

BRAEMAR
HOTELS & RESORTS

June 2018

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 Braemar Hotels & Resorts, 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



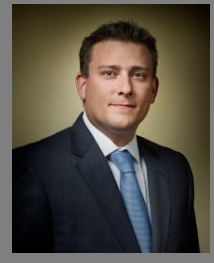
RICHARD J. STOCKTON
Chief Executive Officer & President

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



DERIC S. EUBANKS, CFA
Chief Financial Officer

- 18 years of hospitality experience
- 15 years with the Company
- 3 years with ClubCorp
- CFA charterholder
- Southern Methodist University BBA



JEREMY J. WELTER
Chief Operating Officer

- 13 years of hospitality experience
- 8 years with the Company (5 years with the Company's predecessor)
- 5 years with Stephens Investment Bank
- Oklahoma State University BS

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



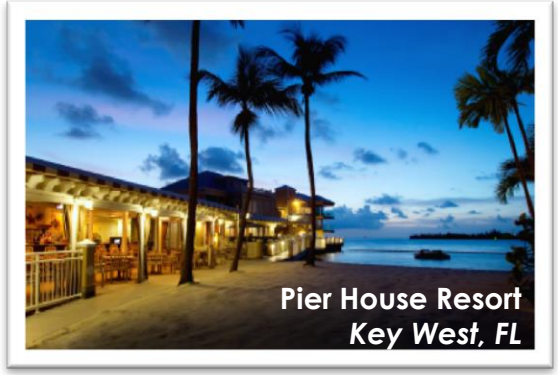
Targets conservative leverage of Net Debt / Gross Assets of 45% with non-recourse property debt



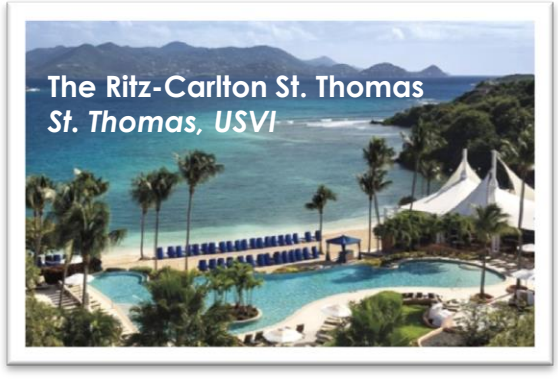
Highly-aligned management team and advisory structure



Bardessono Hotel & Spa
Yountville, CA



Pier House Resort
Key West, FL

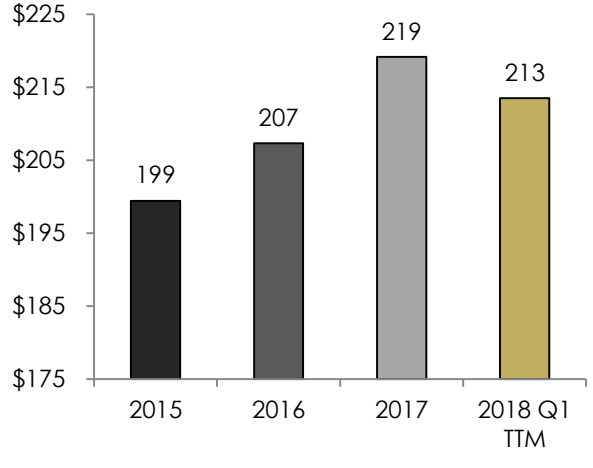


The Ritz-Carlton St. Thomas
St. Thomas, USVI

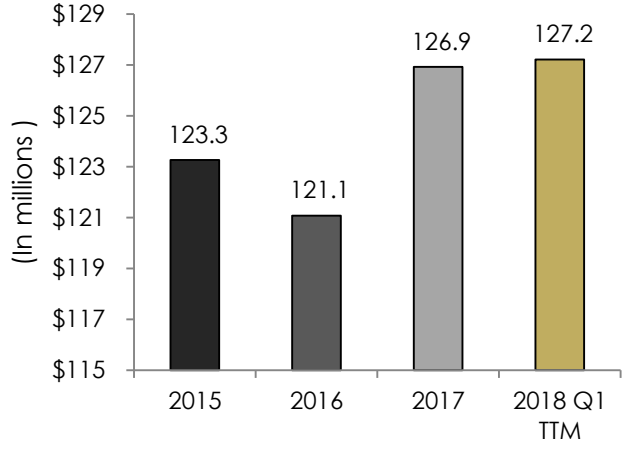
2018 Q1 Hotel Operating Results

Comparable Hotel Operating Results[1]	2018 Q1	2017 Q1	% Variance
ADR	$ 266.01	$ 292.40	(9.03)%
Occupancy	78.67%	79.38%	(0.89)%
RevPAR	$ 209.27	$ 232.11	(9.84)%
RevPAR (not under renovation)	$ 237.21	$ 231.81	2.33%
Total Hotel Revenue[2]	$ 102,489	$ 110,212	(7.01)%
Hotel EBITDA[2]	$ 33,605	$ 33,313	0.88%
Hotel EBITDA Margin	32.79 %	30.23%	2.56%

COMPARABLE REVPAR[3]



COMPARABLE HOTEL EBITDA[3]



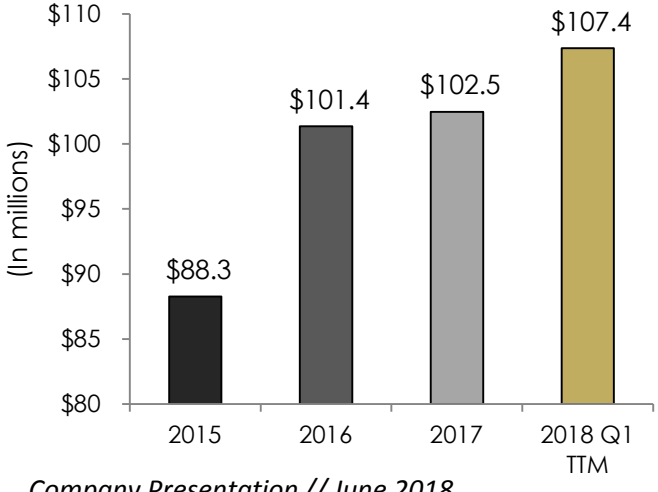
(1) Includes: Bardessono, Hotel Yountville, Ritz-Carlton St. Thomas, Pier House, Marriott Seattle Waterfront, Capital Hilton, Sofitel Chicago, Hilton Torrey Pines, Courtyard San Francisco, Renaissance Tampa, Courtyard Philadelphia, and Park Hyatt Beaver Creek.
(2) In thousands.
(3) As reported in Earnings Releases: 2015, as reported on 2/25/2016; 2016 as reported on 2/22/2017; 2017 as reported on 2/28/2018; Q1 2018 as reported on 5/2/2018

BRAEMAR HOTELS & RESORTS

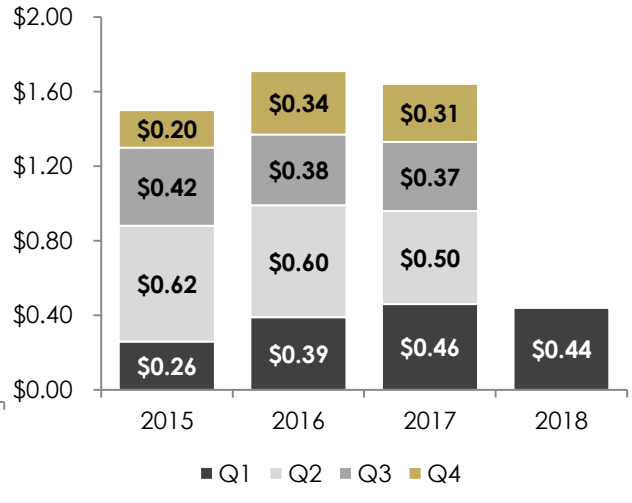
Earnings Results

- Adjusted EBITDAre was $29.8 million for the quarter, compared with $24.9 million for the prior year quarter
- Comparable RevPAR for all hotels not under renovation increased 2.3% to $237.21 during the quarter
- Adjusted funds from operations (AFFO) was $0.44 per diluted share for the quarter as compared with $0.46 per diluted share from prior year quarter
- Subsequent to quarter end, the Company rebranded from Ashford Hospitality Prime to Braemar Hotels & Resorts
- Subsequent to quarter end, the Company completed the acquisition of the 266-room Ritz Carlton Sarasota in Sarasota, FL for $171 million
- Subsequent to quarter end, the Company agreed to sell the 293-room Renaissance Tampa in Tampa, FL for $68 million
- Capex invested during the quarter was $15.7 million
- Recently announced $435 million refinancing of two loan pools addressing the next debt maturity and lowering average cost of debt

