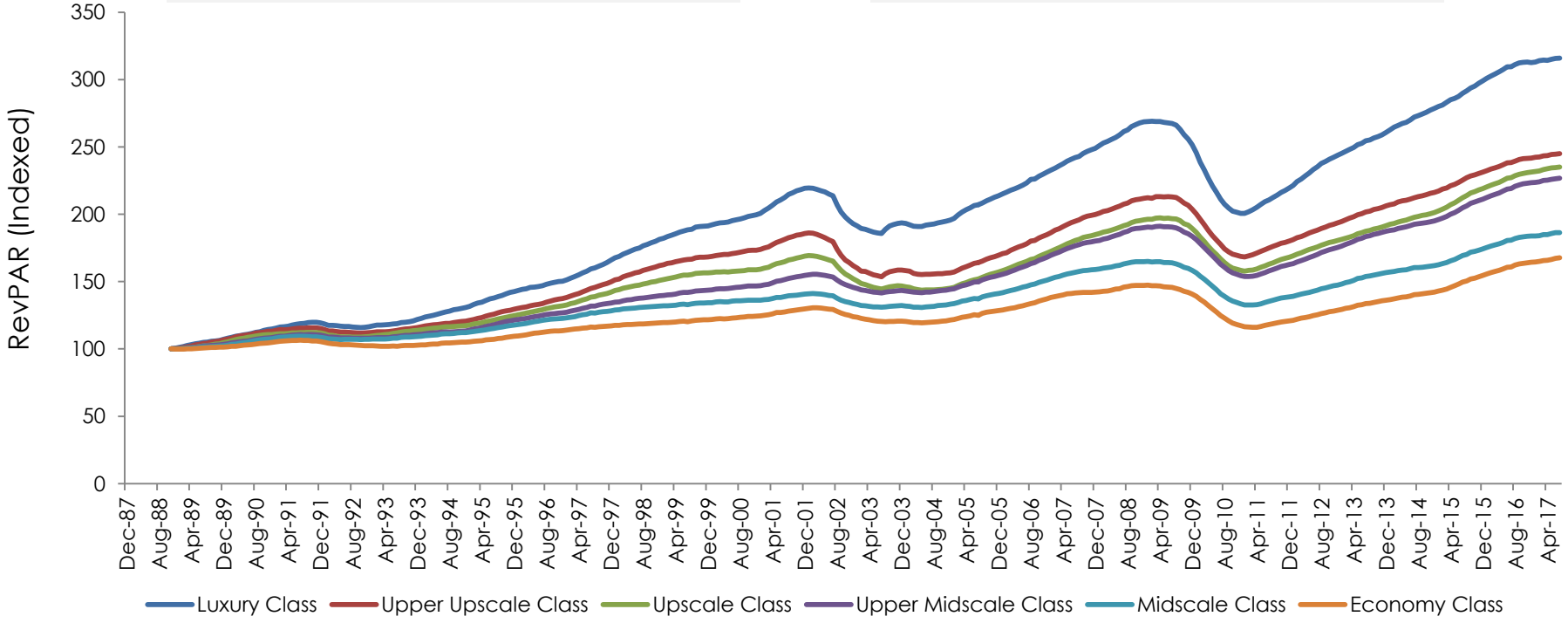
Why We Focus on Luxury

LUXURY

Greatest long-term RevPAR growth of **229%(1)**

UPPER-UPSCALE

Second greatest long-term RevPAR growth of **150%(1)**



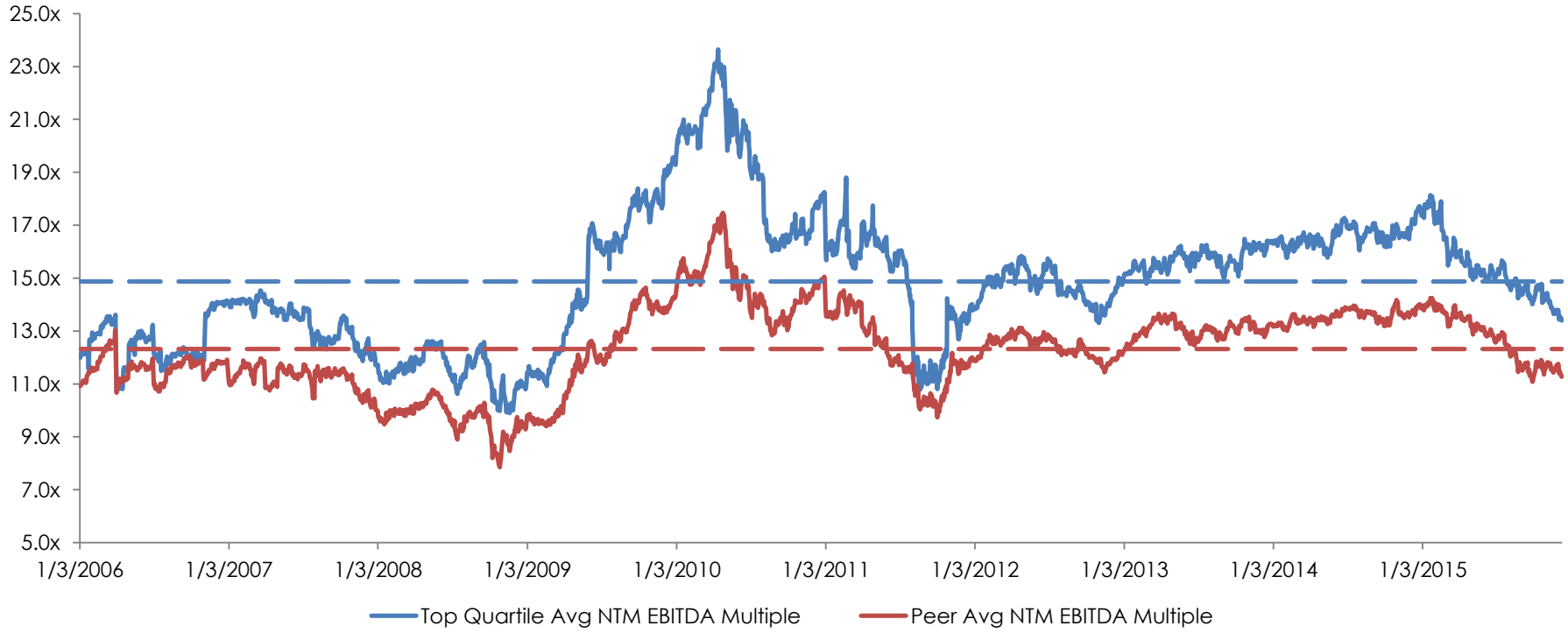
(1) Total nominal growth from December 1987 to July 2017
Source: STR

