BRAEMAR

HOTELS & RESORTS

Investor Day I October 2019

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, the degree and nature of our competition, legislative and regulatory changes, including changes to the Internal Revenue Code of 1986, as amended (the "Code"), and related rules, regulations and interpretations governing the taxation of REITs; limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for federal income tax purposes; and risks related to Ashford Inc.'s ability to complete the acquisition of Remington's hotel management business on the proposed terms. 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.

Additional Information and Where to Find It

In connection with Ashford Inc.'s acquisition of Remington Holdings, L.P.'s hotel management business, Ashford Inc. has filed a definitive proxy statement and Ashford Nevada Holding Corp. (a subsidiary of Ashford Inc., to be renamed Ashford Inc. at the closing of the transaction) has filed a Registration Statement on Form S-4 (Registration No. 333-232736), which includes a joint proxy statement/prospectus. Additionally, Braemar Hotels & Resorts Inc. and Ashford Inc. file annual, quarterly and current reports, proxy and information statements and other information with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS OF BRAEMAR HOTELS & RESORTS INC. AND ASHFORD INC. ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO AND DOCUMENTS INCORPORATED BY REFERENCE THEREIN) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE TRANSACTION THAT ASHFORD INC. WILL FILE WITH THE SECURITIES AND EXCHANGE COMMISSION WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ASHFORD INC. AND THE TRANSACTION. The proxy/prospectus and other relevant materials in connection with the transaction (when they become available), and any other documents filed by Ashford Inc. with the Securities and Exchange Commission, may be obtained free of charge at the Securities and Exchange Commission's website at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the Securities and Exchange Commission at Braemar Hotels & Resorts Inc.'s website, https://www.bhrreit.com and Ashford Inc.'s website, www.ashfordinc.com, under the "Investors" link, or by requesting them in writing or by telephone from us at 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254, Attn: Investor Relations or (972) 490-9600.

Investor Day 2019



Richard Stockton

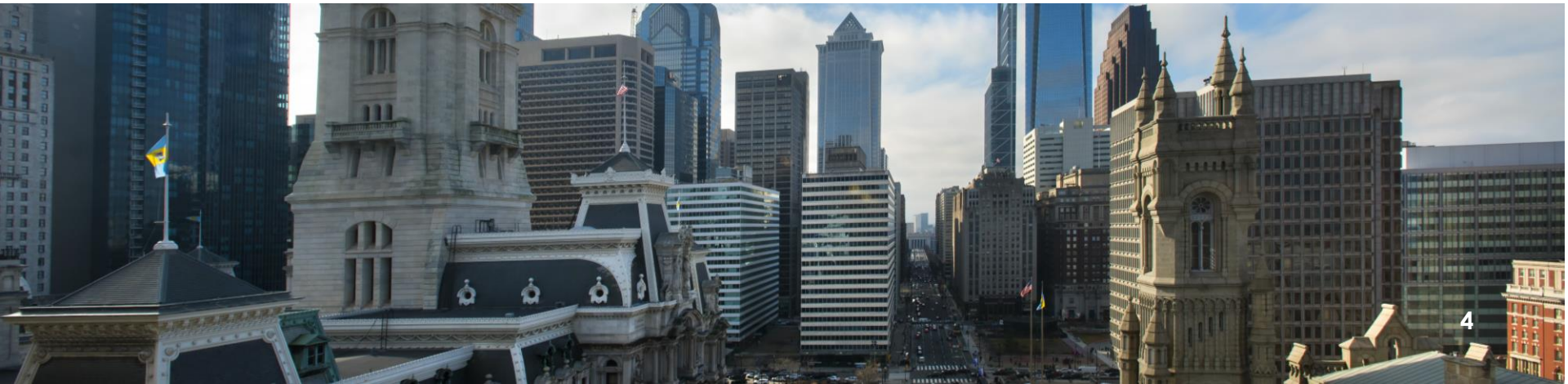
Chief Executive Officer

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

Why Should Investors Own Braemar?

Strategy & Vision

- Quality of Portfolio
- Growth Opportunities
- Dividend Yield & Coverage





PORTFOLIO QUALITY

High Quality Portfolio

Diversified in Leading Urban & Resort Markets

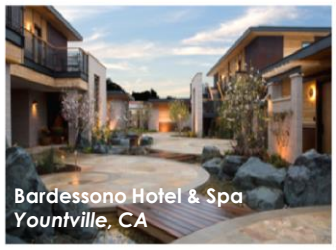
















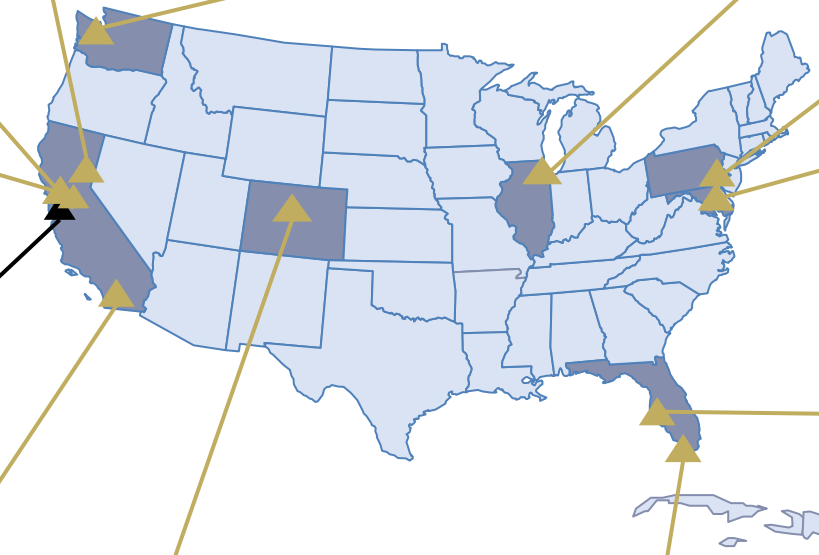












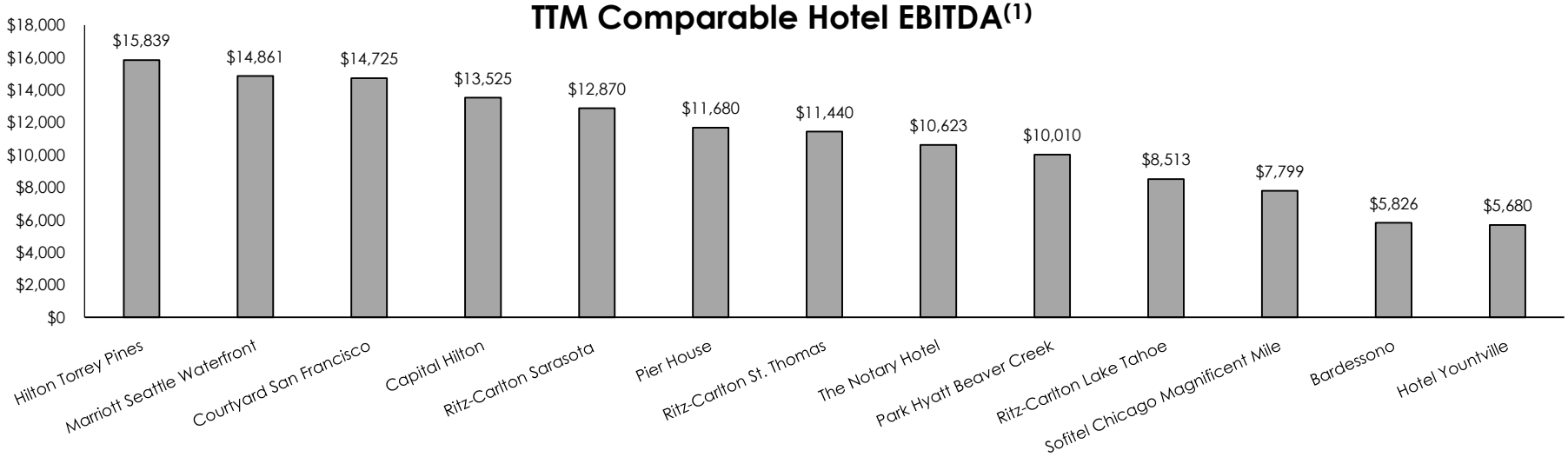
▲ Core Assets ▲ Non-Core Assets



Hotel Portfolio

3,719	$231	79%
ROOMS	REVPAR(1)	OCCUPANCY

TTM Comparable Hotel EBITDA(1)

