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

FORM 10-Q

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

For the quarterly period ended September 30, 2025

OR

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

For the transition period from ______ to ______.

Commission File Number 001-34571

PEBBLEBROOK HOTEL TRUST
(Exact Name of Registrant as Specified in Its Charter)

Maryland	27-1055421
(State of Incorporation or Organization)	(I.R.S. Employer Identification No.)
4747 Bethesda Avenue, Suite 1100, Bethesda, Maryland	20814
(Address of Principal Executive Offices)	(Zip Code)

(240) 507-1300
(Registrant’s telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $0.01 par value per share	PEB	New York Stock Exchange
Series E Cumulative Redeemable Preferred Shares, $0.01 par value	PEB-PE	New York Stock Exchange
Series F Cumulative Redeemable Preferred Shares, $0.01 par value	PEB-PF	New York Stock Exchange
Series G Cumulative Redeemable Preferred Shares, $0.01 par value	PEB-PG	New York Stock Exchange
Series H Cumulative Redeemable Preferred Shares, $0.01 par value	PEB-PH	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). ☑ Yes ☐ No

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

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 31, 2025
Common shares of beneficial interest ($0.01 par value per share)	113,595,629

Pebblebrook Hotel Trust

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Pebblebrook Hotel Trust
Consolidated Balance Sheets
(in thousands, except share and per-share data)

	September 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Investment in hotel properties, net	$ 5,103,449	$ 5,319,029
Hotel held for sale	80,602	—
Cash and cash equivalents	223,157	206,650
Restricted cash	8,958	10,941
Hotel receivables (net of allowance for doubtful accounts of $348 and $439, respectively)	45,666	39,125
Prepaid expenses and other assets	92,418	117,593
Total assets	$ 5,554,250	$ 5,693,338
LIABILITIES AND EQUITY		
Debt	$ 2,239,036	$ 2,246,732
Accounts payable, accrued expenses and other liabilities	228,116	222,230
Lease liabilities - operating leases	333,090	320,741
Deferred revenues	97,980	92,347
Accrued interest	18,027	11,549
Liabilities related to hotel held for sale	18,609	—
Distribution payable	11,803	11,865
Total liabilities	2,946,661	2,905,464
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Preferred shares of beneficial interest, $.01 par value (liquidation preference $688,554 and $690,000 at September 30, 2025 and December 31, 2024, respectively), 100,000,000 shares authorized; 27,542,157 and 27,600,000 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	275	276
Common shares of beneficial interest, $.01 par value, 500,000,000 shares authorized; 113,841,546 and 119,285,394 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	1,138	1,193
Additional paid-in capital	3,985,385	4,072,265
Accumulated other comprehensive income (loss)	3,465	16,550
Distributions in excess of retained earnings	(1,475,913)	(1,392,860)
Total shareholders' equity	2,514,350	2,697,424
Non-controlling interests	93,239	90,450
Total equity	2,607,589	2,787,874
Total liabilities and equity	$ 5,554,250	$ 5,693,338

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

Pebblebrook Hotel Trust
Consolidated Statements of Operations and Comprehensive Income
(in thousands, except share and per-share data)
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues:				
Room	$ 254,613	$ 262,755	$ 709,223	$ 714,633
Food and beverage	96,239	95,998	288,543	278,613
Other operating	47,871	45,777	128,760	122,463
Total revenues	398,723	404,530	1,126,526	1,115,709
Expenses:				
Hotel operating expenses:				
Room	70,434	68,721	196,689	188,747
Food and beverage	71,011	71,346	208,237	203,281
Other direct and indirect	117,607	116,953	335,126	328,705
Total hotel operating expenses	259,052	257,020	740,052	720,733
Depreciation and amortization	57,602	57,546	172,790	172,051
Real estate taxes, personal property taxes, property insurance, and ground rent	35,404	35,274	102,655	92,681
General and administrative	12,062	11,814	37,792	35,937
Impairment	46,497	1,908	46,497	1,908
Business interruption insurance income and gain on insurance settlement	(3,874)	(7,059)	(11,419)	(18,340)
Other operating expenses	2,188	963	3,216	4,083
Total operating expenses	408,931	357,466	1,091,583	1,009,053
Operating income (loss)	(10,208)	47,064	34,943	106,656
Interest expense	(20,180)	(27,925)	(74,595)	(82,285)
Other, net	1,037	793	2,056	1,336
Income (loss) before income taxes	(29,351)	19,932	(37,596)	25,707
Income tax (expense) benefit	(3,002)	25,213	(7,652)	24,157
Net income (loss)	(32,353)	45,145	(45,248)	49,864
Net income (loss) attributable to non-controlling interests	714	1,488	2,710	3,621
Net income (loss) attributable to the Company	(33,067)	43,657	(47,958)	46,243
Distributions to preferred shareholders	(10,611)	(10,631)	(31,874)	(31,894)
Repurchase of preferred shares	312	—	312	—
Net income (loss) attributable to common shareholders	$ (43,366)	$ 33,026	$ (79,520)	$ 14,349
Net income (loss) per share available to common shareholders, basic	$ (0.37)	$ 0.27	$ (0.67)	$ 0.12
Net income (loss) per share available to common shareholders, diluted	$ (0.37)	$ 0.24	$ (0.67)	$ 0.12
Weighted-average number of common shares, basic	117,555,628	119,640,463	118,304,722	119,938,931
Weighted-average number of common shares, diluted	117,555,628	149,351,866	118,304,722	120,367,351

Pebblebrook Hotel Trust
Consolidated Statements of Operations and Comprehensive Income - Continued
(in thousands, except share and per-share data)

(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Comprehensive Income:				
Net income (loss)	$ (32,353)	$ 45,145	$ (45,248)	$ 49,864
Other comprehensive income (loss):				
Change in fair value of derivative instruments	647	(12,177)	(1,315)	5,067
Amounts reclassified from other comprehensive income	(4,084)	(5,995)	(11,823)	(18,299)
Comprehensive income (loss)	(35,790)	26,973	(58,386)	36,632
Comprehensive income (loss) attributable to non-controlling interests	682	1,334	2,693	3,500
Comprehensive income (loss) attributable to the Company	$ (36,472)	$ 25,639	$ (61,079)	$ 33,132

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

Pebblebrook Hotel Trust
Consolidated Statements of Equity
(in thousands, except share data)

(Unaudited)

For the three months ended September 30, 2025

	Preferred Shares		Common Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance at June 30, 2025	27,600,000	$ 276	118,166,806	$ 1,182	$ 4,061,670	$ 6,870	$ (1,431,394)	$ 2,638,604	$ 92,497	$ 2,731,101
Repurchase of preferred shares	(57,843)	(1)	—	—	(1,375)	—	312	(1,064)	—	(1,064)
Repurchase of common shares	—	—	(4,325,260)	(44)	(49,955)	—	—	(49,999)	—	(49,999)
Share-based compensation	—	—	—	—	2,285	—	—	2,285	1,236	3,521
Distributions on common shares/units	—	—	—	—	—	—	(1,153)	(1,153)	(12)	(1,165)
Distributions on preferred shares/units	—	—	—	—	—	—	(10,611)	(10,611)	(1,164)	(11,775)
Purchases of capped calls in connection with convertible senior notes	—	—	—	—	(27,240)	—	—	(27,240)	—	(27,240)
Other comprehensive income (loss):										
Change in fair value of derivative instruments	—	—	—	—	—	679	—	679	(32)	647
Amounts reclassified from other comprehensive income	—	—	—	—	—	(4,084)	—	(4,084)	—	(4,084)
Net income (loss)	—	—	—	—	—	—	(33,067)	(33,067)	714	(32,353)
Balance at September 30, 2025	27,542,157	$ 275	113,841,546	$ 1,138	$ 3,985,385	$ 3,465	$ (1,475,913)	$ 2,514,350	$ 93,239	$ 2,607,589