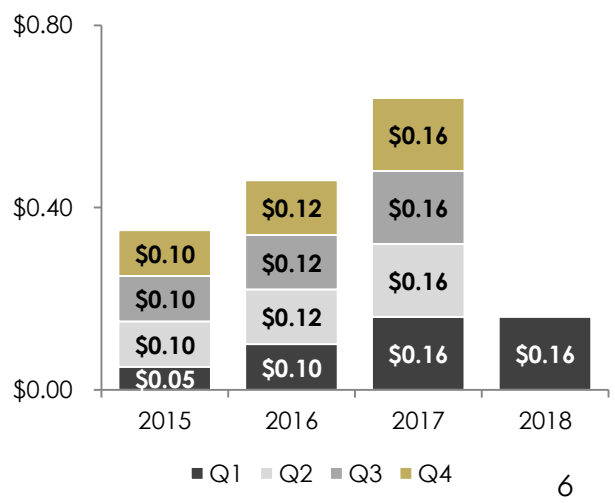
ADJUSTED EBITDARE



AFFO PER SHARE



QUARTERLY DIVIDEND PER SHARE



High-Quality Hotels in Leading Urban & Resort Markets

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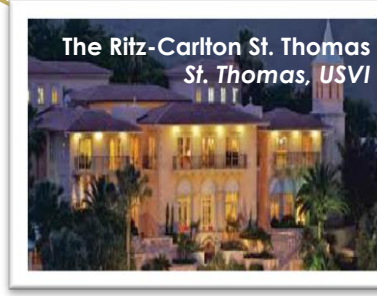


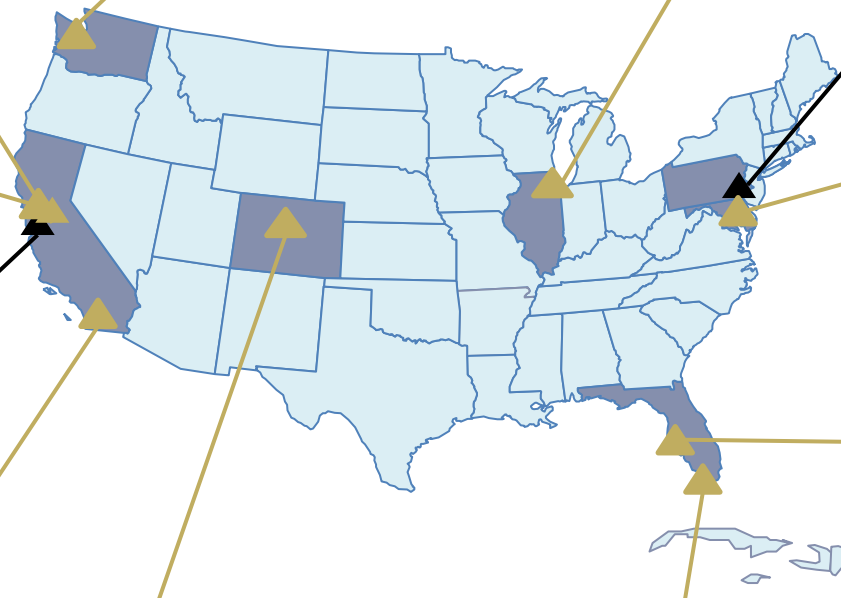












▲ Core Assets ▲ Non-Core Assets

Portfolio Detail

BRAEMAR HOTELS & RESORTS

$234
CORE REVPAR

$213
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]	% of Total
Bardessono	Napa Valley, CA	62	$775	76%	$588	$5,256	4.1%
Hotel Yountville	Napa Valley, CA	80	$546	72%	$395	$5,737	4.5%
Ritz-Carlton St. Thomas	St. Thomas, USVI	180	$438	80%	$349	$9,575	7.5%
Pier House	Key West, FL	142	$430	76%	$328	$11,162	8.8%
Park Hyatt Beaver Creek	Beaver Creek, CO	190	$446	60%	$267	$9,467	7.4%
Marriott Seattle Waterfront	Seattle, WA	361	$276	87%	$240	$16,134	12.7%
Capital Hilton	Washington D.C.	550	$232	87%	$201	$15,769	12.4%
Sofitel Chicago Magnificent Mile	Chicago, IL	415	$204	80%	$164	$5,811	4.6%
Hilton Torrey Pines	La Jolla, CA	394	$204	85%	$174	$15,712	12.4%
Total Core		**2,374**	**$288**	**81%**	**$234**	**$94,623**	**74.4%**
Non-Core							
Courtyard San Francisco Downtown[2]	San Francisco, CA	410	$267	80%	$214	$12,574	9.9%
Renaissance Tampa[3]	Tampa, FL	293	$190	83%	$158	$6,780	5.3%
Courtyard Philadelphia Downtown[2]	Philadelphia, PA	499	$182	83%	$151	$13,236	10.4%
Total Non-Core		**1,202**	**$212**	**82%**	**$174**	**$32,590**	**25.6%**
Total Portfolio		**3,576**	**$262**	**82%**	**$213**	**$127,213**	**100.0%**

(1) Pro Forma TTM as of 3/31/2018
(2) Announced repositioning to Autograph Collection by Marriott
(3) The company has recently agreed to sell the Renaissance Tampa
Note: TTM Hotel EBITDA in thousands

Recent Developments

We are proud to announce that going forward the company will be known as Braemar Hotels & Resorts.

- Reflects the new strategy announced by the company in January 2017 to focus exclusively on owning luxury hotels and resorts

- "Braemar" pays homage to a stronghold in Scotland

- The company's strategy is to position its portfolio in the defensive, as a guardian of capital for shareholders, with significant barriers to entry and a focus on high standards

- The black and gold logo connotes luxury, while the imagery of the castle turret promotes strength and stability



Recent Developments

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We recently agreed to sell the 293-room Renaissance Tampa in Tampa, Florida for $68 million



RevPAR[1]: **$158**

Price per Key: **$232,000**

Meets Defined Strategy

- Sale of non-core hotel increases overall portfolio RevPAR
- Reduces the Company's leverage and interest expense

Property Financial Overview

- Hotel Net Operating Income of $5.6 million
- 8.2% TTM NOI Cap Rate
- Hotel EBITDA $6.8 million

We recently completed the acquisition of the 266-room Ritz-Carlton Sarasota in Sarasota, Florida for $171 million

Meets Defined Strategy

- Luxury Chain scale Segment
- Increases portfolio RevPAR by $5
- Replaces EBITDA
- Attractive financial returns
- No need to raise equity

Property Financial Overview

- Hotel Net Operating Income of $10.2 million
- 12.8x Hotel EBITDA multiple
- Hotel EBITDA $13.3 million