Long-Term Trading Premium

2.5X

PREMIUM EBITDA TRADING MULTIPLE

The top quartile of lodging REITs (by RevPAR) have consistently had higher quality assets and **traded at a premium** relative to other peers over a long-term 10 year period



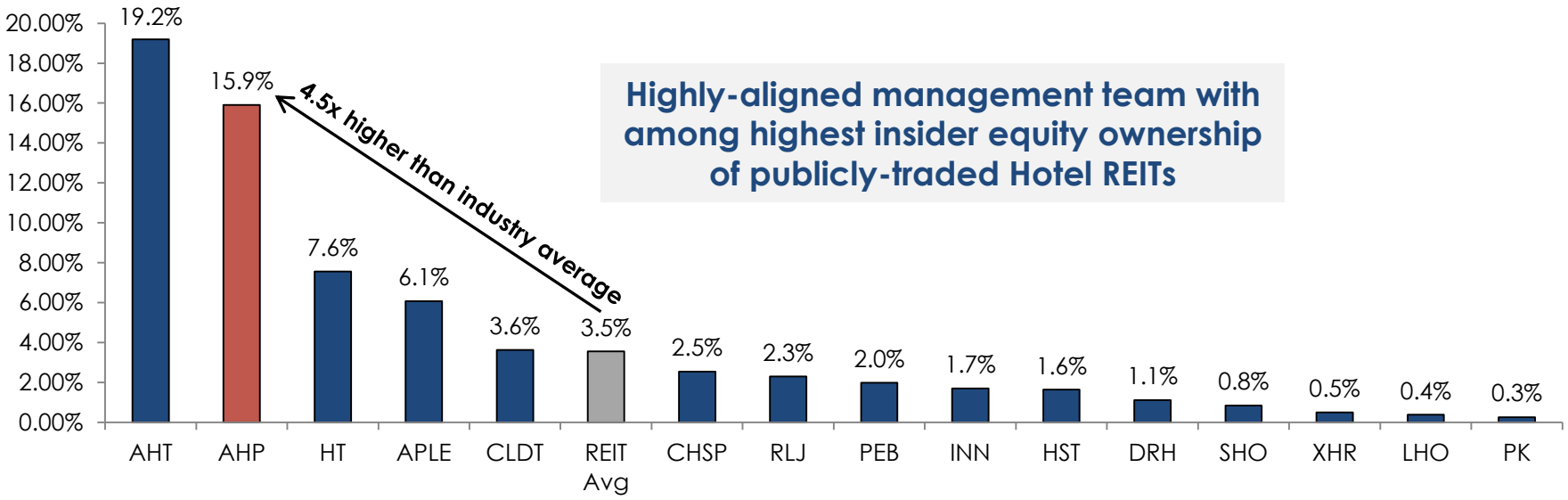
Source: STR, SNL
Top Quartile: BEE, PEB, LHO
Peers: AHT, CLDT, CHSP, DRH, FCH, HT, HPT, HST, INN, RLJ, SHO

Highly Aligned Management Team

16% Management has significant personal wealth invested in the Company

4.5x Insider ownership 4.5x higher than REIT industry average

$57M **Total dollar value of insider ownership (as of 9/27/17)**



Highly-aligned management team with among highest insider equity ownership of publicly-traded Hotel REITs

REIT Avg includes: AHT, HT, APLE, CLDT, CHSP, RLJ, PEB, INN, HST, DRH, SHO, XHR, LHO, PK
Source: Company filings
* Insider equity ownership for Ashford Prime includes direct interests and interests of related parties

Internal Growth – Non-Core Asset Strategy

Reposition → **Accretive Disposition** → **Redeploy** → **Maximize Value for Shareholders**

Courtyard Philadelphia Downtown



- Broker opinion of value resulted in forward cap rate of 9%
- Announced upbranding to an Autograph Collection
- To be completed by June 2019 pursuant to a PIP currently estimated to be approximately $24 million
- Expected unlevered IRR of approximately **19%**
- Expected post-upbranding RevPAR premium of approximately **$25**

Marriott Plano Legacy



- Under contract [1]
- Sales price of **~$100M**
- Forward cap rate (with capex) of approximately **7.8%**
- Unlevered re-buy IRR of 7%
- New supply concerns

Renaissance Tampa



- Listed for sale

Courtyard San Francisco Downtown



- Continue to explore opportunities to either reposition or sell to maximize value for shareholders

(1) Subject to diligence period

External Growth – Luxury Markets

~260,000 total luxury hotel rooms in U.S.(1)

Top 15 Luxury Markets by Rooms(1)

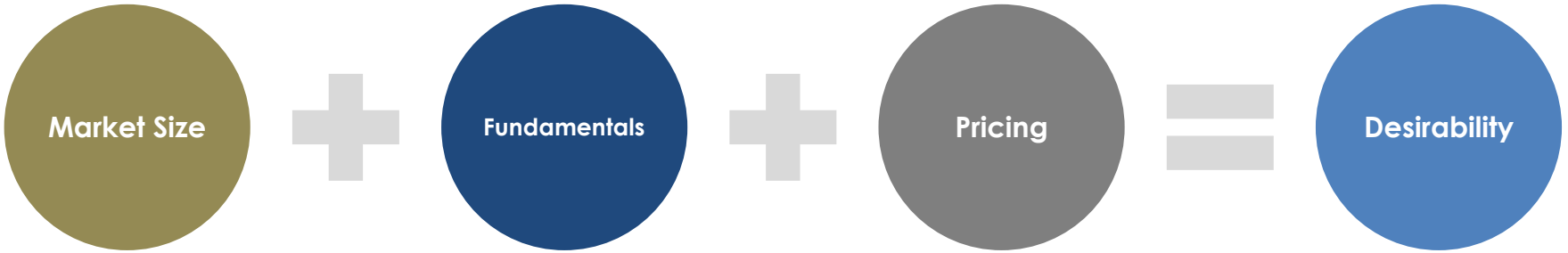
Market	Hotels	Rooms
Las Vegas	18	26,273
New York	71	17,288
Miami	51	13,132
Los Angeles	53	11,340
Hawaii	28	8,398
San Francisco	40	7,920
Chicago	22	7,795
San Diego	31	7,691
Washington D.C.	27	7,306
Mountain Resorts	59	6,472
Orlando	8	5,418
Phoenix	14	5,238
New Orleans	24	4,963
New Jersey	35	4,793
Atlanta	14	4,486

