

Summit Hotel Properties

Investor Presentation



December 2018

We make forward-looking statements in this presentation that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans, and objectives. When we use the words “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may,” or similar expressions, we intend to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking by their nature:

- our ability to increase our dividend per share of common stock;
- the state of the U.S. economy generally or in specific geographic regions in which we operate, and the effect of general economic conditions on the lodging industry and our business in particular;
- market trends in our industry, interest rates, real estate values and the capital markets;
- our business and investment strategy and, particularly, our ability to identify and complete hotel acquisitions and dispositions;
- our projected operating results;
- actions and initiatives of the U.S. government and changes to U.S. government policies and the execution and impact of such actions, initiatives and policies;
- our ability to manage our relationships with our management companies and franchisors;
- our ability to maintain our existing and future financing arrangements;
- changes in the value of our properties;
- the impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters;
- our ability to satisfy the requirements for qualification as a REIT under the U.S. Tax Code;
- our ability to repay or refinance our indebtedness as it matures or becomes callable by lenders;
- the availability of qualified personnel;
- our ability to make distributions to our stockholders in the future;
- the general volatility of the market price of our securities; and
- the degree and nature of our competition.

Forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. These factors are discussed under “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017, and in other documents we have filed with the Securities and Exchange Commission. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement is effective only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law we are not obligated to, and do not intend to, publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additionally, this presentation contains certain unaudited historical and pro forma information and metrics which are based or calculated from historical data that is maintained or produced by the Company or third parties. This presentation contain statistics and other data that may have been obtained from, or compiled from, information made available by third-parties.



Focused and efficient operating model

Best-in-class operators and a unique revenue management platform

Targeted capital allocation through external growth and capital recycling

Conservative and prudently crafted balance sheet

Broad geographic diversification

Company Overview



Leading publicly-traded REIT focused on owning premium-branded hotels with efficient operating models

Corporate Overview

Headquarters	Austin, Texas
Ticker Symbol	NYSE: INN

Portfolio Overview ⁽¹⁾

Hotels	77 hotels
Guestrooms	11,659 keys
States	26 states
Markets	36 MSAs
Avg. Effective Age ⁽²⁾	3.3 years

Financial Overview

RevPAR ^(1,3)	\$122
Hotel EBITDA per Key ^(1,3)	\$17,700
Adjusted FFO per Share ⁽⁴⁾	\$1.34
Total Enterprise Value ⁽⁵⁾	\$2.4 B
Market Capitalization ⁽⁵⁾	\$1.2 B
Total Debt / TEV ⁽⁵⁾	41.3 %
Total Debt + Pref. / TEV ⁽⁵⁾	51.3 %
Dividend Yield ⁽⁵⁾	6.3 %

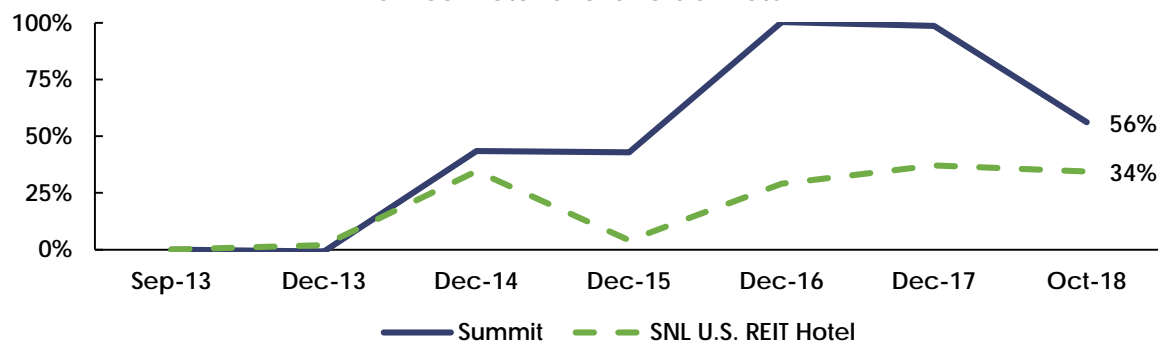
Premium Franchisors ^(1,6)

Marriott International	54.4 %
Hilton Worldwide	22.2 %
Hyatt Hotel Corp.	17.5 %
IHG	5.6 %
Other	0.3 %

Top Markets ^(1,6)

Atlanta, GA	7.2 %
New Orleans, LA	7.0 %
San Francisco, CA	6.2 %
Miami, FL	5.4 %
Minneapolis, MN	5.3 %
Boston, MA	5.0 %
Phoenix, AZ	4.3 %
Nashville, TN	4.1 %
Chicago, IL	4.0 %
Dallas-Fort Worth, TX	3.9 %

5-Year Total Shareholder Return ⁽⁵⁾



(1) Based on hotels and guestrooms owned as of October 31, 2018.

(2) Based on the most recent renovation date weighted by guestroom count as of September 30, 2018.

(3) Based on pro forma financial data for the trailing twelve months ended September 30, 2018.

(4) Based on reported financial data for the year ended December 31, 2017.

(5) Based on financial data and Summit's diluted share count as of September 30, 2018, and Summit's closing share price as of October 31, 2018.

(6) Based on pro forma hotel EBITDA for the trailing twelve months ended September 30, 2018.

Experienced Leadership Driving Success



Daniel P. Hansen

*Chairman, President &
Chief Executive Officer*

Mr. Hansen's service as Chairman, President and Chief Executive Officer provides a critical link between management and the Board, enabling the Board to perform its oversight function with the benefits of management's perspectives on the business.

Mr. Hansen joined The Summit Group in October 2003 and previously served in multiple senior positions within the company, including Chief Financial Officer, Executive Vice President, and Vice President of Investor Relations. Prior to joining The Summit Group, Mr. Hansen spent 11 years with Merrill Lynch in various leadership positions culminating as a Vice President and Regional Sales Manager in the Texas Mid-South Region, which included Texas, Louisiana, Arkansas and Oklahoma. Mr. Hansen serves on the Board of the American Hotel & Lodging Association and on advisory councils of multiple hotel brands.

Mr. Hansen graduated from South Dakota State University with a B.A. in Economics.



Jonathan P. Stanner

*Executive Vice President,
Chief Financial Officer &
Treasurer*

Mr. Stanner joined Summit Hotel Properties in April 2017 and previously served as the company's Executive Vice President and Chief Investment Officer. Prior to joining Summit, Mr. Stanner was Chief Executive Officer at Strategic Hotels & Resorts, a former NYSE-listed company acquired by an affiliate of The Blackstone Group in 2015. During his tenure at Strategic Hotels & Resorts from 2005 to 2015, Mr. Stanner also held various other senior positions with the company, including Chief Financial Officer, Senior Vice President - Capital Markets, Acquisitions, and Treasurer and Director of Corporate Finance. Prior to his time at Strategic Hotels, Mr. Stanner was an investment banking analyst for Banc of America Securities.

Mr. Stanner holds both a B.S. in Management and an MBA from the Krannert School of Management at Purdue University.