TTM Cap Rate: **6%**

Stabilized Yield[2]: **8%**

RevPAR[1]: **$284**

IRR[3]: **10%**

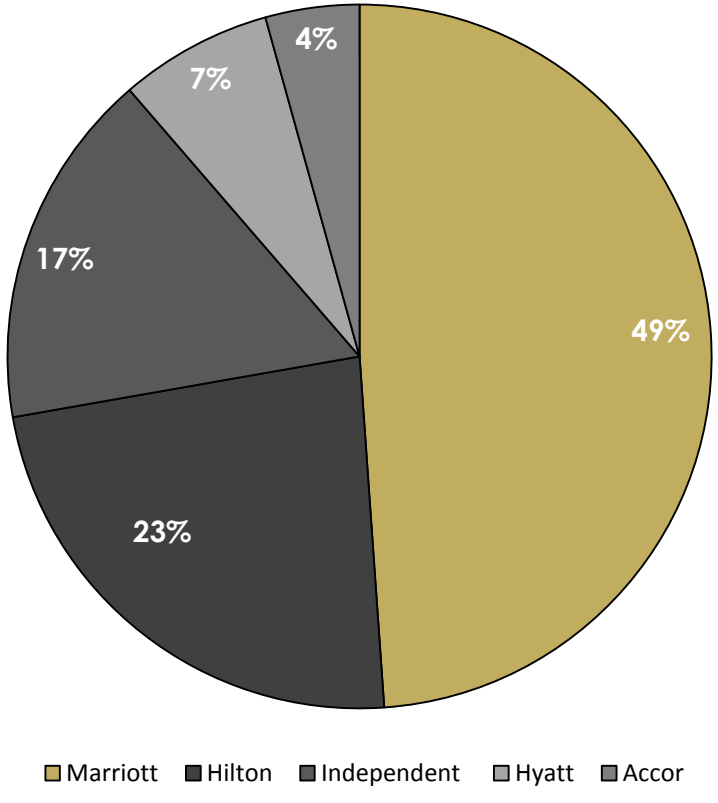


(1) TTM RevPAR at time of announcement
(2) Expected unlevered stabilized yield
(3) Underwritten unlevered IRR

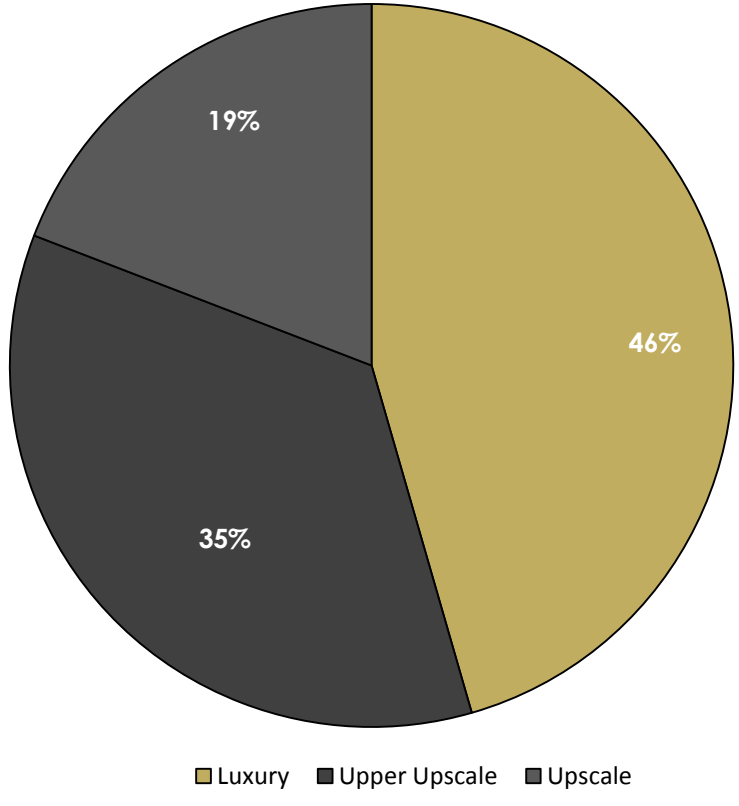
EBITDA Contribution by Brand and Class

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Q1 2018 TTM Hotel EBITDA by Brand (3/31/2018)(1)



Q1 2018 TTM EBITDA by Class Pro Forma (3/31/2018)(1)

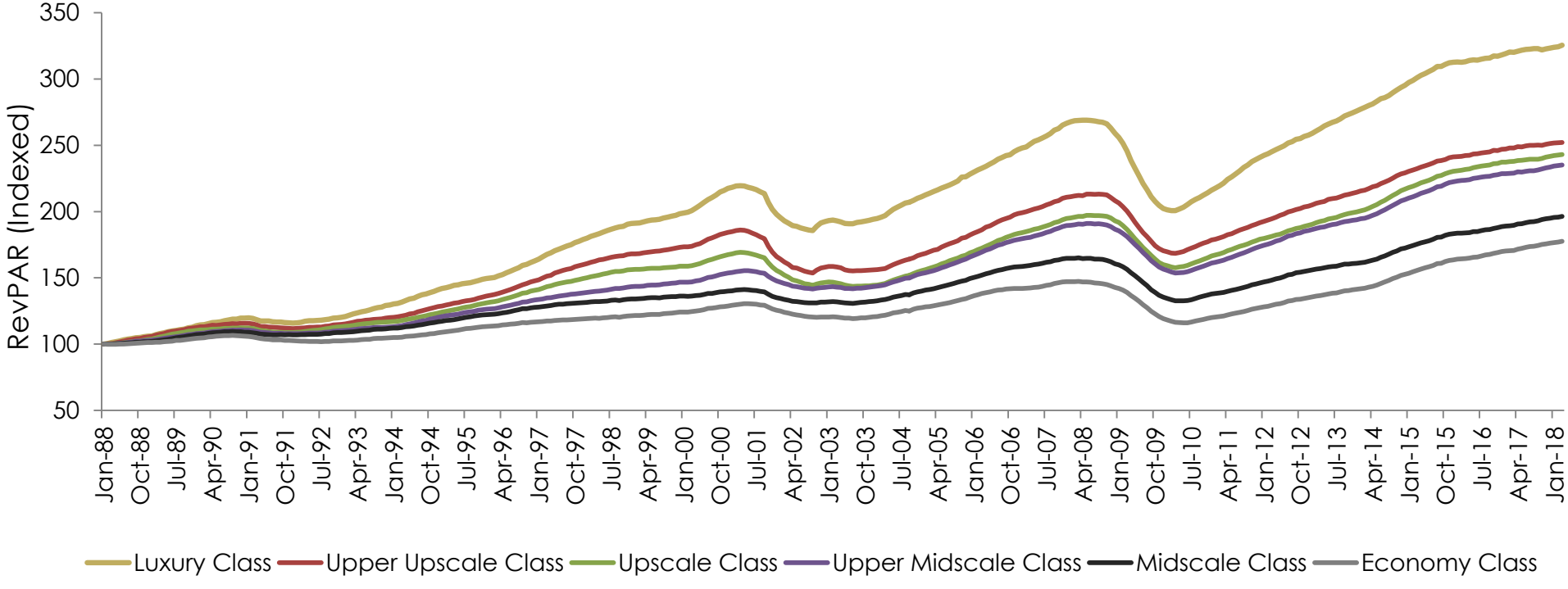


(1) Includes Ritz-Carlton Sarasota, excludes Renaissance Tampa

Why We Focus on Luxury

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LUXURY	UPPER UPSCALE
Greatest long-term RevPAR growth of **4.0%(1)**	Second greatest long-term RevPAR growth of **3.1%(1)**