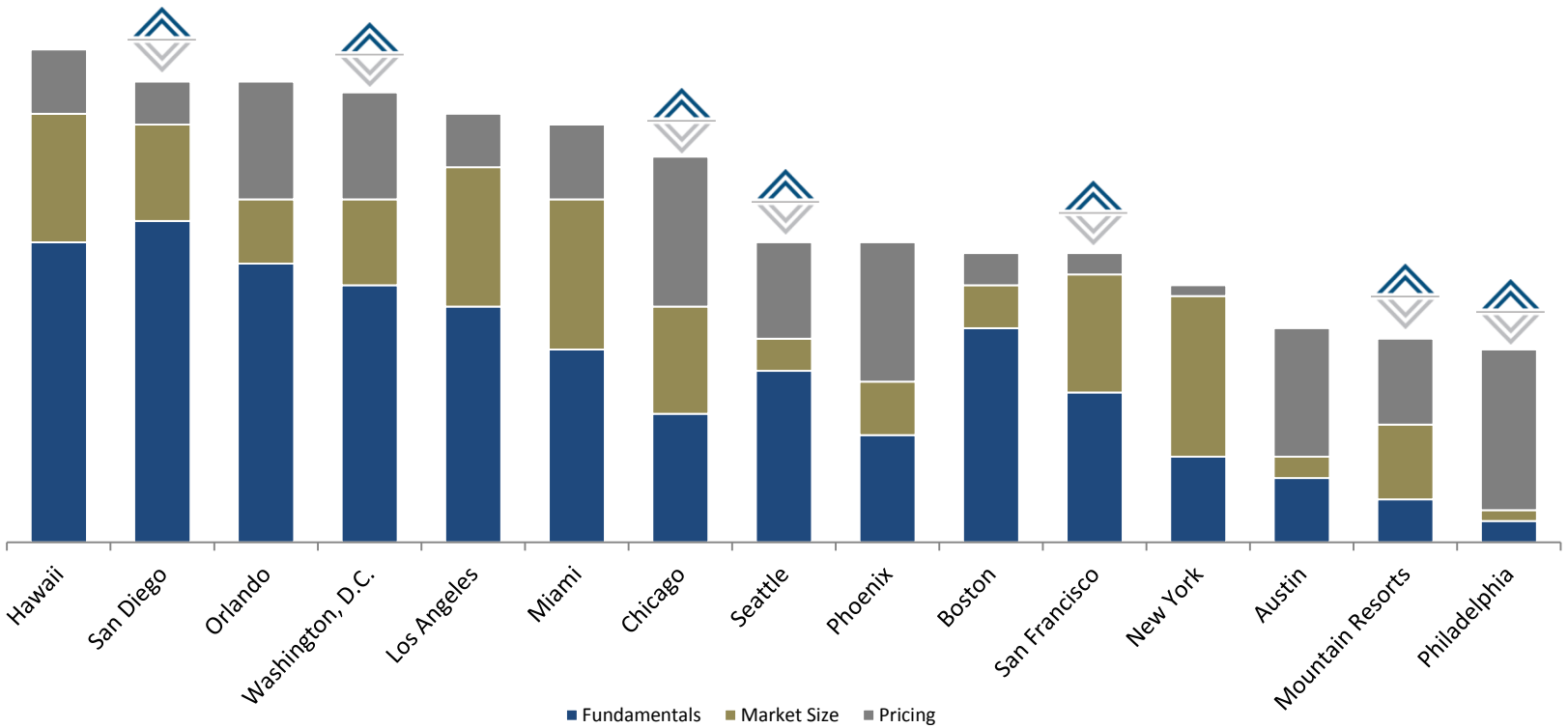
Top 15 Luxury Markets by RevPAR(1)

Market	RevPAR
Hawaii	$405
New York	$348
California Central Coast	$330
Los Angeles / Long Beach	$324
San Francisco	$313
Boston	$282
Mountain Resorts	$262
Washington D.C.	$233
Austin	$223
Orlando	$220
Miami	$210
Seattle	$208
Chicago	$193
Phoenix	$181
Philadelphia	$175

(1) Based on information provided by STR for luxury class as of May 2017

Target Market Analysis(1)





(1) Based on internal analysis

Acquisition Rationale – Hotel Yountville

- Acquired 80-room Hotel Yountville in May 2017
- Announced TTM NOI cap rate at time of acquisition: **6.2%**

RevPAR[1]: **$469**	Stabilized Yield[2]: **8%**	IRR[3]: **10%**



Expected Savings by Department	
Rooms	**$301K**
F&B	**$36K**
Other Department	**$233K**
Administrative & General Expenses	**$302K**
Sales & Marketing Expenses	**$174K**

(1) TTM RevPAR at time of announcement
(2) Expected unlevered stabilized yield
(3) Underwritten unlevered IRR

Acquisition Rationale – Park Hyatt Beaver Creek

- Acquired 190-room Park Hyatt Beaver Creek in March 2017
- Announced TTM NOI cap rate at time of acquisition: **6.0%**

RevPAR[1]: **$271** | Stabilized Yield[2]: **8%** | IRR[3]: **10%**





Q2 2017 (First Full Quarter of Ownership)

19.7%	613	68%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

Opportunities

Concierge lounge & exclusive membership club

7 Key additions in underutilized spa and office space
- 5 traditional
- 2 luxury suites

Lobby renovation to enhance and activate space

Changing spa manager

Maximize opportunities during soft shoulder season

Opportunity to **renegotiate condo / spa agreements**

(1) TTM RevPAR at time of announcement
(2) Expected unlevered stabilized yield
(3) Underwritten unlevered IRR