For the three months ended September 30, 2024

	Preferred Shares		Common Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance at June 30, 2024	27,600,000	$ 276	120,094,380	$ 1,201	$ 4,077,360	$ 29,281	$ (1,362,359)	$ 2,745,759	$ 88,676	$ 2,834,435
Repurchase of common shares	—	—	(854,993)	(9)	(9,991)	—	—	(10,000)	—	(10,000)
Share-based compensation	—	—	46,007	1	2,439	—	—	2,440	1,061	3,501
Distributions on common shares/units	—	—	—	—	—	—	(1,206)	(1,206)	(10)	(1,216)
Distributions on preferred shares/units	—	—	—	—	—	—	(10,631)	(10,631)	(1,164)	(11,795)
Other comprehensive income (loss):										
Change in fair value of derivative instruments	—	—	—	—	—	(12,023)	—	(12,023)	(154)	(12,177)
Amounts reclassified from other comprehensive income	—	—	—	—	—	(5,995)	—	(5,995)	—	(5,995)
Net income (loss)	—	—	—	—	—	—	43,657	43,657	1,488	45,145
Balance at September 30, 2024	27,600,000	$ 276	119,285,394	$ 1,193	$ 4,069,808	$ 11,263	$ (1,330,539)	$ 2,752,001	$ 89,897	$ 2,841,898

Pebblebrook Hotel Trust
Consolidated Statements of Equity - Continued
(in thousands, except share data)

(Unaudited)

	For the nine months ended September 30, 2025									
	Preferred Shares		Common Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance at December 31, 2024	27,600,000	$ 276	119,285,394	$ 1,193	$ 4,072,265	$ 16,550	$ (1,392,860)	$ 2,697,424	$ 90,450	$ 2,787,874
Repurchase of preferred shares	(57,843)	(1)	—	—	(1,375)	—	312	(1,064)	—	(1,064)
Issuance of shares, net of offering costs	—	—	—	—	(41)	—	—	(41)	—	(41)
Issuance of common shares for Board of Trustees compensation	—	—	54,451	1	744	—	—	745	—	745
Repurchase of common shares	—	—	(5,719,480)	(58)	(65,553)	—	—	(65,611)	—	(65,611)
Share-based compensation	—	—	221,181	2	6,621	—	—	6,623	3,640	10,263
Distributions on common shares/units	—	—	—	—	—	—	(3,533)	(3,533)	(52)	(3,585)
Distributions on preferred shares/units	—	—	—	—	—	—	(31,874)	(31,874)	(3,492)	(35,366)
Purchases of capped calls in connection with convertible senior notes	—	—	—	—	(27,240)	—	—	(27,240)	—	(27,240)
Other comprehensive income (loss):										
Change in fair value of derivative instruments	—	—	—	—	(36)	(1,262)	—	(1,298)	(17)	(1,315)
Amounts reclassified from other comprehensive income	—	—	—	—	—	(11,823)	—	(11,823)	—	(11,823)
Net income (loss)	—	—	—	—	—	—	(47,958)	(47,958)	2,710	(45,248)
Balance at September 30, 2025	27,542,157	$ 275	113,841,546	$ 1,138	$ 3,985,385	$ 3,465	$ (1,475,913)	$ 2,514,350	$ 93,239	$ 2,607,589

Pebblebrook Hotel Trust
Consolidated Statements of Equity - Continued
(in thousands, except share data)

(Unaudited)

For the nine months ended September 30, 2024

	Preferred Shares		Common Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance at December 31, 2023	27,600,000	$ 276	120,191,349	$ 1,202	$ 4,078,912	$ 24,374	$ (1,341,264)	$ 2,763,500	$ 86,845	$ 2,850,345
Issuance of common shares for Board of Trustees compensation	—	—	47,497	1	744	—	—	745	—	745
Repurchase of common shares	—	—	(1,242,644)	(13)	(16,838)	—	—	(16,851)	—	(16,851)
Share-based compensation	—	—	289,192	3	6,990	—	—	6,993	3,091	10,084
Distributions on common shares/units	—	—	—	—	—	—	(3,624)	(3,624)	(47)	(3,671)
Distributions on preferred shares/units	—	—	—	—	—	—	(31,894)	(31,894)	(3,492)	(35,386)
Other comprehensive income (loss):										
Change in fair value of derivative instruments	—	—	—	—	—	5,188	—	5,188	(121)	5,067
Amounts reclassified from other comprehensive income	—	—	—	—	—	(18,299)	—	(18,299)	—	(18,299)
Net income (loss)	—	—	—	—	—	—	46,243	46,243	3,621	49,864
Balance at September 30, 2024	27,600,000	$ 276	119,285,394	$ 1,193	$ 4,069,808	$ 11,263	$ (1,330,539)	$ 2,752,001	$ 89,897	$ 2,841,898

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

Pebblebrook Hotel Trust
Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	For the nine months ended September 30,	
	2025	**2024**
Operating activities:		
Net income (loss)	$ (45,248)	$ 49,864
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	172,790	172,051
Provision (benefit) for deferred income taxes	5,740	(26,976)
Share-based compensation	10,263	10,084
Gain on insurance settlement	(1,820)	—
Amortization of deferred financing costs, non-cash interest and other amortization	8,988	9,295
Gain on extinguishment of debt	(7,385)	—
Impairment	46,497	1,908
Non-cash ground rent	7,283	7,385
Other adjustments	(331)	(4,181)
Changes in assets and liabilities:		
Hotel receivables	(10,668)	(16,866)
Prepaid expenses and other assets	(6,810)	(13,899)
Accounts payable and accrued expenses	29,729	4,529
Deferred revenues	9,423	12,556
Net cash provided by (used in) operating activities	218,451	205,750
Investing activities:		
Improvements and additions to hotel properties	(70,746)	(100,862)
Property insurance proceeds	5,276	21,737
Other investing activities	(480)	(742)
Net cash provided by (used in) investing activities	(65,950)	(79,867)
Financing activities:		
Payment of deferred financing costs	(10,279)	(6,379)
Proceeds from debt	400,000	—
Repayments of debt	(393,646)	(111,377)
Purchases of capped calls for convertible senior notes	(27,240)	—
Repurchases of common shares	(65,611)	(16,851)
Repurchases of preferred shares	(1,064)	—
Distributions — common shares/units	(3,610)	(3,659)
Distributions — preferred shares/units	(35,386)	(35,386)
Other financing activities	(1,141)	(1,615)
Net cash provided by (used in) financing activities	(137,977)	(175,267)
Net change in cash and cash equivalents and restricted cash	14,524	(49,384)
Cash and cash equivalents and restricted cash, beginning of year	217,591	193,641
Cash and cash equivalents and restricted cash, end of period	$ 232,115	$ 144,257

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

PEBBLEBROOK HOTEL TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Organization

Pebblebrook Hotel Trust (the "Company") is an internally managed hotel investment company, formed as a Maryland real estate investment trust in October 2009 to opportunistically acquire and invest in hotel properties located primarily in major U.S. cities and resort properties located near our primary target urban markets and select destination resort markets, with an emphasis on major gateway coastal markets.