(1) CAGR from December 1987 to March 2018
Source: STR

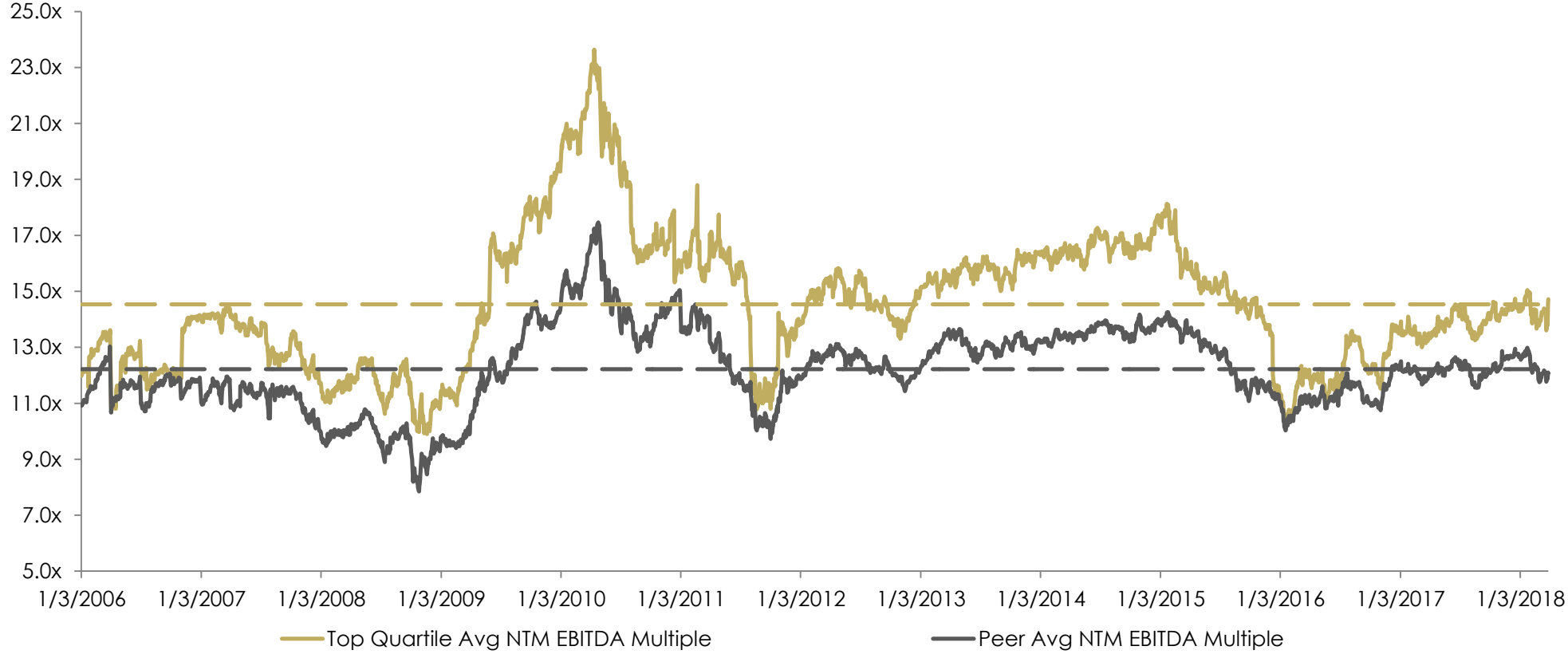
Long-Term Trading Premium[1]

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2.3

PREMIUM EBITDA TRADING MULTIPLE (TURNS)

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



(1) Data is from 1/1/2006 to 3/31/2018
Source: STR, SNL
Top Quartile: BEE, PEB, LHO
Peers: AHT, CLDT, CHSP, DRH, FCH, HT, HPT, HST, INN, RLJ, SHO

Asset Management Overview

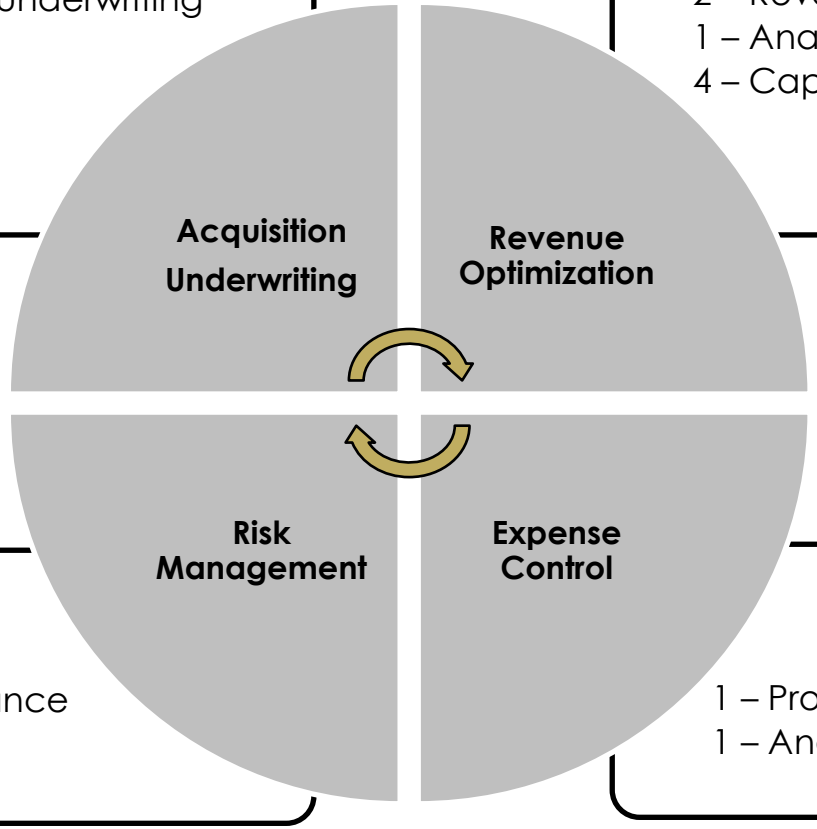
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Senior Oversight

1 – Chief Operating Officer
8 – Asset managers
2 – Legal

1 – Director of Underwriting
1 – Analyst

2 – Revenue Optimization
1 – Analyst
4 – Capex specialists



3 – Risk & Insurance
1 – Analyst

1 – Property Tax specialist
1 – Analyst

Past Operating Performance Relative to Peers

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- Braemar has outperformed its REIT peers **each of the past 3 years** (Braemar results in **green** or **red**; REIT averages in black)

Hotel EBITDA Growth

2015	2016	2017	Q1 2018
8.5%	3.7%	0.2%	0.9%
8.3%	2.5%	-2.3%	-3.9%

RevPAR Growth

2015	2016	2017	Q1 2018
7.3%	2.4%	-2.5%	-9.8%
4.2%	1.7%	-0.2%	-0.6%

Note: Comparable Results. Peers include CHSP, PEB, DRH, LHO, and SHO

External Growth – Luxury Markets

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

Top 15 Luxury Markets by Rooms(1)

Market	Hotels	Rooms
Las Vegas	19	26,378
New York	80	18,573
Miami	47	12,458
Los Angeles	55	11,906
Hawaii	27	8,376
Chicago	23	7,995
San Francisco	41	7,989
Denver/Mountain Resorts	66	7,712
Washington DC	28	7,550
San Diego	30	6,934
Orlando	8	5,422
Phoenix	14	5,238
New Orleans	23	4,828
New Jersey	35	4,793
Atlanta	13	4,069

Top 15 Luxury Markets by RevPAR(2)