Valuation Opportunity

Valuation Opportunity

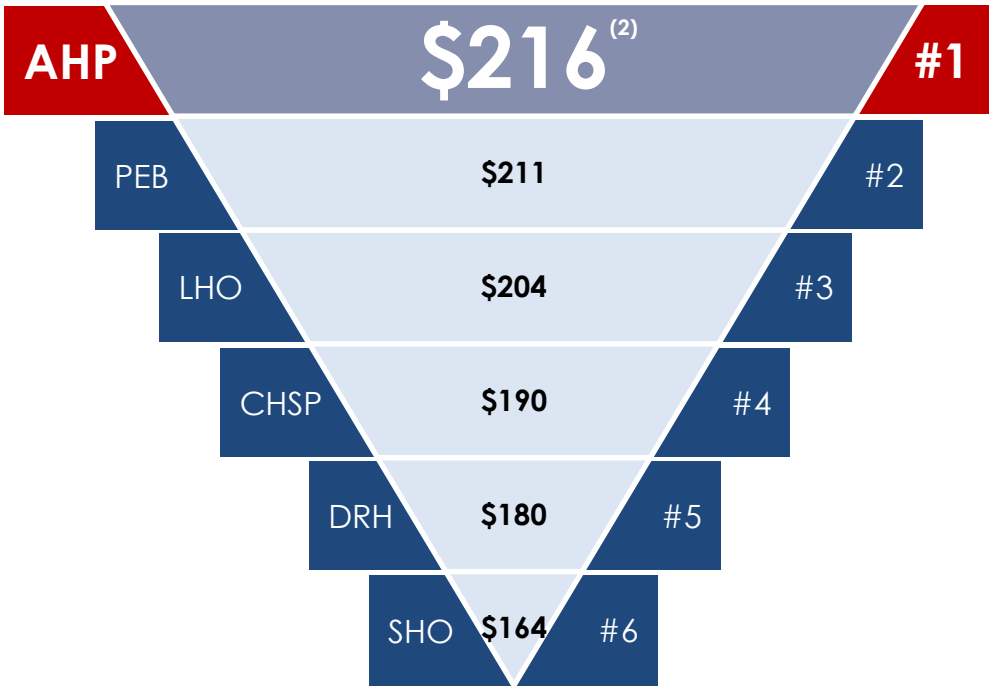
212
Discount to average peer trading cap rate (bps)

2x
Discount to average peer trading EBITDA multiple

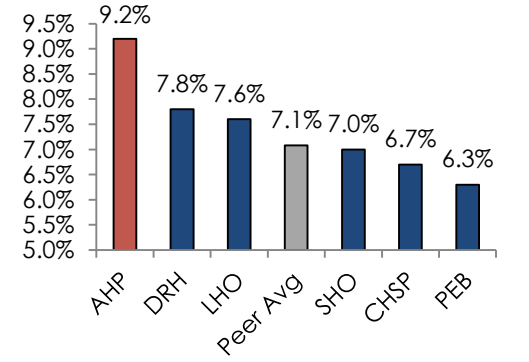
7x
Discount to average peer trading AFFO multiple

Opportunity to capture **significant valuation upside** relative to peers and NAV

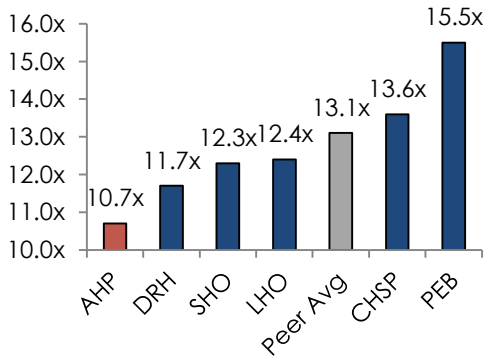
2016 Comparable RevPAR[1]



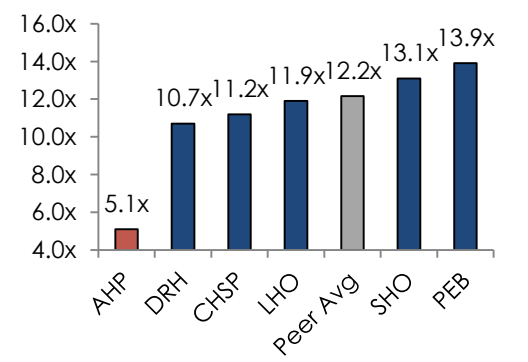
TTM Cap Rate[3]



TEV / 2018E EBITDA Multiple[3],[4]



Price / 2018E AFFO / Share Multiple[3],[4]



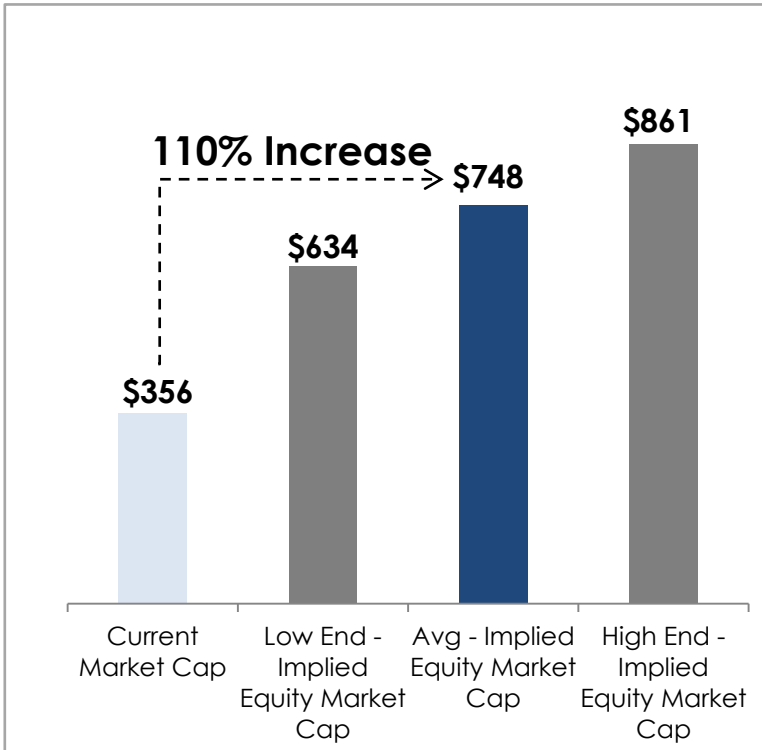
(1) As reported by company earnings releases
(2) Pro forma for acquisitions of Park Hyatt Beaver Creek and Hotel Yountville
(3) As of September 27, 2017
(4) Based on consensus estimates

Intrinsic Value[1],[2]

Valuation Disconnect

Current Equity Market Cap[3]		Implied Equity Market Cap[4]		Implied Equity Value Upside
$356M	≠	**$748M**	→	**$391M**

	Ashford Prime Portfolio		
(millions)	**Low-End**		**High-End**
TTM NOI[5]	$111		$111
Cap Rate[6]	7.5%		6.5%
Implied Value	**$1,482**		**$1,710**
NWC[7],[8]	$135		$135
Preferred Equity[7]	($124)		($124)
Debt[7]	($859)		($859)
Implied Equity Mkt Cap	**$634**	--	**$861**



(1) See valuation methodology disclaimer
(2) Excludes termination fee
(3) As of September 27, 2017
(4) Based on average of estimated cap rates
(5) See GAAP reconciliation in appendix
(6) Based on current implied cap rates of publicly traded peers
(7) As of June 30, 2017; Adjusted for Hilton JV
(8) Investment in Ashford Inc. at market value as of September 27, 2017

Hurricane Irma Update

Pier House Resort



Accepting reservations and has resumed limited operations

Working with insurers to assess the damage and will be examining the implementation of a planned renovation program

The Ritz-Carlton St. Thomas



Online reservations suspended at least until October 2018 while the resort remains open to walk-ins and groups and currently has approximately 80 guest rooms available

Working with insurers to assess the damage and will be examining the implementation of a planned renovation program

All Ashford Prime hotels have comprehensive property, casualty, flood and business interruption insurance. Expect uncovered losses of ~$5M.



