

HERSHA

Q1 2019 Supplemental Schedules

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KEY PERFORMANCE INDICATORS

Consolidated Hotels

(includes 39 hotels in 2019 and 42 hotels in 2018)

(Recorded from date of acquisition)

	Three Months Ended		
	Mar-2019	Mar-2018	Variance
Rooms Available	559,620	511,974	
Rooms Occupied	440,803	394,100	
Occupancy	78.8%	77.0%	179 bps
Average Daily Rate (ADR)	\$ 207.54	\$ 200.56	3.5%
Revenue Per Available Room (RevPAR)	163.48	154.39	5.9%
Room Revenues	91,485,649	79,042,257	\$ 12,443,393
Food & Beverage	14,242,300	13,388,500	853,800
Lease Income	241,448	321,435	(79,987)
Other Revenues	8,344,859	6,593,789	1,751,070
Total Revenues	\$ 114,314,256	\$ 99,345,981	\$ 14,968,275
GOP	\$ 43,237,341	\$ 36,130,429	\$ 7,106,911
GOP Margin	37.8%	36.4%	
GOP Margin Growth	145 bps		
GOP Flow Through	47.5%		
EBITDA	\$ 29,214,967	\$ 23,529,591	\$ 5,685,376
EBITDA Margin	25.6%	23.7%	
EBITDA Margin Growth	187 bps		

Comparable Hotels (1)(2)

(includes 37 hotels in both years)

	Three Months Ended		
	Mar-2019	Mar-2018	Variance
Rooms Available	514,170	511,650	
Rooms Occupied	405,353	391,341	
Occupancy	78.8%	76.5%	235 bps
Average Daily Rate (ADR)	\$ 199.54	\$ 201.57	-1.0%
Revenue Per Available Room (RevPAR)	157.31	154.17	2.0%
Room Revenues	80,883,198	78,882,017	\$ 2,001,182
Food & Beverage	13,884,807	13,475,597	409,210
Lease Income	195,261	321,435	(126,174)
Other Revenues	6,879,687	6,683,831	195,856
Total Revenues	\$ 101,842,953	\$ 99,362,879	\$ 2,480,074
GOP	\$ 37,189,192	\$ 36,376,868	\$ 812,324
GOP Margin	36.5%	36.6%	
GOP Margin Growth	-9 bps		
GOP Flow Through	32.8%		
EBITDA	\$ 24,255,567	\$ 24,337,019	\$(81,453)
EBITDA Margin	23.8%	24.5%	
EBITDA Margin Growth	-68 bps		

(1) The following hotel is included in the comparable portfolio, and includes results as reported by the prior owner: Annapolis Waterfront Hotel, MD (Acquired 3/28/2018).

(2) The following dispositions are excluded from the comparable portfolio: Hyatt House Gaithersburg, MD (Sold 2/16/2018), Hampton Inn Financial District, NY (Sold 3/6/2018), and Residence Inn Tysons Corner, VA (Sold 10/31/2018). Note that The Cadillac Hotel & Beach Club, FL and Parrot Key Hotel & Villas, FL are not included in Comparable results due to Hurricane Irma related closures in 2018.

Comparable Portfolio Metrics

	2019 Comparable Metrics	2018 Comparable Metrics				
	Q1 2019	Q1 2018	Q2 2018	Q3 2018	Q4 2018	CY 2018
Occupancy	78.8%	76.5%	85.2%	86.0%	79.8%	82.3%
YoY Variance	2.4%					
ADR	\$199.54	\$201.57	\$245.31	\$227.55	\$233.18	\$227.60
YoY % Growth	-1.0%					
RevPAR	\$157.31	\$154.17	\$208.92	\$195.65	\$186.01	\$187.27
YoY % Growth	2.0%					
EBITDA Margin	23.8%	24.5%	37.8%	35.0%	33.7%	33.4%
YoY Variance	-0.7%					

Notes for Comparable Portfolio Adjustments

The Company presents Comparable Operating Metrics to best reflect the performance of the current portfolio versus the same portfolio of hotels for the prior year period, adjusted for acquisitions and dispositions below. Note that comparable results for full year 2018 and 2019 exclude the following hotels: The Cadillac Hotel & Beach Club, FL and Parrot Key Hotel & Villas, FL (both closed in 2018 due to Hurricane damage).