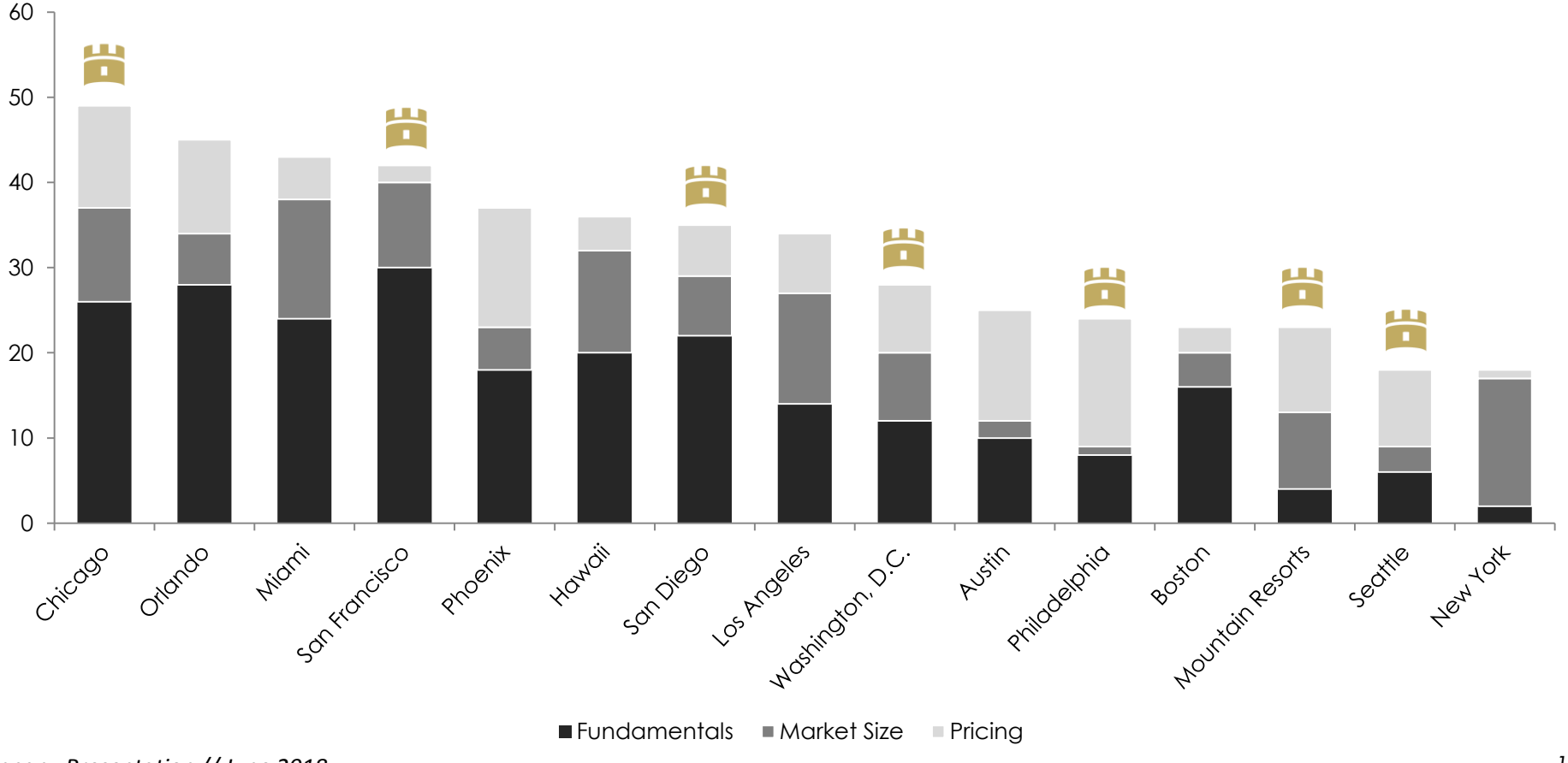
Market	RevPAR
Hawaii	$ 439
New York, NY	$ 369
Utah Area	$ 369
San Francisco/San Mateo, CA	$ 315
Los Angeles/Long Beach, CA	$ 314
California Central Coast	$ 301
Colorado Area	$ 290
Boston, MA	$ 288
California North	$ 281
Orlando, FL	$ 242
Miami/Hialeah, FL	$ 238
Washington, DC-MD-VA	$ 224
Austin, TX	$ 217
Seattle, WA	$ 216
Denver, CO	$ 201

(1) Based on information provided by STR for luxury class as of February 2018
(2) As of March 2018

Target Market Analysis[1]

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Market Size + Fundamentals + Pricing = Desirability



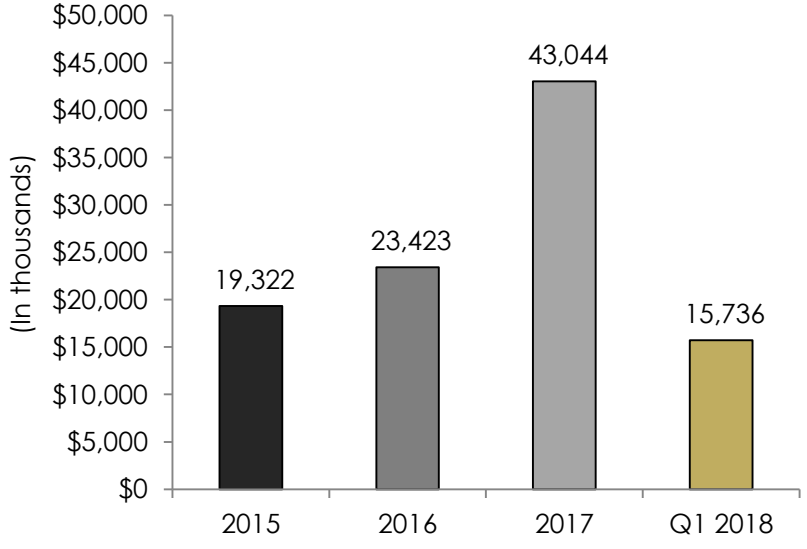
(1) Based on internal analysis as of February, 2018

Capital Strategy

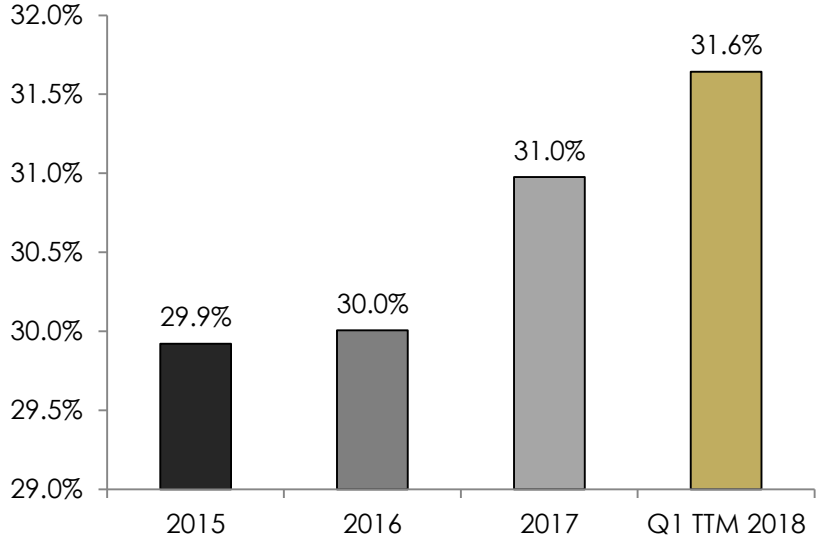
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Acquire Luxury Assets, Focus on Expanding Margins and Increasing NOI by Aggressive Asset Management and Careful Capex Spend

Capex



Hotel EBITDA Margins



Case Study – Pier House Resort

- Braemar purchased the asset in early 2014 for $92.7 million
- Remington had recently taken over property management & has a proven ability to deliver superior results
- Initial yield on cost was 7.4%, current yield on cost is 11.1%

