

BRAEMAR
HOTELS & RESORTS

June 2020

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; and 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. 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.

Our business has been and will continue to be materially adversely affected by the impact of, and the public perception of a risk of, a pandemic disease. In December 2019, a novel strain of coronavirus (COVID-19) was identified in Wuhan, China, which has subsequently spread to other regions of the world, and has resulted in increased travel restrictions and extended shutdown of certain businesses in affected regions, including in nearly every state in the United States. Since late February, we have experienced a significant decline in occupancy and RevPAR and we expect the significant occupancy and RevPAR reduction associated with the novel coronavirus (COVID-19) to likely continue as we are recording significant reservation cancellations as well as a significant reduction in new reservations relative to prior expectations. The continued outbreak of the virus in the U.S. has and will likely continue to further reduce travel and demand at our hotels. The prolonged occurrence of the virus has resulted in health or other government authorities imposing widespread restrictions on travel or other market impacts. The hotel industry and our portfolio have and we expect will continue to experience the postponement or cancellation of a significant number of business conferences and similar events. At this time those restrictions are very fluid and evolving. We have been and will continue to be negatively impacted by those restrictions. Given that the type, degree and length of such restrictions are not known at this time, we cannot predict the overall impact of such restrictions on us or the overall economic environment. In addition, even after the restrictions are lifted, the propensity of people to travel and for businesses to hold conferences will likely remain below historical levels for an additional period of time that is difficult to predict. We may also face increased risk of litigation if we have guests or employees who become ill due to COVID-19.

As such, the impact these restrictions may have on our financial position, operating results and liquidity cannot be reasonably estimated at this time, but the impact will likely be material. Additionally, the public perception of a risk of a pandemic or media coverage of these diseases, or public perception of health risks linked to perceived regional food and beverage safety has materially further adversely affected us by reducing demand for our hotels. Currently, no vaccines have been developed, and there can be no assurance that an effective vaccine can be discovered in time to protect against a potential pandemic. These events have resulted in a sustained, significant drop in demand for our hotels and could have a material adverse effect on us.

Prior to investing in Braemar, potential investors should carefully review Braemar's periodic filings with the Securities and Exchange Commission, including, but not limited to, Braemar's most current Form 10-K, Form 10-Q and Form 8-K's, including the risk factors included therein.

Management Team



RICHARD J. STOCKTON
Chief Executive Officer & President

- **23 years of hospitality experience**
- **4 years 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

- **20 years of hospitality experience**
- **17 years with the Company**
- **3 years with ClubCorp**
- **CFA charterholder**
- **Southern Methodist University BBA**