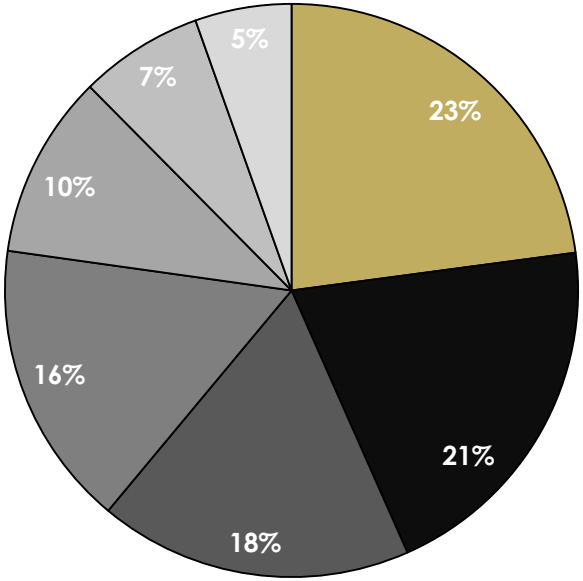


	Hilton Torrey Pines	Marriott Seattle Waterfront	Courtyard San Francisco	Capital Hilton	Ritz-Carlton Sarasota	Pier House	Ritz-Carlton St. Thomas	The Notary Hotel	Park Hyatt Beaver Creek	Ritz-Carlton Lake Tahoe	Sofitel Chicago Magnificent Mile	Bardessono	Hotel Yountville
RevPAR	$185	$229	$267	$192	$273	$366	$243	$138	$256	$380	$173	$598	$401
EBITDA Contribution	11.0%	10.4%	10.3%	9.4%	9.0%	8.1%	8.0%	7.4%	7.0%	5.9%	5.4%	4.1%	4.0%

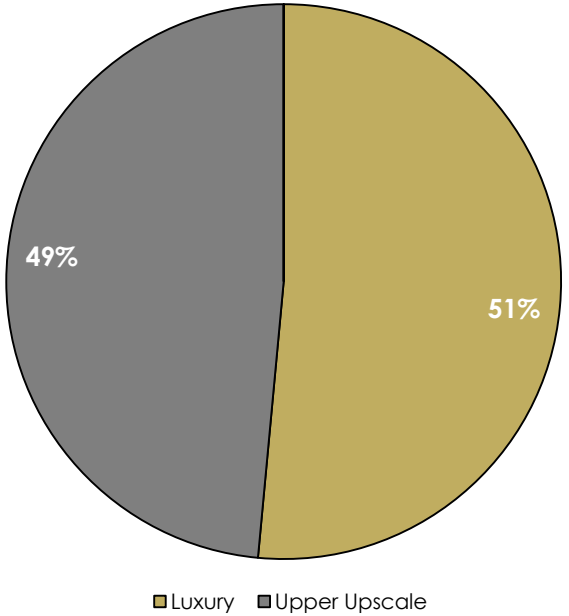
(1) Comparable TTM as of 6/30/2019 in thousands, see appendix for a reconciliation of TTM hotel net income (loss) to hotel TTM EBITDA
(2) Announced repositioning to "The Clancy" // Autograph Collection by Marriott

EBITDA Contribution by Brand and Class

2019 Q2 TTM Hotel EBITDA by Brand[1]



2019 Q2 TTM Hotel EBITDA by Class[1]



(1) Comparable TTM as of 6/30/2019, see appendix for a reconciliation of TTM hotel net income (loss) to hotel TTM EBITDA; pro forma for Autograph conversion of Courtyard San Francisco



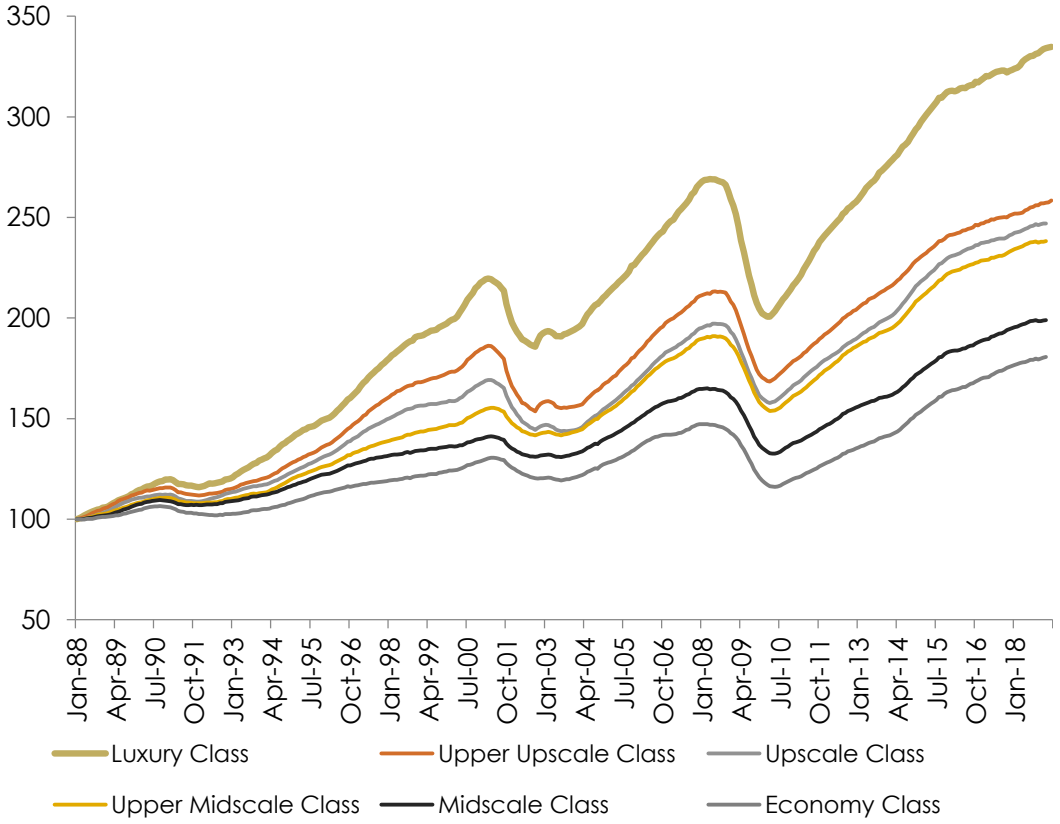


GROWTH OPPORTUNITIES



Growth Opportunity

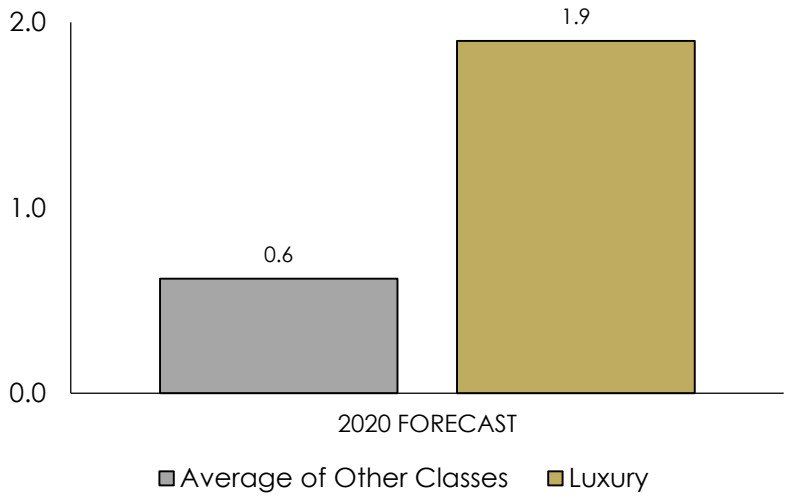
LUXURY	UPPER UPSCALE
Greatest long-term RevPAR growth of **3.9%**(1)	Second greatest long-term RevPAR growth of **3.1%**(1)



