

DiamondRock Hospitality Co  
Form 10-Q  
August 05, 2016

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-32514

DIAMONDROCK HOSPITALITY COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State of Incorporation)

20-1180098

(I.R.S. Employer Identification No.)

3 Bethesda Metro Center, Suite 1500, Bethesda, Maryland 20814

(Address of Principal Executive Offices)

(Zip Code)

(240) 744-1150

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The registrant had 200,888,710 shares of its \$0.01 par value common stock outstanding as of August 5, 2016.

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## PART I. FINANCIAL INFORMATION

## Item I. Financial Statements

## DIAMONDROCK HOSPITALITY COMPANY

## CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(unaudited)

	June 30, 2016	December 31, 2015
<b>ASSETS</b>		
Property and equipment, net	\$2,641,298	\$ 2,882,176
Assets held for sale	62,035	—
Restricted cash	45,644	59,339
Due from hotel managers	90,839	86,698
Favorable lease assets, net	18,138	23,955
Prepaid and other assets	52,494	46,758
Cash and cash equivalents	166,548	213,584
Total assets	\$3,076,996	\$ 3,312,510
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Mortgage debt, net of unamortized debt issuance costs	\$825,995	\$ 1,169,749
Term loan, net of unamortized debt issuance costs	99,299	—
Senior unsecured credit facility	—	—
Total debt	925,294	1,169,749
Deferred income related to key money, net	21,485	23,568
Unfavorable contract liabilities, net	73,601	74,657
Deferred ground rent	77,572	70,153
Due to hotel managers	59,579	65,350
Dividends declared and unpaid	25,583	25,599
Liabilities of assets held for sale	1,137	—
Accounts payable and accrued expenses	54,981	58,829
Total liabilities	1,239,232	1,487,905
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.01 par value; 400,000,000 shares authorized; 200,888,710 and 200,741,777 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	2,009	2,007
Additional paid-in capital	2,059,760	2,056,878
Accumulated deficit	(224,005 )	(234,280 )
Total stockholders' equity	1,837,764	1,824,605
Total liabilities and stockholders' equity	\$3,076,996	\$ 3,312,510

The accompanying notes are an integral part of these condensed consolidated financial statements.

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## DIAMONDROCK HOSPITALITY COMPANY

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Rooms	\$ 186,113	\$ 181,563	\$ 335,556	\$ 326,199
Food and beverage	57,407	56,073	107,781	108,406
Other	13,144	12,165	26,361	24,084
Total revenues	256,664	249,801	469,698	458,689
Operating Expenses:				
Rooms	43,257	41,993	81,971	80,457
Food and beverage	35,265	35,355	68,615	70,901
Management fees	8,772	8,903	15,381	15,103
Other hotel expenses	79,524	77,546	158,453	154,052
Depreciation and amortization	25,005	25,574	50,126	49,911
Impairment losses	—	9,675	—	10,461
Hotel acquisition costs	—	260	—	492
Corporate expenses	6,736	6,331	12,736	11,741
Total operating expenses, net	198,559	205,637		