



## RLH Corporation Announces Execution of Five Hotel Purchase and Sale Agreements

January 26, 2018

### Company advances on asset-light commitment

DENVER, Jan. 26, 2018 (GLOBE NEWSWIRE) -- [RLH Corporation](#) (NYSE:RLH) today announced the execution of five hotel purchase and sale agreements resulting from the previously disclosed listing for sale of 11 company-owned hotels. The five sales are currently anticipated to close in February or early March, 2018, subject to standard contingencies and closing conditions.

The sale prices contracted on these five assets exceeded the company's expectations. The real estate market conditions remain robust and RLH Corporation was able to negotiate pricing for these first five hotels reflecting single-digit cap rates. The company expects to maintain Red Lion Hotel franchises going forward on all five of the contracted hotels. Based on these contracts and the current negotiations for remaining hotels in the sales program, the company is happy to reiterate its expectation that aggregate pricing for the 11 hotels will be in the \$165 million to \$175 million range.

"As a key component of our transition to a high-growth franchise company, we are extremely pleased with the initial five contracted sales and the excellent market we are finding for our hotel sales program," stated Greg Mount, RLH Corporation President and Chief Executive Officer. "We are confident that we will complete the majority of our hotel sales during the first and second quarters of 2018. These sales will allow us to significantly reduce our long-term debt and the expected gains on the assets sales will increase our cash reserves. This clean-up of our balance sheet will further enhance our very strong position as we pursue the aggressive growth of our franchise business."

As the company closes on each individual hotel sale, it plans to disclose details that will allow shareholders and analysts to adjust their models to discontinue the earnings and cash flows from the disposed asset and to reflect the reduction in debt and increase to the company's cash reserves.

In November, the company substantially modified its cost base in anticipation of completing most of its hotel sales in the first half of 2018 and making the transition to operating primarily as a franchise company. This resulted in anticipated annual expense reductions of \$2.5 million. "We expect to initiate additional cost reductions as we sell hotels in 2018 to further bring our costs in line with typical franchise operations," said Mount. "We expect franchise segment adjusted EBITDA margins to continue to improve during 2018."

To learn more about franchising with RLH Corporation, visit [franchise.rlhco.com](http://franchise.rlhco.com).

### About RLH Corporation

Red Lion Hotels Corporation is an innovative hotel company doing business as RLH Corporation and focuses on the franchising, management and ownership of upscale, midscale and economy hotels. The company focuses on maximizing return on invested capital for hotel owners across North America through relevant brands, industry-leading technology and forward-thinking services. For more information, please visit the company's website at [www.rlhco.com](http://www.rlhco.com).

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Source: RLHC (Red Lion Hotels Corporation)