Craig J. Aniszewski

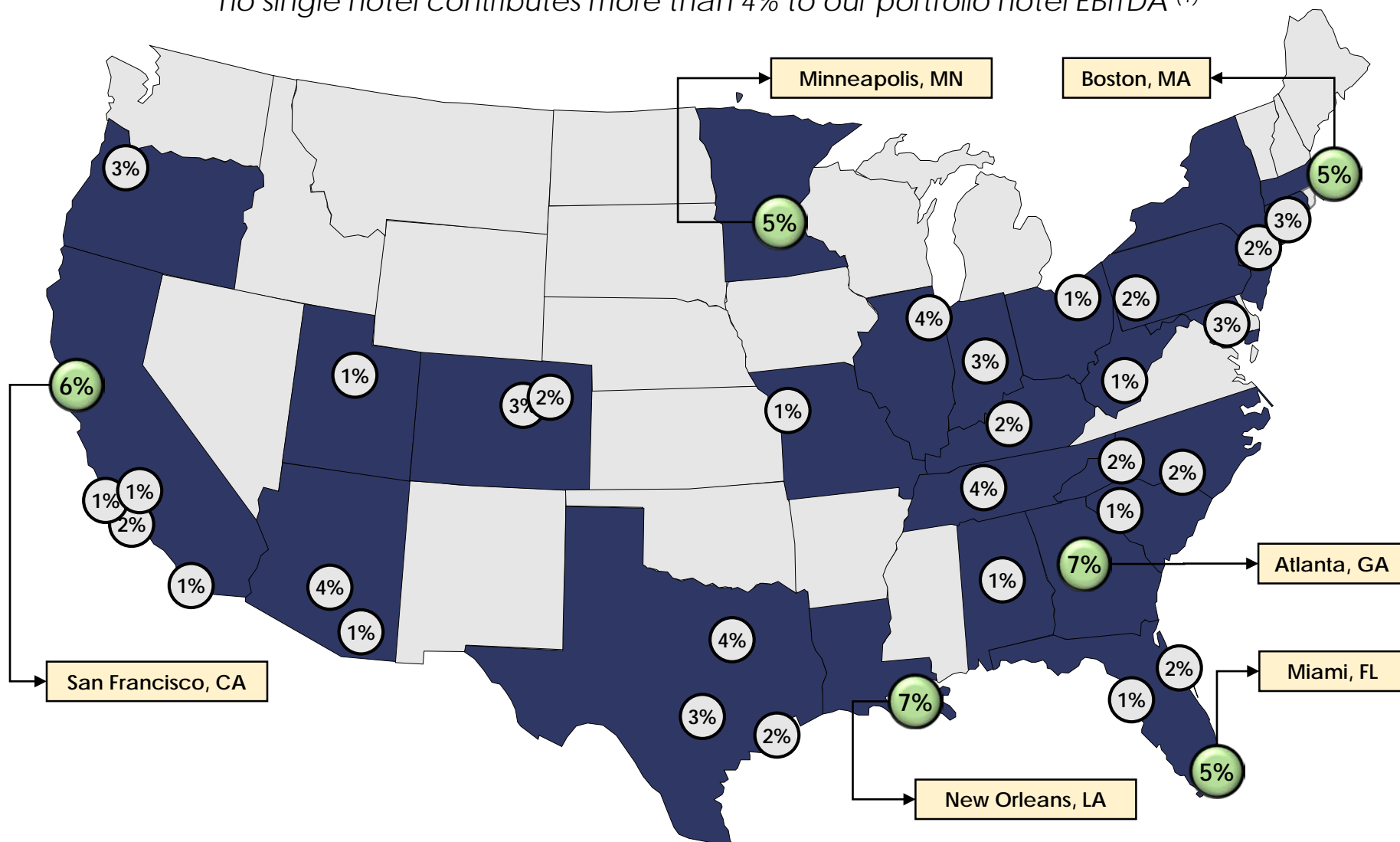
*Executive Vice President
& Chief Operating Officer*

Mr. Aniszewski joined The Summit Group in January 1997 as Vice President of Operations and Development following 13 years with Marriott International, Inc., where he held sales and operations positions in full-service, convention, and resort hotels. During his career with Marriott, he also worked in the select-service sector, holding various positions including Director of Sales and General Manager for Residence Inn and Courtyard branded hotels located in Florida, New York, Connecticut, Pennsylvania, Maryland, and North Carolina. Mr. Aniszewski currently serves on the Owner's Advisory Board for Hilton Garden Inn and previously served on Intercontinental Hotel Group's IH4 Room Owner's Advisory Board from 2016-2017 and on the Franchise Advisory Committee for Fairfield Inn by Marriott.

Mr. Aniszewski graduated from the University of Dayton with a B.S. in Criminal Justice with minors in Business and Psychology.

Diversified Portfolio

No single market contributes more than 8% to our portfolio hotel EBITDA, and no single hotel contributes more than 4% to our portfolio hotel EBITDA ⁽¹⁾



⁽¹⁾ Based on trailing twelve-month hotel EBITDA as of September 30, 2018, for the 77 hotels owned as of October 31, 2018.

We Believe in the Value of Loyalty

Brand loyalty and distribution drive guest behavior



Brands Guests Trust

JD Power & Associates Upscale Segment
Guest Satisfaction Rankings ⁽¹⁾

<u>Brands</u>	<u>Ranking</u>	<u>Hotel Count</u>
	#1	7
	#2	14
COURTYARD <small>BY MARRIOTT</small>	#3	15
SPRINGHILL SUITES <small>MARRIOTT</small>	#4	6
 DOUBLETREE <small>BY HILTON</small>	#5	1

59% of our portfolio is concentrated in brands that rank in the top tier for guest satisfaction ⁽²⁾

(1) Based on JD Power & Associates 2018 North America Hotel Guest Satisfaction Survey.

(2) Based on total number of guestrooms as of October 31, 2018.

Evolving Guest Preference

*Guest preferences continue to shift toward newer, cleaner,
and more functional hotels that offer authentic experiences*