JEREMY J. WELTER
Chief Operating Officer

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

Post COVID-19 Strategic Initiatives



Conserve Liquidity



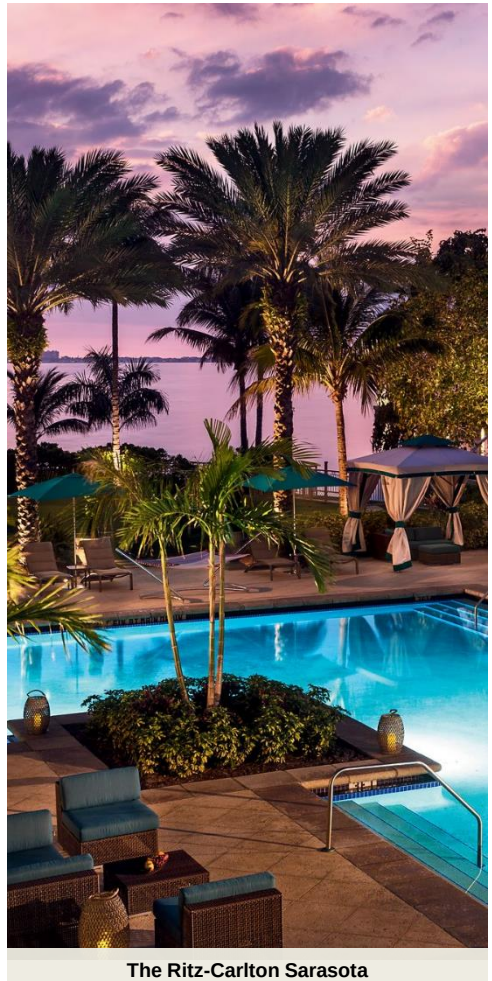
Manage the Balance Sheet



Return to Profitability



Grow the Portfolio

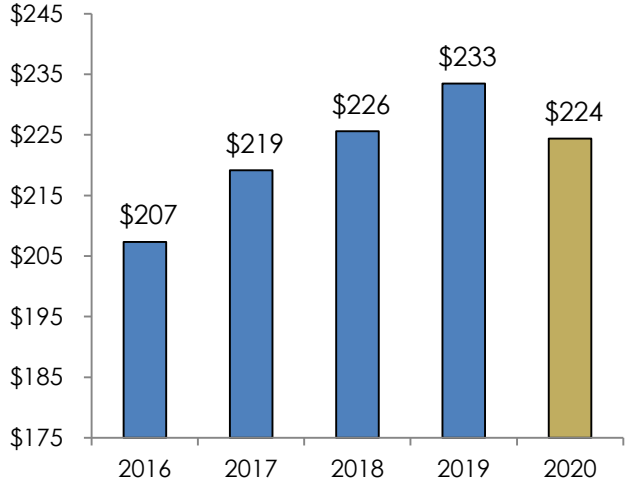


The Ritz-Carlton Sarasota
Sarasota, FL

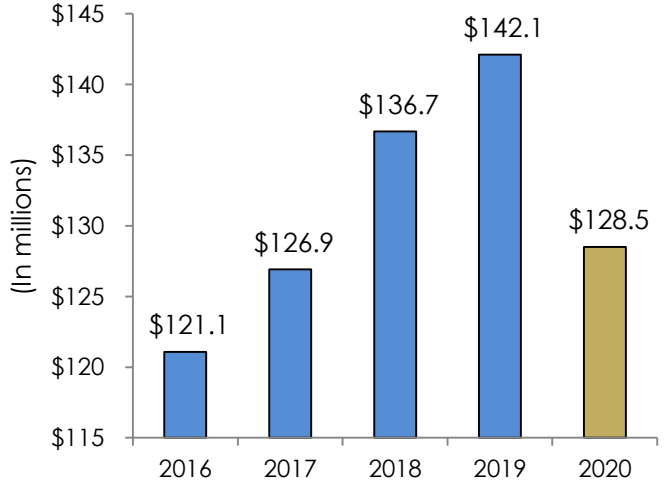
2020 Q1 Hotel Operating Results

Comparable Hotel Operating Results[1][4]	2020 Q1	2019 Q1	% Variance
ADR	$ 345.88	$ 321.54	7.6%
Occupancy	59.8%	75.5%	(20.8)%
RevPAR	$ 206.90	$ 242.75	(14.8)%
Total Hotel Revenue[2]	$ 116,731	$ 130,697	(10.7)%
Hotel EBITDA[2]	$ 26,861	$40,283	(33.3)%
Hotel EBITDA Margin	23.0%	30.8%	(7.8)%

Comparable RevPAR[3][4]



Comparable Hotel EBITDA[3][4]



(1) Includes: Bardessono, Hotel Yountville, Ritz-Carlton St. Thomas, Pier House, Marriott Seattle Waterfront, Capital Hilton, Sofitel Chicago, Hilton Torrey Pines, Courtyard San Francisco "The Clancy", The Notary Hotel, Park Hyatt Beaver Creek, Ritz-Carlton Lake Tahoe and Ritz-Carlton Sarasota
(2) In thousands
(3) As reported in Earnings Releases: 2016 as reported on 2/22/2017; 2017 as reported on 2/28/2018; 2018 as reported on 2/27/2019; 2019 as reported on 2/26/2020 ; 2020 Q1 TTM
(4) Due to the economic effects of the COVID-19 pandemic on the Company, the lodging industry and the broader economy, the information provided should not be relied upon as an accurate representation of the current or future financial condition or performance of the Company.