As of September 30, 2025, the Company owned interests in 46 hotels with a total of 11,937 guest rooms. The hotel properties are located in: Boston, Massachusetts; Chicago, Illinois; Hollywood, Florida; Jekyll Island, Georgia; Key West, Florida; Los Angeles, California (Beverly Hills, Santa Monica, and West Hollywood); Naples, Florida; Newport, Rhode Island; Portland, Oregon; San Diego, California; San Francisco, California; Santa Cruz, California; Stevenson, Washington; and Washington, D.C.

Substantially all of the Company's assets are held by, and all of the Company's operations are conducted through, Pebblebrook Hotel, L.P. (the "Operating Partnership"). The Company is the sole general partner of the Operating Partnership. As of September 30, 2025, the Company owned 99.0% of the common limited partnership units issued by the Operating Partnership ("common units"). The remaining 1.0% of the common units are owned by the other limited partners of the Operating Partnership. For the Company to maintain its qualification as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"), it cannot operate the hotels it owns. Therefore, the Operating Partnership and its subsidiaries lease the hotel properties to subsidiaries of Pebblebrook Hotel Lessee, Inc. (collectively with its subsidiaries, "PHL"), a taxable REIT subsidiary ("TRS"), which in turn engage third-party eligible independent contractors to manage the hotels. PHL is consolidated into the Company's financial statements.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and in conformity with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") applicable to interim financial information. As such, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted in accordance with the rules and regulations of the SEC. These unaudited consolidated financial statements include all adjustments considered necessary for a fair presentation of the consolidated balance sheets, consolidated statements of operations and comprehensive income, consolidated statements of equity and consolidated statements of cash flows for the periods presented. Interim results are not necessarily indicative of full-year performance, as a result of the impact of seasonal and other short-term variations and the acquisitions and or dispositions of hotel properties. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The Company and its subsidiaries are separate legal entities and maintain records and books of account separate and apart from each other. The consolidated financial statements include all of the accounts of the Company and its subsidiaries and are presented in accordance with U.S. GAAP. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in entities that the Company does not control, but over which the Company has the ability to exercise significant influence regarding operating and financial policies, are accounted for under the equity method.

Certain reclassifications have been made to the prior period's financial statements to conform to the current year presentation.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses. These estimates are prepared using management's best judgment, after considering past, current and expected events and economic conditions. Actual results could differ from these estimates.

Risks and Uncertainties

The state of the overall economy can significantly impact hotel operational performance and thus the Company's financial position. Global events, as well as national and local events, may adversely impact travel trends and the operations of the Company's hotels. In addition, inflation and changing interest rates may impact the overall economy and the availability of debt, which may impact the Company's financial position. A decline in travel or a significant increase in costs may also adversely impact the Company's cash flow and ability to service debt or meet other financial obligations.

New Accounting Pronouncements

Income Taxes

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied on a prospective basis, with the option to apply retrospectively. The Company's adoption of ASU 2023-09 in its Annual Report on Form 10-K for the year ended December 31, 2025 will not have a material impact on its consolidated financial statements and disclosures.

Stock Compensation

In March 2024, the FASB issued ASU 2024-01, *Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards* ("ASU 2024-01"), to clarify the scope application of profits interest and similar awards by adding illustrative guidance in *ASC 718, Compensation—Stock Compensation* ("ASC 718"). ASU 2024-01 clarifies how to determine whether profits interest and similar awards should be accounted for as a share-based payment arrangement (ASC 718) or as a cash bonus or profit-sharing arrangement *(ASC 710, Compensation—General,* or other guidance*)* and applies to all reporting entities that account for profits interest awards as compensation to employees or non-employees. In addition to adding the illustrative guidance, ASU 2024-01 modified the language in paragraph 718-10-15-3 to improve its clarity and operability without changing the guidance. ASU 2024-01 is effective for fiscal years beginning after December 15, 2024, including interim periods within those annual periods. Early adoption is permitted. The amendments should be applied either retrospectively to all prior periods presented in the financial statements, or prospectively to profits interest and similar awards granted or modified on or after the adoption date. The Company's adoption of ASU 2024-01 on January 1, 2025 had no impact on its consolidated financial statements and disclosures.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 requires public entities to disclose specified information about certain costs and expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments should be applied either retrospectively to all prior periods presented in the financial statements, or prospectively after the adoption date. The Company is currently assessing the impacts of adopting ASU 2024-03 on its consolidated financial statements and disclosures.

Induced Conversions of Convertible Debt Instruments

In November 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments* ("ASU 2024-04"). ASU 2024-04 clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as induced conversions rather than as debt extinguishments. ASU 2024-04 is effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods, with early adoption permitted. The amendments should be applied either prospectively or retrospectively. The Company is currently assessing the impacts of adopting ASU 2024-04 on its consolidated financial statements and disclosures.

Note 3. Acquisition and Disposition of Hotel Properties

Acquisitions

The Company did not acquire any hotel properties during the nine months ended September 30, 2025 or 2024.

Dispositions

The Company did not dispose of any hotel properties during the nine months ended September 30, 2025 or 2024.

For the three and nine months ended September 30, 2025, the accompanying consolidated statements of operations and comprehensive income included operating income (loss) of $2.7 million and $0.5 million, respectively, excluding impairment loss and gain on sale of hotel properties related to the hotel properties sold or held for sale. For the three and nine months ended September 30, 2024, the accompanying consolidated statements of operations and comprehensive income included operating income (loss) of $3.1 million and zero, respectively, excluding impairment loss and gain on sale of hotel properties related to the hotel properties sold or held for sale.

Held for Sale

As of September 30, 2025, the Company had entered into an agreement to sell one hotel property for a sales price of $72.0 million and the purchaser placed a nonrefundable deposit pursuant to the agreement. This hotel was classified as held for sale and, as a result, the Company classified all of the assets and liabilities related to this hotel as assets and liabilities held for sale in the accompanying consolidated balance sheets and ceased depreciating its assets. The Company expects to complete the sale in the fourth quarter of 2025. However, no assurances can be given that the sale will be completed on these terms or at all.

Note 4. Investment in Hotel Properties

Investment in hotel properties as of September 30, 2025 and December 31, 2024 consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Land	$ 763,764	$ 800,143
Buildings and improvements	5,018,027	5,062,727
Furniture, fixtures and equipment	528,503	539,616
Finance lease asset	91,181	91,181
Construction in progress	5,865	5,066
	$ 6,407,340	$ 6,498,733
Operating lease, right-of-use asset	356,322	351,150
Investment in hotel properties	$ 6,763,662	$ 6,849,883
Less: Accumulated depreciation	(1,660,213)	(1,530,854)
Investment in hotel properties, net	$ 5,103,449	$ 5,319,029

Hurricane Helene and Hurricane Milton

On September 26, 2024, LaPlaya Beach Resort & Club ("LaPlaya") in Naples, FL was impacted by Hurricane Helene and, on October 9, 2024, was also impacted by Hurricane Milton. The damage primarily impacted the ground floor of the Beach House, the pool complex and landscaping. LaPlaya closed following Hurricane Milton to undertake clean-up, repairs and a full assessment of damages. The resort is substantially open.