Asset Management – Jeremy J. Welter

What We Do

- We optimize the performance, strategic positioning, and value of our hotels
  - Ashford's Asset Management Group houses specialists across multiple disciplines
  - Deployment structure allows for more focused asset management

How We Do It

Disciplines

REVENUE OPTIMIZATION	Bonus based on RevPAR index
ASSET MANAGEMENT	Bonus based on GOP flow-through, guest satisfaction scores, and RevPAR index

STRATEGIC VALUE ENHANCEMENT | **CAPITAL MANAGEMENT/ENERGY** | **RISK MANAGEMENT** | **PROPERTY TAX**

Asset Management Overview

Team

- 1 - EVP
- 10 - Asset managers
- 2 - Revenue optimization
- 3 - Risk & Insurance
- 4 - Capex specialists
- 2 - Legal
- 1 - Property tax specialist
- 4 - Analysts

Meetings with Property Management

- Asset manager has a weekly meeting with hotel leadership
  - Revenue trends
  - Expense management
  - Special projects
- Twice annual portfolio meetings

Property Site Visits

- 4 times a year
- Full day meetings
  - Revenue
  - Market share
  - Expenses
  - Guest satisfaction
  - Asset care

Revenue Optimization

- Monthly meetings
  - All channels & segments of business
- Annual business transient/ corporate negotiated RFP discussions
- Annual budget guidance, meetings, and revenue discussions
- Team tests and implements revenue enhancement and upsell opportunities

Staffing and Expenses

Asset Management Team:

- Interviews / approvals of hotel leadership candidates
- Benchmarks hourly productivity and leadership org charts
- From time to time engages consultants for time and motion studies
- Ensures hotels are evaluating and negotiating hotel level contracts for favorable terms

Property Tax Appeals

- Dedicated professional on the team with sole responsibility to monitor and appeal tax assessments

Asset Management Overview (cont.)

Brand Negotiations	Capital Decisions	Risk / Insurance Team
• Branding decisions, negotiations, and extensions • Brand related PIPs and capital directives • Asset management team members serve on brand owner advisory committees • Respond to all brand development proposals • Attend brand conferences and maintain relationships with key stakeholders	• Set capital budgets • Prioritize projects • Address emergency capital needs • Manage energy procurement and energy ROI projects • Administer comprehensive preventative maintenance audit program	• 3 dedicated professionals • Manage emergency responses to crises or disaster situations • Proactively address chronic risk points within hotels

Past Operating Performance Relative to Peers

- Prime has outperformed its REIT peers **3 of the past 4 years and each of the past 4 quarters** (Prime results in **green**; REIT averages in black)

	2016 Q3	2016 Q4	2016	2017 Q1	2017 Q2
RevPAR Growth					
Prime	4.3%	2.4%	2.4%	2.5%	0.4%
REIT Average	1.3%	0.4%	1.7%	0.8%	-0.6%
Hotel EBITDA Growth					
Prime	5.0%	2.2%	3.7%	2.1%	2.9%
REIT Average	0.2%	-1.6%	2.5%	-5.2%	-2.9%

Peers: CHSP, PEB, DRH, LHO, SHO

Case Study – The Ritz-Carlton St. Thomas

Acquired in December 2015 from Marriott	Going-in TTM NOI cap rate of 10%	Top resort in U.S. Virgin Islands	Performance has been strong despite zika headwinds





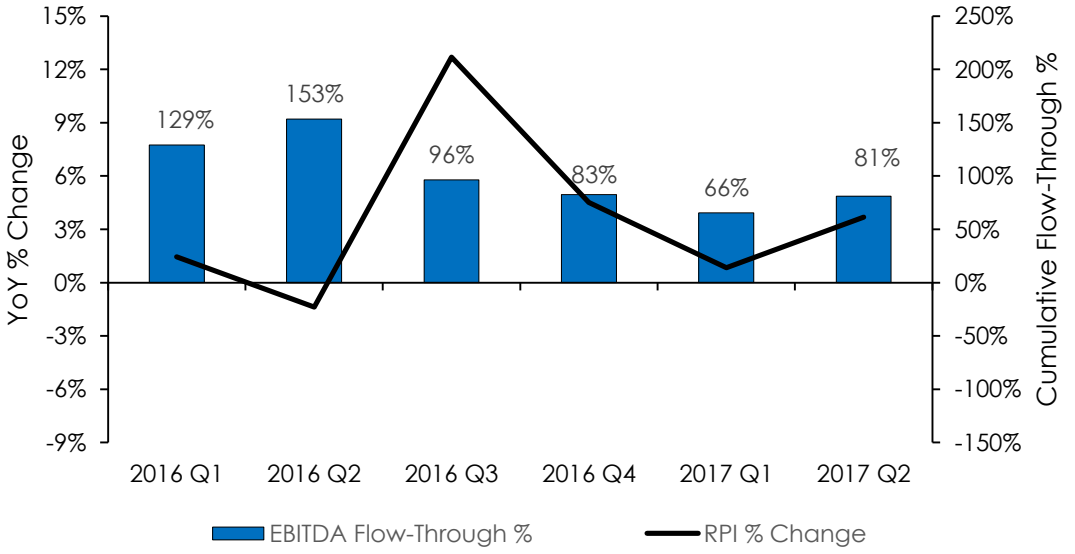
2016 (1st Full Year of Ownership)

450

RPI INCREASE (BPS)

83%

HOTEL EBITDA FLOW-THROUGH



Case Study – Hilton La Jolla Torrey Pines

- In June 2017 announced ground lease extension up to 2087
- Began charging $22 resort fee to all guests in 2016