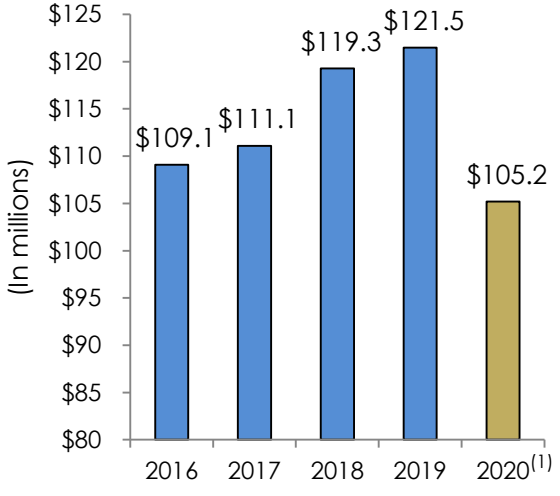
2020 Q1 Highlights and Results

Quarter Highlights

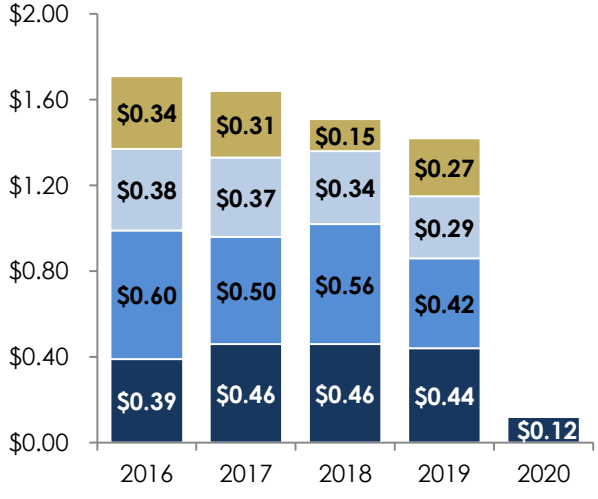
- Net loss attributable to common stockholders for the quarter was $15.5 million or $0.48 per diluted share.
- Comparable RevPAR for all hotels decreased 14.8% to $206.90 during the quarter.
- Adjusted funds from operations (AFFO) was $0.12 per diluted share for the quarter.
- Adjusted EBITDAre was $18.5 million for the quarter.
- Capex invested during the quarter was $7.5 million of the total $15-25 million in capex projected for FY 2020.
- Common equity dividend suspended, preferred equity dividends paid.
- $75 million drawn on corporate credit facility.
- Board retainer fees reduced by 25%.

Full Year Highlights

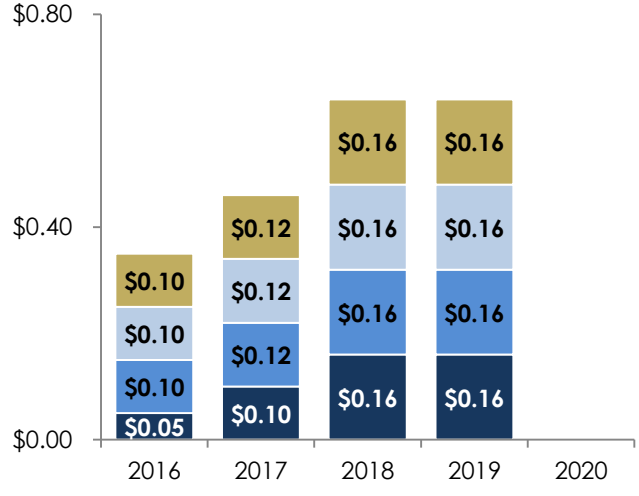
Adjusted EBITDAre



AFFO per Share



Quarterly Dividend per Share



(1) TTM Q1 2020

High Quality Assets

Situated in High Barrier Leisure and Urban Markets

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Hotel Yountville
Yountville, CA



