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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 5, 2019

APPLE HOSPITALITY REIT, INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

001-37389
(Commission File Number)

26-1379210
(I.R.S. Employer
Identification Number)

814 East Main Street, Richmond, Virginia
(Address of principal executive offices)

23219
(Zip Code)

(804) 344-8121
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, no par value	APLE	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.



Apple Hospitality REIT Reports Results of Operations for Second Quarter 2019

RICHMOND, Va. (August 5, 2019) – Apple Hospitality REIT, Inc. (NYSE: APLE) (the “Company” or “Apple Hospitality”) today announced results of operations for the second quarter ended June 30, 2019.

Selected Statistical and Financial Data
As of and For the Three and Six Months Ended June 30
(Unaudited) (in thousands, except statistical and per share amounts)⁽¹⁾

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Net income ⁽²⁾	\$ 62,090	\$ 67,630	(8.2%)	\$ 100,241	\$ 109,812	(8.7%)
Net income per share ⁽²⁾	\$ 0.28	\$ 0.29	(3.4%)	\$ 0.45	\$ 0.48	(6.2%)
Adjusted EBITDA ⁽²⁾	\$ 126,451	\$ 130,915	(3.4%)	\$ 227,118	\$ 231,129	(1.7%)
Comparable Hotels Adjusted Hotel EBITDA ⁽²⁾	\$ 134,940	\$ 135,586	(0.5%)	\$ 242,138	\$ 242,120	-
Comparable Hotels Adjusted Hotel EBITDA Margin % ⁽²⁾	39.6%	40.0%	(40 bps)	37.9%	38.2%	(30 bps)
Modified funds from operations (MFFO) ⁽²⁾	\$ 110,190	\$ 117,313	(6.1%)	\$ 194,914	\$ 205,215	(5.0%)
MFFO per share ⁽²⁾	\$ 0.49	\$ 0.51	(3.9%)	\$ 0.87	\$ 0.89	(2.2%)
Average Daily Rate (ADR) (Actual)	\$ 141.60	\$ 139.58	1.4%	\$ 139.09	\$ 137.09	1.5%
Occupancy (Actual)	81.4%	81.7%	(0.4%)	77.6%	78.2%	(0.8%)
Revenue Per Available Room (RevPAR) (Actual)	\$ 115.30	\$ 114.09	1.1%	\$ 107.95	\$ 107.20	0.7%
Comparable Hotels ADR	\$ 141.60	\$ 140.94	0.5%	\$ 139.62	\$ 138.49	0.8%
Comparable Hotels Occupancy	81.4%	81.9%	(0.6%)	77.8%	78.4%	(0.8%)

Comparable Hotels RevPAR	\$	115.30	\$	115.44	(0.1%)	\$	108.58	\$	108.62	-
Distributions paid	\$	67,155	\$	69,060	(2.8%)	\$	134,343	\$	138,204	(2.8%)
Distributions paid per share	\$	0.30	\$	0.30	-	\$	0.60	\$	0.60	-
Total debt outstanding	\$	1,389,267								
Total debt to total capitalization ⁽³⁾		28.1%								

- (1) Explanations of and reconciliations to net income determined in accordance with generally accepted accounting principles (“GAAP”) of non-GAAP financial measures, Adjusted EBITDA, Comparable Hotels Adjusted Hotel EBITDA and MFFO, are included below.
- (2) On January 1, 2019, the Company adopted the Financial Accounting Standards Board’s Accounting Standards Update No. 2016-02, *Leases* (Topic 842). Under the new lease accounting standard, the Company classified four ground leases as finance leases that were previously classified as operating leases in accordance with the previous accounting standard. See discussion below for additional information on the adoption of the new lease accounting standard.
- (3) Total debt outstanding divided by total debt outstanding plus equity market capitalization based on the Company’s closing share price of \$15.86 on June 30, 2019.

Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted.

Justin Knight, President and Chief Executive Officer of Apple Hospitality REIT, commented, “Despite ongoing supply and cost pressures across the lodging industry, we continued to produce results in line with our expectations. Through portfolio optimization, strategic revenue management and effective cost control measures, we increased actual RevPAR

from the same period last year and generated one of the best Comparable Hotels Adjusted Hotel EBITDA Margins in the sector of 39.6 percent for the second quarter of this year. Demand remains healthy across the majority of our markets, generally keeping pace with new supply, and we anticipate steady fundamentals in the third quarter. We will continue to diligently work to maximize the performance of our hotels and pursue opportunities that will further enhance the strength of our Company.”

Portfolio Activity

The Company has outstanding contracts for the potential purchase of seven hotels for a combined total expected purchase price of approximately \$216 million, including purchase contracts the Company entered into in July 2019 for a Hilton Garden Inn to be constructed in Madison, Wisconsin, and an existing independent boutique hotel in downtown Richmond, Virginia. The anticipated purchase price of the Hilton Garden Inn to be constructed in Madison, Wisconsin, next to the University of Wisconsin-Madison, is approximately \$50 million. The Company expects the hotel will have 176 guest rooms and construction will be completed in late 2020 or early 2021. The existing hotel in downtown Richmond, Virginia, is an independent boutique hotel with 55 guest rooms and an anticipated gross purchase price of approximately \$7 million. If all conditions to closing are met, the Company anticipates acquiring the Richmond hotel before the end of 2019. As previously announced, the other five hotels under contract are currently under development and the Company anticipates acquiring the five hotels over the next 12 to 24 months from June 30, 2019, if all conditions to closing are met. There are many conditions to closing under each of the contracts that have not yet been satisfied, and there can be no assurance that closings on the seven hotels will occur.

Capital Improvements

Apple Hospitality consistently reinvests in its hotels to maintain and enhance each property’s relevance and competitive position within its respective market. During the six months ended June 30, 2019, the Company invested approximately \$33 million in capital expenditures. The Company plans to continue to reinvest in its hotels and anticipates investing an additional \$45 million to \$55 million in capital improvements during the remainder of 2019, which includes various scheduled renovation projects at approximately 15 to 20 properties, including the Company’s full-service Marriott in Richmond, Virginia.

Adoption of New Lease Accounting Standard

On January 1, 2019, the Company adopted Accounting Standards Update No. 2016-02, *Leases* (Topic 842). Under this standard, lessees are required to recognize most leases on their balance sheets as right-of-use assets and lease liabilities. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Under the new standard, four of the Company’s ground leases that were previously classified as operating leases under the previous accounting standard are classified as financing leases under Topic 842. For these finance leases, effective January 1, 2019, the Company recognizes depreciation and amortization expense and interest and other expense, net in the Company’s consolidated statements of operations, instead of operating ground lease expense. While the total expense recognized over the life of a lease is unchanged, the timing of expense recognition for these finance leases results in higher expense during the earlier years of the lease and lower expense during the later years of the lease. For the three and six months ended June 30, 2019, the Company recognized approximately \$2.1 million and \$4.0 million of interest expense, respectively, and approximately \$1.1 million and \$2.2 million of amortization expense, respectively, associated with these four finance leases. Under the previous accounting standard, the Company would have recognized approximately \$1.8 million and \$3.4 million of cash operating ground lease expense and \$1.1 million and \$2.2 million of non-cash straight-line ground lease expense and amortization of intangible lease expense during the three and six months ended June 30, 2019, respectively. As a result of the new lease standard, at June 30, 2019, the Company’s balance sheet reflects finance ground lease assets, net, of approximately \$142.7 million, operating lease assets, net, of approximately \$28.9 million and associated combined lease liabilities of approximately \$176.0 million.