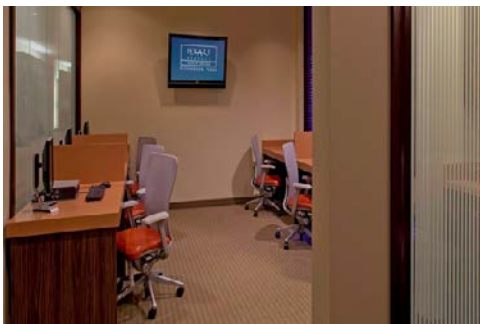
Full-Service Product



*From dark and stuffy
to modern functionality*

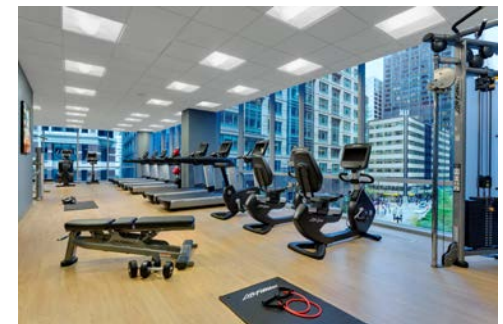


*From full-service restaurant
to a high-quality efficient
menu & bar*



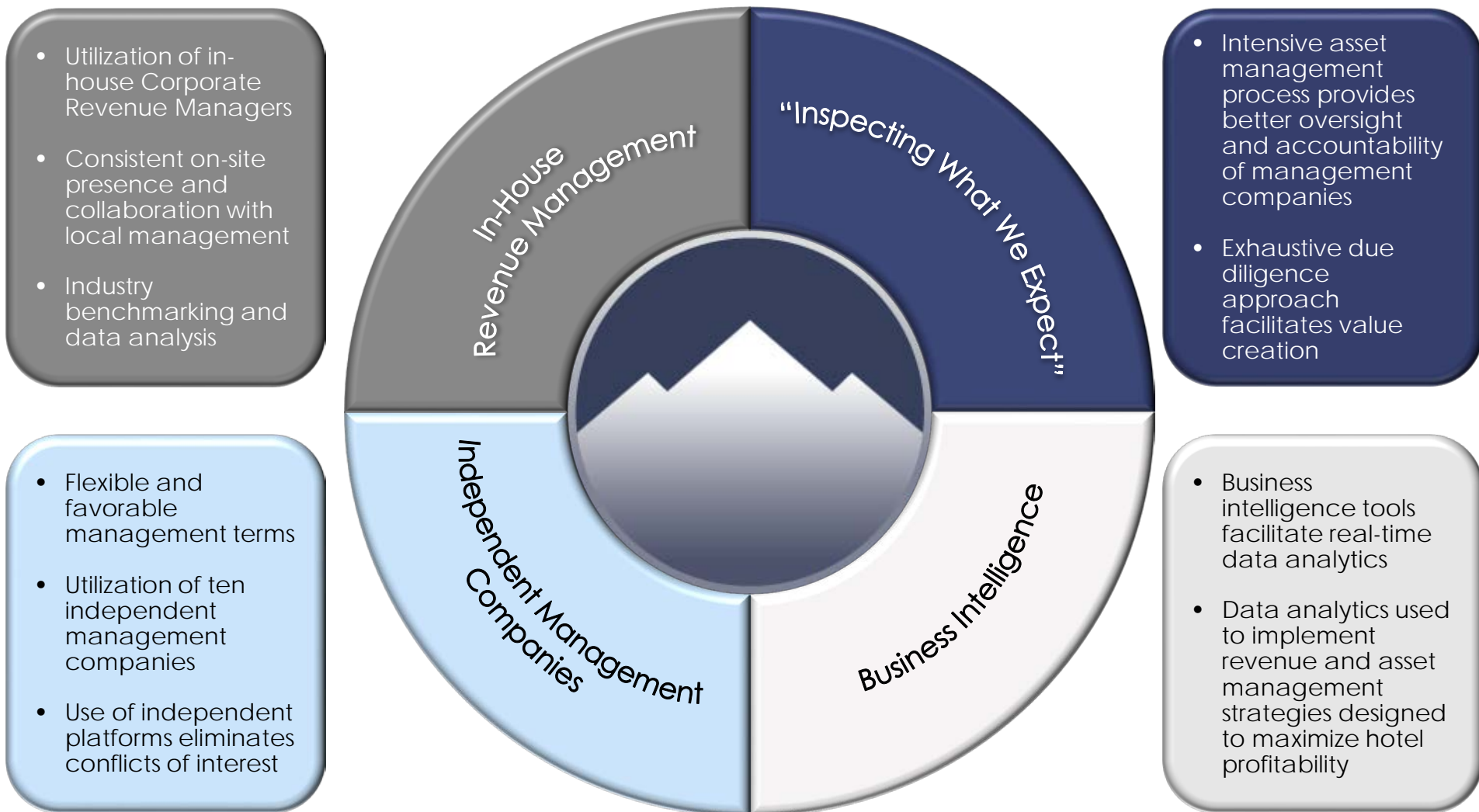
*From underutilized, costly
amenities
to modern, guest-focused
offerings*

Hyatt Place Chicago Downtown-The Loop



Creating Value Through “Summitization”

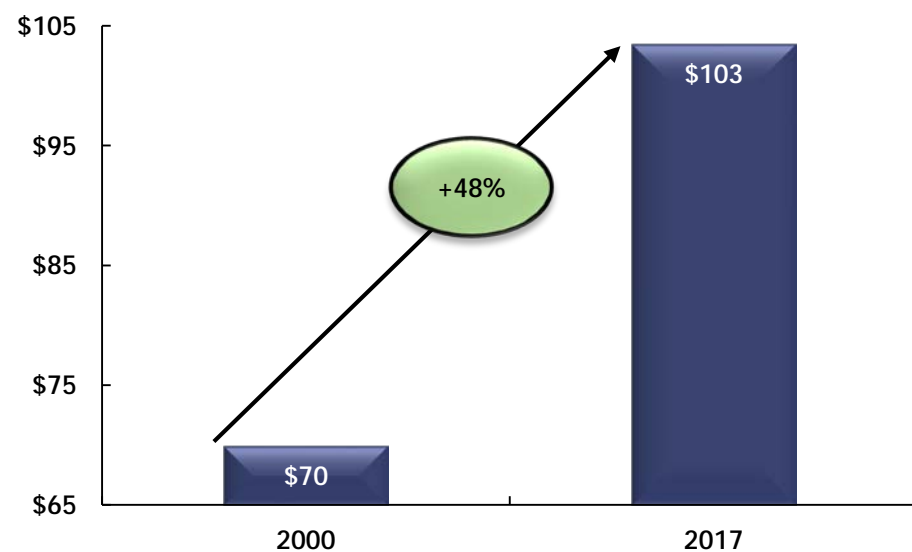
Revenue and asset management expertise driven by over seven decades of combined experience at Summit and an average of over 20 years in the industry



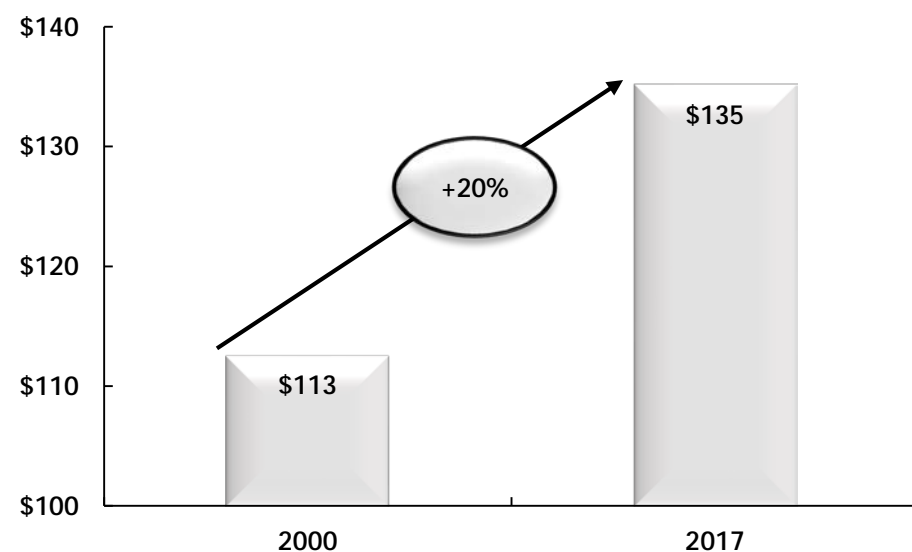
Upscale Outperformance

An enhanced guest experience results in outperformance of the Upscale segment and a continuing shift in guest preference to Upscale hotels