Source: STR
(1) CAGR from 12/31/1987 to 6/30/2019

2020 REVPAR GROWTH TRENDS

% ANNUAL GROWTH



+130bps

LUXURY REVPAR OUTPERFORMANCE

Source: PwC Hospitality Directions August 2019



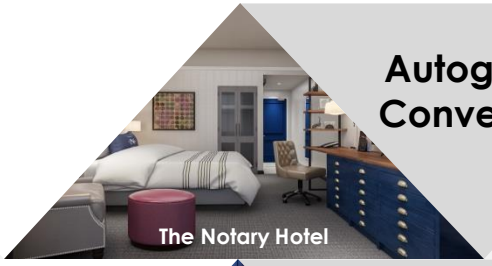
Future Growth

Opportunity

Portfolio Positioned for Growth



Autograph Conversion — **Complete Q1 2020**



Autograph Conversion — **Completed July 2019**



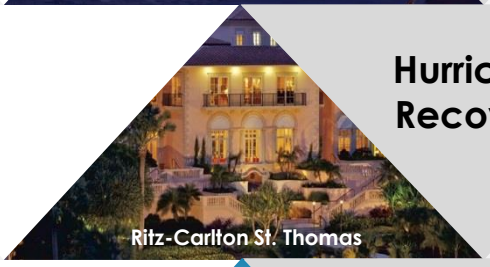
Beach Improvement — **Completed 2019**



Government Shutdown — **No Signs of Impact**



Villa Construction — **Completed Q3 2019**



Hurricane Recovery — **Complete Q4 2019**



Lobby — **Completed Q3 2019**



Large Supply Growth — **Supply Growth Slowing**

Joint Venture Capital

Opportunity for Growth

Rationale

- Access lower cost alternative capital
- Maintain transaction pipeline

Benefits

- Promoted structure
- Diversification
- Accretive growth
- ROFOs
- Exit strategy optionality

Investor

- Institutional
- Private Equity
- Family Office

Incentive Fees

5%-20% (GP)

80%-95% (LP)