Balance Sheet

As of June 30, 2019, Apple Hospitality had approximately \$1.4 billion of total outstanding indebtedness with a current combined weighted-average interest rate of approximately 3.8 percent for the remainder of 2019. Excluding unamortized debt issuance costs and fair value adjustments, the Company’s total outstanding indebtedness is comprised of approximately \$462 million in property-level debt secured by 29 hotels and \$928 million outstanding on its unsecured credit facilities. Apple Hospitality’s undrawn capacity on its unsecured credit facilities at June 30, 2019 was

approximately \$232 million. The Company's total debt to total capitalization at June 30, 2019 was approximately 28 percent, which provides Apple Hospitality with financial flexibility to fund capital requirements and pursue opportunities in the marketplace. The Company's weighted-average debt maturities are 5 years, and the weighted-average maturity of its effectively fixed-rate debt is 4 years at a weighted-average interest rate of 4.0 percent.

Shareholder Distributions

Apple Hospitality paid distributions of \$0.30 per common share during the three-month period ended June 30, 2019. Based on the Company's common share closing price of \$15.20 on August 1, 2019, the annualized distribution rate of \$1.20 per common share represents an annual yield of approximately 7.9 percent. The Company's Board of Directors, in consultation with management, will continue to regularly monitor the Company's distribution rate relative to the performance of its hotels, capital improvement needs, varying economic cycles, acquisitions and dispositions. At its discretion, the Company's Board of Directors may make adjustments as determined to be prudent in relation to other cash requirements of the Company.

2019 Outlook

Apple Hospitality is providing its operational and financial outlook for 2019. This outlook, which is based on management's current view of both operating and economic fundamentals of the Company's existing portfolio of hotels, does not take into account any unanticipated developments in its business or changes in its operating environment, nor does it take into account any unannounced hotel acquisitions or dispositions. As compared to previously provided 2019 guidance, the Company is narrowing its guidance at both ends of the range for Comparable Hotels RevPAR Change by 25 bps and Comparable Hotels Adjusted Hotel EBITDA Margin % by 20 bps. The Company is maintaining the low end of the range and decreasing the high end of the range by \$4 million for Net Income and Adjusted EBITDAre. The reduction in the midpoint of the Company's guidance for Net Income and Adjusted EBITDAre is a result of higher anticipated general and administrative expenses associated with outperformance of the Company's relative shareholder return metrics, which are components of the Company's incentive plans. Comparable Hotels RevPAR Change and Comparable Hotels Adjusted Hotel EBITDA Margin % guidance include properties acquired, as if the hotels were owned as of January 1, 2018, and exclude completed dispositions since January 1, 2018. For the full year 2019, the Company anticipates:

	2019 Guidance⁽¹⁾	
	Low-End	High-End
Net Income	\$167 Million	\$188 Million
Comparable Hotels RevPAR Change	(0.75%)	0.75%
Comparable Hotels Adjusted Hotel EBITDA Margin %	36.4%	37.0%
Adjusted EBITDAre	\$425 Million	\$441 Million

(1) Explanations of and reconciliations to net income guidance of Adjusted EBITDAre guidance are included below.

Second Quarter 2019 Earnings Conference Call

The Company will host a quarterly conference call for investors and interested parties on Tuesday, August 6, 2019, at 9:00 a.m. Eastern Time. The conference call will be accessible by telephone and the internet. To access the call, participants from within the U.S. should dial 877-407-9039, and participants from outside the U.S. should dial 201-689-8470. Participants may also access the call via live webcast by visiting the Investor Information section of the Company's website at ir.applehospitalityreit.com. A replay of the call will be available from approximately 12:00 p.m. Eastern Time on August 6, 2019, through 11:59 p.m. Eastern Time on August 27, 2019. To access the replay, the domestic dial-in number is 844-512-2921, the international dial-in number is 412-317-6671, and the passcode is 13692023. The archive of the webcast will be available on the Company's website for a limited time.

About Apple Hospitality REIT, Inc.

Apple Hospitality REIT, Inc. (NYSE: APLE) is a publicly traded real estate investment trust (REIT) that owns one of the largest and most diverse portfolios of upscale, rooms-focused hotels in the United States. Apple Hospitality's portfolio consists of 234 hotels with more than 30,000 guest rooms located in 87 markets throughout 34 states. Franchised with industry-leading brands, the Company's portfolio comprises 108 Marriott-branded hotels, 125 Hilton-branded hotels and one Hyatt-branded hotel. For more information, please visit www.applehospitalityreit.com.

Apple Hospitality REIT Non-GAAP Financial Measures

The Company considers the following non-GAAP financial measures useful to investors as key supplemental measures of its operating performance: Funds from Operations ("FFO"); Modified FFO ("MFFO"); Earnings Before Interest, Income Taxes, Depreciation and Amortization ("EBITDA"); Earnings Before Interest, Income Taxes, Depreciation and Amortization for Real Estate ("EBITDAre"); Adjusted EBITDAre ("Adjusted EBITDAre"); and Adjusted Hotel EBITDA ("Adjusted Hotel EBITDA"). These non-GAAP financial measures should be considered along with, but not as alternatives to, net income (loss), cash flow from operations or any other operating GAAP measure. FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA are not necessarily indicative of funds available to fund the Company's cash needs, including its ability to make cash distributions. Although FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA, as calculated by the Company, may not be comparable to FFO, MFFO, EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA, as reported by other companies that do not define such terms exactly as the Company defines such terms, the Company believes these supplemental measures are useful to investors when comparing the Company's results between periods and with other REITs. Reconciliations of these non-GAAP financial measures to net income (loss) are provided in the following pages.

Forward-Looking Statements Disclaimer

Certain statements contained in this press release, other than historical facts, may be considered forward-looking statements. These forward-looking statements are predictions and generally can be identified by use of statements that include phrases such as "may," "believe," "expect," "anticipate," "intend," "estimate," "project," "target," "goal," "plan," "should," "will," "predict," "potential," "outlook," "strategy," and similar expressions that convey the uncertainty of future events or outcomes. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Apple Hospitality to be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the ability of Apple Hospitality to effectively acquire and dispose of properties; the ability of Apple Hospitality to successfully integrate pending transactions and implement its operating strategy; changes in general political, economic and competitive conditions and specific market conditions; adverse changes in the real estate and real estate capital markets; financing risks; litigation risks; regulatory proceedings or inquiries; and changes in laws or regulations or interpretations of current laws and regulations that impact Apple Hospitality's business, assets or classification as a real estate investment trust. Although Apple Hospitality believes that the assumptions underlying the

forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore there can be no assurance that such statements included in this press release will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by Apple Hospitality or any other person that the results or conditions described in such statements or the objectives and plans of Apple Hospitality will be achieved. In addition, Apple Hospitality's qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code. Readers should carefully review Apple Hospitality's financial statements and the notes thereto, as well as the risk factors described in Apple Hospitality's filings with the Securities and Exchange Commission, including, but not limited to, in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. Any forward-looking statement that Apple Hospitality makes speaks only as of the date of such statement. Apple Hospitality undertakes no obligation to publicly update or revise any forward-looking statements or cautionary factors, as a result of new information, future events, or otherwise, except as required by law.

Contact:

Apple Hospitality REIT, Inc.
 Kelly Clarke, Vice President, Investor Relations
 804-727-6321
 kclarke@applereit.com

For additional information or to receive press releases by email, visit www.applehospitalityreit.com.

**Apple Hospitality REIT, Inc.
 Consolidated Balance Sheets
 (in thousands, except share data)**

	June 30, 2019	December 31, 2018
	<u>(unaudited)</u>	
Assets		
Investment in real estate, net of accumulated depreciation and amortization of \$971,738 and \$909,893, respectively	\$ 4,858,103	\$ 4,816,410
Restricted cash-furniture, fixtures and other escrows	33,199	33,632
Due from third party managers, net	52,214	29,091
Other assets, net	45,323	49,539
Total Assets	\$ 4,988,839	\$ 4,928,672
Liabilities		
Debt, net	\$ 1,384,314	\$ 1,412,242
Finance lease liabilities	163,508	-
Accounts payable and other liabilities	88,949	107,420
Total Liabilities	1,636,771	1,519,662
Shareholders' Equity		
Preferred stock, authorized 30,000,000 shares; none issued and outstanding	-	-
Common stock, no par value, authorized 800,000,000 shares; issued and outstanding 223,869,190 and 223,997,348 shares, respectively	4,493,598	4,495,073
Accumulated other comprehensive income (loss)	(6,158)	10,006
Distributions greater than net income	(1,135,372)	(1,096,069)
Total Shareholders' Equity	3,352,068	3,409,010
Total Liabilities and Shareholders' Equity	\$ 4,988,839	\$ 4,928,672

Note:

The Consolidated Balance Sheets and corresponding footnotes can be found in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.