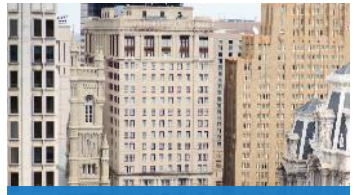
The Ritz-Carlton Lake Tahoe
Truckee, CA



Marriott Seattle Waterfront
Seattle, WA



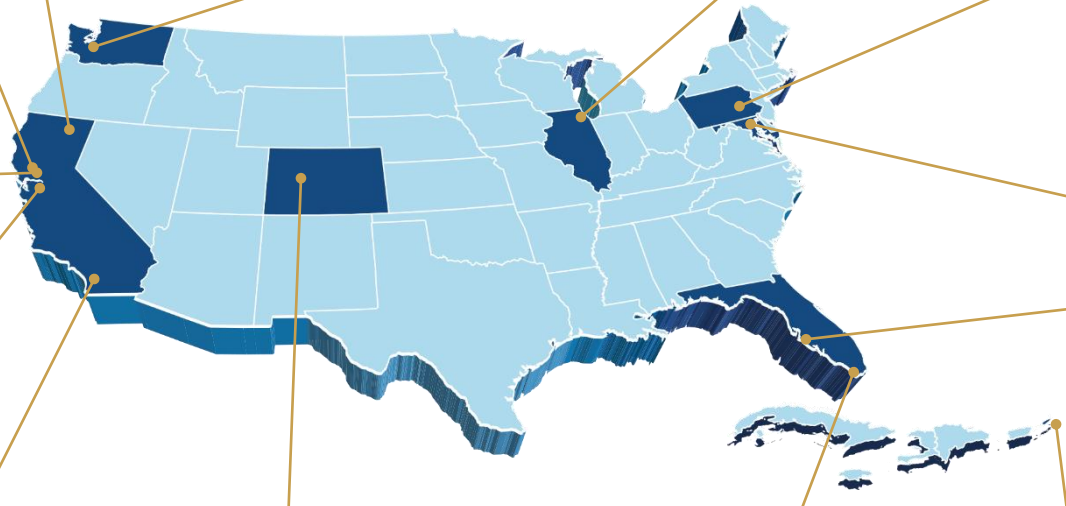
Sofitel Chicago Magnificent Mile
Chicago, IL



The Notary Hotel
Philadelphia, PA

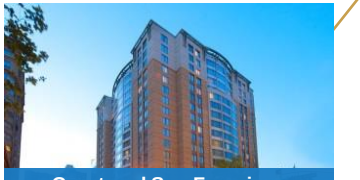


Bardessono Hotel & Spa
Yountville, CA





Capital Hilton
Washington, D.C.