The Company's insurance policies provide coverage for property damage, business interruption and other costs that are incurred relating to damages sustained in excess of the applicable deductibles. For damage due to Hurricane Helene, the Company recognized a loss of $1.9 million during the nine months ended September 30, 2024, which is included in impairment on the Company's accompanying consolidated statement of operations and comprehensive income. In September 2025, the Company finalized a settlement agreement for its Hurricane Helene claim with its insurance providers totaling $9.0 million. For damage due to Hurricane Milton, the Company recorded an insurance receivable for the remediation costs incurred and the estimate of the book value of the property and equipment written off in excess of the applicable deductibles. The Company is continuing to work with its insurance providers on its remaining Hurricane Milton claims. Through September 30, 2025, the Company received a total of $14.5 million in preliminary advances from the insurance providers for damage due to Hurricane Milton. For the nine months ended September 30, 2025, the Company recognized $11.4 million of business interruption insurance income and gain on insurance settlement for damage due to Hurricanes Helene and Milton.

Impairment

The Company reviews its investment in hotel properties for impairment whenever events or circumstances indicate potential impairment. The Company periodically adjusts its estimate of future operating cash flows and estimated hold periods for certain properties. As a result of this review, the Company may identify an impairment trigger has occurred and assess its investment in hotel properties for recoverability.

During the nine months ended September 30, 2025, the Company recognized an impairment loss of $46.5 million for three hotels as a result of their fair values being lower than their carrying values. The impairment losses were determined using Level 2 inputs under authoritative guidance for fair value measurements using purchase and sale agreements and information from marketing efforts for these properties. During the nine months ended September 30, 2024, no impairment losses were incurred.

Lease Assets and Lease Liabilities

The Company recognized right-of-use assets and related liabilities related to its ground leases, all of which are operating leases. The Company recognized finance lease assets and related finance lease liabilities for properties subject to finance leases. When the rate implicit in the lease could not be determined, the Company used incremental borrowing rates, which ranged from 4.7% to 7.6%. In addition, the term used includes any options to exercise extensions when it is reasonably certain the Company will exercise such option. See *Note 11. Commitments and Contingencies* for additional information about the ground leases.

The operating lease right-of-use assets and liabilities are amortized to ground rent expense over the term of the underlying lease agreements. As of September 30, 2025, the Company's lease liabilities consisted of operating lease liabilities of $333.1 million and financing lease liabilities of $44.4 million. As of December 31, 2024, the Company's lease liabilities consisted of operating lease liabilities of $320.7 million and financing lease liabilities of $44.0 million. The financing lease liabilities are included in accounts payable, accrued expenses and other liabilities on the Company's accompanying consolidated balance sheets.

Note 5. Debt

On October 13, 2022, the Company entered into the Fifth Amended and Restated Credit Agreement with Bank of America, N.A., as administrative agent and certain other agents and lenders ("Credit Agreement"). The Credit Agreement provides for a $650.0 million senior unsecured revolving credit facility and three $460.0 million unsecured term loan facilities totaling $1.38 billion. The Company may request additional lender commitments to increase the aggregate borrowing capacity under the Credit Agreement up to an additional $970.0 million.

On January 3, 2024, the Company entered into the First Amendment to the Credit Agreement which extended the maturity date of $356.7 million borrowed under Term Loan 2024 to January 2028. This extended indebtedness is referred to as Term Loan 2028. In connection with the extension, the Company also repaid $60.0 million of its borrowings under Term Loan 2024 and $50.0 million of its borrowings under Term Loan 2025 with available cash.

On October 3, 2024, the Company issued $400.0 million aggregate principal amount of its 6.375% senior notes due October 15, 2029. These notes are referred to as Senior Notes 2029. The net proceeds from the issuance were approximately $390.0 million after deducting discounts and offering expenses paid by the Company, of which $353.3 million was used to repay all $43.3 million of its borrowings under Term Loan 2024, $210.0 million of its borrowings under Term Loan 2025 and $100.0 million of its borrowings under Term Loan 2027.

On November 1, 2024, the Company entered into the Third Amendment to the Credit Agreement which extended the maturity date of $185.2 million borrowed under Term Loan 2025 to January 2029. This indebtedness is referred to as Term Loan 2029. The Company also extended the maturity date of $602.0 million of its senior unsecured revolving credit facility from October 2026 to October 2028, with the option to extend the maturity date for up to two six-month periods, subject to certain terms and conditions and payment of an extension fee.

On September 18, 2025, the Company issued $400.0 million aggregate principal amount of its 1.625% Convertible Senior Notes due January 2030 (the "Convertible Notes 2030"). The net proceeds from the issuance were approximately $390.2 million after deducting the underwriting fees. The net proceeds and cash on hand, totaling $392.0 million, was used to repurchase $400.0 million aggregate principal amount of the Company's 1.75% Convertible Senior Notes due December 2026 (the "Convertible Notes 2026") at a discount in private transactions with certain note holders. The repurchase of the Convertible Notes 2026 resulted in a gain on debt extinguishment of $7.4 million, net of a write-off of debt issuance costs, which is included in interest expense on the Company's accompanying consolidated statements of operations and comprehensive income.

The Company's debt consisted of the following as of September 30, 2025 and December 31, 2024 (dollars in thousands):

	Interest Rate at September 30, 2025		Maturity Date	Balance Outstanding as of September 30, 2025	Balance Outstanding as of December 31, 2024
Unsecured revolving credit facilities					
Senior unsecured credit facility	—	(1)(2)	October 2026 / October 2028	$ —	$ —
PHL unsecured credit facility	—	(1)	October 2028	—	—
Unsecured revolving credit facilities				$ —	$ —
Unsecured term loans					
Term Loan 2025	5.13%	(1)(4)	October 2025	14,783	14,783
Term Loan 2027	5.29%	(1)	October 2027	360,000	360,000
Term Loan 2028	3.83%	(1)	January 2028	356,652	356,652
Term Loan 2029	5.13%	(1)	January 2029	185,217	185,217
Unsecured term loans principal				$ 916,652	$ 916,652
Convertible senior notes					
Convertible Notes 2026	1.75%		December 2026	350,000	750,000
Convertible Notes 2030	1.63%		January 2030	400,000	—
Convertible senior notes principal				$ 750,000	$ 750,000
Unsecured senior notes					
Series B Notes	4.93%		December 2025	2,400	2,400
Senior Notes 2029	6.38%		October 2029	400,000	400,000
Unsecured senior notes principal				$ 402,400	$ 402,400
Mortgage loans					
Margaritaville Hollywood Beach Resort	7.04%	(3)	September 2026	140,000	140,000
Estancia La Jolla Hotel & Spa	5.07%		September 2028	53,767	55,413
Mortgage loans principal				$ 193,767	$ 195,413
Total debt principal				$ 2,262,819	$ 2,264,465
Unamortized debt premium and deferred financing costs, net				(23,783)	(17,733)
Debt, net				$ 2,239,036	$ 2,246,732

(1) Borrowings bear interest at floating rates. Interest rate at September 30, 2025 gives effect to interest rate hedges.
(2) $48.0 million of the $650.0 million senior unsecured revolving credit facility matures in October 2026, with no option to extend the maturity date, and the remaining $602.0 million matures in October 2028, with the option to extend the maturity date for up to two six-month periods, subject to certain terms and conditions and payment of an extension fee.
(3) This loan bears interest at a floating rate equal to daily SOFR plus a spread of 3.75%. The interest rate at September 30, 2025 gives effect to an interest rate swap. The Company has the option to extend the maturity date for up to two one-year periods, subject to certain terms and conditions and payment of an extension fee.
(4) In October 2025, the Company repaid its borrowings under Term Loan 2025 with available cash.