Apple Hospitality REIT, Inc.
Consolidated Statements of Operations and Comprehensive Income
(Unaudited)
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues:				
Room	\$ 315,232	\$ 319,022	\$ 594,702	\$ 593,858
Food and beverage	15,692	16,518	30,707	32,228
Other	10,193	9,174	19,495	17,017
Total revenue	341,117	344,714	644,904	643,103
Expenses:				
Hotel operating expense:				
Operating	80,166	81,242	155,746	157,196
Hotel administrative	26,967	26,558	52,597	51,660
Sales and marketing	30,831	28,168	58,525	53,500
Utilities	9,561	10,247	19,500	20,530
Repair and maintenance	13,041	13,476	25,907	25,929
Franchise fees	14,752	14,781	27,863	27,514
Management fees	11,872	12,059	22,501	22,531
Total hotel operating expense	187,190	186,531	362,639	358,860
Property taxes, insurance and other	18,823	18,681	38,031	35,910
Operating ground lease	423	2,912	828	5,762
General and administrative	8,308	6,721	16,445	13,598
Loss on impairment of depreciable real estate assets	-	3,135	-	3,135
Depreciation and amortization	48,109	45,743	96,059	90,583
Total expense	262,853	263,723	514,002	507,848
Gain (loss) on sale of real estate	(161)	-	1,052	-
Operating income	78,103	80,991	131,954	135,255
Interest and other expense, net	(15,857)	(13,210)	(31,351)	(25,129)
Income before income taxes	62,246	67,781	100,603	110,126
Income tax expense	(156)	(151)	(362)	(314)
Net income	\$ 62,090	\$ 67,630	\$ 100,241	\$ 109,812
Other comprehensive income (loss):				
Interest rate derivatives	(10,120)	1,740	(16,164)	8,032
Comprehensive income	\$ 51,970	\$ 69,370	\$ 84,077	\$ 117,844
Basic and diluted net income per common share	\$ 0.28	\$ 0.29	\$ 0.45	\$ 0.48
Weighted average common shares outstanding - basic and diluted	223,899	230,342	223,915	230,428

Note:

The Consolidated Statements of Operations and Comprehensive Income and corresponding footnotes can be found in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics and Statistical Data
(Unaudited)
(in thousands except statistical data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Total revenue	\$ 341,051	\$ 338,581	0.7%	\$ 639,060	\$ 633,657	0.9%
Total operating expenses	206,111	202,995	1.5%	396,922	391,537	1.4%
Adjusted Hotel EBITDA	\$ 134,940	\$ 135,586	(0.5%)	\$ 242,138	\$ 242,120	-
Adjusted Hotel EBITDA Margin %	39.6%	40.0%	(40 bps)	37.9%	38.2%	(30 bps)
ADR (Comparable Hotels)	\$ 141.60	\$ 140.94	0.5%	\$ 139.62	\$ 138.49	0.8%
Occupancy (Comparable Hotels)	81.4%	81.9%	(0.6%)	77.8%	78.4%	(0.8%)
RevPAR (Comparable Hotels)	\$ 115.30	\$ 115.44	(0.1%)	\$ 108.58	\$ 108.62	-
ADR (Actual)	\$ 141.60	\$ 139.58	1.4%	\$ 139.09	\$ 137.09	1.5%
Occupancy (Actual)	81.4%	81.7%	(0.4%)	77.6%	78.2%	(0.8%)
RevPAR (Actual)	\$ 115.30	\$ 114.09	1.1%	\$ 107.95	\$ 107.20	0.7%
<u>Reconciliation to Actual Results</u>						
Total Revenue (Actual)	\$ 341,117	\$ 344,714		\$ 644,904	\$ 643,103	
Revenue from acquisitions prior to ownership	-	4,065		1,149	9,668	
Revenue from dispositions	-	(10,132)		(6,861)	(18,982)	
Lease revenue intangible amortization	(66)	(66)		(132)	(132)	
Comparable Hotels Total Revenue	\$ 341,051	\$ 338,581		\$ 639,060	\$ 633,657	
Adjusted Hotel EBITDA	\$ 134,759	\$ 137,636		\$ 243,563	\$ 244,727	

(AHEBITDA) (Actual)							
AHEBITDA from acquisitions prior to ownership	-	1,379		310		3,528	
AHEBITDA from dispositions	181	(3,429)		(1,735)		(6,135)	
Comparable Hotels AHEBITDA	\$ 134,940	\$ 135,586		\$ 242,138		\$ 242,120	

Note:

Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted.

Reconciliation of net income to non-GAAP financial measures and a discussion of the Company's adoption of Accounting Standards Update No. 2016-02, Leases, on January 1, 2019 are included in the following pages.

Apple Hospitality REIT, Inc.
Comparable Hotels Quarterly Operating Metrics and Statistical Data
(Unaudited)
(in thousands except statistical data)

	Three Months Ended							
	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Total revenue	\$ 327,354	\$ 288,753	\$ 295,076	\$ 338,581	\$ 326,521	\$ 290,016	\$ 298,009	\$ 341,051
Total operating expenses	198,098	187,119	188,542	202,995	202,263	189,244	190,811	206,111
Adjusted Hotel EBITDA	\$ 129,256	\$ 101,634	\$ 106,534	\$ 135,586	\$ 124,258	\$ 100,772	\$ 107,198	\$ 134,940
Adjusted Hotel EBITDA Margin %	39.5%	35.2%	36.1%	40.0%	38.1%	34.7%	36.0%	39.6%
ADR (Comparable Hotels)	\$ 139.34	\$ 131.80	\$ 135.76	\$ 140.94	\$ 138.91	\$ 132.94	\$ 137.41	\$ 141.60
Occupancy (Comparable Hotels)	80.6%	73.8%	74.9%	81.9%	79.1%	72.7%	74.1%	81.4%
RevPAR (Comparable Hotels)	\$ 112.35	\$ 97.26	\$ 101.69	\$ 115.44	\$ 109.93	\$ 96.63	\$ 101.76	\$ 115.30
ADR (Actual)	\$ 136.73	\$ 130.30	\$ 134.32	\$ 139.58	\$ 137.77	\$ 131.93	\$ 136.36	\$ 141.60
Occupancy (Actual)	80.0%	73.5%	74.6%	81.7%	78.9%	72.5%	73.9%	81.4%
RevPAR (Actual)	\$ 109.45	\$ 95.76	\$ 100.18	\$ 114.09	\$ 108.70	\$ 95.63	\$ 100.71	\$ 115.30
<u>Reconciliation to Actual Results</u>								
Total Revenue (Actual)	\$ 324,926	\$ 289,067	\$ 298,389	\$ 344,714	\$ 332,197	\$ 295,255	\$ 303,787	\$ 341,117
Revenue from acquisitions prior to ownership	15,045	8,643	5,603	4,065	2,757	2,262	1,149	-
Revenue from dispositions	(12,566)	(8,906)	(8,850)	(10,132)	(8,367)	(7,435)	(6,861)	-
Lease revenue intangible amortization	(51)	(51)	(66)	(66)	(66)	(66)	(66)	(66)
Comparable Hotels Total Revenue	\$ 327,354	\$ 288,753	\$ 295,076	\$ 338,581	\$ 326,521	\$ 290,016	\$ 298,009	\$ 341,051
Adjusted Hotel EBITDA (AHEBITDA) (Actual)	\$ 125,750	\$ 101,159	\$ 107,091	\$ 137,636	\$ 125,922	\$ 102,157	\$ 108,804	\$ 134,759
AHEBITDA from acquisitions prior to ownership	7,137	3,091	2,149	1,379	814	633	310	-
AHEBITDA from dispositions	(3,631)	(2,616)	(2,706)	(3,429)	(2,478)	(2,018)	(1,916)	181
Comparable Hotels AHEBITDA	\$ 129,256	\$ 101,634	\$ 106,534	\$ 135,586	\$ 124,258	\$ 100,772	\$ 107,198	\$ 134,940

Note:

Comparable Hotels is defined as the 234 hotels owned by the Company as of June 30, 2019. For hotels acquired during the periods noted, the Company has included, as applicable, results of those hotels for periods prior to the Company's ownership, and for dispositions, results have been excluded for the Company's period of ownership. Results for periods prior to the Company's ownership have not been included in the Company's actual Consolidated Financial Statements and are included only for comparison purposes. Results included for periods prior to the Company's ownership are based on information from the prior owner of each hotel and have not been audited or adjusted.