Courtyard San Francisco "The Clancy"[1]
San Francisco, CA



The Ritz-Carlton Sarasota
Sarasota, FL



Hilton La Jolla Torrey Pines
La Jolla, CA



Park Hyatt Beaver Creek
Beaver Creek, CO



Pier House Resort & Spa
Key West, FL



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

[1] Announced repositioning to "The Clancy" // Autograph Collection by Marriott

Portfolio Detail

BRAEMAR HOTELS & RESORTS

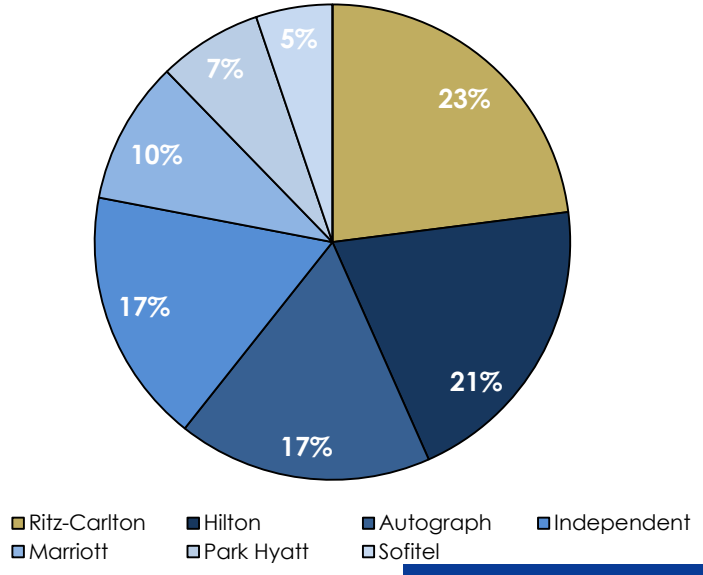
Portfolio Status

Core Assets	Location	Market Type	Number of Rooms	Planned Re-Opening[2]
Bardessono	Napa Valley, CA	Drive-to Leisure	65	Jun-08
Hotel Yountville	Napa Valley, CA	Drive-to Leisure	80	Jun-08
Ritz-Carlton St. Thomas	St. Thomas, USVI	Fly-to Leisure	180	Jun-15
Pier House	Key West, FL	Drive-to Leisure	142	Jun-01
Park Hyatt Beaver Creek	Beaver Creek, CO	Drive-to Leisure	190	Jun-12
Marriott Seattle Waterfront	Seattle, WA	Urban	361	Jun-11
Capital Hilton	Washington, D.C.	Urban	550	Jul-01
Sofitel Chicago Magnificent Mile	Chicago, IL	Urban	415	Jun-11
The Notary Hotel	Philadelphia, PA	Urban	499	--
Hilton Torrey Pines	La Jolla, CA	Drive-to Leisure	394	May-29
Ritz-Carlton Sarasota	Sarasota, FL	Drive-to Leisure	266	--
Ritz-Carlton Lake Tahoe	Truckee, CA	Drive-to Leisure	170	Jun-19
Total Core			**3,312**	
Non-Core Assets				
Courtyard San Francisco Downtown[1]	San Francisco, CA	Urban	410	Jul-01
Total Non-Core			**410**	
Total Portfolio			**3,722**	

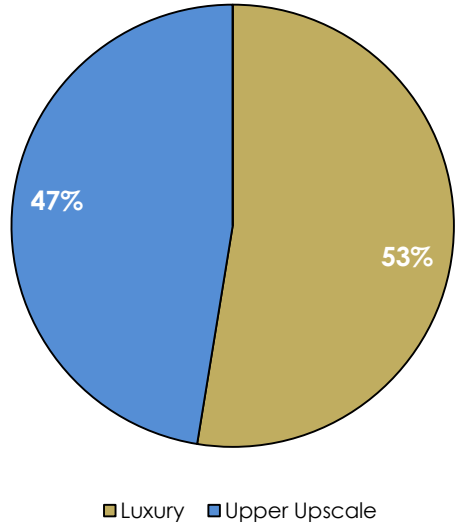
(1) Announced repositioning to "The Clancy" // Autograph Collection by Marriott
(2) Re-opening dates are based on best available, current information and are subject to change

EBITDA Contribution by Brand and Class

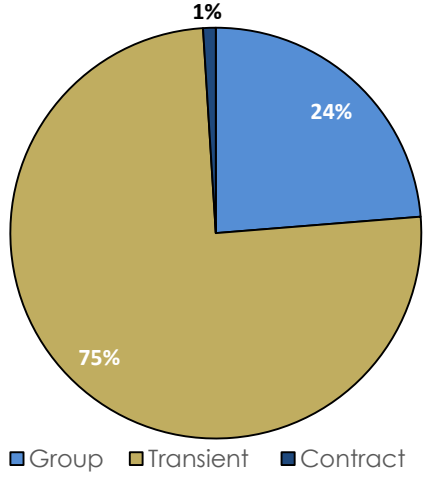
2020 Q1 TTM Hotel EBITDA by Brand(1)



2020 Q1 TTM Hotel EBITDA by Class(1)



2020 Q1 TTM Room Revenue(1)



(1) Comparable TTM as of 03/31/2020, see appendix for a reconciliation of TTM hotel net income (loss) to hotel TTM EBITDA; pro forma for Autograph conversion of Courtyard San Francisco conversion scheduled to be complete Q3 2020

Current Liquidity[1]