STR Upscale RevPAR ⁽¹⁾



STR Upper-Upscale RevPAR ⁽¹⁾

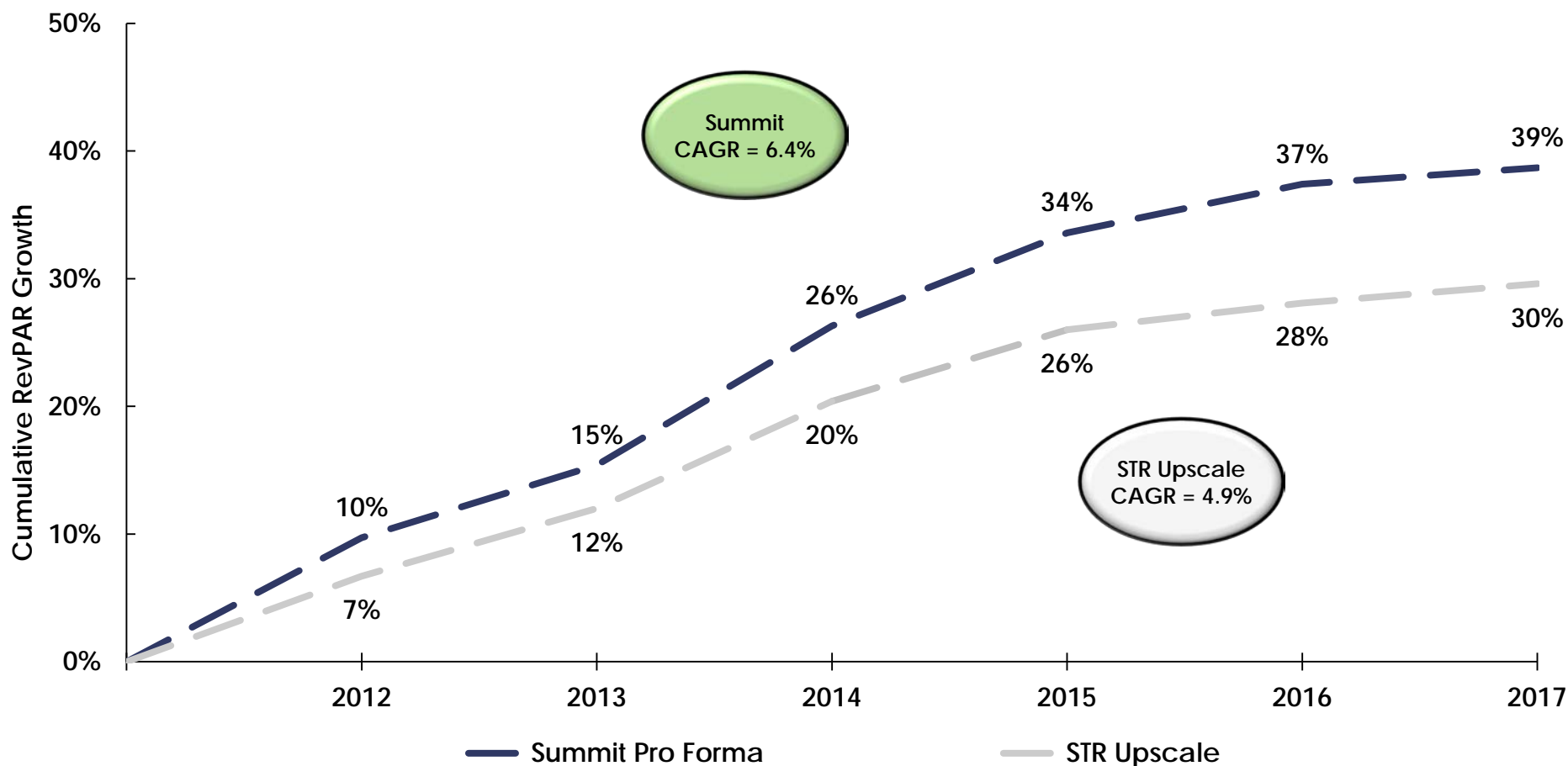


(1) Based on Smith Travel Research Quarterly & Monthly Hotel Review for the applicable years.

Track Record of Outperformance

Pro forma portfolio cumulative RevPAR growth outperformance of the STR Upscale chain scale benchmark reflects a 149 basis point CAGR spread over the past six years

Cumulative RevPAR Growth: Summit Pro Forma Portfolio vs. STR Upscale ⁽¹⁾

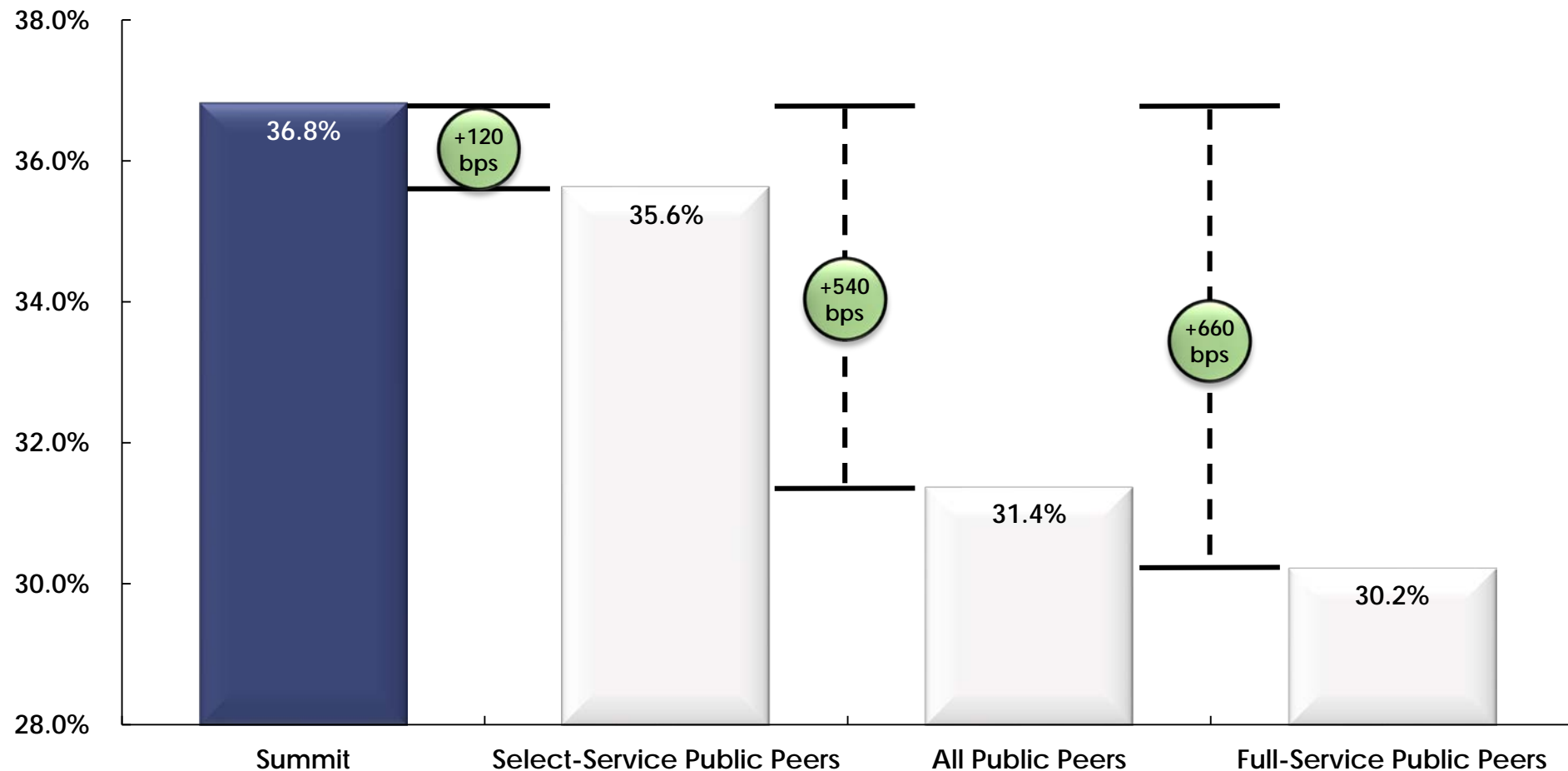


(1) Based on Smith Travel Research Lodging Review and as reported RevPAR growth for the applicable years.

Top Tier Hotel EBITDA Margin

*High-quality hotels with efficient operating models
and lower cost structures continue to drive superior margins*

FYE 2017 Hotel EBITDA Margin ⁽¹⁾



(1) Based on averages using data reported as of December 31, 2017, from the Form 10-K of each of the Company's publicly traded peers. "Hotel EBITDA" is defined as total hotel revenues less total hotel expenses, which includes real estate taxes, insurance, and other expenses as applicable.