2016

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

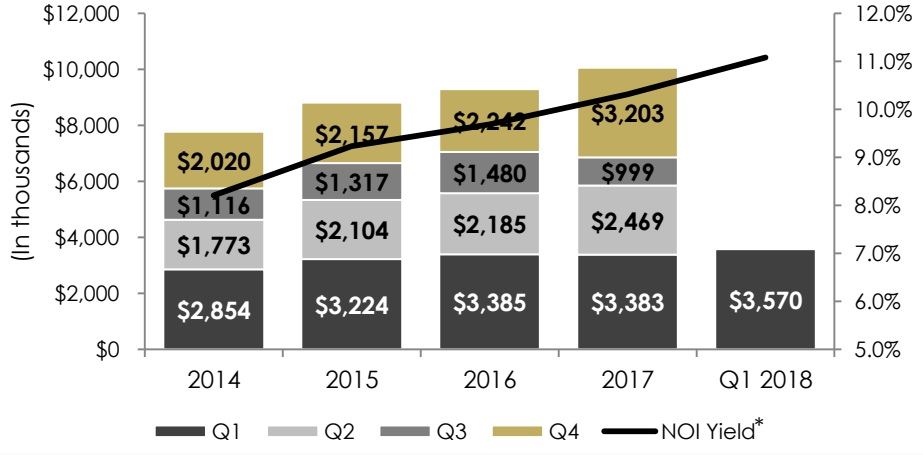
2017

0.6%	362	469%
RPI Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

2018 Q1

-0.3%	218	357%
RPI Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

Quarterly NOI and NOI Yield





*NOI yield based on gross book value, Q1 2018 is based on TTM NOI
Note: Includes $1.3 million of BI recoveries in Q4 2017

Case Study – Bardessono Hotel & Spa

- Purchased for $85 million unencumbered by management. Installed Remington as property manager.
- Initial TTM cap rate was 4.6%, current yield on cost is 7.1%*

Despite California wildfire negative impact in Q4, property continues to grow yield on cost

2016 (First Full Year of Ownership)

9.7%	518	242%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

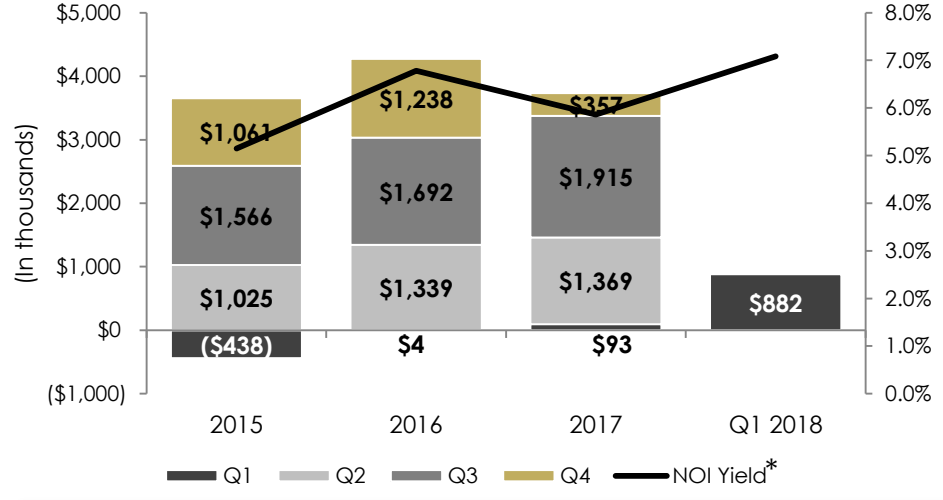
2017

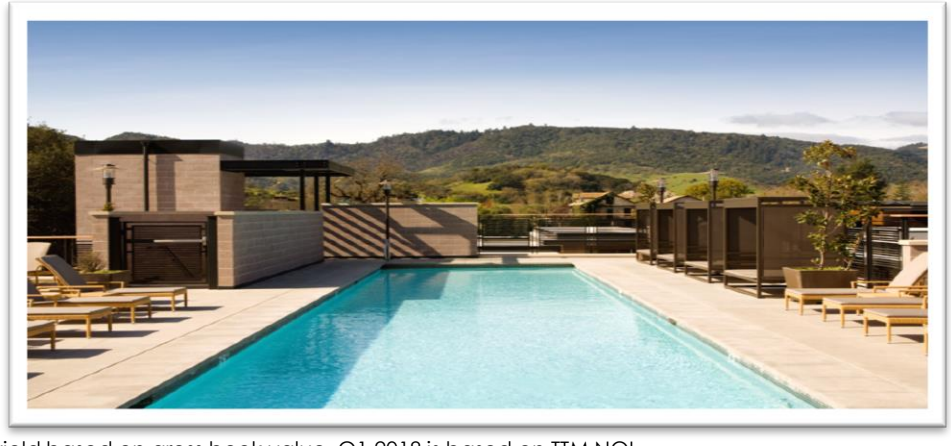
-4.2%	-147	52%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

2018 Q1

-4.4%	1,843	119%
RevPAR Growth	Hotel EBITDA Margin Increase (bps)	Hotel EBITDA Flow-Through

Quarterly NOI and NOI Yield





*NOI yield based on gross book value, Q1 2018 is based on TTM NOI
Note: Includes $1.0 million dollars of BI in Q1 2018

Conservative Capital Structure

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TARGET LEVERAGE

45%

Gross Assets

Net Debt

OVERVIEW

Non-recourse debt **lowers risk profile** of the platform

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

Maximizes flexibility in all economic environments

Long-standing **lender relationships**

Cash Management Strategy

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10-15%	12%	$3.98
Cash to Gross Debt Target	Cash to Gross Debt[1]	NWC / Share

$48M	6.2%	50%	36%
CAD[1],[3],[4]	Dividend Yield[2]	CAD Payout Ratio[1]	AFFO Payout Ratio[1]

Benefits

Defend our assets at financing maturity

Opportunistic investments in severe economic downtown

Net Working Capital[1]	
Cash & Cash Equivalents	$90.2
Restricted Cash	62.2
Accounts Receivable, net	18.2
Insurance Receivable	14.2
Prepaid Expenses	5.6
Due from Affiliates, net	0.6
Due from Third-Party Hotel Managers, net	3.7
Investment in Ashford Inc.[2]	17.3
Total Current Assets	**$212.1**
Accounts Payable, net & Accrued Expenses	$54.0
Dividends Payable	8.4
Total Current Liabilities	**$62.4**
Net Working Capital	**$149.8**



(1) As of 3/31/2018
(2) At market value as of 4/30/2018
(3) Deducts preferred dividends and actual FF&E reserve payments which are between 4% and 5% of hotel revenue and adds back amortization of loan costs
(4) GAAP reconciliation in appendix

Debt Maturities

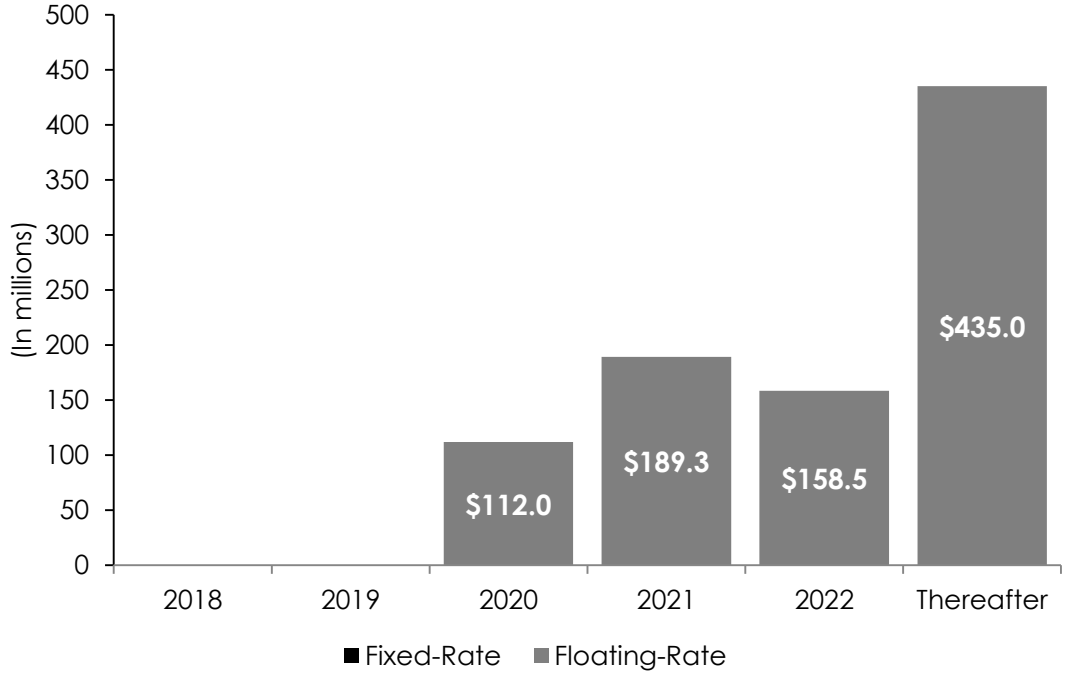
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OVERVIEW