2019 & 2018 Acquisitions:

The Comparable Metrics above are adjusted to reflect the results the Company would have achieved had each acquisition in the table below closed by the beginning of each reporting period.

2019 & 2018 Dispositions:

The Comparable Metrics above are adjusted to exclude the results from the dispositions in the table below for all periods. For example, Hampton Inn Financial District results are excluded in Q1 2019, as well as full year 2018 comparable results.

	Date Acquired	Quarter Acquired/Sold
2018 Acquisitions		
Annapolis Waterfront Hotel, MD	03/28/2018	Q1
2018 Dispositions		
Hyatt House, Gaithersburg, MD	02/16/2018	Q1
Hampton Inn Financial District, NY	03/06/2018	Q1
Residence Inn, Tysons Corner, VA	10/31/2018	Q4

TOTAL PORTFOLIO SUMMARY

	Name	Rooms	Year Opened/Complete Renovation	Acquisition Date	Debt Balance as of 3/31/2019	Ownership %
Ritz-Carlton						
1.	Coconut Grove, FL	115	2018	02/01/2017	\$0	85.0%
2.	Georgetown, DC	86	2014	12/29/2015	(*)	100.0%
Westin						
3.	Philadelphia, PA	294	2015	06/29/2017	(*)	100.0%
Marriott						
4.	Mystic Marriott Hotel & Spa, CT	285	2018	01/03/2017	(*)	100.0%
Hyatt						
5.	Union Square, Manhattan, NY	178	2013	04/09/2013	\$55,750	100.0%
Independents and Collections						
6.	Annapolis Waterfront Hotel, MD	150	2015	03/28/2018	\$28,000	100.0%
7.	The Pan Pacific Hotel, Seattle, WA	153	2014	02/21/2017	(*)	100.0%
8.	The Ambrose Hotel, Santa Monica, CA	77	2015	12/01/2016	(*)	100.0%
9.	The Envoy, Boston Seaport, MA	136	2015	07/21/2016	(*)	100.0%
10.	The Sanctuary Beach Resort, Monterey Bay, CA	60	2014	01/28/2016	\$14,705 (b)	100.0%
11.	The St. Gregory, Dupont Circle, Washington, DC	155	2018	06/16/2015	\$24,568 (b)	100.0%
12.	Parrot Key Hotel & Villas, Key West, FL	148	2018	05/08/2014	(*)	100.0%
13.	The Hotel Milo, Santa Barbara, CA	122	2000	02/28/2014	\$22,611	100.0%
14.	The Blue Moon Hotel, Miami Beach, FL	75	2013	12/20/2013	(*)	100.0%
15.	The Winter Haven Hotel, Miami Beach, FL	70	2013	12/20/2013	(*)	100.0%
16.	The Boxer, Boston, MA	80	2013	05/07/2012	(*)	100.0%
17.	The Rittenhouse, Philadelphia, PA	118	2018	03/01/2012	(*)	100.0%
18.	The Cadillac Hotel & Beach Club, Miami Beach, FL	357	2018	11/16/2011	(*)	100.0%
19.	The Capitol Hill Hotel, Washington, DC	153	2014	04/15/2011	\$25,000	100.0%
20.	NU Hotel, Brooklyn, NY	93	2008	01/14/2008	(*)	100.0%
21.	Duane Street Hotel, Manhattan, NY	43	2013	01/04/2008	(*)	100.0%
22.	Gate Hotel JFK Airport, NY	150	2015	06/13/2008	(*)	100.0%
Sheraton						
23.	Wilmington South, DE	192	2011	12/21/2010	(*)	100.0%
Courtyard						
24.	Sunnyvale, CA	145	2014	10/20/2016	\$40,600	100.0%
25.	Downtown San Diego, CA	245	2013	05/30/2013	(*)	100.0%
26.	Los Angeles Westside, CA	260	2014	05/19/2011	\$35,000	100.0%
27.	South Boston, MA	164	2005	07/01/2005	\$15,000	50.0%
28.	Brookline, MA	188	2016	06/16/2005	(*)	100.0%
Hilton Garden Inn						
29.	M Street, Washington, DC	238	2014	03/09/2016	(*)	100.0%
30.	Manhattan Midtown East, Manhattan, NY	206	2014	05/27/2014	\$44,325	100.0%
31.	Tribeca, Manhattan, NY	151	2009	05/01/2009	\$45,053	100.0%
32.	JFK International Airport, NY	192	2013	02/16/2006	(*)	100.0%
Residence Inn						
33.	Coconut Grove, FL	140	2014	06/12/2013	(*)	100.0%
Hyatt House						
34.	White Plains, NY	187	2018	12/28/2006	(*)	100.0%
Hampton Inn						
35.	Manhattan/Times Square, Manhattan, NY	184	2009	04/29/2016	(a)	31.2%
36.	Chelsea, Manhattan, NY	144	2003	04/29/2016	(a)	31.2%
37.	Madison Square Garden, Manhattan, NY	136	2005	04/29/2016	(a)	31.2%
38.	Washington, DC	228	2008	09/01/2010	(*)	100.0%
39.	Seaport, Manhattan, NY	65	2006	02/01/2007	(*)	100.0%
40.	Center City/Convention Center, Philadelphia, PA	250	2018	02/15/2006	(*)	100.0%
Holiday Inn						
41.	Wall Street, Manhattan, NY	113	2009	04/29/2016	(a)	31.2%
Holiday Inn Express						
42.	Times Square South, Manhattan, NY	210	2009	04/29/2016	(a)	31.2%
43.	Wall Street, Manhattan, NY	112	2010	04/29/2016	(a)	31.2%
44.	Madison Square Garden, Manhattan, NY	228	2017	06/18/2012	(*)	100.0%
45.	Cambridge, MA	112	2012	05/03/2006	(*)	100.0%
46.	South Boston, MA	174	1998	10/07/2005	\$27,665	50.0%
TownePlace Suites						
47.	Sunnyvale, CA	94	2003	08/25/2015	(*)	100.0%
Candlewood Suites						
48.	Times Square South, Manhattan, NY	188	2009	04/29/2016	(a)	31.2%
TOTAL		7,644				