Joint Venture

- Asset
- Portfolio
- Fund

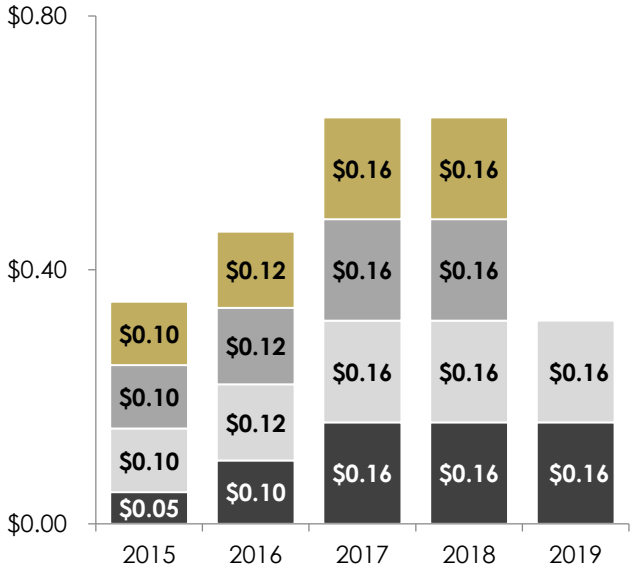




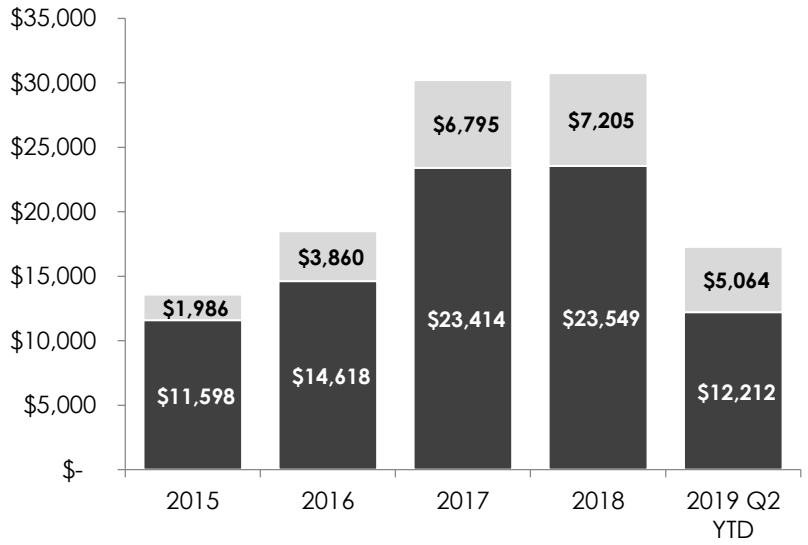
DIVIDEND YIELD & COVERAGE

Common and Preferred Dividends

Quarterly Common Dividends per Share



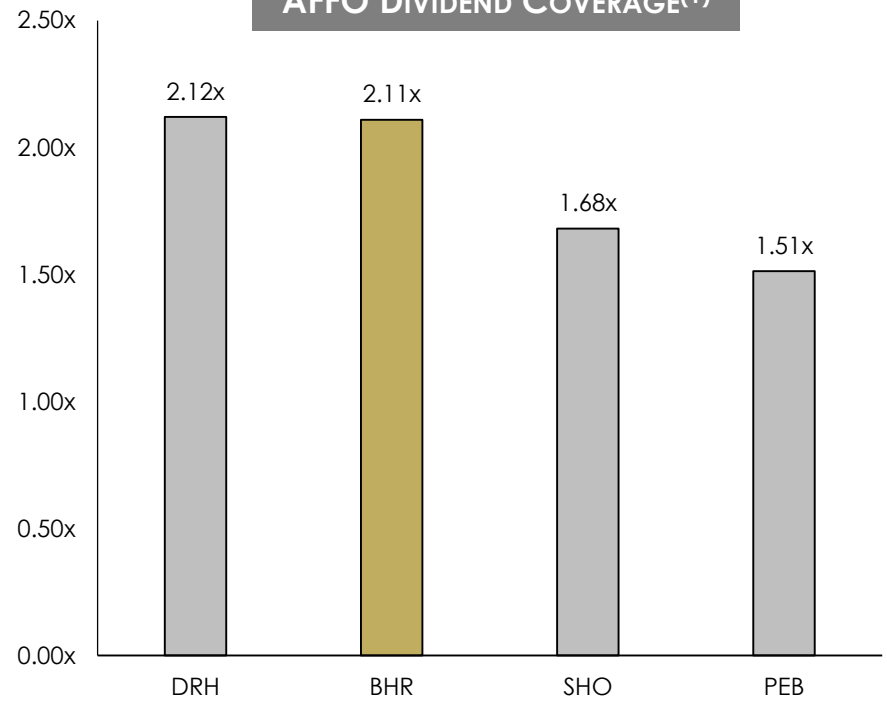
Common and Preferred Dividends Paid



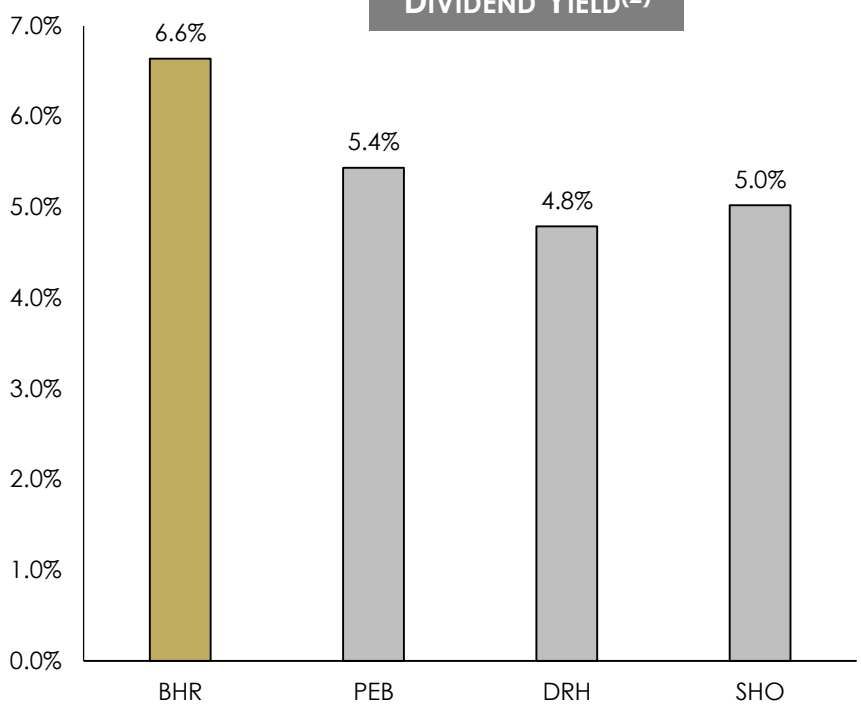


Attractive Dividend Yield & Coverage

AFFO Dividend Coverage[1]



Dividend Yield[2]



(1) AFFO per share divided by Dividend per share, TTM as of 6/30/2019, see appendix for reconciliation from net income (loss) to AFFO
(2) Stock price as of 9/25/2019