Reconciliation of net income (loss) to non-GAAP financial measures and a discussion of the Company's adoption of Accounting Standards Update No. 2016-02, Leases, on January 1, 2019 are included in the following pages.

Apple Hospitality REIT, Inc.
Same Store Hotels Operating Metrics and Statistical Data
(Unaudited)
(in thousands except statistical data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Total revenue	\$ 330,817	\$ 329,810	0.3%	\$ 618,449	\$ 616,893	0.3%
Total operating expenses	199,449	197,566	1.0%	384,118	381,357	0.7%
Adjusted Hotel EBITDA	\$ 131,368	\$ 132,244	(0.7%)	\$ 234,331	\$ 235,536	(0.5%)
Adjusted Hotel EBITDA Margin %	39.7%	40.1%	(40 bps)	37.9%	38.2%	(30 bps)
ADR (Same Store Hotels)	\$ 141.52	\$ 140.72	0.6%	\$ 139.11	\$ 138.13	0.7%
Occupancy (Same Store Hotels)	81.8%	82.1%	(0.4%)	78.0%	78.5%	(0.6%)
RevPAR (Same Store Hotels)	\$ 115.73	\$ 115.59	0.1%	\$ 108.52	\$ 108.45	0.1%
ADR (Actual)	\$ 141.60	\$ 139.58	1.4%	\$ 139.09	\$ 137.09	1.5%
Occupancy (Actual)	81.4%	81.7%	(0.4%)	77.6%	78.2%	(0.8%)
RevPAR (Actual)	\$ 115.30	\$ 114.09	1.1%	\$ 107.95	\$ 107.20	0.7%
<u>Reconciliation to Actual Results</u>						
Total Revenue (Actual)	\$ 341,117	\$ 344,714		\$ 644,904	\$ 643,103	
Revenue from acquisitions	(10,234)	(4,706)		(19,462)	(7,096)	
Revenue from dispositions	-	(10,132)		(6,861)	(18,982)	
Lease revenue intangible amortization	(66)	(66)		(132)	(132)	

Same Store Hotels Total Revenue	\$	330,817	\$	329,810	\$	618,449	\$	616,893
Adjusted Hotel EBITDA (AHEBITDA) (Actual)	\$	134,759	\$	137,636	\$	243,563	\$	244,727
AHEBITDA from acquisitions		(3,572)		(1,963)		(7,497)		(3,056)
AHEBITDA from dispositions		181		(3,429)		(1,735)		(6,135)
Same Store Hotels AHEBITDA	\$	<u>131,368</u>	\$	<u>132,244</u>	\$	<u>234,331</u>	\$	<u>235,536</u>

Note:

Same Store Hotels is defined as the 227 hotels owned and held for use by the Company as of January 1, 2018 and during the entirety of the periods being compared. This information has not been audited.

Reconciliation of net income to non-GAAP financial measures and a discussion of the Company's adoption of Accounting Standards Update No. 2016-02, Leases, on January 1, 2019 are included in the following pages.

Apple Hospitality REIT, Inc.
Same Store Hotels Quarterly Operating Metrics and Statistical Data
(Unaudited)
(in thousands except statistical data)

	Three Months Ended					
	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Total revenue	\$ 287,083	\$ 329,810	\$ 317,636	\$ 280,871	\$ 287,632	\$ 330,817
Total operating expenses	183,791	197,566	196,608	183,583	184,669	199,449
Adjusted Hotel EBITDA	\$ 103,292	\$ 132,244	\$ 121,028	\$ 97,288	\$ 102,963	\$ 131,368
Adjusted Hotel EBITDA Margin %	36.0%	40.1%	38.1%	34.6%	35.8%	39.7%
ADR (Same Store Hotels)	\$ 135.26	\$ 140.72	\$ 138.87	\$ 132.42	\$ 136.42	\$ 141.52
Occupancy (Same Store Hotels)	74.8%	82.1%	79.4%	72.8%	74.2%	81.8%
RevPAR (Same Store Hotels)	\$ 101.23	\$ 115.59	\$ 110.23	\$ 96.40	\$ 101.23	\$ 115.73
ADR (Actual)	\$ 134.32	\$ 139.58	\$ 137.77	\$ 131.93	\$ 136.36	\$ 141.60
Occupancy (Actual)	74.6%	81.7%	78.9%	72.5%	73.9%	81.4%
RevPAR (Actual)	\$ 100.18	\$ 114.09	\$ 108.70	\$ 95.63	\$ 100.71	\$ 115.30

**Reconciliation
to Actual
Results**

Total Revenue (Actual)	\$	298,389	\$	344,714	\$	332,197	\$	295,255	\$	303,787	\$	341,117
Revenue from acquisitions		(2,390)		(4,706)		(6,128)		(6,883)		(9,228)		(10,234)
Revenue from dispositions		(8,850)		(10,132)		(8,367)		(7,435)		(6,861)		-
Lease revenue intangible amortization		(66)		(66)		(66)		(66)		(66)		(66)
Same Store Hotels Total Revenue	\$	287,083	\$	329,810	\$	317,636	\$	280,871	\$	287,632	\$	330,817
Adjusted Hotel EBITDA (AHEBITDA) (Actual)	\$	107,091	\$	137,636	\$	125,922	\$	102,157	\$	108,804	\$	134,759
AHEBITDA from acquisitions		(1,093)		(1,963)		(2,416)		(2,851)		(3,925)		(3,572)
AHEBITDA from dispositions		(2,706)		(3,429)		(2,478)		(2,018)		(1,916)		181
Same Store Hotels AHEBITDA	\$	<u>103,292</u>	\$	<u>132,244</u>	\$	<u>121,028</u>	\$	<u>97,288</u>	\$	<u>102,963</u>	\$	<u>131,368</u>

Note:

Same Store Hotels is defined as the 227 hotels owned and held for use by the Company as of January 1, 2018 and during the entirety of the periods being compared. This information has not been audited.

Reconciliation of net income to non-GAAP financial measures and a discussion of the Company's adoption of Accounting Standards Update No. 2016-02, Leases, on January 1, 2019 are included in the following pages.

Apple Hospitality REIT, Inc.
Reconciliation of Net Income (Loss) to EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA
(Unaudited)
(in thousands)

EBITDA is a commonly used measure of performance in many industries and is defined as net income (loss) excluding interest, income taxes, depreciation and amortization. The Company believes EBITDA is useful to investors because it helps the Company and its investors evaluate the ongoing operating performance of the Company by removing the impact of its capital structure (primarily interest expense) and its asset base (primarily depreciation and amortization). In addition, certain covenants included in the agreements governing the Company's indebtedness use EBITDA, as defined in the specific credit agreement, as a measure of financial compliance.

In addition to EBITDA, the Company also calculates and presents EBITDAre in accordance with standards established by the National Association of Real Estate Investment Trusts ("Nareit"), which defines EBITDAre as EBITDA, excluding gains and losses from the sale of certain real estate assets (including gains and losses from change in control), plus real estate related impairments, and adjustments to reflect the entity's share of EBITDAre of unconsolidated affiliates. The Company presents EBITDAre because it believes that it provides further useful information to investors in comparing its operating performance between periods and between REITs that report EBITDAre using the Nareit definition.