YTD June 2017

5.9%	489	103%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through



Resort Fee Profitability

$1.1M	$736K	92.3%
Since Initiation in 2016[1]	2017 YTD	2017 Resort Fee Margin



(1) Since initial implementation in February 2016 through December 2016

Case Study – Pier House Resort

Ashford Prime acquired in early 2014

Remington has demonstrated the ability to achieve considerable upside especially when replacing a small, owner/operator

2015

2.5%	255	86%
RPI Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

2016

4.9%	170	206%
RPI Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

YTD June 2017

3.4%	125	108%
RPI Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through





Case Study – Bardessono Hotel & Spa

- Acquired in July 2015 and installed affiliated property manager Remington
- Proven ability to outperform

2016 (First Full Year of Ownership)

10%	518	242%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through



YTD June 2017

5.5%	123	144%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through



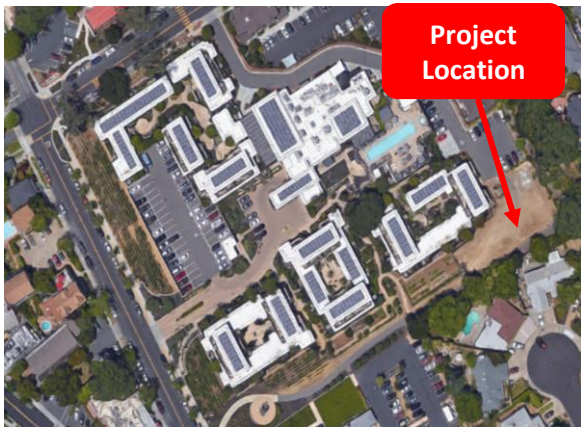
Opportunity – Bardessono Resort and Spa

- Received approval to construct luxury villa consisting of 3 large keys, hospitality suite, and private auto court
- Expected completion by August 2018
- Appeals to celebrities, wedding parties, high-end board meetings, and executive retreats
- 10-year extension on existing ground lease; Expires on October 31, 2115 (includes options)

Expected Performance - Additional Keys

$8.2M	~$5M	~$1,150	~20%	~50%
Expected Value Enhancement	Estimated Cost	Projected ADR	Expected Unlevered IRR	ADR Premium to Current Keys







Opportunity – Marriott Seattle Waterfront

Added 3 keys

- **7%** increase in shoulder season (Nov.-Feb.) occupancy from 2012-3 to 2016-7
- **53%** increase in group occupancy index from 2013 to 2016

Recently completed M club and market pantry

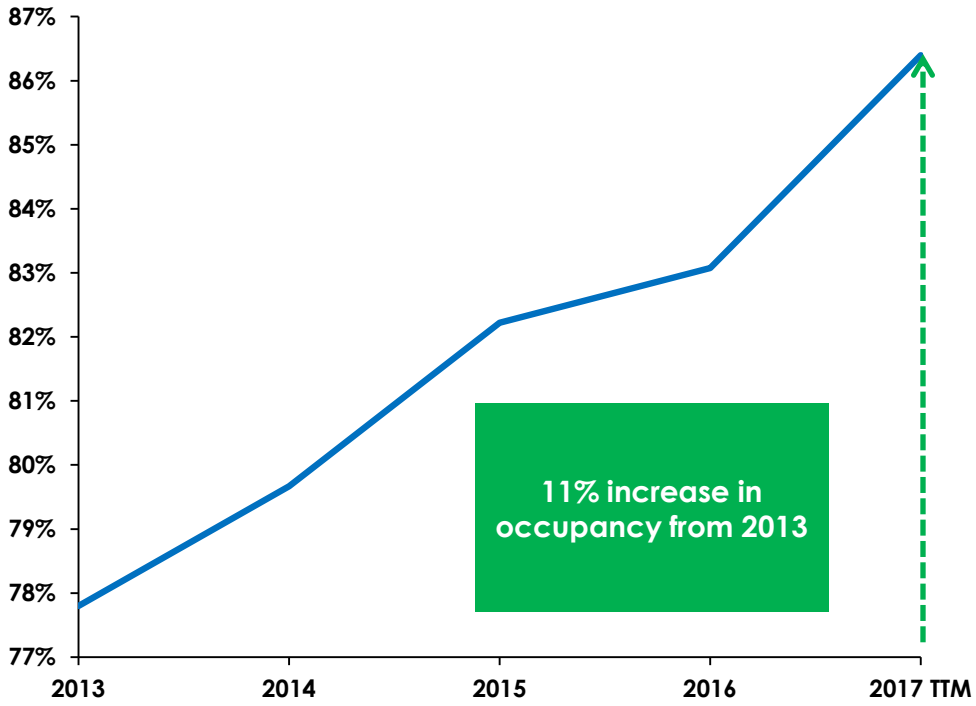
	Market	M Club (1)
	Profits	Profits
Expected Year 1	$80K	$160K

Number of Sell Out Days in High Season (2),(3)