Jeremy Welter

Chief Operating Officer

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



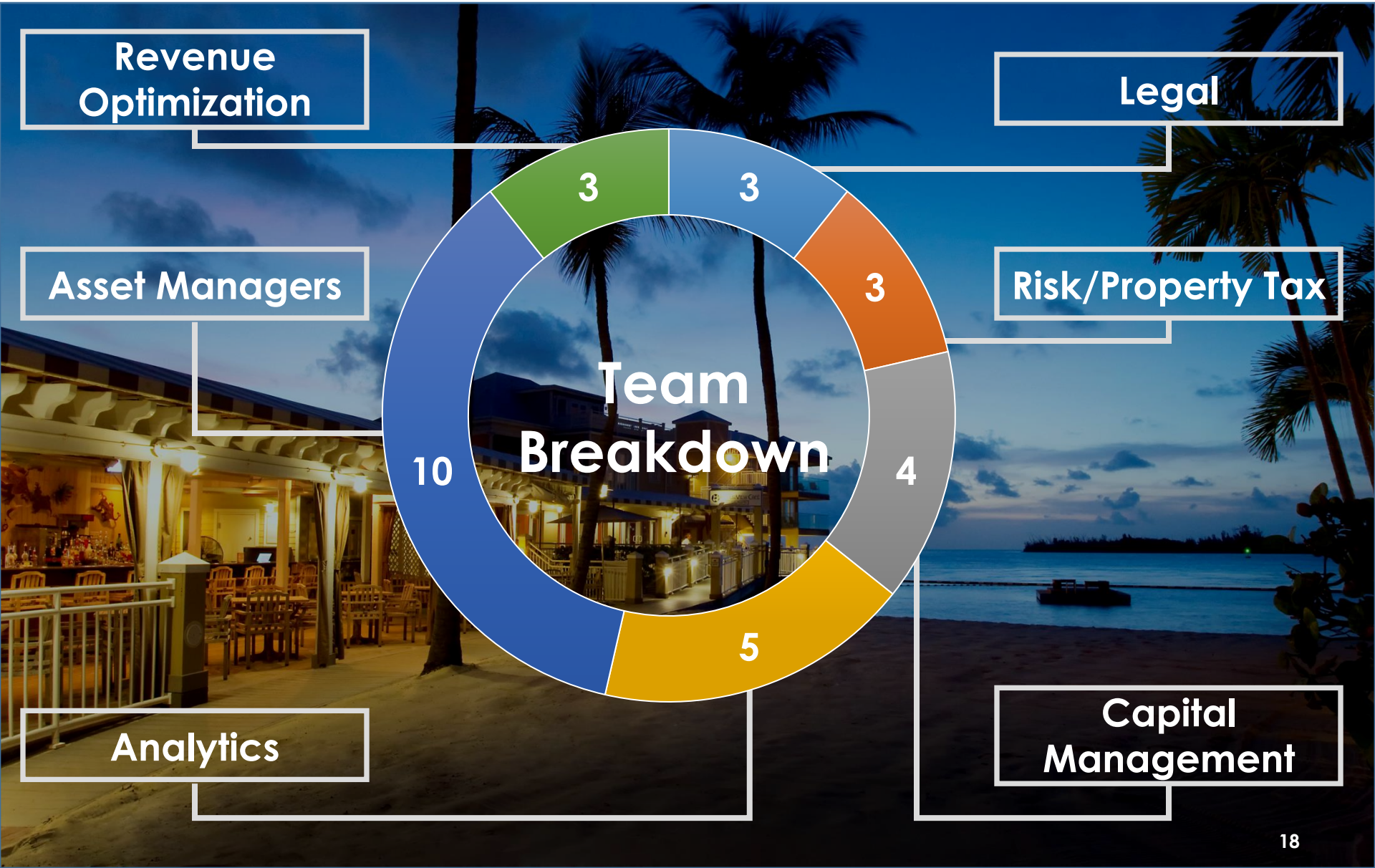
Best-in-Class

Asset Management

- Operating Performance
- Value-Add Initiatives
- CapEx Investments

Asset Management

Overview



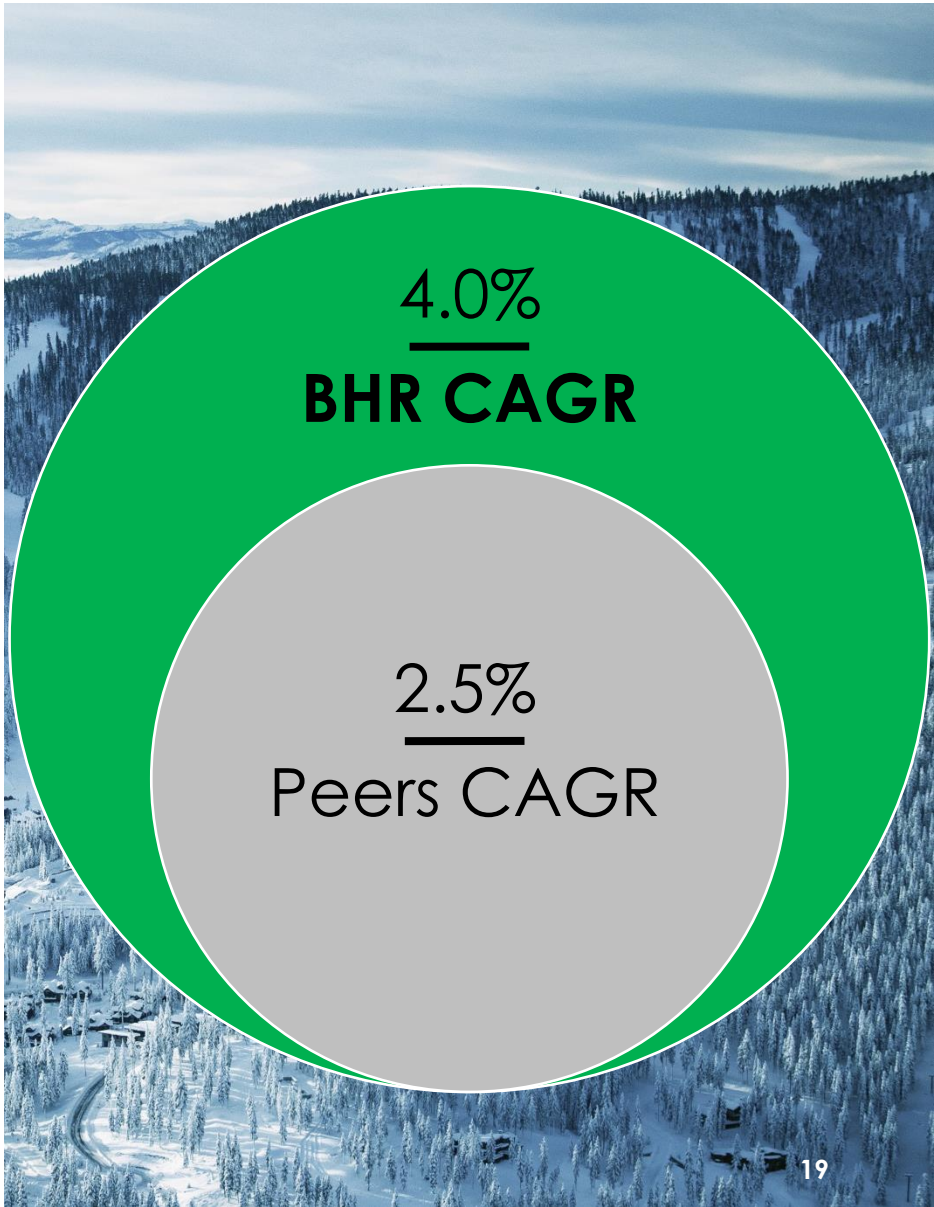
Portfolio Performance

EBITDA Growth

Outperformed Our Peers 4 Out of the Last 4 Years

Cumulative Outperformance: 660bps

Year	Peers	BHR
2018	1.6%	3.1%
2017	-1.9%	0.2%
2016	2.4%	3.7%
2015	8.1%	8.5%

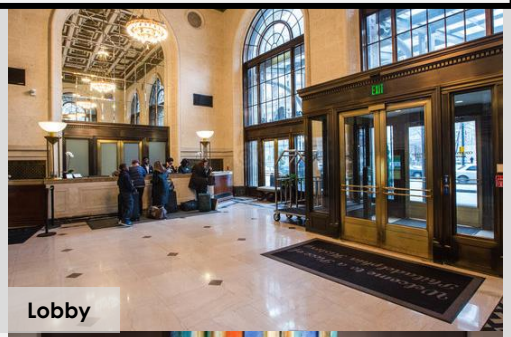


Peer group: CHSP, DHR, LHO, PEB, SHO

The Notary Hotel

Opportunity – Autograph Conversion

19.4% IRR

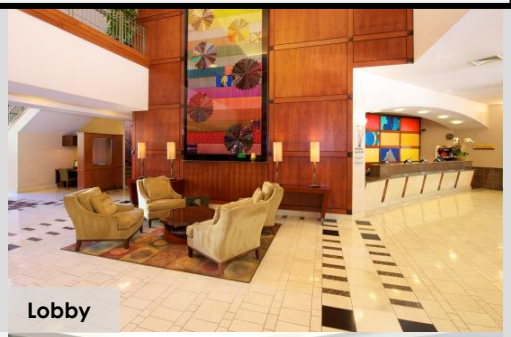
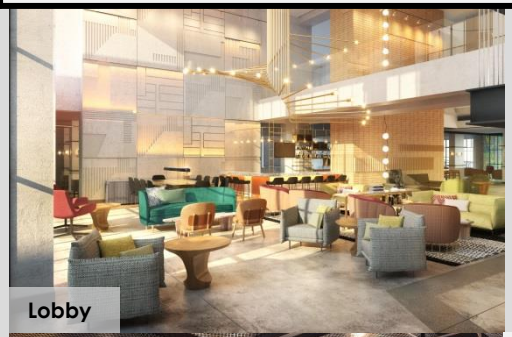
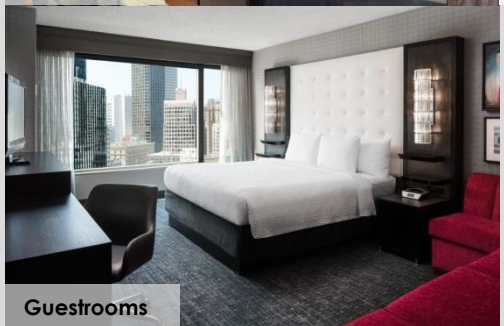
Courtyard Philadelphia Downtown		The Notary Hotel
$166 RevPAR	 Lobby	 Lobby	**$191** RevPAR
$12.3M EBITDA	 Restaurant	 Restaurant	**$14.5M** EBITDA
34.0% EBITDA Margin	 Guestrooms	 Guestrooms	**35.1%** EBITDA Margin

Note: Metrics are Courtyard and Autograph stabilized 2022 underwriting performance comparisons

Courtyard San Francisco Downtown

Opportunity – Autograph Conversion

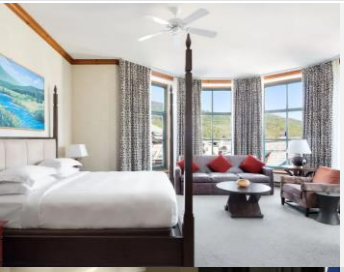
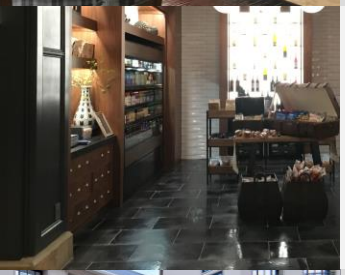
22.4% IRR

Courtyard San Francisco Downtown		The Clancy
$269 RevPAR	 Lobby	 Lobby	**$320** RevPAR
$14.6M EBITDA	 Restaurant	 Restaurant	**$18.5M** EBITDA
31.8% EBITDA Margin	 Guestrooms	 Guestrooms	**33.7%** EBITDA Margin

Note: Metrics are Courtyard and Autograph stabilized 2022 underwriting performance comparisons

Park Hyatt Beaver Creek

Opportunity

Strategic Initiatives	Capital Investment
 10 Additional Keys	$3.7M
 Enhanced Lobby	$3.9M
 New Cafe	$504K
 Patio Renovation	$2.6M



Ritz-Carlton St. Thomas

Opportunity - Rebuild / Enhance

2019 Q4
Official Opening

~$77M
Insurance Proceeds
(Excludes $48M in BI)

$14.7M
Capital Investments(1)



Value-Add Capital Investments
Lobby and New Retail Outlets: $2.2M
Repositioning Restaurant: $5.6M
New Family Pool: $3.2M
Pool Cabanas: $1.4M
Market/Cafe: $1.3M

(1) Capital investments that are expected to produce an ROI. These projects were strategically escalated to be completed while the hotel was temporarily closed (not part of the property loss)

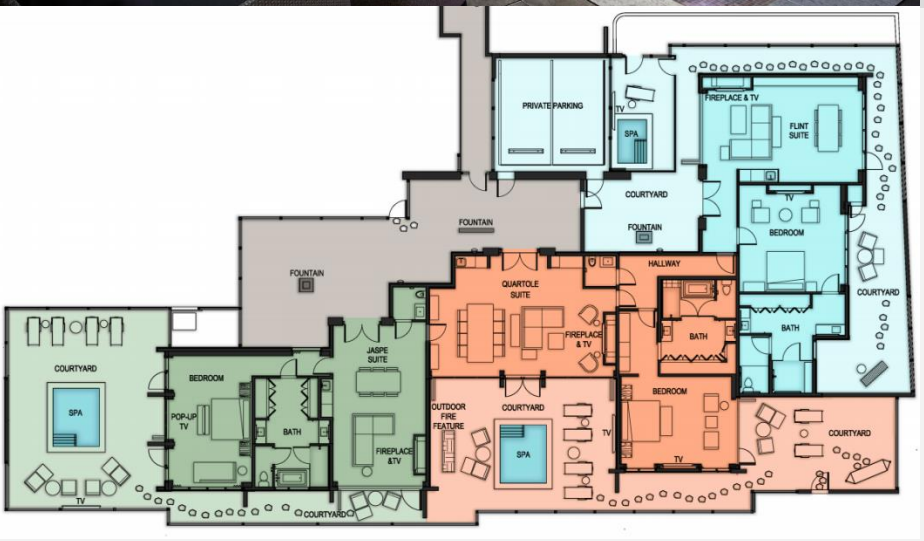
Bardessono Hotel & Spa

Opportunity – Presidential Villa



Highlights

- Completed construction of luxury villa consisting of 3 large suites (1,000+SF)
- Limited supply of luxury rooms greater than 1,000 sq. ft. in Napa market (only 1: Hotel Yountville)
- ADR: $2,500 – $9,000/night
- $100K+ in revenue during the first month of sales