Managing Through Supply Growth

Hampton Inn & Suites – Austin, TX

- Acquired the hotel in September 2014
- Austin CBD supply has increased ~6.0% annually since the hotel was acquired

Growth Accomplishments:

- Invested over \$4.4 million in guestroom and public space enhancements
- Restructured management agreement resulting in \$0.2 million of annual savings and 125 basis points of EBITDA margin expansion
- Implemented revenue and asset management strategies that increased RevPAR index to 138 and drove overall EBITDA margin expansion of 249 basis points
- The hotel currently generates an EBITDA yield on cost of 9.9%



	Sep 2014 ⁽¹⁾	Sep 2018 ⁽²⁾	CAGR
Our RevPAR	\$150	\$160	1.7 %
Comp Set RevPAR	\$131	\$116	-2.9 %
Market RevPAR ⁽³⁾	\$157	\$167	1.5 %
Total Revenue	\$12.4 million	\$13.2 million	1.6 %
Hotel EBITDA	\$ 5.1 million	\$ 5.7 million	3.1 %
Hotel EBITDA Margin	41.0 %	43.5 %	
EBITDA Yield on Cost	9.5 %	9.9 %	
Guestroom Supply	31,204 keys	39,399 keys	6.0 %

(1) Represents hotel performance for the trailing twelve months ended September 30, 2014.

(2) Represents hotel performance for the trailing twelve months ended September 30, 2018.

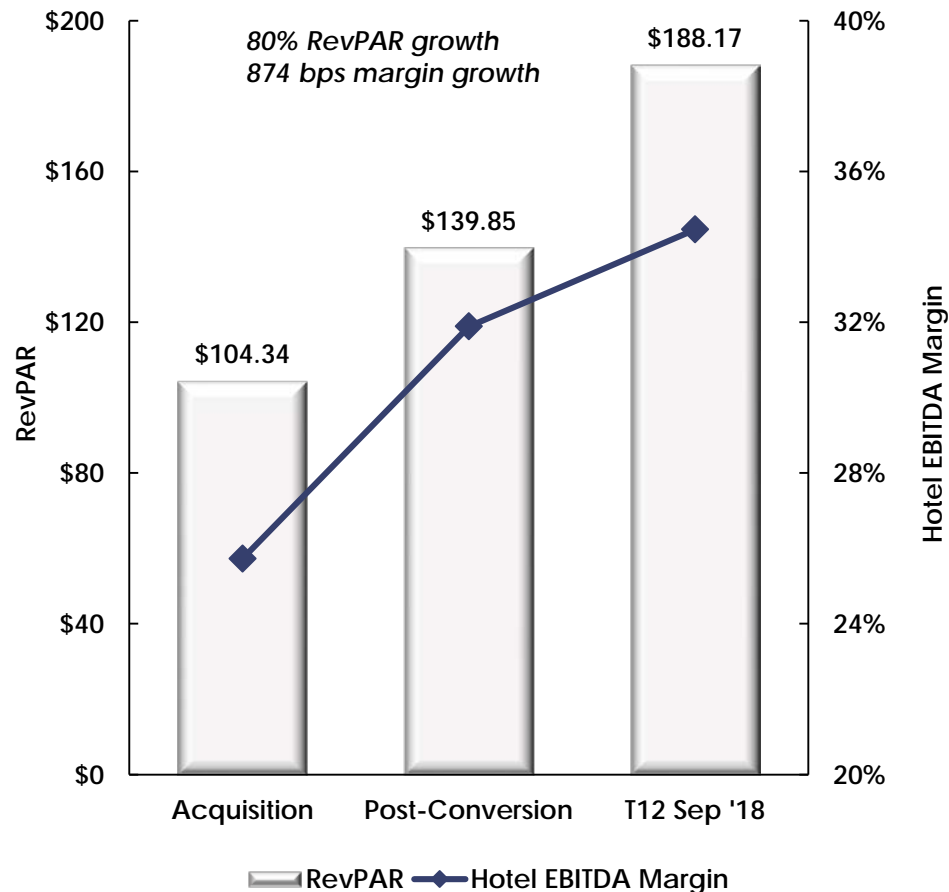
(3) Represents the Smith Travel Research CBD hotel submarket for Austin, TX for the trailing twelve months ended September 2014 and 2018, respectively.

*Unique opportunity to create significant value
by converting to a stronger and more valuable brand*

DoubleTree by Hilton San Francisco Airport North



	Acquisition ⁽¹⁾	Post-Conversion ⁽²⁾	T12 Sep '18
Implied Value	\$39.1 million	\$43.6 million	\$64.7 million ⁽⁴⁾
Value Per Key	\$186,000	\$207,400	\$308,100
Cap Rate	5.6 %	6.7 % ⁽³⁾	8.0 %
RevPAR	\$104	\$140	\$188
EBITDA Margin	25.7 %	31.9 %	34.5 %



(1) Represents hotel performance for the trailing twelve months ended December 31, 2013.

(2) Represents hotel performance for the trailing twelve months ended December 31, 2014.

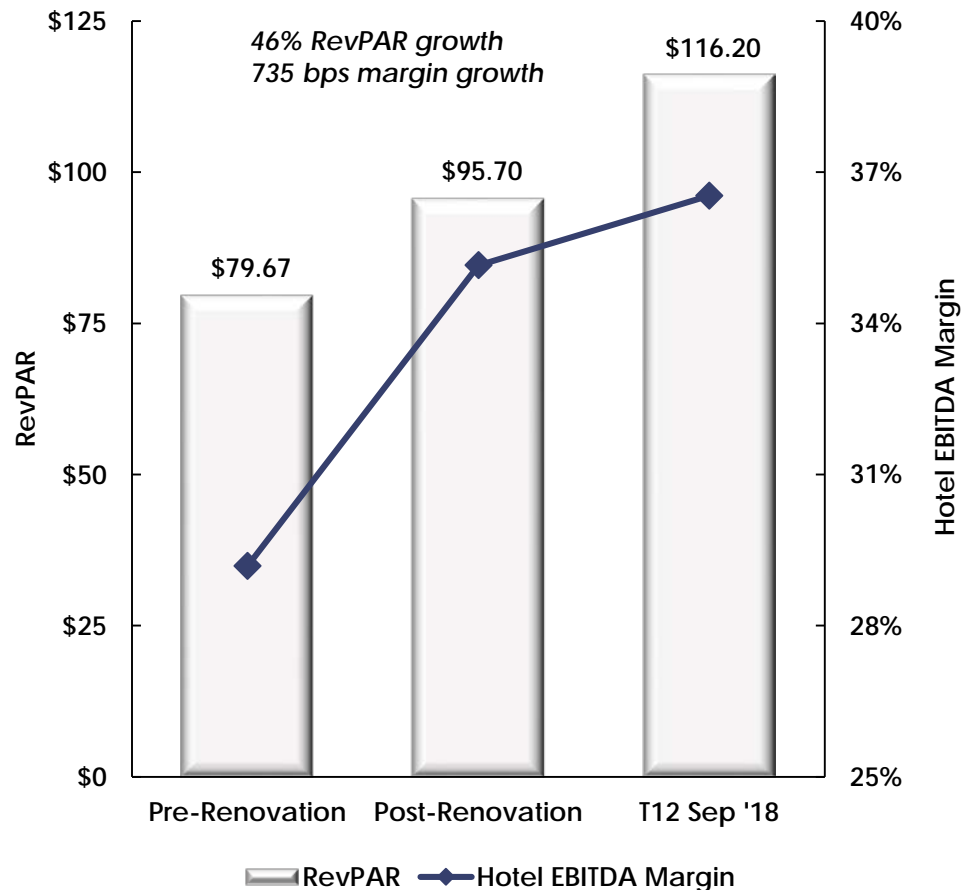
(3) Represents a post-renovation capitalization rate for the trailing twelve months ended December 31, 2014.

(4) Represents hotel performance for the trailing twelve months ended September 30, 2018, capitalized at an 8.0% capitalization rate.