2020	2.2x	4.4%
NEXT HARD DEBT MATURITY	FCCR(1)	WEIGHTED AVG. INTEREST RATE(2)

Laddered debt maturities(2)



(1) As of 3/31/2018
(2) Pro forma for May 2018 4-hotel portfolio refinancing
Note: Excludes an $8.1 million TIF note maturing in 2018

Valuation Opportunity

BRAEMAR HOTELS & RESORTS

Valuation Opportunity

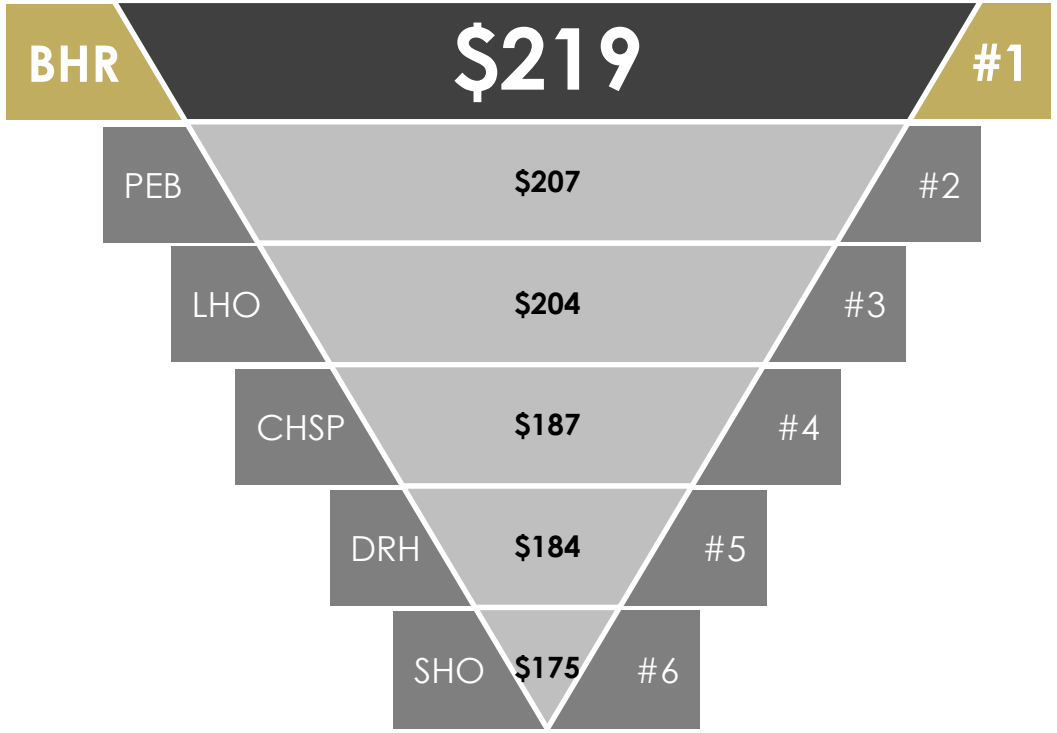
270 **Discount** to average peer trading cap rate (bps)

3.4 **Discount** to average peer trading EBITDA multiple (turns)

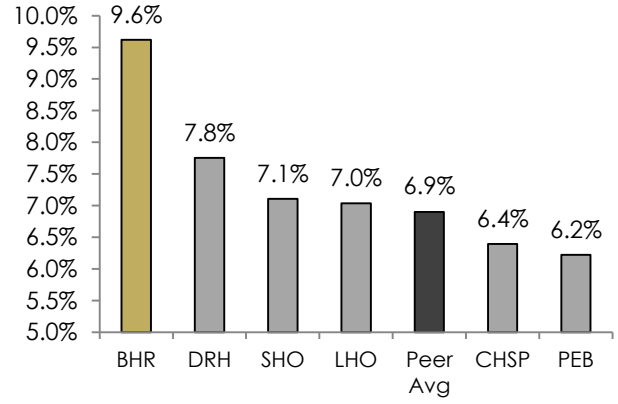
6.4 **Discount** to average peer trading AFFO multiple (turns)

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

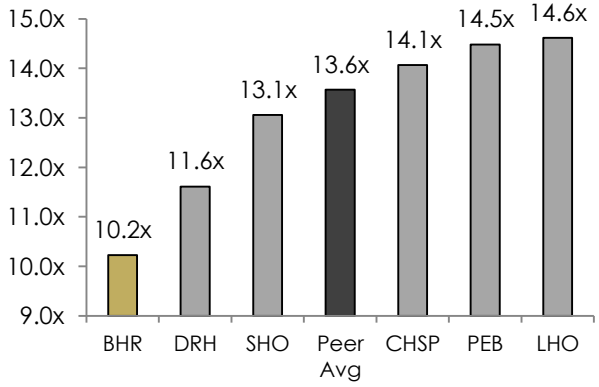
2017 Comparable RevPAR(1)



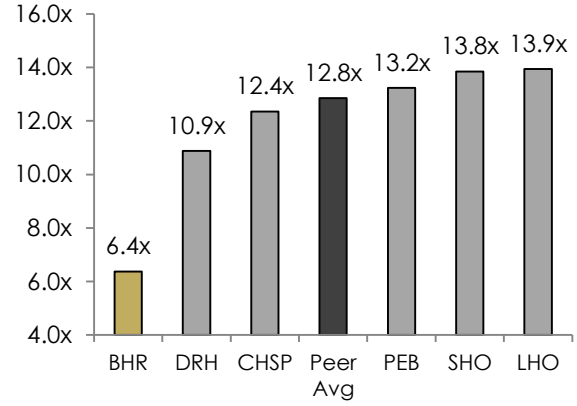
TTM Cap Rate(2)



TEV / 2018E EBITDA Multiple(2),(3)



Price / 2018E AFFO / Share Multiple(2),(3)



(1) As reported by company earnings releases
(2) Balance sheet data as of 12/31/2017; stock price as of 4/30/2018
(3) Based on consensus estimates