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CASH POSITION

Cash & Cash Equivalents	$142M
Restricted Cash	$45M
Total Cash	$187M

MONTHLY CASH UTILIZATION

Suspended Hotel Operations	$10M
Interest Expense	$3M
G&A /Advisory Fees	$1.3M



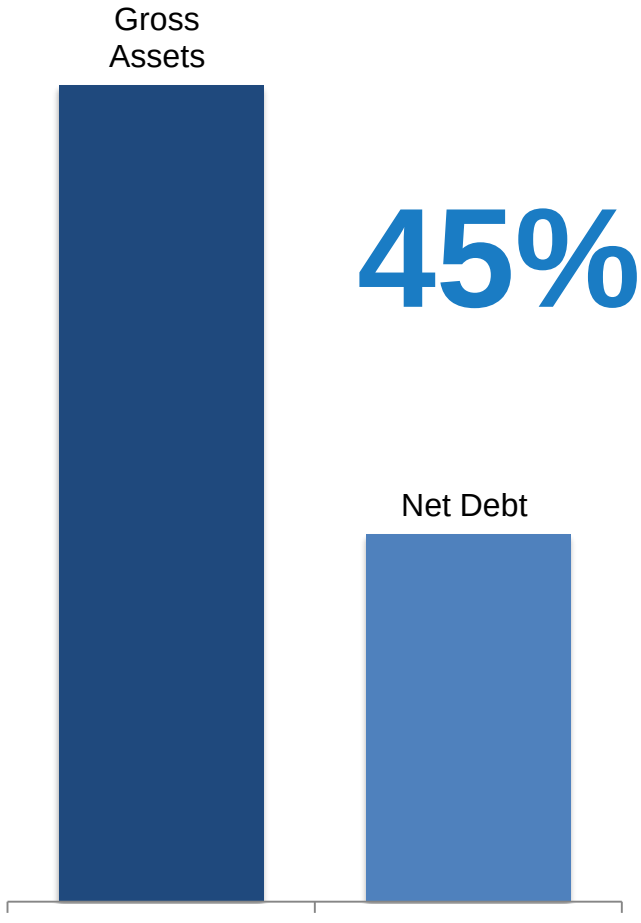
(1) As of 03/31/20

Conservative Capital Structure

Prudent Use of Debt

BRAEMAR HOTELS & RESORTS

Target Leverage



Overview

- Non-recourse debt **lowers risk profile**
- 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**

[1] The use of debt potentially increases BHR's returns, as well as the risk associated with the investment

Debt Maturities

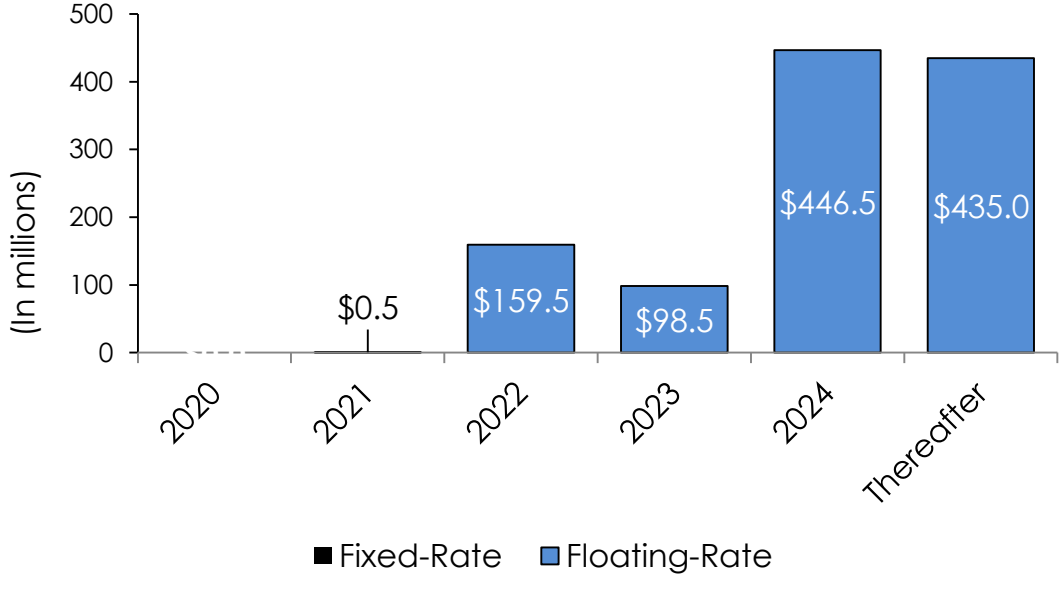


The Notary Hotel

Overview

2022	1.5x	3.3%
Next Hard Debt Maturity	FCCR(1)	Weighted Avg. Interest Rate(1)

Laddered debt maturities(1)(2)