Ritz-Carlton Lake Tahoe

Case Study - Asset Acquisition

Strategy

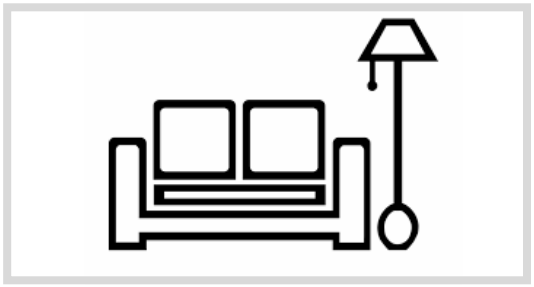
- Increased seasonal resort fee to $55/$45 and parking fees to $45
- Initiated Revenue Management transition to Luxury cluster
- Loaded residences to all distributions channels
- Increased group marketing & developed 3D floor plans

YTD July 2018 Prior to Takeover	YTD July 2019 Post Takeover
$23.7M	$25.6M
Hotel Revenue	Hotel Revenue
$348	$408
RevPAR	RevPAR
178.9	211.9
RevPAR Index	RevPAR Index



Ritz-Carlton Lake Tahoe

Opportunity





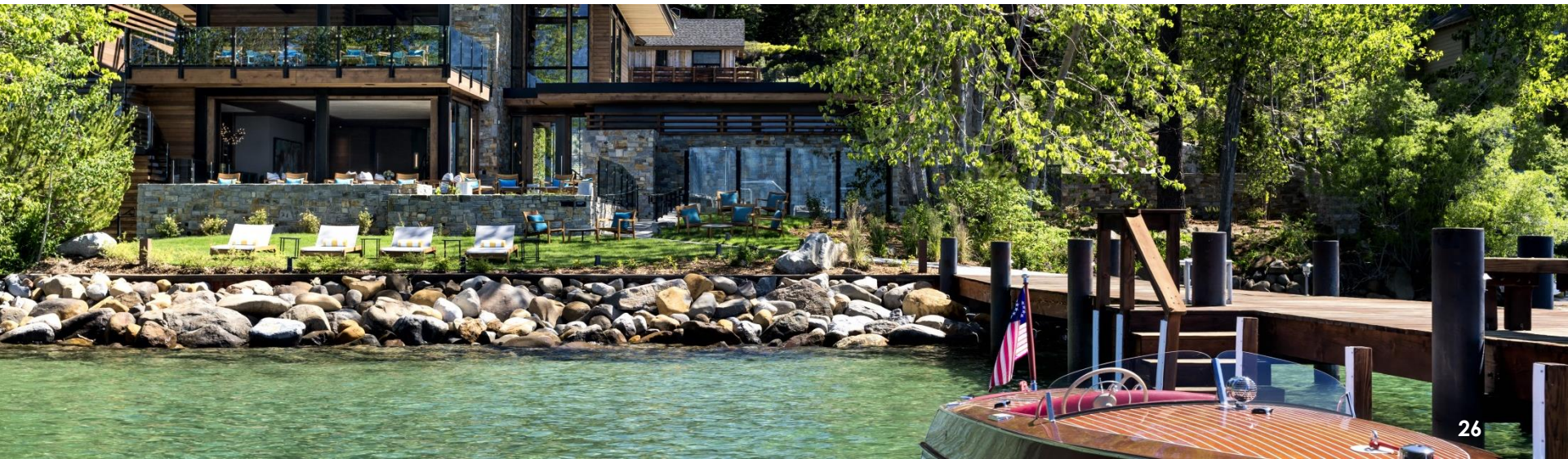
Strategy

- $3.7M renovation of the Living Room (2nd floor lobby)

- Buildout of new event space, relocation of bar, and new soft/case goods

- Merchandise the Lake Club online and have available to broader customer base

- Partnered with MasterCraft to allow guests to rent boats from our dock



Capital Hilton

Case Study

2019 – 2021 Group Pace



-$760K

Complexed Sales Team



+$1.4M

Stand Alone Sales Team

Strategy

- Added sales resource focused on solicitation
- Implemented Q9 RFP response platform to drive conversion
- Creation of 3D floor plans
- Implemented additional tools (e.g. E-Pro Direct, Hospitality Softnet, Group360)
- Increased marketing efforts (e.g. video proposals, 3rd party web optimization, new collateral)

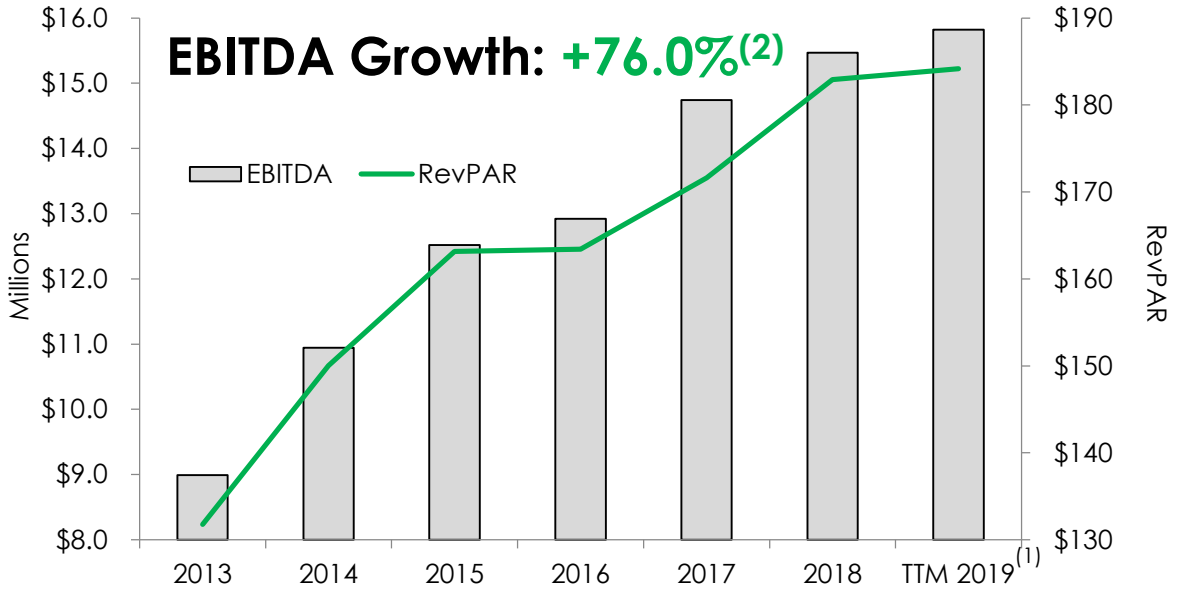
Hilton La Jolla Torrey Pines

Case Study

Highlights

- Hired an on-property sales person to supplement our sales cluster
- Hired new GM
- Extended the current ground lease

RevPAR Growth: +39.8%(2)



(1) TTM July 2019
(2) YE 2013 compared to TTM July 2019



Portfolio Tax Savings

Case Study

Implemented aggressive and focused strategy to minimize property tax burden

$671K	$512K	$2.0M	$1.5M	$2.1M
2015(1)	2016(1)	2017(1)	2018(1)	YTD 2019(1),(2)

Total Taxes Saved: $6.8M

(1) Savings based on tax assessment
(2) YTD July 2019



Portfolio Energy Initiatives/Savings

Case Study

Energy Saving ROI(1)

$4.1M

Energy Audits(1)

$3.5M

Energy Contract Renewals(1)