Year	Days Sold Out
2015	40
2016	34
2017(4)	63



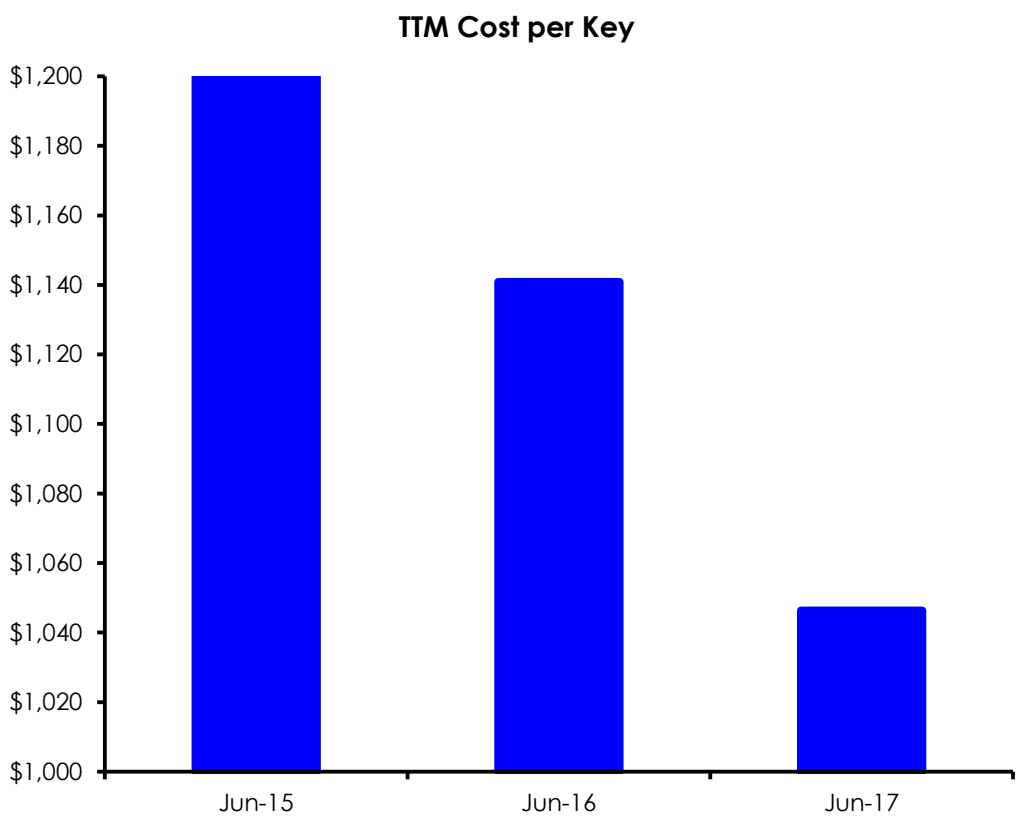
Consistent Occupancy Growth YoY



(1) Incremental profit relative to concierge lounge predecessor
(2) Based on >98% daily occupancy
(3) May – October
(4) May – September (estimated)

Insurance and Risk Management[1]

- Ashford Prime has realized a **15.5% decline** in insurance expenses per key over the past 2 years
- Highlights a specific example of the benefits of our structure



Post-Acquisition Savings[2]

Bardessono Hotel	$154K
Ritz-Carlton St. Thomas	$114K
Park Hyatt Beaver Creek Resort & Spa[3]	$34K

(1) Includes property, earthquake/flood, pollution, crime, and general liability/umbrella insurance
(2) Comparison of TTM insurance expenses at acquisition, grown at 3% annually, to TTM July 2017 insurance expenses
(3) Projected savings

Case Study – Pure Rooms

- **2 Ashford Prime hotels** have seen strong returns from adding PURE rooms

PURE®
allergy friendly rooms

	IRR
COURTYARD SAN FRANCISCO DOWNTOWN[1]	148%
CAPITAL HILTON	32%
TOTAL PORTFOLIO	40%

(1) Utilizes June-August 2017 results due to reporting inaccuracies in prior months

Case Study – Portfolio RPI Growth

Unprecedented RevPAR Index Growth

- Prime has grown RPI in 2 of the last 3 years relative to its competitors and on pace to maintain cumulative RPI growth since spinoff

- Since 2013, **190 basis point** market share growth

Estimated $4.5M in incremental rooms revenue

RPI YoY % Change	
2014	90BPS
2015	250BPS
2016	-80BPS
TTM July 2017	-60BPS



Balance Sheet – Deric S. Eubanks

Conservative Capital Structure

TARGET LEVERAGE

45%

Gross Assets

Net Debt

OVERVIEW

Current leverage at **45%**[(1)]

Conservative capital structure

Floating-rate debt provides a **natural hedge** to hotel cash flows

Appropriate use of leverage to maximize shareholder returns



The Pier House
Key West, FL

(1) As of June 30, 2017

Non-Recourse Debt

100%	100%	0%
NON-RECOURSE DEBT	PROPERTY LEVEL, MORTGAGE DEBT	CORPORATE LEVEL DEBT

BENEFITS

- Non-recourse debt **lowers risk profile** of the platform
- **Maximizes flexibility** in all economic environments
- Long-standing **lender relationships**
- **High lender interest** in our high quality hotel assets

TOTAL ENTERPRISE VALUE[1]

Figures in millions except per share values

Stock Price (As of September 27, 2017)	$9.55
Fully Diluted Shares Outstanding	37.3
Equity Value	**$356.4**
Plus: Convertible Preferred Equity	124.1
Plus: Debt	859.1
Total Market Capitalization	**$1,339.6**
Less: Net Working Capital[2]	(135.0)
Total Enterprise Value	**$1,204.7**



The Ritz-Carlton St. Thomas
St. Thomas, USVI

(1) As of June 30, 2017
(2) Investment in Ashford Inc. at market value as of September 27, 2017

Cash Target

10-15%	14%	$3.62
Cash to Gross Debt Target	Current Cash to Gross Debt	NWC / Share

Benefits

Ability to execute **opportunistic investments**

Hedge against economic uncertainty

Net Working Capital[1]	
Cash & Cash Equivalents	$123.7
Restricted Cash	32.8
Accounts Receivable, net	17.2
Prepaid Expenses	5.5
Due from Affiliates, net	(3.6)
Due from Third-Party Hotel Managers, net	5.9
Investment in Ashford Inc.[2]	11.3
Total Current Assets	**$192.7**
Accounts Payable, net & Accrued Expenses	$49.4
Dividends Payable	8.4
Total Current Liabilities	**$57.7**
Net Working Capital	**$135.0**

Hilton Torrey Pines
La Jolla, CA



(1) As of June 30, 2017
(2) At market value as of September 27, 2017

Debt Maturities

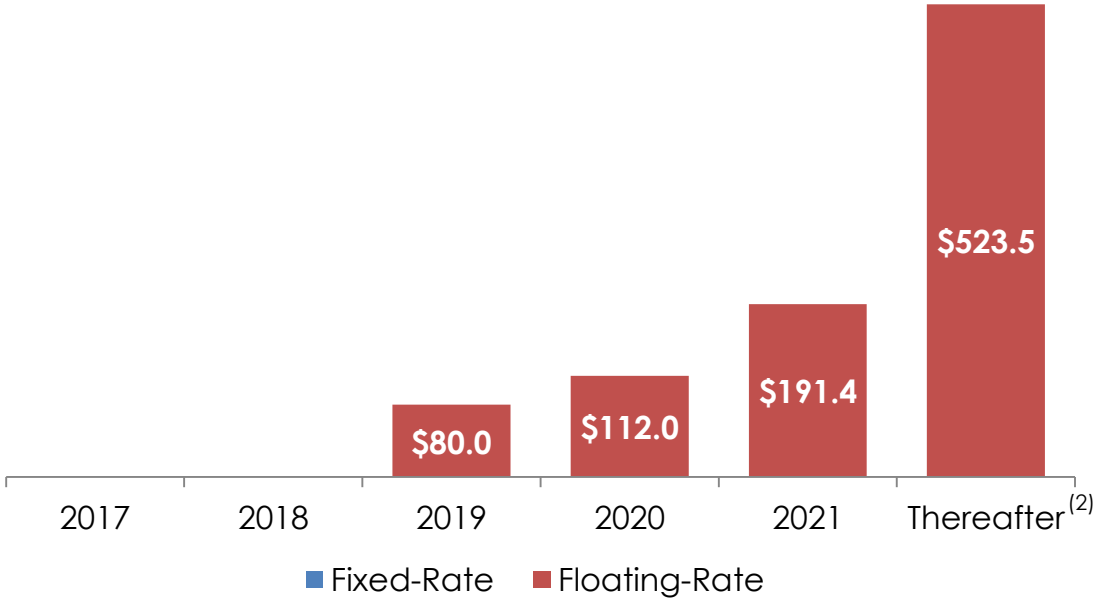


Overview[1]