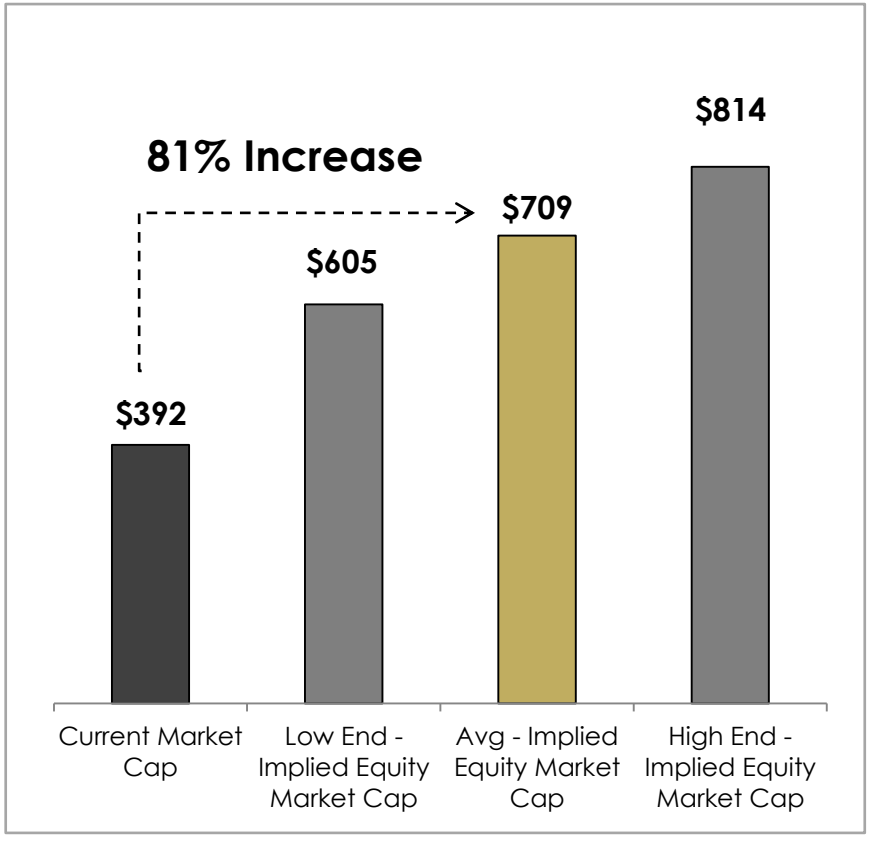
Intrinsic Value[1],[2]

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Valuation Disconnect

Current Equity Market Cap[3]		Implied Equity Market Cap[4]		Implied Equity Value Upside
$392M	≠	$709M	→	$317M

	Braemar Portfolio		
(In millions $)	**Low-End**		**High-End**
TTM NOI[5]	$101.8		$101.8
Cap Rate[6]	7.5%		6.5%
Implied Value	**1,357**		**$1,566**
NWC[7],[8]	$150		$150
Preferred Equity[7]	($124)		($124)
Debt[7]	($778)		($778)
Implied Equity Mkt Cap	**$605**	--	**$814**



(1) See valuation methodology disclaimer
(2) Excludes termination fee
(3) As of 4/30/2018
(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 3/31/2018; Adjusted for Hilton JV
(8) Investment in Inc. at market value as of 4/30/2018

Key Takeaways



Highest Quality Portfolio Amongst All Lodging REITs…In The Segment With Greatest Growth Trajectory



Growing Organically: Rigorous Asset Management While Mining Portfolio for Investment Opportunities



Growing Externally: Redeploying Capital into Accretive Acquisitions



Shares Are Significantly Undervalued vs Peers



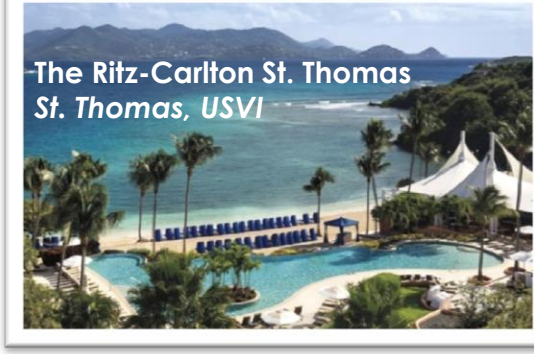
Highly Aligned Mgmt. Team That Is a Major Shareholder



Bardessono Hotel & Spa
Yountville, CA



Pier House Resort
Key West, FL



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



Appendix

Reconciliation of Net Income (Loss) to Hotel NOI

	Three Months Ended March 31, 2018	Three Months Ended December 31, 2017	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	TTM Ended March 31, 2018
Net income (loss)	$ 16,761	$ 35,206	$ 10,705	$ 21,607	$ 84,279
Non-property adjustments	12	(23,720)	1,008	-	(22,700)
Interest income	(18)	(13)	(18)	(10)	(59)
Interest expense	3,123	2,986	2,744	2,204	11,057
Amortization of loan cost	199	310	307	271	1,087
Depreciation and amortization	13,006	12,705	14,134	13,468	53,313
Income tax expense (benefit)	154	(607)	(404)	366	(491)
Non-hotel EBITDA ownership expense	368	1,301	4,554	465	6,688
Hotel EBITDA including amounts attributable to noncontrolling interest	33,605	28,168	33,030	38,371	133,174
Less: EBITDA adjustments attributable to consolidated noncontrolling interest	(1,990)	(1,620)	(1,618)	(2,642)	(7,870)
Hotel EBITDA attributable to the Company and OP unitholders	$ 31,615	$ 26,548	$ 31,412	$ 35,729	$ 125,304
Non-comparable adjustments	-	(1,126)	(2,385)	(2,450)	(5,961)
Comparable hotel EBITDA	$ 33,605	$ 27,042	$ 30,645	$ 35,921	$ 127,213
FFE reserve	$ (4,748)	$ (4,251)	$ (4,738)	$ (5,132)	(18,869)
Comparable net operating income	$ 28,857	$ 22,791	$ 25,907	$ 30,789	$ 108,344
NOI adjustments attributable to noncontrolling interests	(1,658)	(1,332)	(1,311)	(2,284)	(6,585)
NOI attributable to the Company and OP unitholders	$ 27,199	$ 21,459	$ 24,596	$ 28,505	$ 101,759

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

BRAEMAR HOTELS & RESORTS

	Three Months Ended March 31, 2018	Three Months Ended December 31, 2017	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	TTM Ended March 31, 2018
Net income (loss)	$ 4,270	$ 28,444	$ (217)	$ 386	$ 32,883
(Income) loss from consolidated entities attributable to noncontrolling interest	42	(528)	(1,143)	(1,614)	(3,243)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	(292)	(2,996)	360	343	(2,585)
Preferred dividends	(1,707)	(1,708)	(1,707)	(1,707)	(6,829)
Net income (loss) attributable to common stockholders	2,313	23,212	(2,707)	(2,592)	20,226
Depreciation and amortization on real estate	12,258	11,952	13,406	12,752	50,368
Impairment charges on real estate	12	60	1,008	-	1,080
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	292	2,996	(360)	(343)	2,585
Gain on sale of hotel property	-	(23,797)	-	-	(23,797)
Equity in (earnings) loss of unconsolidated entities	3	-	-	-	3
Company's portion of FFO of OpenKey	(2)	-	-	-	(2)
FFO available to common stockholders and OP unitholders	14,876	14,423	11,347	9,817	50,463
Preferred dividends	1,707	1,708	1,707	1,707	6,829
Transaction and management conversion costs	503	74	260	2,112	2,949
Other (income) expense	63	85	22	113	283
Write-off of loan costs and exit fees	2	1,531	380	-	1,913
Unrealized (gain) loss on investments	(528)	(6,314)	(1,875)	1,563	(7,154)
Unrealized (gain) loss on derivatives	(73)	524	531	100	1,082
Non-cash stock/unit-based compensation	2,593	665	(921)	597	2,934
Legal, advisory and settlement costs	(1,141)	203	560	3	(375)
Contract modification cost	-	-	-	5,000	5,000
Software implementation costs	-	-	-	79	79
Uninsured hurricane and wildfire related costs	467	248	3,573	-	4,288
Tax reform	-	(161)	-	-	(161)
Adjusted FFO available to the Company and OP unitholders	$ 18,469	$ 12,986	$ 15,584	$ 21,091	$ 68,130
FFE reserve (net of noncontrolling interest)	(4,415)	(4,110)	(4,775)	(5,219)	(18,519)
Preferred dividends	(1,707)	(1,708)	(1,707)	(1,707)	(6,829)
Amortization of loan costs	988	1,149	1,356	1,349	4,842
Cash available for distribution to the Company and OP unitholders	13,335	8,317	10,458	15,514	47,624