(*) Property is considered borrowing base asset for the Company's credit facility.

(a) Portfolio debt for these seven properties reflects the Cindat Hersha Joint Venture.

(b) Debt balance reflects original issue premium.

PORTFOLIO STATISTICS - Q1 2019 ACTUALS

MARKETS				
Consolidated Assets				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Miami & Key West	6	905	12%	28%
West Coast	8	1,156	15%	23%
New York City	9	1,306	17%	16%
Washington, DC	6	1,010	13%	12%
Philadelphia	3	662	9%	8%
Boston	4	516	7%	6%
Other	3	664	9%	4%
Total Consolidated Assets	39	6,219	81%	97%
Total Unconsolidated JV Assets	9	1,425	19%	3%
TOTAL	48	7,644	100%	100%

OWNERSHIP				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Consolidated Assets	39	6,219	81%	97%
Unconsolidated JV Assets	9	1,425	19%	3%
TOTAL	48	7,644	100%	100%

BRANDED VS INDEPENDENT & COLLECTIONS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Branded	31	5,504	72%	62%
Independent & Collections	17	2,140	28%	38%
TOTAL	48	7,644	100%	100%

MANAGERS				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
HHM Managed	44	7,105	93%	98%
Marriott Managed	2	201	3%	2%
Jiten Managed	2	338	4%	0%
TOTAL	48	7,644	100%	100%

HOTELS BY CHAINSCALE				
	<u>Hotels</u>	<u>Rooms</u>	<u>% of Total Rooms</u>	<u>% of Total EBITDA⁽¹⁾</u>
Luxury / Lifestyle	23	3,290	43%	50%
Upscale	11	2,116	28%	35%
Upper Midscale	14	2,238	29%	15%
TOTAL	48	7,644	100%	100%

(1) Reflects the Company's pro rata share of EBITDA based upon ownership interest.