2019	2x	4%
Next Hard Debt Maturity	FCCR	Weighted Avg Interest Rate

Laddered debt maturities

Active management of refinancings



(1) As of June 30, 2017
(2) Adjusted for Bardessono refinancing in August 2017
Note: Excludes an $8.1 million TIF note maturing in 2018

Cash Flow

Value-Add Refinancings

Expected Cash Flow Savings

$12M

3-Pack Refi - Jan 2017

+

Expected Cash Flow Savings

$1M

Bardessono Refi - Aug 2017

=

$13M

Total Expected Annual Cash Flow Savings

Long-Term Interest Rate Improvement

June 2017(4)	4.0%
2016	4.8%
2015	4.7%
2014	5.0%
2013	5.3%

135 bps total interest rate improvement since 2013

$42M

CAD(1),(2)

57%

CAD Payout Ratio(1)

2.6x

Dividend Coverage Ratio(1),(3)



Bardessono Hotel & Spa
Yountville, CA

(1) As of June 30, 2017
(2) GAAP reconciliation in appendix
(3) AFFO coverage ratio
(4) Adjusted for August 2017 refinance of the Bardessono Hotel & Spa



Q&A



Asset Management Panel

Asset Management Panel

Steve Zunker	**Senior Vice President of Asset Management**
Eric Batis	**Vice President of Asset Management**
Elizabeth Lloyd	**Vice President of Asset Management**
Sloan Dean	**Senior Vice President of Revenue Optimiziation & Underwriting**



Appendix

Reconciliation of Net Income (Loss) to Hotel NOI

	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017	Three Months Ended December 31, 2016	Three Months Ended September 30, 2016	TTM Ended June 30, 2017
Net income (loss)	$ 21,607	$ 14,951	$ 12,615	$ 42,999	$ 92,172
(Income) loss from consolidated entities attributable to noncontrolling interest	(1,825)	(1,444)	(971)	(965)	(5,205)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	-	-	-	-	-
Net income (loss) attributable to the Company	19,782	13,507	11,644	42,034	86,967
Non-property adjustments	-	-	1	(26,358)	(26,357)
Interest income	(10)	(10)	(10)	(9)	(39)
Interest expense	2,204	1,280	1,672	1,655	6,811
Amortization of loan cost	271	130	135	133	669
Depreciation and amortization	13,468	11,851	11,555	11,175	48,049
Income tax expense (benefit)	366	133	(21)	53	531
Non-hotel EBITDA ownership expense	465	396	379	323	1,563
Income (loss) from consolidated entities attributable to noncontrolling interest	1,825	1,444	971	965	5,205
Hotel EBITDA including amounts attributable to noncontrolling interest	38,371	28,731	26,326	29,971	123,399
Less: EBITDA adjustments attributable to noncontrolling interest	(817)	(779)	(751)	(724)	(3,071)
(Income) loss from consolidated entities attributable to noncontrolling interest	(1,825)	(1,444)	(971)	(965)	(5,205)
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	-	-	-	-	-
Hotel EBITDA attributable to the Company and OP unitholders	$ 35,729	$ 26,508	$ 24,604	$ 28,282	$ 115,123
Non-comparable adjustments	562	7,729	3,333	4,561	16,185
Comparable hotel EBITDA	$ 38,933	$ 36,460	$ 29,659	$ 34,532	$ 139,584
FFE reserve	$ (5,577)	$ (5,571)	$ (5,008)	$ (5,323)	(21,479)
Comparable net operating income	$ 33,356	$ 30,889	$ 24,651	$ 29,209	$ 118,105
NOI adjustments attributable to noncontrolling interests	(2,284)	(1,885)	(1,416)	(1,386)	(6,971)
NOI attributable to the Company and OP unitholders	$ 31,072	$ 29,005	$ 23,235	$ 27,823	$ 111,134

Reconciliation of Net Income (Loss) to Cash Available for Distribution

	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017	Three Months Ended December 31, 2016	Three Months Ended September 30, 2016	TTM Ended June 30, 2017
Net income (loss)	$ 386	$ (289)	$ 845	$ 21,322	$ 22,264
(Income) loss from consolidated entities attributable to noncontrolling interest	(1,614)	21	(536)	(2,504)	(4,633)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	343	255	95	(1,960)	(1,267)
Preferred dividends	(1,707)	(1,673)	(994)	(994)	(5,368)
Net income (loss) attributable to common stockholders	(2,592)	(1,686)	(590)	15,864	10,996
Depreciation and amortization on real estate	12,752	11,251	10,838	10,459	45,300
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(343)	(255)	(95)	1,960	1,267
Gain on sale of hotel property	-	-	-	(26,359)	(26,359)
FFO available to common stockholders and OP unitholders	9,817	9,310	10,153	1,924	31,204
Preferred dividends	1,707	1,673	994	994	5,368
Transaction and management conversion costs	2,112	4,328	(44)	63	6,459
Other (income) expense	113	157	77	78	425
Write-off of loan costs and exit fees	-	1,963	-	2,595	4,558
Unrealized (gain) loss on investments	1,563	(3,091)	879	458	(191)
Unrealized (gain) loss on derivatives	100	898	1,791	3,912	6,701
Non-cash stock/unit-based compensation	597	(1,668)	615	1,234	778
Legal, advisory and settlement costs	3	2,945	(2,862)	1,830	1,916
Contract modification cost	5,000	-	-	-	5,000
Software implementation costs	79	-	-	-	79
Adjusted FFO available to the Company and OP unitholders	$ 21,091	$ 16,515	$ 11,603	$ 13,088	$ 62,297
FFE reserve (net of noncontrolling interest)	(5,219)	(5,233)	(4,703)	(5,021)	(20,176)
Cash available for distribution to the Company and OP unitholders	15,872	11,282	6,900	8,067	$ 42,121



Investor and Analyst Day

October 3, 2017 | New York

ASHFORD
HOSPITALITY PRIME