$631K



(1) Assumed 6.5% cap rate

Asset Management

Performance

Best in Class Asset Management Team

Project Alpha	Subject Experts	Best in Class Industry Partners
Grew 2019 YoY ancillary revenue (7.2%)	Outperformed peer EBITDA growth 4 out of the last 4 years	JSAV, Pure wellness, RED, openkey, REMINGTON (1)

(1) On June 3, 2019, Ashford Inc. announced its acquisition of Remington Holdings, L.P.'s hotel management business. Investors and security holders should refer to Ashford Inc.'s Form 8-K dated May 31, 2019, and definitive proxy statement filed September 23, 2019 for more information. The acquisition is subject to customary closing conditions, as described in Ashford Inc.'s Form 8-K dated May 31, 2019



Deric Eubanks

Chief Financial Officer

- 19 years of hospitality experience
- 16 years with the Company
- CFA Charterholder
- Southern Methodist University, BBA



Balance Sheet

- Target Leverage
- Cash Management
- Maturity Schedule

Conservative Capital Structure

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 and **maximizes flexibility** in all economic environments

Proactive strategy to opportunistically refinance loans and extend maturities

Long-standing **lender relationships**

Cash Management Strategy

10% — **Cash to Gross Debt Target**

$31.5M	6.6%	77%	47%
CAD[1],[3],[4]	Dividend Yield[2]	CAD Payout Ratio[1]	AFFO Payout Ratio[1]

Net Working Capital[1],[5]

Cash & Cash Equivalents	$73.9
Restricted Cash	$68.0
Accounts Receivable, net	$17.7
Prepaid Expenses	$7.9
Due from Third-Party Hotel Managers, net	$8.7
Investment in Ashford Inc.[2]	$3.9
Total Current Assets	**$180.2**
Accounts Payable, net & Accrued Expenses	$94.8
Dividends Payable	9.3
Due to Affiliates, net	3.1
Total Current Liabilities	**$107.2**
Net Working Capital	**$73.0**

Benefits

Defend our assets at financing maturity

Opportunistic investments in severe economic downturn



(1) As of 6/30/2019
(2) At market value as of 9/25/2019
(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
(5) In millions

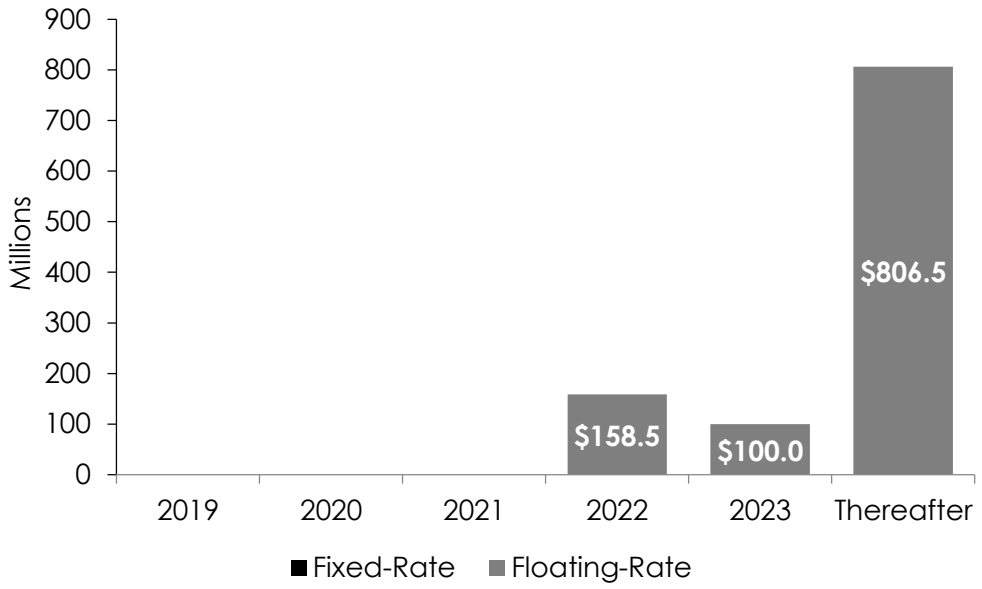


Debt Maturities

Overview

2022	1.6x	4.7%
Next Hard Debt Maturity	FCCR(1)	Weighted Avg. Interest Rate(1)

Laddered debt maturities(1),(2)



(1) As of 6/30/2019, assumes options are exercised
(2) Pro forma for recent refinancing of the Ritz-Carlton St. Thomas, and Key West Pier House Resort

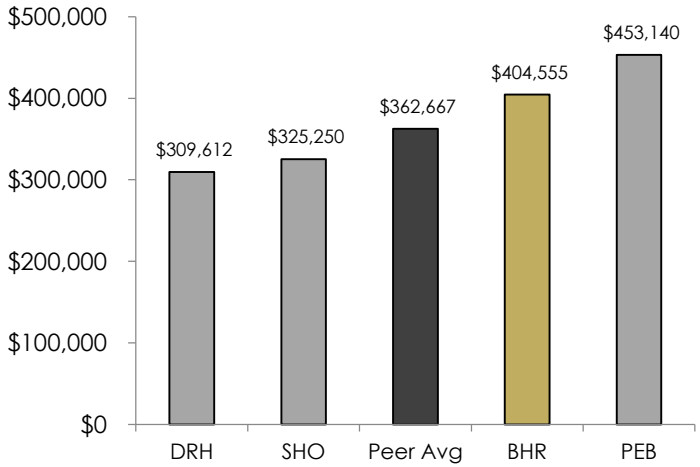


VALUATION

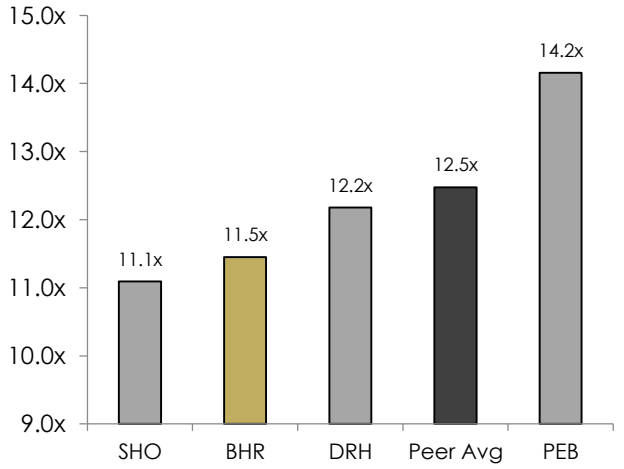
Valuation

Relative to Peers

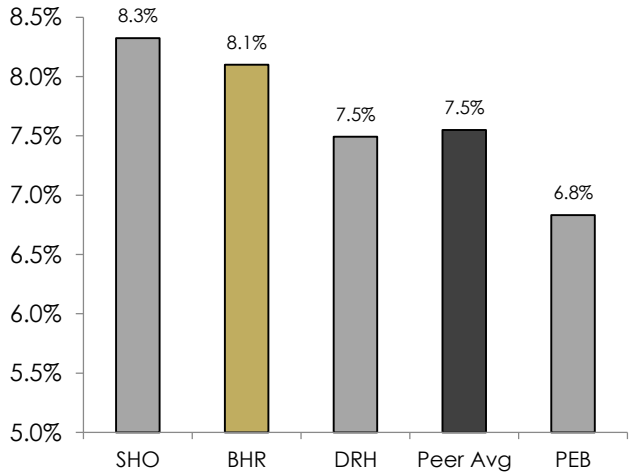
TEV/ KEY[1],[2]