Strategic Renovation

Reconfigured public spaces and guestrooms to drive a RevPAR increase of 46% compared to the Orlando MSA RevPAR increase of 38%

Upside from Renovation – Hyatt Place Orlando, FL (Universal Studios & Convention Center)



	Pre-Renovation ⁽¹⁾	Post-Renovation ⁽²⁾	T12 Sep '18
Implied Value	\$24.1 million	\$27.6 million	\$53.7 million ⁽⁴⁾
Value Per Key	\$80,300	\$91,900	\$179,000
Cap Rate	9.6 %	12.4 % ⁽³⁾	8.0 %
RevPAR	\$80	\$96	\$116
EBITDA Margin	29.2 %	35.2 %	36.5 %

(1) Represents hotel performance for the trailing twelve months ended December 31, 2013.

(2) Represents hotel performance for the trailing twelve months ended December 31, 2014.

(3) Represents a post-renovation capitalization rate for the trailing twelve months ended December 31, 2014.

(4) Represents hotel performance for the trailing twelve months ended September 30, 2018, capitalized at an 8.0% capitalization rate.

Capturing Value

Converted six two-bedroom suites and a fitness center into 13 guestrooms and repurposed a vacant outbuilding into a new fitness center

Guestroom Conversion – Hyatt House Miami, FL

Before – 1 Two-Bedroom Suite



After – 1 Studio and 1 Standard Room



Implied Value Creation

Miami Hyatt House Hotel EBITDA per Key ⁽¹⁾ \$19,700

Implied INN 2018E EBITDA Multiple ⁽²⁾ 12.1x

Implied Value per Key \$238,400

Guestrooms Added 7 keys

Implied Value Creation \$1,668,800

Return on Investment

Miami Hyatt House Hotel EBITDA per Key ⁽¹⁾ \$19,700

Renovation Cost per Key \$99,600

Implied Cash-on-Cash Return 19.8 %

(1) Represents 2018E forecasted hotel performance as of September 30, 2018.

(2) Based on 2018E SNL Mean EBITDA Estimate as of September 30, 2018, and the Company's total enterprise value as of October 31, 2018.

Acquisitions

- Locations in ***“Markets That Matter”*** with favorable supply/demand dynamics and multiple demand generators
- Efficient operating models
- Value-add opportunities (i.e. property renovations, brand conversions, management changes)

Dispositions

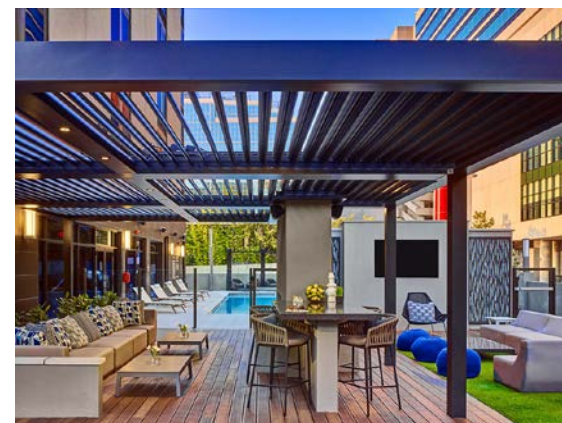
- Identify markets with unfavorable supply/demand dynamics
- Identify hotels with functional obsolescence or large capital needs that do not meet return thresholds
- Opportunistic in response to unsolicited offers

Conservative Balance Sheet

- Target leverage of 3.5x to 4.5x Net Debt to EBITDA
- Maintain and grow sustainable dividends
- Maintain liquidity and flexibility for acquisitive growth
- Well-balanced maturity ladder spread across multiple years to limit near-term liquidity risk

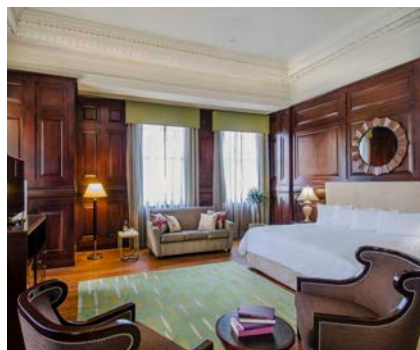
Opportunistic Development and Mezzanine Lending Activity

- Higher risk-adjusted returns
- Alternative pipeline for growth



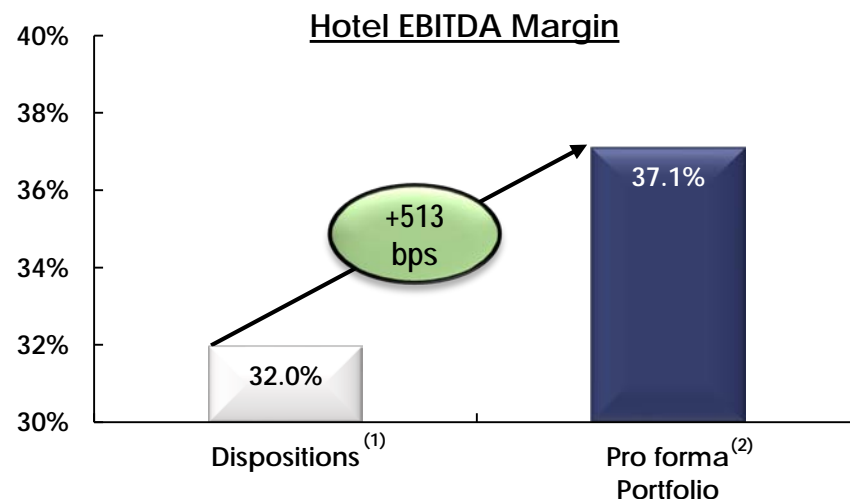
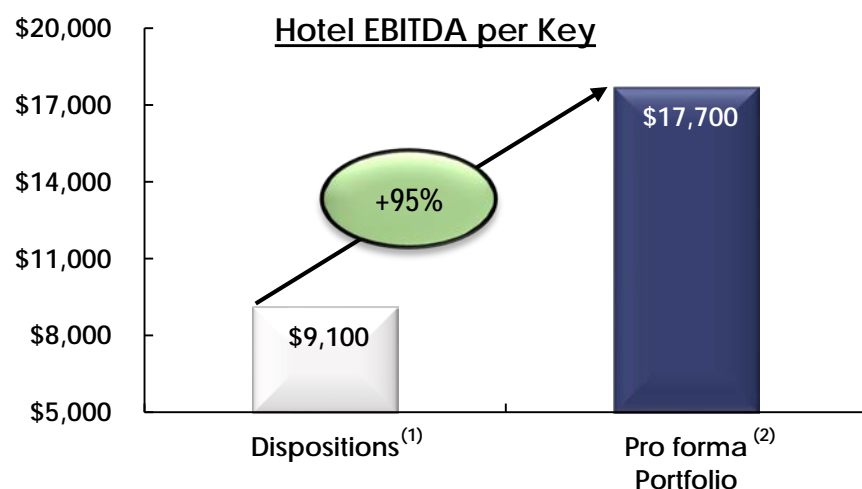
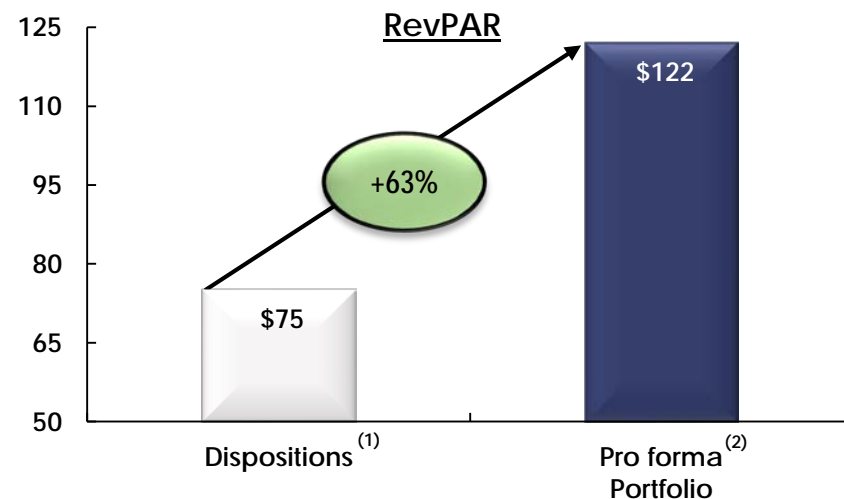
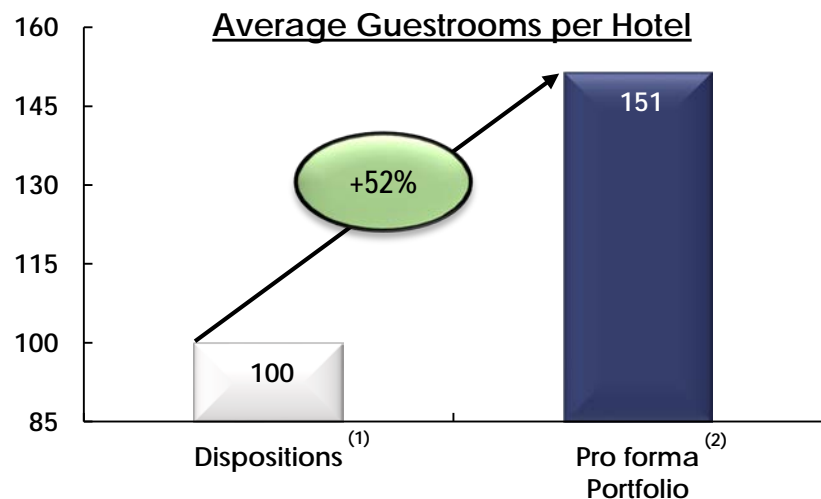
Sold 56 of the 65 pre-IPO hotels and averaged ~1.5 hotel transactions per month resulting in a \$0.9 billion increase in our market capitalization over the past seven years