Unsecured Revolving Credit Facilities

The $650.0 million senior unsecured revolving credit facility provided for in the Credit Agreement matures as follows: $48.0 million in October 2026, with no option to extend the maturity date, and $602.0 million in October 2028, with the option to extend the maturity date for up to two six-month periods, subject to certain terms and conditions and payment of an extension fee. All borrowings under this senior unsecured revolving credit facility bear interest at a rate per annum equal to, at the option of the Company, (i) the Secured Overnight Financing Rate ("SOFR") plus 0.10% (the "SOFR Adjustment") plus a margin that is based upon the Company's leverage ratio or (ii) the Base Rate (as defined by the Credit Agreement) plus a margin that is based on the Company's leverage ratio. The margins for revolving credit facility loans range in amount from 1.45% to 2.50% for SOFR-based loans and 0.45% to 1.50% for Base Rate-based loans, depending on the Company's leverage ratio. As of September 30, 2025, the Company had no outstanding borrowings, $7.9 million of outstanding letters of credit and a borrowing capacity of $642.1 million remaining on the senior unsecured revolving credit facility. The Company is required to pay an unused commitment fee at an annual rate of 0.20% or 0.30% of the unused portion of the senior unsecured revolving credit facility, depending on the amount of borrowings outstanding. The credit agreement contains certain financial covenants, including a maximum leverage ratio, a minimum fixed charge coverage ratio and a maximum percentage of secured debt to total asset value.

Under the terms of the Credit Agreement, one or more standby letters of credit, up to a maximum aggregate outstanding balance of $30.0 million, may be issued on behalf of the Company by the lenders under the senior unsecured revolving facility. The Company pays a fee for outstanding standby letters of credit at a rate per annum equal to the applicable margin based upon the Company's leverage ratio. Any outstanding standby letters of credit reduce the available borrowings on the senior unsecured revolving credit facility by a corresponding amount. Standby letters of credit of $7.9 million and $7.4 million were outstanding as of September 30, 2025 and December 31, 2024, respectively.

As of September 30, 2025, the Company also has a $20.0 million unsecured revolving credit facility (the "PHL Credit Facility") to be used for PHL's working capital and general corporate purposes. On November 27, 2024, PHL amended the agreement governing the PHL Credit Facility to extend the maturity to October 2028. The PHL Credit Facility has substantially similar terms as the Company's senior unsecured revolving credit facility. Borrowings on the PHL Credit Facility bear interest at a rate per annum equal to, at the option of the Company, (i) SOFR plus the SOFR Adjustment plus a margin that is based upon the Company's leverage ratio or (ii) the Base Rate (as defined by the Credit Agreement) plus a margin that is based on the Company's leverage ratio. The PHL Credit Facility is subject to debt covenants substantially similar to the covenants under the Credit Agreement, which governs the Company's senior unsecured revolving credit facility. As of September 30, 2025, the Company had no borrowings under the PHL Credit Facility and had $20.0 million borrowing capacity remaining available under the PHL Credit Facility.

As of September 30, 2025, the Company was in compliance with all debt covenants of the credit agreements that govern the unsecured revolving credit facilities.

Unsecured Term Loan Facilities

The term loan facilities provided for in the Credit Agreement bear interest at a rate per annum equal to, at the option of the Company, (i) SOFR plus the SOFR Adjustment plus a margin that is based upon the Company's leverage ratio or (ii) the Base Rate (as defined by the Credit Agreement) plus a margin that is based on the Company's leverage ratio. The margins for term loans range in amount from 1.40% to 2.45% for SOFR-based loans and 0.40% to 1.45% for Base Rate-based loans, depending on the Company's leverage ratio. The term loans are subject to the debt covenants in the Credit Agreement. As of September 30, 2025, the Company was in compliance with all debt covenants of its term loans.

The Company entered into interest rate swap agreements to fix the SOFR rate on a portion of these unsecured term loan facilities. See *Derivative and Hedging Activities* for further discussion on the interest rate swaps.

Convertible Senior Notes due 2026

The Company has $350.0 million aggregate principal amount of the Convertible Notes 2026 outstanding. The Convertible Notes 2026 are governed by an indenture between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, and bear interest at a rate of 1.75% per annum, payable semi-annually in arrears on June 15th and December 15th of each year. As of September 30, 2025, the Convertible Notes 2026 had $0.5 million of unamortized issuance costs outstanding.

Prior to June 15, 2026, the Convertible Notes 2026 will be convertible upon certain circumstances. On and after June 15, 2026, holders may convert any of their Convertible Notes 2026 into the Company's common shares of beneficial interest ("common shares") at the applicable conversion rate at any time at their election until two days prior to the maturity date. The initial conversion rate is 39.2549 common shares per $1,000 principal amount of Convertible Notes 2026, which represents an initial conversion price of approximately $25.47 per share. The conversion rate is subject to adjustment in certain circumstances. Upon conversion of the Convertible Notes 2026, the Company may choose to pay or deliver cash, common shares or a combination of cash and shares. As of September 30, 2025 and December 31, 2024, the if-converted value of the Convertible Notes 2026 did not exceed the principal amount.

The Company may redeem for cash all or a portion of the Convertible Notes 2026, at its option, upon certain circumstances. The redemption price will be equal to 100% of the principal amount of the convertible notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. If certain make-whole fundamental changes occur, the conversion rate for the Convertible Notes 2026 may be increased.

Convertible Senior Notes due 2030

On September 18, 2025, the Company issued $400.0 million aggregate principal amount of the Convertible Notes 2030 in a private placement to persons reasonably believed to be qualified institutional buyers pursuant to Rule 114A under the Securities Act of 1933, as amended. The Convertible Notes 2030 are governed by an indenture between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, and bear interest at a rate of 1.625% per annum, payable semi-annually in arrears on January 15th and July 15th of each year. As of September 30, 2025, the Convertible Notes 2030 had $10.3 million of unamortized issuance costs outstanding.

Prior to July 15, 2029, the Convertible Notes 2030 are convertible upon certain circumstances. On and after July 15, 2029, holders may convert any of their Convertible Notes 2030 into common shares at the applicable conversion rate at any time at their election until two days prior to the maturity date. The initial conversion rate is 62.9129 common shares per $1,000 principal amount of Convertible Notes 2030, which represents an initial conversion price of approximately $15.89 per share. The conversion rate is subject to adjustment in certain circumstances. Upon conversion of the Convertible Notes 2030, the Company will settle the conversion by paying cash up to the aggregate principal amount of the Convertible Notes 2030 to be converted and cash, common shares or a combination of cash and common shares, at the Company's election, in respect of the remainder, if any, of the conversion obligation in excess of the aggregate principal amount. As of September 30, 2025, the if-converted value of the Convertible Notes 2030 did not exceed the principal amount.

Prior to July 20, 2028, the Company may not redeem the Convertible Notes 2030. On or after July 20, 2028, the Company may redeem for cash all or a portion of the Convertible Notes 2030 at its option, upon certain circumstances. The redemption price will be equal to 100% of the principal amount of the convertible notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. If certain make-whole fundamental changes occur, the conversion rate for the Convertible Notes 2030 may be increased.