MORTGAGES, NOTES PAYABLE AND UNSECURED DEBT

	3/31/2019 Fixed Rate Balance	Capped or Fixed Rate	3/31/2019 Floating Rate Balance	Floating Rate	Maturity
Consolidated Properties					
Hilton Garden Inn, Manhattan Midtown East, NY	\$44,325,000	4.50%			02/2020
Courtyard by Marriott, Los Angeles Westside, CA	\$35,000,000	4.43%			08/2021
The St. Gregory, Dupont Circle, Washington, DC <i>Original Issue Premium: The St. Gregory, Dupont Circle, Washington, DC</i>	\$23,416,723	6.30%			09/2021
	\$1,151,683	na			na
The Hotel Milo, Santa Barbara, CA	\$22,611,290	4.40%			04/2023
The Sanctuary Beach Resort, Monterey Bay, CA <i>Original Issue Premium: The Sanctuary Resort, Monterey Bay, CA</i>	\$14,674,534	5.05%			02/2024
	\$30,212	na			na
Courtyard by Marriott, Sunnyvale, CA	\$40,600,000	4.72%			09/2025
Hyatt Union Square, Manhattan, NY ⁽¹⁾			\$55,750,000	LIBOR + 2.30%	06/2019
Hilton Garden Inn, Tribeca, Manhattan, NY			\$45,053,013	LIBOR + 2.30%	11/2019
The Capitol Hill Hotel, Washington, DC			\$25,000,000	LIBOR + 2.00%	01/2021
Annapolis Waterfront Hotel, MD ⁽²⁾			\$28,000,000	LIBOR + 2.65%	04/2024
Sub-Total	\$181,809,441		\$153,803,013		
Total Consolidated Mortgage Debt	\$335,612,455				
<i>Mortgages Payable Deferred Financing Costs</i>	(\$1,814,100)				
Total Consolidated Mortgages and Notes Payable, Net of Deferred Financing Costs	\$333,798,355				
Unsecured Debt					
2020 Term Loan (\$300M) ⁽³⁾	\$300,000,000	4.12%			08/2020
2021 Term Loan (\$150M)	\$150,000,000	3.21%			08/2021
2021 Term Loan (\$43.9M)	\$43,900,000	3.89%			08/2021
2022 Term Loan (\$207M) ⁽⁴⁾	\$207,000,000	4.85%			08/2022
Line of Credit			\$37,000,000	LIBOR + 2.25%	08/2021
Trust Preferred Tranche I			\$25,774,000	LIBOR + 3.00%	06/2035
Trust Preferred Tranche II			\$25,774,000	LIBOR + 3.00%	05/2035
Sub-Total	\$700,900,000		\$88,548,000		
Total Unsecured Debt	\$789,448,000				
<i>Term Loan Deferred Financing Costs</i>	(\$2,532,345)				
<i>Notes Payable Deferred Financing Costs</i>	(\$851,247)				
Total Unsecured Debt, Net of Deferred Financing Costs	\$786,064,408				
TOTAL CONSOLIDATED DEBT	\$1,119,862,763				

UNCONSOLIDATED JOINT VENTURES

	3/31/2019 Fixed Rate Balance	Capped or Fixed Rate	3/31/2019 Floating Rate Balance	Floating Rate	Maturity
Unconsolidated Joint Ventures					
Courtyard by Marriott, South Boston, MA	\$15,000,000	3.14%			04/2021
Holiday Inn Express, South Boston, MA	\$27,665,057	4.13%			02/2032
Cindat Hersha - Senior Loan			\$300,000,000	LIBOR + 2.72%	02/2021
Cindat Hersha - Mezzanine Loan			\$85,000,000	LIBOR + 7.75%	02/2021
Sub-Total	\$42,665,057		\$385,000,000		
Total Unconsolidated Joint Venture Debt	\$427,665,057				

(1) Interest rate has a LIBOR cap at 3.00% until 6/9/2019.