	FYE 2011	FYE 2013	FYE 2015	FYE 2017
Hotels - Guestrooms	70 – 7,095	88 – 10,908	87 – 11,420	83 – 12,242
Acquisitions	\$50.1 million	\$475.6 million	\$237.8 million	\$586.0 million
Dispositions	N/A	\$50.3 million	\$150.1 million	\$120.2 million
Common Equity	\$240.8 million	\$300.1 million	N/A	\$163.8 million
Preferred Equity	\$47.9 million	\$81.7 million	N/A	\$79.9 million
	FYE 2012	FYE 2014	FYE 2016	YTD 2018
Hotels - Guestrooms	84 – 9,019	90 – 11,463	81 – 10,957	77 – 11,659
Acquisitions	\$265.4 million	\$214.7 million	\$244.2 million	103.7 million
Dispositions	\$26.1 million	\$19.8 million	147.3 million	106.8 million
Common Equity	\$106.4 million	N/A	\$89.1 million	N/A
Preferred Equity	\$72.5 million	N/A	\$22.3 million	(\$85.3) million



Continuous Portfolio Transformation

Continuously upgrading portfolio quality through the acquisition of hotels with strong growth profiles while disposing of less-strategic hotels



(1) Based on the trailing twelve months prior to the sale of each of the 64 hotels sold since the Company's IPO in 2011.

(2) Based on pro forma financial data for the trailing twelve months ended September 30, 2018, for the hotels owned as of October 31, 2018.

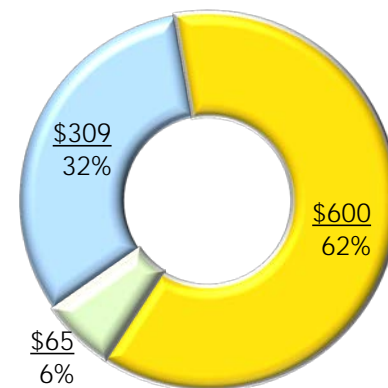
Conservative Capital Structure

Summit's Credit Statistics and Debt Overview

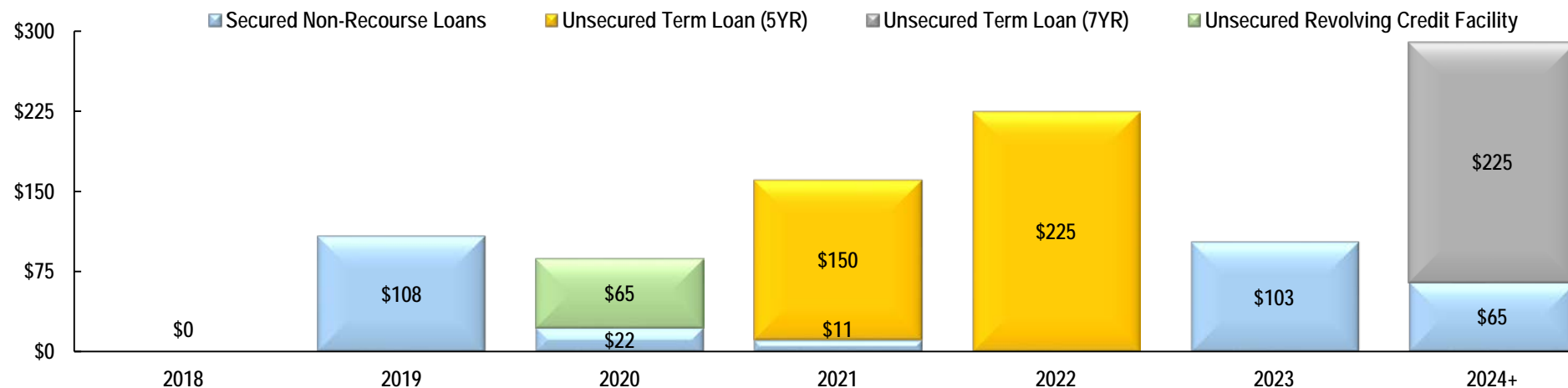
Total Debt ⁽¹⁾	\$974.0 million
Total Debt / Total Enterprise Value ⁽²⁾	41.3 %
Net Debt / 2018E EBITDA ⁽³⁾	4.7x
Weighted Average Term to Maturity ⁽⁴⁾	4.1 years
Weighted Average interest Rate ⁽⁴⁾	4.31 %
EBITDA Interest Coverage Ratio ⁽⁵⁾	4.6x
2018E Dividend Payout Ratio ⁽⁶⁾	55 %

Breakdown of Total Debt ^(1,4)

- Secured Non-Recourse Loans
- Unsecured Term Loans
- Unsecured Revolving Credit Facility



Summit's Debt Maturity Schedule ⁽¹⁾



(1) Debt balances as of September 30, 2018, and are in millions.

(2) Based on financial data and Summit's diluted share count as of September 30, 2018, and Summit's closing price as of October 31, 2018.

(3) Calculated using 2018E consensus EBITDA as of October 31, 2018.

(4) Based on Company data as of September 30, 2018.

(5) Calculated by dividing 2018E consensus EBITDA by total debt then multiplied by the weighted average interest rate.