Capped Call Transactions in Connection with the Convertible Senior Notes

In connection with the issuances of the Convertible Notes 2026 and the Convertible Notes 2030, the Company entered into privately negotiated capped call transactions. The capped call transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the convertible notes, the number of common shares underlying the applicable convertible note instrument. The capped call transactions are expected generally to reduce the potential dilution to holders of common shares upon conversion of the applicable convertible notes and/or offset the potential cash payments that the Company could be required to make in excess of the principal amount of any converted applicable convertible notes upon conversion thereof, with such reduction and/or offset subject to a cap. The upper strike price of the capped call transactions is $33.0225 per share for the Convertible Notes 2026 and $20.23 per share for the Convertible Notes 2030. Premiums paid for the capped call transactions were included as a net reduction to additional paid-in capital in the Company's accompanying consolidated balance sheets. In October 2025, the Company entered into unwind agreements with counterparties on $550.0 million aggregate principal amount of the capped calls entered into in connection with the Convertible Notes 2026.

Unsecured Senior Notes

The Company has $2.4 million of unsecured senior notes outstanding bearing a fixed interest rate of 4.93% per annum maturing in December 2025 (the "Series B Notes") and $400.0 million of unsecured senior notes outstanding bearing a fixed interest rate of 6.375% per annum and maturing in October 2029 (the "Senior Notes 2029"). The debt covenants of the Series B Notes are substantially similar to those of the Company's senior unsecured revolving credit facility. The indenture governing the Senior Notes 2029 contains covenants that are customary for similar securities and require the Company to maintain total unencumbered assets as of the end of each fiscal quarter of not less than 150% of total unsecured indebtedness calculated on a consolidated basis. As of September 30, 2025, the Company was in compliance with all such covenants.

Mortgage Loans

On December 1, 2021, the Company assumed a $61.7 million loan secured by a first-lien mortgage on the leasehold interest of Estancia La Jolla Hotel & Spa ("Estancia"). The loan requires both principal and interest monthly payments based on a fixed interest rate of 5.07%. The loan matures on September 1, 2028.

On September 7, 2023, the Company entered into a $140.0 million loan secured by a first-lien mortgage on the leasehold interest of Margaritaville Hollywood Beach Resort ("Margaritaville"). The loan requires interest-only payments based on a floating rate equal to daily SOFR plus a spread of 3.75%. The loan matures on September 7, 2026 and may be extended for up to two one-year periods, subject to certain terms and conditions and payment of extension fees. The Company entered into an interest rate swap agreement to fix the SOFR rate on the loan. See *Derivative and Hedging Activities* for further discussion on the interest rate swaps.

The Company's mortgage loans associated with Margaritaville and Estancia are non-recourse to the Company except for customary carve-outs to the general non-recourse liability. The loans contain customary provisions regarding events of default, as well as customary cash management, cash trap and lockbox provisions. Cash trap provisions are triggered if the hotel's performance is below a certain threshold. Once triggered, all of the cash flow generated by the hotel is deposited directly into lockbox accounts and then swept into cash management accounts for the benefit of the lender. These properties are not in a cash trap and no event of default has occurred under the loan documents.

Interest Expense

The components of the Company's interest expense consisted of the following for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Unsecured revolving credit facilities	$ 508	$ 504	$ 1,507	$ 1,499
Unsecured term loans	11,010	18,239	32,937	56,366
Convertible senior notes	3,282	3,281	9,845	9,844
Unsecured senior notes	6,404	30	19,001	89
Mortgage loans	3,219	3,247	9,573	9,690
Amortization of debt (premiums) and deferred financing fees, and (gain) loss on debt extinguishment	(5,204)	1,541	(1,383)	6,149
Other	961	1,083	3,115	(1,352)
Total interest expense	$ 20,180	$ 27,925	$ 74,595	$ 82,285

Fair Value

The Company estimates the fair value of its fixed rate mortgage loans and unsecured senior notes by discounting the future cash flows of each instrument at estimated market rates, taking into consideration general market conditions and maturity of the debt with similar credit terms, and is classified within Level 2 of the fair value hierarchy. The Company estimates the fair value of its fixed rate convertible senior notes using public market prices and is classified within Level 1 of the fair value hierarchy. The estimated fair value of the Company's fixed rate debt (unsecured senior notes, convertible senior notes and the Estancia mortgage loan) as of September 30, 2025 and December 31, 2024 was $1.2 billion and $1.1 billion, respectively. The fair value of the Company's variable rate debt approximates its carrying value.

Derivative and Hedging Activities

The Company enters into interest rate swap agreements to hedge against interest rate fluctuations. All of the Company's interest rate swaps are designated as cash flow hedges. All unrealized gains and losses on these hedging instruments are reported in accumulated other comprehensive income (loss) and are subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings.

The Company's interest rate swaps at September 30, 2025 and December 31, 2024 consisted of the following, by maturity date (dollars in thousands):

			Aggregate Notional Value as of	
Hedge Type	Interest Rate Range (SOFR)	Maturity	September 30, 2025	December 31, 2024
Swap-cash flow	3.22% - 3.25%	October 2025	$ 200,000	$ 200,000
Swap-cash flow	1.33% - 1.36%	February 2026	290,000	290,000
Swap-cash flow	3.02% - 3.03%	October 2026	200,000	200,000
Swap-cash flow	3.29%	October 2027	165,000	165,000
Swap-cash flow	3.54% - 3.55%	May 2028	100,000	—
Total			$ 955,000	$ 855,000

The Company records all derivative instruments at fair value in the accompanying consolidated balance sheets. Fair values of interest rate swaps are determined using the standard market methodology of netting the discounted future fixed cash receipts/payments and the discounted expected variable cash payments/receipts. Variable interest rates used in the calculation of projected receipts and payments on the swaps are based on an expectation of future interest rates derived from observable market interest rate curves (Overnight Index Swap curves) and volatilities (Level 2 inputs). Derivatives expose the Company to credit risk in the event of non-performance by the counterparties under the terms of the interest rate hedge agreements. The Company incorporates these counterparty credit risks in its fair value measurements. The Company believes it minimizes the credit risk by transacting with major creditworthy financial institutions.

As of September 30, 2025 and December 31, 2024, the Company's interest rate swap assets had an aggregate fair value of $4.1 million and $16.6 million, respectively. As of September 30, 2025 and December 31, 2024, the Company's interest rate swap liabilities had an aggregate fair value of $0.6 million and zero, respectively. Interest rate swap assets are included in prepaid expenses and other assets and interest rate swap liabilities are included in accounts payable, accrued expenses and other liabilities in the accompanying consolidated balance sheets. The Company expects approximately $4.4 million will be reclassified from accumulated other comprehensive income (loss) to interest expense within the next 12 months.

In October 2025, the Company entered into interest rate swap agreements with an aggregate notional amount of $200.0 million that became effective in the same month upon the maturity of previous swaps.

Note 6. Revenue

The Company presents revenue on a disaggregated basis in the accompanying consolidated statements of operations and comprehensive income. The following table presents revenues by geographic location for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
San Diego, CA	$ 96,543	$ 101,639	$ 258,454	$ 258,117
Boston, MA	76,824	77,605	204,553	203,483
Southern Florida/Georgia	46,614	46,390	203,020	196,281
Los Angeles, CA	44,565	49,574	123,492	142,382
San Francisco, CA	38,428	36,291	109,478	99,710
Chicago, IL	26,787	25,513	60,408	57,033
Portland, OR	25,751	25,574	60,129	60,101
Washington, D.C.	13,495	16,432	48,920	53,336
Other[(1)]	29,716	25,512	58,072	45,266
Total Revenues	$ 398,723	$ 404,530	$ 1,126,526	$ 1,115,709

(1) Other includes: Newport, RI and Santa Cruz, CA.