The Company also considers the exclusion of non-cash straight-line operating ground lease expense from EBITDAre useful, as this expense does not reflect the underlying performance of the related hotels (Adjusted EBITDAre).

The Company further excludes actual corporate-level general and administrative expense for the Company from Adjusted EBITDAre (Adjusted Hotel EBITDA) to isolate property-level operational performance over which the Company's hotel operators have direct control. The Company believes Adjusted Hotel EBITDA provides useful supplemental information to investors regarding operating performance and is used by management to measure the performance of the Company's hotels and effectiveness of the operators of the hotels.

The following table reconciles the Company's GAAP net income (loss) to EBITDA, EBITDAre, Adjusted EBITDAre and Adjusted Hotel EBITDA on a quarterly basis from September 30, 2017 through June 30, 2019.

	Three Months Ended							
	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Net income (loss)	\$ 62,824	\$ (2,303)	\$ 42,182	\$ 67,630	\$ 62,122	\$ 34,152	\$ 38,151	\$ 62,090
Depreciation and amortization	44,110	44,729	44,840	45,743	46,169	46,730	47,950	48,109
Amortization of favorable and unfavorable operating leases, net	165	165	206	148	146	147	31	31
Interest and other expense, net	12,024	11,753	11,919	13,210	13,140	12,916	15,494	15,857
Income tax expense	203	135	163	151	100	173	206	156
EBITDA	119,326	54,479	99,310	126,882	121,677	94,118	101,832	126,243
(Gain) loss on sale of real estate	157	(312)	-	-	-	(152)	(1,213)	161
Loss on impairment of depreciable real estate assets	-	38,000	-	3,135	-	-	-	-
EBITDAre	119,483	92,167	99,310	130,017	121,677	93,966	100,619	126,404
Non-cash straight-line operating ground lease expense	917	906	904	898	875	865	48	47
Adjusted EBITDAre	\$ 120,400	\$ 93,073	\$ 100,214	\$ 130,915	\$ 122,552	\$ 94,831	\$ 100,667	\$ 126,451
General and administrative expense	5,350	8,086	6,877	6,721	3,370	7,326	8,137	8,308
Adjusted Hotel EBITDA	\$ 125,750	\$ 101,159	\$ 107,091	\$ 137,636	\$ 125,922	\$ 102,157	\$ 108,804	\$ 134,759
Cash operating ground lease expense for leases classified as financing leases effective January 1, 2019 ⁽¹⁾	\$ 1,391	\$ 1,402	\$ 1,405	\$ 1,410	\$ 1,432	\$ 1,443	\$ -	\$ -

(1) Represents cash lease payments recorded to operating ground lease expense related to four of the Company's ground leases that were classified as operating leases during the noted period. Under the new lease accounting standard, effective January 1, 2019, these four ground leases are classified as finance leases, for which the Company recognizes depreciation and amortization expense and interest and other expense, net in the Company's consolidated statements of operations, instead of operating ground lease expense. Depreciation and amortization and interest expense are excluded from EBITDA and operating ground lease expense is included in EBITDA.

Apple Hospitality REIT, Inc.
Reconciliation of Net Income to FFO and MFFO
(Unaudited)
(in thousands)

The Company calculates and presents FFO in accordance with standards established by Nareit, which defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains and losses from the sale of certain real estate assets (including gains and losses from change in control), extraordinary items as defined by GAAP, and the cumulative effect of changes in accounting principles, plus real estate related depreciation, amortization and impairments, and adjustments for unconsolidated affiliates. Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, most real estate industry investors consider FFO to be helpful in evaluating a real estate company's operations. The Company further believes that by excluding the effects of these items, FFO is useful to investors in comparing its operating performance between periods and between REITs that report FFO using the Nareit definition. FFO as presented by the Company is applicable only to its common shareholders, but does not represent an amount that accrues directly to common shareholders.

The Company further adjusts FFO (MFFO) for the exclusion of amortization of finance ground lease assets, amortization of favorable and unfavorable operating leases, net and non-cash straight-line operating ground lease expense, as these expenses do not reflect the underlying performance of the related hotels. The Company presents MFFO when evaluating its performance because it believes that it provides further useful supplemental information to investors regarding its ongoing operating performance.

The following table reconciles the Company's GAAP net income to FFO and MFFO for the three and six months ended June 30, 2019 and 2018.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	\$ 62,090	\$ 67,630	\$ 100,241	\$ 109,812
Depreciation of real estate owned	46,712	45,502	93,378	90,112
(Gain) Loss on sale of real estate	161	-	(1,052)	-
Loss on impairment of depreciable real estate assets	-	3,135	-	3,135
Funds from operations	108,963	116,267	192,567	203,059
Amortization of finance ground lease assets	1,149	-	2,190	-
Amortization of favorable and unfavorable operating leases, net	31	148	62	354
Non-cash straight-line operating ground lease expense	47	898	95	1,802
Modified funds from operations	<u>\$ 110,190</u>	<u>\$ 117,313</u>	<u>\$ 194,914</u>	<u>\$ 205,215</u>

Apple Hospitality REIT, Inc.
2019 Guidance Reconciliation of Net Income to EBITDA, EBITDAre and Adjusted EBITDAre
(Unaudited)
(in thousands)

The guidance of net income, EBITDA, EBITDAre and Adjusted EBITDAre are forward-looking statements and are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause actual results and performance to differ materially from those expressed or implied by these forecasts. Although the Company believes the expectations reflected in the forecasts are based upon reasonable assumptions, there can be no assurance that the expectations will be achieved or that the results will not be materially different. Risks that may affect these assumptions and forecasts include, but are not limited to, the following: changes in political, economic, competitive and specific market conditions; the amount and timing of acquisitions and dispositions of hotel properties; the level of capital expenditures may change significantly, which will directly affect the level of depreciation expense, interest expense and net income; the amount and timing of debt repayments may change significantly based on market conditions, which will directly affect the level of interest expense and net income; the amount and timing of transactions involving the Company's common stock may change based on market conditions; and other risks and uncertainties associated with the Company's business described herein and in filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

The following table reconciles the Company's GAAP net income guidance to EBITDA, EBITDAre and Adjusted EBITDAre guidance for the year ending December 31, 2019.

	Year Ending December 31, 2019	
	Low-End	High-End
Net income ⁽¹⁾	\$ 167,427	\$ 187,527
Depreciation and amortization ⁽¹⁾	194,000	191,700
Amortization of favorable and unfavorable leases, net	125	125
Interest and other expense, net ⁽¹⁾	63,700	61,700
Income tax expense	600	800
EBITDA	425,852	441,852
Gain on sale of real estate	(1,052)	(1,052)
EBITDAre	424,800	440,800
Non-cash straight-line ground lease expense	200	200
Adjusted EBITDAre	<u>\$ 425,000</u>	<u>\$ 441,000</u>

(1) As a result of the Company's adoption of *Leases* Topic 842, the Company has included approximately \$4.5 million of amortization related to its four finance ground lease assets and \$8.2 million of interest expense associated with the related finance lease liabilities. Under the previous accounting standard, the Company would have included approximately \$7.0 million of cash operating ground lease expense related to these four ground leases.

Apple Hospitality REIT, Inc.
Debt Summary
(Unaudited)
(\$ in thousands)
June 30, 2019

	<u>July 1 - December 31,</u> <u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Thereafter</u>	<u>Total</u>	<u>Fair Market Value</u>
Total debt:								
Maturities	\$ 6,600	\$ 28,349	\$ 47,586	\$ 301,952	\$ 295,615	\$ 709,165	\$ 1,389,267	\$ 1,394,440
Average interest rates ⁽¹⁾	3.8%	3.9%	3.9%	3.9%	3.9%	4.0%		
Variable rate debt:								
Maturities	\$ -	\$ -	\$ -	\$ 192,700	\$ 250,000	\$ 485,000	\$ 927,700	\$ 929,318
Average interest rates ⁽¹⁾	3.4%	3.6%	3.8%	3.8%	3.9%	4.0%		
Fixed rate debt:								
Maturities	\$ 6,600	\$ 28,349	\$ 47,586	\$ 109,252	\$ 45,615	\$ 224,165	\$ 461,567	\$ 465,122
Average interest rates	4.4%	4.4%	4.4%	4.2%	4.1%	4.1%		

(1) The average interest rate gives effect to interest rate swaps, as applicable.