(1) As of 03/31/2020
(2) Assumes extension options are exercised

Strategic 2018/2019 Initiatives Position Braemar for Ramp Up in 2021



Beach Improvement
Completed 2019

Villa Construction
Completed 2019





Autograph Conversion
Completed 2019

Hurricane Recovery
Completed 2019





Lobby Renovation
Completed 2019

Autograph Conversion
Completing Q3 2020

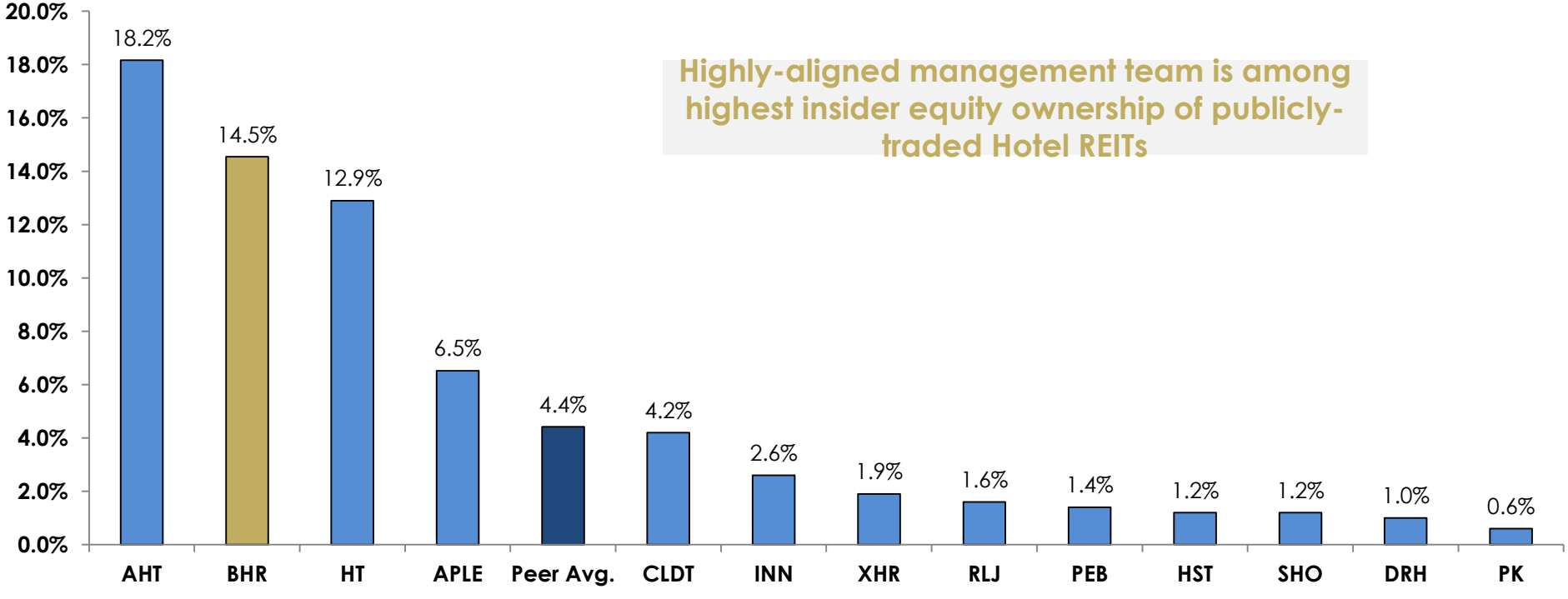


Highly Aligned Management Team

14.5% Management has significant personal wealth invested in the Company

3.3x Insider ownership 3.4x higher than REIT industry average

$19M **Total dollar value of insider ownership (as of 5/29/2020)**



Highly-aligned management team is 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, PK
Source: Proxy and Company filings