Payments from customers are primarily made when services are provided. Due to the short-term nature of the Company's contracts (other than membership contracts) and the almost simultaneous receipt of payment, almost all of the contract liability balance at the beginning of the period is expected to be recognized as revenue over the following 12 months. Membership deposits, which are received pursuant to membership contracts, are recognized as revenue over the expected life of the membership.

Note 7. Equity

Common Shares

The Company is authorized to issue up to 500,000,000 common shares. Each outstanding common share entitles the holder to one vote on each matter submitted to a vote of shareholders. Holders of common shares are entitled to receive dividends when authorized by the Board of Trustees.

Common Share Repurchase Program

On February 17, 2023, the Company's Board of Trustees authorized a share repurchase program of up to $150.0 million of common shares (the "February 2023 Common Share Repurchase Program"). Under this program, the Company may repurchase common shares from time to time in transactions on the open market or by private agreement. The Company may suspend or discontinue this program at any time. Common shares repurchased by the Company cease to be outstanding and become authorized but unissued common shares.

During the nine months ended September 30, 2025, the Company repurchased 5,623,656 common shares for an aggregate purchase price of $64.3 million, or an average of approximately $11.44 per share. As of September 30, 2025, $66.6 million of common shares remained available for repurchase under this program.

In October 2025, the Company repurchased 653,412 common shares at an average of approximately $10.77 per share.

In October 2025, the Company's Board of Trustees terminated the February 2023 Common Share Repurchase Program and authorized a new common share repurchase program of up to $150.0 million of common shares. Under this program, the Company may repurchase common shares from time to time in transactions on the open market or by private agreement. The Company may suspend or discontinue this program at any time. Common shares repurchased by the Company cease to be outstanding and become authorized but unissued common shares.

Common Dividends

The Company declared the following dividends on common shares/units for the nine months ended September 30, 2025:

Dividend per Share/Unit		For the Quarter Ended	Record Date	Payable Date
$	0.01	March 31, 2025	March 31, 2025	April 15, 2025
$	0.01	June 30, 2025	June 30, 2025	July 15, 2025
$	0.01	September 30, 2025	September 30, 2025	October 15, 2025

Preferred Shares

The Company is authorized to issue up to 100,000,000 preferred shares of beneficial interest, $0.01 par value per share ("preferred shares").

The following preferred shares were outstanding as of September 30, 2025 and December 31, 2024:

Security Type	September 30, 2025	December 31, 2024
6.375% Series E	4,381,119	4,400,000
6.30% Series F	5,998,474	6,000,000
6.375% Series G	9,199,700	9,200,000
5.70% Series H	7,962,864	8,000,000
	27,542,157	27,600,000

The Series E, Series F, Series G and Series H Cumulative Redeemable Preferred Shares (collectively, the "Preferred Shares") rank senior to the common shares and on parity with each other with respect to payment of distributions. The Preferred Shares do not have any maturity date and are not subject to mandatory redemption. The Company may redeem the Series E and Series F Preferred Shares at any time. The Series G and Series H Preferred Shares may not be redeemed prior to May 13, 2026 and July 27, 2026, respectively, except in limited circumstances relating to the Company's continuing qualification as a REIT or as discussed below. On or after such dates, the Company may, at its option, redeem the Preferred Shares, in each case in whole or from time to time in part, by payment of $25.00 per share, plus any accumulated, accrued and unpaid distributions through the date of redemption. Upon the occurrence of a change of control, as defined in the Company's declaration of trust, the result of which the common shares and the common securities of the acquiring or surviving entity are not listed on the New York Stock Exchange, the NYSE American or Nasdaq, or any successor exchanges, the Company may, at its option, redeem the Preferred Shares in whole or in part within 120 days following the change of control by paying $25.00 per share, plus any accrued and unpaid distributions through the date of redemption. If the Company does not exercise its right to redeem the Preferred Shares upon a change of control, the holders of the Preferred Shares have the right to convert some or all of their shares into a number of common shares based on defined formulas subject to share caps. The share cap on each Series E Preferred Share is 1.9372 common shares, on each Series F Preferred Share is 2.0649 common shares, on each Series G Preferred Share is 2.1231 common shares, and on each Series H Preferred Share is 2.2311 common shares.

Preferred Share Repurchase Program

On February 17, 2023, the Company's Board of Trustees authorized a share repurchase program of up to $100.0 million of the Preferred Shares. Under the terms of the program, the Company may repurchase up to an aggregate of $100.0 million of its 6.375% Series E Cumulative Redeemable Preferred Shares, 6.30% Series F Cumulative Redeemable Preferred Shares, 6.375% Series G Cumulative Redeemable Preferred Shares and 5.70% Series H Cumulative Redeemable Preferred Shares from time to time in transactions on the open market or by private agreement.

During the nine months ended September 30, 2025, the Company repurchased 57,843 Preferred Shares for an aggregate purchase price of $1.1 million, or an average of approximately $18.38 per share. As of September 30, 2025, $83.1 million of Preferred Shares remained available for repurchase under this program.

The timing, manner, price and amount of any repurchases will be determined by the Company in its discretion and will depend on a variety of factors, including legal requirements, price, liquidity and economic considerations, and market conditions. The program does not require the Company to repurchase any specific number of Preferred Shares. The program does not have an expiration date and may be suspended, modified or discontinued at any time.

Preferred Dividends

The Company declared the following dividends on preferred shares for the nine months ended September 30, 2025:

Security Type	Dividend per Share/Unit		For the Quarter Ended	Record Date	Payable Date
6.375% Series E	$	0.40	March 31, 2025	March 31, 2025	April 15, 2025
6.375% Series E	$	0.40	June 30, 2025	June 30, 2025	July 15, 2025
6.375% Series E	$	0.40	September 30, 2025	September 30, 2025	October 15, 2025
6.30% Series F	$	0.39	March 31, 2025	March 31, 2025	April 15, 2025
6.30% Series F	$	0.39	June 30, 2025	June 30, 2025	July 15, 2025
6.30% Series F	$	0.39	September 30, 2025	September 30, 2025	October 15, 2025
6.375% Series G	$	0.40	March 31, 2025	March 31, 2025	April 15, 2025
6.375% Series G	$	0.40	June 30, 2025	June 30, 2025	July 15, 2025
6.375% Series G	$	0.40	September 30, 2025	September 30, 2025	October 15, 2025
5.70% Series H	$	0.36	March 31, 2025	March 31, 2025	April 15, 2025
5.70% Series H	$	0.36	June 30, 2025	June 30, 2025	July 15, 2025
5.70% Series H	$	0.36	September 30, 2025	September 30, 2025	October 15, 2025

Non-controlling Interest of Common Units in Operating Partnership

Holders of Operating Partnership units ("OP units") have certain redemption rights that enable OP unit holders to cause the Operating Partnership to redeem their units in exchange for, at the Company’s option, cash per unit equal to the market price of common shares at the time of redemption or common shares on a one-for-one basis. The number of shares issuable upon exercise of the redemption rights will be adjusted upon the occurrence of share splits, mergers, consolidations or similar pro-rata share transactions, which otherwise would have the effect of diluting the ownership interests of the Operating Partnership's limited partners or the Company's shareholders.