Note:
See further information on the Company's indebtedness in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics Top 20 Markets
Three Months ended June 30
(Unaudited)

Top 20 Markets	# of Hotels	Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
		Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	
Los Angeles/Long Beach, CA	8	86.7%	90.8%	(4.5)%	\$ 181.79	\$ 174.46	4.2%	\$ 157.56	\$ 158.33	(0.5)%	5.7%
San Diego, CA	7	83.3%	83.6%	(0.3)%	\$ 162.59	\$ 156.89	3.6%	\$ 135.49	\$ 131.12	3.3%	5.4%
Chicago, IL	8	80.7%	82.2%	(1.7)%	\$ 134.67	\$ 134.75	(0.1)%	\$ 108.71	\$ 110.70	(1.8)%	4.1%
Nashville, TN	5	88.6%	89.7%	(1.2)%	\$ 172.80	\$ 180.08	(4.0)%	\$ 153.11	\$ 161.50	(5.2)%	3.5%
Anaheim/Santa Ana, CA	6	85.4%	86.0%	(0.6)%	\$ 144.83	\$ 147.93	(2.1)%	\$ 123.70	\$ 127.17	(2.7)%	3.4%
Seattle, WA	3	88.4%	87.8%	0.6%	\$ 195.34	\$ 208.48	(6.3)%	\$ 172.62	\$ 183.10	(5.7)%	3.1%
Phoenix, AZ	9	73.9%	71.1%	4.0%	\$ 116.90	\$ 109.94	6.3%	\$ 86.43	\$ 78.12	10.6%	2.8%
Omaha, NE	4	86.1%	81.5%	5.6%	\$ 152.31	\$ 159.87	(4.7)%	\$ 131.15	\$ 130.30	0.6%	2.7%
North Carolina East	5	90.1%	83.8%	7.5%	\$ 141.50	\$ 130.12	8.7%	\$ 127.55	\$ 109.08	16.9%	2.6%
Richmond/Petersburg, VA	4	75.9%	78.4%	(3.2)%	\$ 152.51	\$ 149.95	1.7%	\$ 115.81	\$ 117.60	(1.5)%	2.5%
Florida Panhandle	5	86.1%	83.6%	3.0%	\$ 164.01	\$ 125.13	31.1%	\$ 141.13	\$ 104.55	35.0%	2.5%

Dallas, TX	8	75.7%	75.2%	0.7%	\$ 122.04	\$ 123.86	(1.5)%	\$ 92.42	\$ 93.15	(0.8)%	2.3%
Washington, DC-MD-VA	4	87.7%	86.1%	1.8%	\$ 148.56	\$ 152.63	(2.7)%	\$ 130.22	\$ 131.40	(0.9)%	2.3%
Norfolk/Virginia Beach, VA	4	87.0%	87.8%	(1.0)%	\$ 164.09	\$ 154.56	6.2%	\$ 142.72	\$ 135.75	5.1%	2.2%
Austin, TX	7	80.9%	81.3%	(0.5)%	\$ 123.69	\$ 126.02	(1.8)%	\$ 100.01	\$ 102.46	(2.4)%	2.1%
Alaska	2	90.3%	86.9%	3.9%	\$ 221.03	\$ 184.99	19.5%	\$ 199.51	\$ 160.75	24.1%	2.1%
Oklahoma City, OK	4	80.9%	79.9%	1.3%	\$ 144.73	\$ 143.33	1.0%	\$ 117.05	\$ 114.45	2.3%	2.0%
Denver, CO	3	82.6%	82.3%	0.3%	\$ 159.07	\$ 160.11	(0.6)%	\$ 131.38	\$ 131.84	(0.3)%	1.9%
Alabama South	6	82.0%	79.2%	3.5%	\$ 123.50	\$ 117.41	5.2%	\$ 101.26	\$ 92.97	8.9%	1.7%
Fort Worth/Arlington, TX	5	79.1%	80.0%	(1.2)%	\$ 133.14	\$ 134.94	(1.3)%	\$ 105.25	\$ 107.93	(2.5)%	1.7%
Top 20 Markets	107	82.6%	82.3%	0.4%	\$ 149.50	\$ 146.84	1.8%	\$ 123.47	\$ 120.82	2.2%	56.6%
All Other Markets	127	80.3%	81.6%	(1.5)%	\$ 133.83	\$ 135.21	(1.0)%	\$ 107.48	\$ 110.27	(2.5)%	43.4%
Total Portfolio	234	81.4%	81.9%	(0.6)%	\$ 141.60	\$ 140.94	0.5%	\$ 115.30	\$ 115.44	(0.1)%	100.0%

Note: Market categorization based on STR designation. Top 20 markets based on Comparable Hotels Adjusted Hotel EBITDA contribution.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics Top 20 Markets
Six Months ended June 30
(Unaudited)

Top 20 Markets	# of Hotels	Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
		YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019
Top 20 Markets											
Los Angeles/Long Beach, CA	8	87.0%	89.9%	(3.2)%	\$ 176.26	\$ 170.16	3.6%	\$ 153.43	\$ 153.01	0.3%	5.9%
San Diego, CA	7	80.2%	81.8%	(1.9)%	\$ 158.10	\$ 151.94	4.1%	\$ 126.74	\$ 124.21	2.0%	5.4%
Phoenix, AZ	9	78.4%	77.3%	1.4%	\$ 147.10	\$ 137.26	7.2%	\$ 115.28	\$ 106.13	8.6%	5.3%
Anaheim/Santa Ana, CA	6	83.9%	85.0%	(1.3)%	\$ 146.19	\$ 147.50	(0.9)%	\$ 122.67	\$ 125.42	(2.2)%	3.8%
Nashville, TN	5	84.4%	85.9%	(1.7)%	\$ 167.13	\$ 170.12	(1.8)%	\$ 141.01	\$ 146.06	(3.5)%	3.4%
Chicago, IL	8	71.9%	73.5%	(2.2)%	\$ 126.46	\$ 126.67	(0.2)%	\$ 90.95	\$ 93.15	(2.4)%	2.9%
Seattle, WA	3	82.8%	84.1%	(1.6)%	\$ 181.64	\$ 186.15	(2.4)%	\$ 150.32	\$ 156.53	(4.0)%	2.8%
Richmond/Petersburg, VA	4	74.8%	77.3%	(3.1)%	\$ 151.05	\$ 151.07	(0.0)%	\$ 113.02	\$ 116.70	(3.2)%	2.6%
Florida Panhandle	5	82.6%	78.0%	5.9%	\$ 157.44	\$ 119.09	32.2%	\$ 130.04	\$ 92.90	40.0%	2.5%
Dallas, TX	8	72.9%	73.0%	(0.1)%	\$ 123.00	\$ 125.47	(2.0)%	\$ 89.66	\$ 91.57	(2.1)%	2.5%
North Carolina East	5	85.9%	78.2%	9.9%	\$ 127.04	\$ 117.38	8.2%	\$ 109.14	\$ 91.75	19.0%	2.3%
Austin, TX	7	75.5%	78.3%	(3.6)%	\$ 126.20	\$ 128.58	(1.9)%	\$ 95.27	\$ 100.74	(5.4)%	2.2%
Fort Lauderdale, FL	3	91.0%	91.8%	(0.9)%	\$ 158.28	\$ 161.36	(1.9)%	\$ 144.04	\$ 148.14	(2.8)%	2.1%
Omaha, NE	4	79.1%	71.0%	11.4%	\$ 134.41	\$ 142.23	(5.5)%	\$ 106.25	\$ 100.95	5.2%	2.0%
Fort Worth/Arlington, TX	5	77.8%	77.7%	0.2%	\$ 134.22	\$ 134.97	(0.6)%	\$ 104.49	\$ 104.92	(0.4)%	1.9%
Oklahoma City, OK	4	76.7%	76.3%	0.5%	\$ 136.16	\$ 138.26	(1.5)%	\$ 104.44	\$ 105.51	(1.0)%	1.8%
Alabama South	6	79.0%	76.0%	3.9%	\$ 120.55	\$ 114.11	5.6%	\$ 95.23	\$ 86.74	9.8%	1.8%
Orlando, FL	4	82.6%	85.1%	(2.9)%	\$ 124.36	\$ 134.24	(7.4)%	\$ 102.73	\$ 114.18	(10.0)%	1.7%
Alaska	2	86.2%	78.4%	9.9%	\$ 189.76	\$ 164.98	15.0%	\$ 163.50	\$ 129.35	26.4%	1.7%
Washington, DC-MD-VA	4	78.3%	77.4%	1.2%	\$ 135.12	\$ 137.24	(1.5)%	\$ 105.75	\$ 106.19	(0.4)%	1.7%
Top 20 Markets	107	79.7%	79.5%	0.2%	\$ 145.25	\$ 142.95	1.6%	\$ 115.70	\$ 113.67	1.8%	56.3%
All Other Markets	127	75.9%	77.4%	(1.9)%	\$ 133.90	\$ 134.10	(0.2)%	\$ 101.69	\$ 103.79	(2.0)%	43.7%
Total Portfolio	234	77.8%	78.4%	(0.8)%	\$ 139.62	\$ 138.49	0.8%	\$ 108.58	\$ 108.62	(0.0)%	100.0%