Key Takeaways



Conserve Liquidity



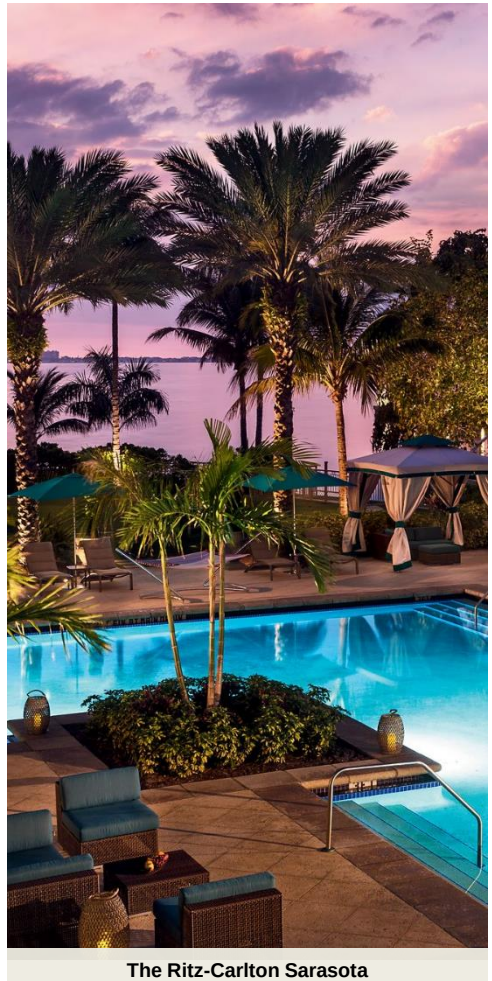
Manage the Balance Sheet



Return to Profitability



Grow the Portfolio



The Ritz-Carlton Sarasota
Sarasota, FL



Appendix

Reconciliation of Net Income (Loss) to Comparable Hotel EBITDA

In thousands except room and per room data

	Three Months Ended March 31, 2020	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	TTM Ended March 31, 2020
Net income (loss)	$ (2,046)	$ 31,519	$ 9,196	$ 12,770	$ 51,439
Non-property adjustments	-	(26,320)	1,441	(9)	(24,888)
Interest income	(62)	(69)	(79)	(77)	(287)
Interest expense	4,906	5,210	4,829	4,965	19,910
Amortization of loan cost	282	309	229	209	1,029
Depreciation and amortization	18,338	18,310	16,831	18,474	71,953
Income tax expense (benefit)	335	(173)	(78)	422	506
Non-hotel EBITDA ownership expense	4,970	1,277	1,048	1,395	8,690
Hotel EBITDA including amounts attributable to noncontrolling interest	26,723	30,063	33,417	38,149	128,352
Less: EBITDA adjustments attributable to consolidated noncontrolling interest	(957)	(1,520)	(1,545)	(2,527)	(6,549)
Hotel EBITDA attributable to the Company and OP unitholders	$ 25,766	$ 28,543	$ 31,872	$ 35,622	$ 121,803
Non-comparable adjustments	138	(87)	(25)	150	176
Comparable hotel EBITDA	$ 26,861	$ 29,976	$ 33,392	$ 38,299	$ 128,528

Reconciliation of Net Income (Loss) to EBITDAre and Adjusted EBITDAre

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In thousands

	Three Months Ended March 31, 2020	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	TTM Ended March 31, 2020
Net income (loss)	$ (15,387)	$ 17,095	$ (8,954)	$ (5,623)	$ (12,869)
Interest expense and amortization of loan costs	11,897	12,613	13,646	14,055	52,211
Depreciation and amortization	18,338	18,121	16,831	18,474	71,764
Income tax expense (benefit)	1,370	271	155	411	2,207
Equity in (earnings) loss of unconsolidated entity	40	50	48	51	189
Company's portion of EBITDA of OpenKey	(39)	(48)	(50)	(48)	(185)
EBITDA	16,219	48,102	21,676	27,320	113,317
Gain (loss) on insurance settlement, disposition of assets and sale of hotel property	—	(26,319)	1,163	(9)	(25,165)
EBITDAre	16,219	21,783	22,839	27,311	88,152
Amortization of favorable (unfavorable) contract assets (liabilities)	207	285	129	118	739
Transaction and conversion costs	491	893	506	235	1,933
Other (income) expense	138	13,577	114	139	13,968
Write-off of loan costs and exit fees	—	—	335	—	335
Unrealized (gain) loss on investments	—	(13,262)	1,471	4,626	(7,165)
Unrealized (gain) loss on derivatives	(1,156)	131	754	(654)	(925)
Non-cash stock/unit-based compensation	1,985	2,035	2,359	2,021	8,400
Legal, advisory and settlement costs	613	93	203	75	1,069
Advisory services incentive fee	—	(77)	(132)	(1,105)	(1,314)
Company's portion of adjustments to EBITDAre of OpenKey	3	3	4	7	17
Adjusted EBITDAre	$ 18,500	$ 25,461	$ 28,582	$ 32,773	$ 105,209