(2) Interest rate has a LIBOR cap at 3.35% until 5/1/2021.

(3) The 2020 Term Loan (\$300M) was swapped with an effective date of Aug 10, 2017. It was swapped for a tiered fixed rate until maturity: 3.693% from Aug 10, 2017 to Aug 10, 2018, 4.1155% from Aug 10, 2018 until Aug 10, 2019, and 4.3925% from Aug 10, 2019 until maturity Aug 10, 2020.

(4) The 2022 Term Loan (\$207M) was swapped at an effective total interest rate of 4.8535% effective Jan 10, 2019 until Jan 10, 2021.

ENTERPRISE VALUE

March 31, 2019

(\$ Thousands)

	<u>March 31, 2019</u>
Cash	\$33,526
Unsecured Term Loans*	700,900
Revolving Line of Credit	37,000
Mortgages and Notes Payable - Consolidated Assets*	334,431
Mortgages Payable - HT Portion of Unconsolidated JV Assets*	141,453
Trust Preferred Securities*	51,548
Total Debt	1,265,332
Series C Preferred Shares	75,000
Series D Preferred Shares	192,543
Series E Preferred Shares	100,038
Operating Partnership and LTIP Units (4,279,946 @ \$17.14)**	73,358
Class A Common Shares (39,213,269 @ \$17.14)**	672,115
Total Equity	1,113,055
ENTERPRISE VALUE	\$2,344,860

* Excludes unamortized deferring financing costs and unamortized premiums.

** Stock price and share counts as of March 31, 2019.

UNCONSOLIDATED JOINT VENTURE EBITDA

(in thousands)

	Holiday Inn Express South Boston	Courtyard South Boston	Cindat Hersha JV	TOTAL
Hersha Ownership	50.0%	50.0%	31.2%*	
Hersha Participating Preferred %	N/A	N/A	N/A*	
THREE MONTHS ENDED MARCH 31, 2019				
Joint Venture Net Income (Loss)	\$ (611)	\$ (350)	\$ (7,383)	\$ (8,344)
Hotel Cash Available for Distribution				
Hotel EBITDA	\$ 202	\$ 4	\$ 2,257	\$ 2,463
Debt Service	(465)	(129)	(6,108)	(6,702)
CapEx Reserve & Other	(41)	(51)	(557)	(649)
Cash Available for Distribution	<u>\$ (304)</u>	<u>\$ (176)</u>	<u>\$ (4,408)</u>	<u>\$ (4,888)</u>
EBITDA				
Hersha Net Income from Unconsolidated JV	\$ 358	\$ (177)	\$ -	\$ 181
Addback:				
Unrecognized pro rata interest in loss	(666)	-	(2,307)	(2,972)
Step up and outside basis amortization	19	2	3	24
Adjustment for interest in interest expense, depreciation and amortization of unconsolidated joint venture	407	177	3,008	3,591
Hersha EBITDA from Unconsolidated JV	<u>\$ 118</u>	<u>\$ 2</u>	<u>\$ 704</u>	<u>\$ 824</u>

* Our joint venture partner maintains a \$142,000 senior common equity interest in the Cindat Hersha JV.

HOTEL EBITDA RECONCILIATION

(in thousands)

	Three Months Ended	
	Mar-2019	Mar-2018
Operating income	\$ (553)	\$ (2,993)
Other revenue	(150)	(124)
Depreciation and amortization	24,128	21,539
General and administrative	3,642	3,485
Share based compensation	1,958	1,606
Straight-line amortization of ground lease expense	163	230
Other	27	(213)
Hotel EBITDA	\$ 29,215	\$ 23,530

* Hotel EBITDA reflects consolidated hotels recorded from date of acquisition.