Note: Market categorization based on STR designation. Top 20 markets based on Comparable Hotels Adjusted Hotel EBITDA contribution.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics by Region
Three Months ended June 30
(Unaudited)

Region	# of Hotels	Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
		Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019
STR Region											
East North Central	15	78.0%	80.1%	(2.7)%	\$ 132.08	\$ 134.26	(1.6)%	\$ 103.02	\$ 107.58	(4.2)%	6.2%
East South Central	30	83.4%	83.9%	(0.6)%	\$ 134.82	\$ 135.59	(0.6)%	\$ 112.41	\$ 113.74	(1.2)%	10.4%
Middle Atlantic	12	83.5%	84.0%	(0.6)%	\$ 168.09	\$ 166.59	0.9%	\$ 140.43	\$ 139.96	0.3%	5.6%
Mountain	21	77.4%	76.8%	0.7%	\$ 126.66	\$ 123.87	2.3%	\$ 98.03	\$ 95.16	3.0%	8.1%
New England	5	79.3%	81.6%	(2.8)%	\$ 147.42	\$ 147.09	0.2%	\$ 116.91	\$ 119.98	(2.6)%	2.2%
Pacific	33	86.2%	87.3%	(1.2)%	\$ 171.76	\$ 167.87	2.3%	\$ 148.04	\$ 146.47	1.1%	23.2%
South Atlantic	59	82.4%	84.0%	(1.9)%	\$ 138.21	\$ 136.44	1.3%	\$ 113.95	\$ 114.67	(0.6)%	24.0%
West North Central	18	83.1%	80.6%	3.2%	\$ 135.17	\$ 136.67	(1.1)%	\$ 112.39	\$ 110.11	2.1%	7.2%
West South Central	41	77.1%	76.4%	0.9%	\$ 126.69	\$ 128.52	(1.4)%	\$ 97.67	\$ 98.24	(0.6)%	13.1%
Total Portfolio	234	81.4%	81.9%	(0.6)%	\$ 141.60	\$ 140.94	0.5%	\$ 115.30	\$ 115.44	(0.1)%	100.0%

Note: Region categorization based on STR designation.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics by Region
Six Months ended June 30
(Unaudited)

Region	# of Hotels	Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
		YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019
STR Region											
East North Central	15	69.9%	73.0%	(4.2)%	\$ 125.70	\$ 127.13	(1.1)%	\$ 87.91	\$ 92.82	(5.3)%	4.7%
East South Central	30	79.1%	79.1%	0.0%	\$ 131.48	\$ 131.14	0.3%	\$ 104.00	\$ 103.69	0.3%	10.3%
Middle Atlantic	12	75.9%	77.5%	(2.0)%	\$ 157.11	\$ 155.35	1.1%	\$ 119.24	\$ 120.35	(0.9)%	4.0%
Mountain	21	77.9%	77.5%	0.5%	\$ 137.43	\$ 132.57	3.7%	\$ 107.08	\$ 102.77	4.2%	10.8%
New England	5	68.2%	72.0%	(5.2)%	\$ 137.95	\$ 137.20	0.6%	\$ 94.13	\$ 98.78	(4.7)%	1.6%
Pacific	33	83.8%	84.9%	(1.4)%	\$ 165.99	\$ 161.39	2.9%	\$ 139.04	\$ 137.08	1.4%	23.3%
South Atlantic	59	79.8%	81.2%	(1.7)%	\$ 138.69	\$ 136.71	1.4%	\$ 110.68	\$ 110.98	(0.3)%	25.5%
West North Central	18	76.6%	73.2%	4.7%	\$ 126.52	\$ 129.61	(2.4)%	\$ 96.96	\$ 94.91	2.2%	5.9%
West South Central	41	74.2%	74.5%	(0.4)%	\$ 126.71	\$ 128.89	(1.7)%	\$ 94.04	\$ 96.06	(2.1)%	13.9%
Total Portfolio	234	77.8%	78.4%	(0.8)%	\$ 139.62	\$ 138.49	0.8%	\$ 108.58	\$ 108.62	(0.0)%	100.0%

Note: Region categorization based on STR designation.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics by Chain Scale
Three Months ended June 30
(Unaudited)

Chain Scale/Brand	# of Hotels	Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
		Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019
Upscale											
Courtyard	37	79.6%	80.7%	(1.4)%	\$ 148.75	\$ 146.36	1.6%	\$ 118.38	\$ 118.14	0.2%	19.1%
Hilton Garden Inn	41	81.0%	80.6%	0.5%	\$ 138.97	\$ 139.28	(0.2)%	\$ 112.59	\$ 112.29	0.3%	18.3%
Homewood Suites	33	86.0%	85.9%	0.1%	\$ 139.40	\$ 141.82	(1.7)%	\$ 119.85	\$ 121.76	(1.6)%	12.2%
Hyatt Place	1	75.6%	88.7%	(14.7)%	\$ 110.14	\$ 102.46	7.5%	\$ 83.27	\$ 90.85	(8.3)%	0.2%
Residence Inn	33	81.9%	83.5%	(2.0)%	\$ 148.05	\$ 149.11	(0.7)%	\$ 121.18	\$ 124.51	(2.7)%	14.7%
SpringHill Suites	15	80.5%	82.9%	(2.9)%	\$ 127.88	\$ 130.21	(1.8)%	\$ 102.94	\$ 107.95	(4.6)%	6.1%
Upscale Total	160	81.6%	82.4%	(0.9)%	\$ 141.89	\$ 142.23	(0.2)%	\$ 115.84	\$ 117.23	(1.2)%	70.6%
Upper Midscale											
Fairfield Inn/Fairfield Inn & Suites	11	77.7%	78.8%	(1.4)%	\$ 117.76	\$ 119.35	(1.3)%	\$ 91.53	\$ 94.08	(2.7)%	3.1%
Hampton Inn/Hampton Inn & Suites	40	81.1%	80.7%	0.4%	\$ 138.07	\$ 138.41	(0.2)%	\$ 111.93	\$ 111.74	0.2%	15.3%
Home2 Suites	9	85.5%	87.0%	(1.7)%	\$ 142.72	\$ 131.50	8.5%	\$ 122.07	\$ 114.43	6.7%	4.2%
TownePlace Suites	9	82.4%	81.8%	0.8%	\$ 121.82	\$ 110.41	10.3%	\$ 100.37	\$ 90.29	11.2%	3.0%
Upper Midscale Total	69	81.2%	81.2%	0.0%	\$ 133.81	\$ 131.40	1.8%	\$ 108.72	\$ 106.76	1.8%	25.6%
Upper Upscale											
Embassy Suites	2	90.8%	86.2%	5.4%	\$ 195.94	\$ 185.51	5.6%	\$ 178.00	\$ 159.96	11.3%	1.6%
Marriott	2	66.9%	67.3%	(0.7)%	\$ 151.45	\$ 146.36	3.5%	\$ 101.26	\$ 98.55	2.8%	1.4%
Renaissance	1	96.1%	93.8%	2.5%	\$ 282.68	\$ 280.03	0.9%	\$ 271.74	\$ 262.66	3.5%	0.8%
Upper Upscale Total	5	78.8%	77.4%	1.9%	\$ 194.85	\$ 187.71	3.8%	\$ 153.64	\$ 145.21	5.8%	3.8%
Total Portfolio	234	81.4%	81.9%	(0.6)%	\$ 141.60	\$ 140.94	0.5%	\$ 115.30	\$ 115.44	(0.1)%	100.0%