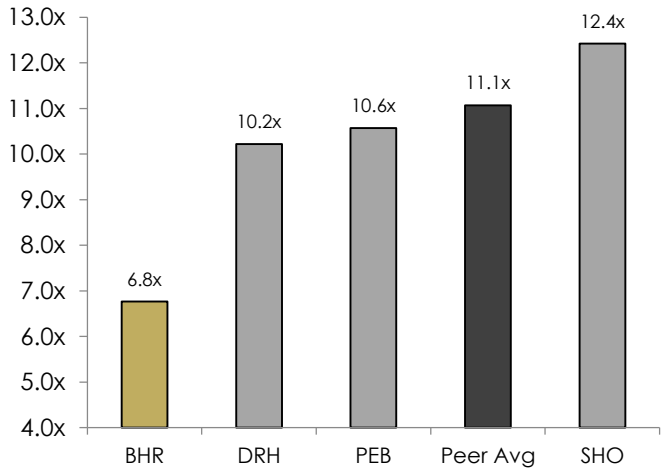
TEV / 2020E EBITDA MULTIPLE[1],[2]



TTM CAP RATE[1],[2]



PRICE / 2020E AFFO / SHARE MULTIPLE[1],[2]



(1) Balance sheet data as of 6/30/2019; stock price as of September 25, 2019; not adjusted for JV interest
(2) Based on consensus estimates
Source: SNL, Bloomberg, company filings



APPENDIX

Reconciliation of Net Income to Hotel EBITDA by Property

	TTM Ended June 30, 2019																	
	Capital Hilton Washington D.C.	La Jolla Hilton Torrey Pines	Chicago Sofitel Magnificent Mile	Bardessono Hotel & Spa	Key West Pier House Resort	Hotel Yountville	Park Hyatt Beaver Creek	The Notary Hotel	San Francisco Courtyard Downtown	Sarasota Ritz-Carlton	Lake Tahoe Ritz-Carlton	Seattle Marriott Waterfront	St. Thomas Ritz-Carlton	Tampa Renaissance	Hotel Total	Corporate / Allocated	Braemar Hotels & Resorts Inc.
Net income (loss)	$ 6,022	$ 10,092	$ 684	$ 383	$ 9,776	$ 453	$ 1,687	$ 3,604	$ 5,330	$ (2,990)	$ (563)	$ 10,684	$ 5,118	$ 43	$ 50,332	$ (71,815)	$ (21,484)
Non-property adjustments	—	—	—	—	—	(9)	—	—	—	—	—	—	—	(17)	(35)	35	—
Interest income	(45)	(71)	—	—	—	—	—	(15)	(13)	(66)	—	(47)	—	—	(257)	257	—
Interest expense	—	—	—	1,977	—	2,529	3,477	—	—	6,025	1,150	—	3,105	—	18,263	32,383	50,646
Amortization of loan cost	—	—	—	135	—	143	410	—	—	310	64	—	55	—	1,117	3,281	4,398
Depreciation and amortization	7,665	5,628	6,695	3,033	2,208	2,737	3,934	6,832	8,927	9,368	2,068	4,058	1,573	—	64,726	—	64,726
Income tax expense (benefit)	(200)	151	—	—	—	—	—	94	—	—	—	—	95	—	140	1,856	1,996
Non-hotel EBITDA ownership expense	83	39	420	302	(312)	(171)	502	108	481	357	376	166	1,494	2	3,847	(3,847)	—
Hotel EBITDA including amounts attributable to noncontrolling interest	13,525	15,839	7,799	5,830	11,672	5,682	10,010	10,623	14,725	13,004	3,095	14,861	11,440	28	138,133	(37,851)	100,282
Less: EBITDA adjustments attributable to consolidated noncontrolling interest	(3,381)	(3,960)	—	—	—	—	—	—	—	—	—	—	—	—	(7,341)	7,341	—
Equity in earnings (loss) of unconsolidated entities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	270	270
Company's portion of EBITDA of OpenKey	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(253)	(253)
Hotel EBITDA attributable to the Company and OP unitholders	$ 10,144	$ 11,879	$ 7,799	$ 5,830	$ 11,672	$ 5,682	$ 10,010	$ 10,623	$ 14,725	$ 13,004	$ 3,095	$ 14,861	$ 11,440	$ 28	$ 130,792	$ (30,493)	$ 100,299
Non-comparable adjustments	—	—	—	(4)	8	(2)	—	—	—	(134)	5,418	—	—	(28)	5,258		
Comparable hotel EBITDA	$ 10,144	$ 11,879	$ 7,799	$ 5,826	$ 11,680	$ 5,680	$ 10,010	$ 10,623	$ 14,725	$ 12,870	$ 8,513	$ 14,861	$ 11,440	$ —	$ 143,391		
FFE reserve	(2,768)	(2,351)	(1,423)	(751)	(985)	(583)	(1,581)	(1,534)	(2,222)	(3,146)	(1,735)	(1,931)	(1,142)	—	(22,352)		
Comparable net operating income	$ 7,376	$ 9,528	$ 6,376	$ 5,075	$ 10,695	$ 5,097	$ 8,429	$ 9,089	$ 12,503	$ 9,724	$ 6,778	$ 12,930	$ 10,298	$ -	$ 121,239		
NOI adjustments attributable to noncontrolling interests	(2,690)	(3,373)													(6,063)		
NOI attributable to the Company and OP unitholders	$ 4,686	$ 6,155	$ 6,376	$ 5,075	$ 10,695	$ 5,097	$ 8,429	$ 9,089	$ 12,503	$ 9,724	$ 6,778	$ 12,930	$ 10,298	$ -	$ 115,176		

Reconciliation of net income (loss) to AFFO and Cash Available for Distribution

	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019	Three Months Ended December 31, 2018	Three Months Ended September 30, 2018	TTM Ended June 30, 2019
Net income (loss)	$ (5,623)	$ (1,322)	$ (13,913)	$ (626)	$ (21,484)
(Income) loss from consolidated entities attributable to noncontrolling interest	248	(99)	(274)	(1,695)	(1,820)
Net (income) loss attributable to redeemable noncontrolling interests in operating partnership	865	440	1,826	452	3,583
Preferred dividends	(2,532)	(2,532)	(2,083)	(1,707)	(8,854)
Net income (loss) attributable to common stockholders	(7,042)	(3,513)	(14,444)	(3,576)	(28,575)
Depreciation and amortization on real estate	17,669	15,904	14,320	13,720	61,613
Impairment charges on real estate	-	-	-	-	-
Net income (loss) attributable to redeemable noncontrolling interests in operating partnership	(865)	(440)	(1,826)	(452)	(3,583)
Equity in (earnings) loss of unconsolidated entities	51	50	(27)	81	155
(Gain) loss on sale of hotel property	(9)	-	88	-	79
Company's portion of FFO of OpenKey	(49)	(51)	(78)	(81)	(259)
FFO available to common stockholders and OP unitholders	9,755	11,950	(1,967)	9,692	29,430
Series B Cumulative Convertible Preferred Stock dividends	1,707	1,707	1,707	1,707	6,828
Transaction and management conversion costs	235	634	2,000	-	2,869
Other (income) expense	139	117	63	64	383
Interest expense accretion on refundable membership club deposits	213	225	300	226	964
Write-off of loan costs and exit fees	-	312	-	-	312
Amortization of loan costs	1,003	1,155	1,080	1,070	4,308
Unrealized (gain) loss on investments	4,626	(707)	4,672	(2,158)	6,433
Unrealized (gain) loss on derivatives	(654)	872	(721)	578	75
Non-cash stock/unit-based compensation	2,021	1,528	1,295	1,674	6,518
Legal, advisory and settlement costs	75	71	426	277	849
Advisory services incentive fee	(1,105)	1,314	(2,241)	1,380	(652)
Contract modification cost	-	-	-	-	-
Software implementation costs	-	-	-	-	-
Uninsured hurricane and wildfire related costs	-	-	-	-	-
Company's portion of adjustments to FFO of OpenKey	8	11	8	2	24
Adjusted FFO available to the common stockholders and OP unitholders	$ 18,023	$ 19,189	$ 6,622	$ 14,512	$ 58,341
FFE reserve (net of noncontrolling interest)	(5,186)	(5,688)	(4,336)	(4,789)	(19,999)
Series B Cumulative Convertible Preferred Stock dividends	(1,707)	(1,707)	(1,707)	(1,707)	(6,828)
Cash available for distribution to the Company and OP unitholders	$ 11,130	$ 11,794	$ 579	$ 8,016	$ 31,514