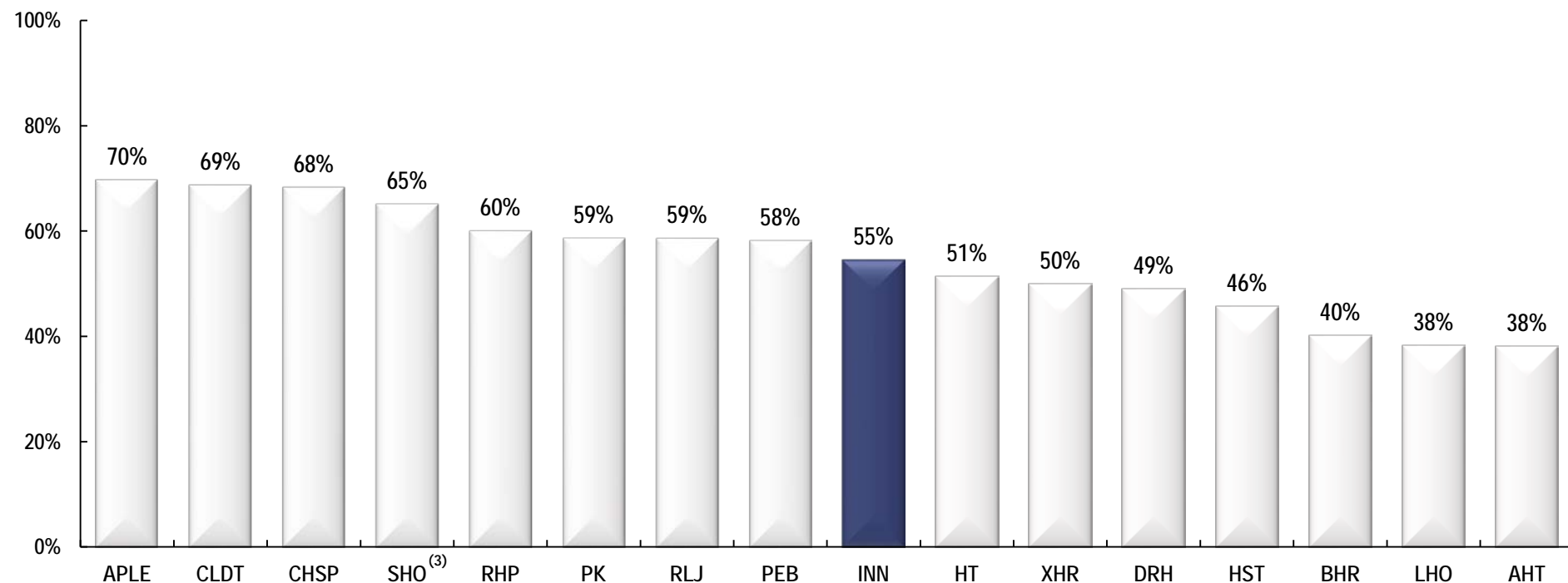
(6) Based on 2018E S&P CapIQ Mean FFO per share estimated and assumes an annualized common dividend of \$0.72 per share.

Well-Covered Dividend

Strong free cash flow has allowed for consistent dividend increases while maintaining a conservative payout ratio

- **12.0 %** dividend CAGR since 2014 ⁽¹⁾
- Nearly **\$325 million** of capital returned to common shareholders since 2011

Dividend Payout Ratio ⁽²⁾

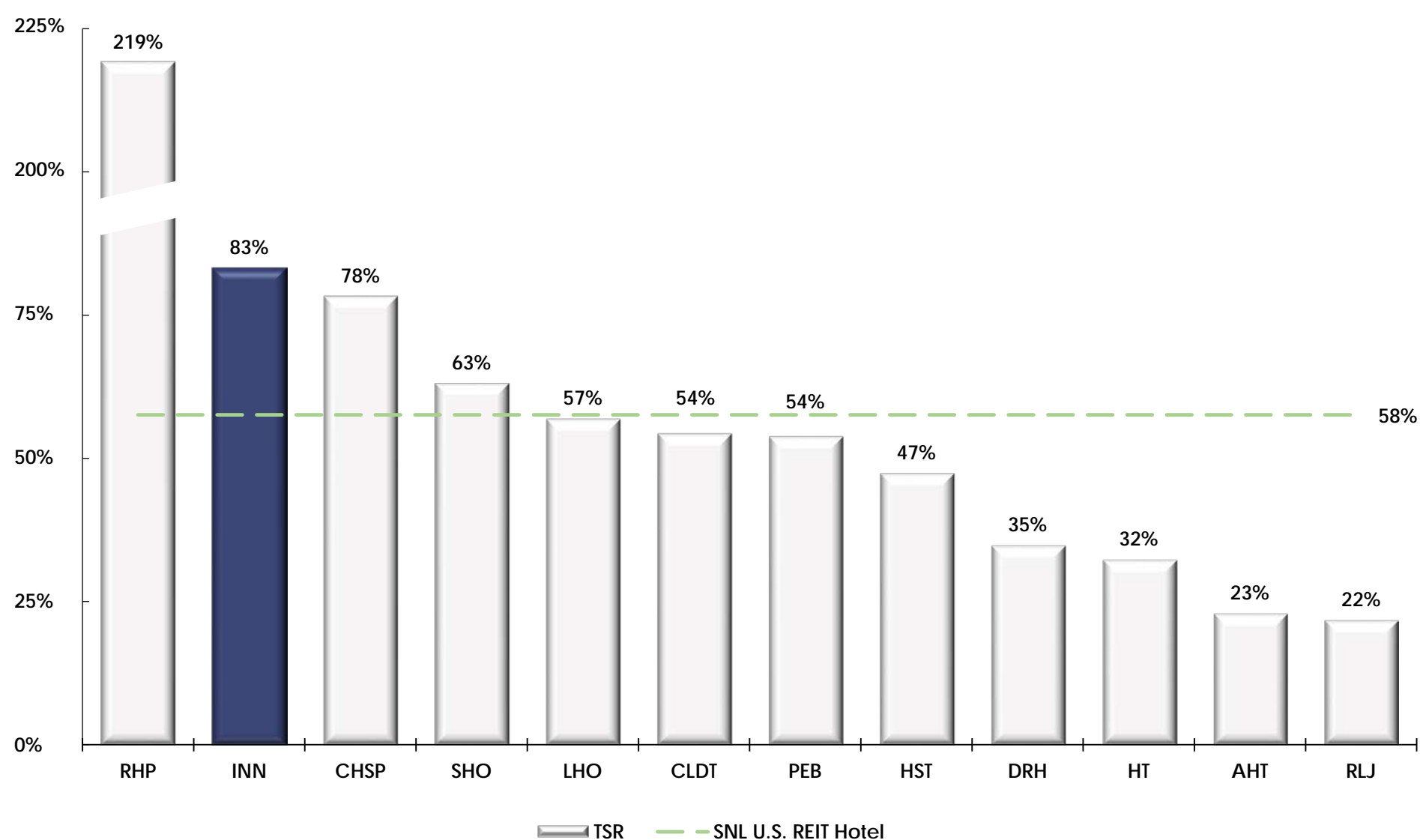


(1) Based on the Company's Q4 2014 annualized dividend of \$0.47 per share and the current annualized dividend of \$0.72 per share.

(2) Based on the 2018E S&P CapIQ Mean FFO per share estimate for each individual company.

(3) Sunstone Hotel Investors, Inc. (SHO) annual dividend is based on the full-year dividend and includes a special dividend paid within the year.

5-Year Total Shareholder Return ⁽¹⁾



(1) Based on SNL's TSR for the trailing five years ended September 30, 2018. Apple Hospitality REIT, Inc. (APLE), Braemar Hotels & Resorts, Inc. (BHR), CorePoint Lodging Inc. (CPLG), Park Hotels & Resorts (PK), and Xenia Hotels & Resorts, Inc. (XHR) have been excluded as these companies were not publicly traded for the period represented.



SUMMIT

HOTEL PROPERTIES