Note: Chain scale categorization based on STR designation.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics by Chain Scale
Six Months ended June 30
(Unaudited)

Chain Scale/Brand	# of Hotels	Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA
		YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019
Upscale											
Courtyard	37	75.2%	76.3%	(1.4)%	\$ 144.09	\$ 142.55	1.1%	\$ 108.34	\$ 108.74	(0.4)%	18.4%
Hilton Garden Inn	41	77.1%	76.4%	0.9%	\$ 136.62	\$ 136.78	(0.1)%	\$ 105.27	\$ 104.48	0.8%	18.0%
Homewood Suites	33	82.8%	82.9%	(0.1)%	\$ 141.03	\$ 142.43	(1.0)%	\$ 116.72	\$ 118.05	(1.1)%	13.0%
Hyatt Place	1	75.7%	87.3%	(13.3)%	\$ 111.03	\$ 104.90	5.8%	\$ 84.08	\$ 91.62	(8.2)%	0.3%
Residence Inn	33	78.8%	80.8%	(2.6)%	\$ 146.07	\$ 146.15	(0.1)%	\$ 115.04	\$ 118.16	(2.6)%	15.1%
SpringHill Suites	15	76.2%	78.3%	(2.6)%	\$ 124.66	\$ 126.88	(1.8)%	\$ 95.04	\$ 99.32	(4.3)%	5.9%
Upscale Total	160	77.9%	78.6%	(1.0)%	\$ 139.76	\$ 139.89	(0.1)%	\$ 108.83	\$ 110.02	(1.1)%	70.7%
Upper Midscale											
Fairfield Inn/Fairfield Inn & Suites	11	75.5%	78.2%	(3.4)%	\$ 119.83	\$ 120.06	(0.2)%	\$ 90.48	\$ 93.86	(3.6)%	3.3%
Hampton Inn/Hampton Inn & Suites	40	76.8%	76.9%	(0.1)%	\$ 138.41	\$ 137.11	0.9%	\$ 106.26	\$ 105.41	0.8%	15.6%
Home2 Suites	9	83.8%	82.4%	1.6%	\$ 139.69	\$ 127.06	9.9%	\$ 117.03	\$ 104.74	11.7%	4.1%
TownePlace Suites	9	78.2%	79.9%	(2.1)%	\$ 118.84	\$ 107.94	10.1%	\$ 92.94	\$ 86.25	7.8%	3.0%
Upper Midscale Total	69	77.6%	78.1%	(0.6)%	\$ 133.52	\$ 129.71	2.9%	\$ 103.57	\$ 101.26	2.3%	26.0%

Upper Upscale											
Embassy Suites	2	88.8%	85.3%	4.1%	\$ 188.02	\$ 178.83	5.1%	\$ 166.97	\$ 152.49	9.5%	1.6%
Marriott	2	66.5%	68.3%	(2.6)%	\$ 150.38	\$ 147.43	2.0%	\$ 99.98	\$ 100.64	(0.7)%	1.5%
Renaissance	1	92.8%	91.5%	1.4%	\$ 237.78	\$ 234.13	1.6%	\$ 220.56	\$ 214.13	3.0%	0.2%
Upper Upscale Total	5	77.5%	77.2%	0.4%	\$ 181.44	\$ 175.60	3.3%	\$ 140.55	\$ 135.51	3.7%	3.3%
Total Portfolio	234	77.8%	78.4%	(0.8)%	\$ 139.62	\$ 138.49	0.8%	\$ 108.58	\$ 108.62	(0.0)%	100.0%

Note: Chain scale categorization based on STR designation.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics by Location
Three Months ended June 30
(Unaudited)

Location	# of Hotels	Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA Q2 2019
		Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	
STR Location											
Airport	18	83.3%	86.7%	(3.9)%	\$ 131.98	\$ 133.71	(1.3)%	\$ 110.00	\$ 115.95	(5.1)%	6.0%
Interstate	6	79.9%	78.2%	2.2%	\$ 111.91	\$ 111.50	0.4%	\$ 89.43	\$ 87.20	2.6%	1.6%
Resort	9	87.4%	85.7%	2.0%	\$ 153.26	\$ 150.78	1.6%	\$ 133.98	\$ 129.22	3.7%	5.7%
Small Metro/Town	16	81.6%	77.2%	5.6%	\$ 116.75	\$ 112.97	3.3%	\$ 95.23	\$ 87.23	9.2%	4.6%
Suburban	143	80.9%	81.8%	(1.1)%	\$ 136.94	\$ 135.67	0.9%	\$ 110.83	\$ 111.04	(0.2)%	55.1%
Urban	42	81.0%	81.4%	(0.4)%	\$ 164.47	\$ 165.62	(0.7)%	\$ 133.21	\$ 134.73	(1.1)%	27.0%
Total Portfolio	234	81.4%	81.9%	(0.6)%	\$ 141.60	\$ 140.94	0.5%	\$ 115.30	\$ 115.44	(0.1)%	100.0%

Note: Location categorization based on STR designation.

Apple Hospitality REIT, Inc.
Comparable Hotels Operating Metrics by Location
Six Months ended June 30
(Unaudited)

Location	# of Hotels	Occupancy			ADR			RevPAR			% of Adjusted Hotel EBITDA YTD 2019
		YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	YTD 2019	YTD 2018	% Change	
STR Location											
Airport	18	81.8%	84.1%	(2.7)%	\$ 134.02	\$ 135.72	(1.3)%	\$ 109.65	\$ 114.16	(4.0)%	6.7%
Interstate	6	75.2%	72.2%	4.1%	\$ 110.53	\$ 110.13	0.4%	\$ 83.07	\$ 79.47	4.5%	1.5%
Resort	9	83.4%	82.2%	1.4%	\$ 154.47	\$ 152.38	1.4%	\$ 128.81	\$ 125.31	2.8%	6.0%
Small Metro/Town	16	80.3%	75.7%	6.1%	\$ 123.73	\$ 119.32	3.7%	\$ 99.39	\$ 90.37	10.0%	5.6%
Suburban	143	77.0%	78.3%	(1.6)%	\$ 135.20	\$ 133.97	0.9%	\$ 104.17	\$ 104.88	(0.7)%	55.2%
Urban	42	76.8%	77.5%	(1.0)%	\$ 157.50	\$ 156.65	0.5%	\$ 120.96	\$ 121.47	(0.4)%	25.0%
Total Portfolio	234	77.8%	78.4%	(0.8)%	\$ 139.62	\$ 138.49	0.8%	\$ 108.58	\$ 108.62	(0.0)%	100.0%

Note: Location categorization based on STR designation.