On May 11, 2022, in connection with the acquisition of Inn on Fifth in Naples, Florida, the Company issued 16,291 OP units.

As of September 30, 2025 and December 31, 2024, the Operating Partnership had 16,291 OP units held by third parties, excluding LTIP units.

As of September 30, 2025, the Operating Partnership had two classes of long-term incentive partnership units ("LTIP units"), LTIP Class A units and LTIP Class B units. All of the outstanding LTIP units are held by officers of the Company.

On February 15, 2024, the Board of Trustees granted 136,353 LTIP Class B units to executive officers.

On February 7, 2025, the Board of Trustees granted 159,594 LTIP Class B units to executive officers.

As of September 30, 2025, the Operating Partnership had 1,154,431 LTIP units outstanding, of which 710,156 LTIP units have vested. As of December 31, 2024, the Operating Partnership had 994,837 LTIP units outstanding, of which 470,920 LTIP units have vested. Only vested LTIP units may be converted to OP units, which in turn can be tendered for redemption as described above.

Non-controlling Interest of Preferred Units in Operating Partnership

On May 11, 2022, in connection with the acquisition of Inn on Fifth, the Company issued 3,104,400 preferred units in the Operating Partnership, designated as 6.0% Series Z Cumulative Perpetual Preferred Units ("Series Z Preferred Units"). The Series Z Preferred Units rank senior to the OP units and on parity with the Operating Partnership's Series E, Series F, Series G and Series H Preferred Units. Holders of Series Z Preferred Units are entitled to receive quarterly distributions at an annual rate of 6.0% of the liquidation preference value of $25.00 per share.

At any time, holders of Series Z Preferred Units may elect to convert some or all of their units into any other series of the Operating Partnership’s preferred units outstanding at that time. After the second anniversary of the issuance of the Series Z Preferred Units, holders may elect to redeem some or all of their units for, at the Company’s election, cash, common shares having an equivalent value or preferred shares on a one-for-one basis. After May 11, 2027, the Company may redeem the Series Z Preferred Units for cash, common shares having an equivalent value or preferred shares on a one-for-one basis. At any time following a change of control of the Company, holders of Series Z Preferred Units may elect to redeem some or all of their units for, at the Company’s election, cash or common shares having an equivalent value.

As of September 30, 2025 and December 31, 2024, the Operating Partnership had 3,104,400 Series Z Preferred Units outstanding.

Note 8. Share-Based Compensation Plan

Available Shares

The Company maintains the 2009 Equity Incentive Plan (as amended and restated and further amended, the "Plan") to attract and retain independent trustees, executive officers and other key employees and service providers. The Plan provides for the grant of options to purchase common shares, share awards, share appreciation rights, performance units and other equity-based awards. Share awards under the Plan vest over a period determined by the Board of Trustees, generally over three to five years. The Company pays or accrues for dividends on share-based awards. All outstanding share awards are subject to full or partial accelerated vesting upon a change in control and upon death or disability or certain other employment termination events as set forth in the award agreements.

On May 23, 2025, shareholders of the Company approved an amendment to the Plan which increased the aggregate number of equity-based awards that may be issued under the Plan by 3,000,000 shares and extended the time period during which awards may be granted until June 30, 2036.

As of September 30, 2025, there were 3,838,387 common shares available for issuance under the Plan.

Service Condition Share Awards

From time to time, the Company awards restricted common shares under the Plan to members of the Board of Trustees, officers and employees. These shares generally vest over three to five years based on continued service or employment. The following table provides a summary of service condition restricted share activity during the nine months ended September 30, 2025:

	Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2024	408,048	$ 18.07
Granted	165,582	$ 12.80
Vested	(166,135)	$ 19.70
Unvested at September 30, 2025	407,495	$ 15.26

For the three and nine months ended September 30, 2025, the Company recognized approximately $0.9 million and $2.4 million, respectively, of share-based compensation expense related to these awards as presented in the accompanying consolidated statements of operations and comprehensive income.

For the three and nine months ended September 30, 2024, the Company recognized approximately $0.9 million and $2.6 million, respectively, of share-based compensation expense related to these awards as presented in the accompanying consolidated statements of operations and comprehensive income.

Performance-Based Equity Awards

On February 7, 2025, the Board of Trustees approved a target award of 348,332 performance-based equity awards to officers and employees of the Company. These awards will vest, if at all, in 2028. The actual number of common shares that ultimately vest will be from 0% to 200% of the target award and will be determined in 2028 based on the performance criteria defined in the award agreements for the period of performance from January 1, 2025 through December 31, 2027.

For the three and nine months ended September 30, 2025, the Company recognized approximately $1.5 million and $4.3 million, respectively, of share-based compensation expense related to these performance-based equity awards as presented in the accompanying consolidated statements of operations and comprehensive income.

For the three and nine months ended September 30, 2024, the Company recognized approximately $1.5 million and $4.4 million, respectively, of share-based compensation expense related to these performance-based equity awards as presented in the accompanying consolidated statements of operations and comprehensive income.

Long-Term Incentive Partnership Units

As of September 30, 2025, the Operating Partnership had two classes of LTIP units, LTIP Class A units and LTIP Class B units. All of the outstanding LTIP units are held by officers of the Company.

On February 7, 2025, the Board of Trustees granted 159,594 LTIP Class B units to executive officers. These LTIP units will vest ratably on January 1, 2026, 2027 and 2028, contingent upon continued employment with the Company. The fair value of each award was determined based on the closing price of the Company’s common shares on the grant date of $12.81 per unit with an aggregate grant date fair value of $2.0 million.

As of September 30, 2025, the Operating Partnership had 1,154,431 LTIP units outstanding, of which 710,156 LTIP units have vested. As of December 31, 2024, the Operating Partnership had 994,837 LTIP units outstanding, of which 470,920 LTIP units have vested. Only vested LTIP units may be converted to OP units, which in turn can be tendered for redemption as described in *Note 7. Equity*.

For the three and nine months ended September 30, 2025, the Company recognized approximately $1.2 million and $3.6 million, respectively, in expense related to these LTIP units. The aggregate expense related to the LTIP unit grants is presented as non-controlling interest in the Company's accompanying consolidated balance sheets.

For the three and nine months ended September 30, 2024, the Company recognized approximately $1.1 million and $3.1 million, respectively, in expense related to these LTIP units. The aggregate expense related to the LTIP unit grants is presented as non-controlling interest in the Company's accompanying consolidated balance sheets.

Note 9. Income Taxes

As a REIT, the Company generally is not subject to federal corporate income taxes on the portion of its taxable income that is distributed to shareholders. However, the Company is still subject to certain state and local taxes on its revenues, income and property, and to federal income and excise taxes on its undistributed taxable income. In addition, taxable income of TRSs, including PHL, is subject to federal, state and local corporate income taxes at statutory tax rates. A valuation allowance on deferred tax assets is recorded when the Company has determined it more likely than not that future results will not generate sufficient taxable income to realize the deferred tax assets for each jurisdiction.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state and local jurisdictions, where applicable. Due to the net operating loss carryforward, tax years 2020 through 2024 remain open to examination by the major taxing jurisdictions to which the Company is subject.

Note 10. Earnings (Loss) Per Share

The following is a reconciliation of basic and diluted earnings (loss) per common share (in thousands, except share and per-share data):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income (loss) attributable to common shareholders	$ (43,366)	$ 33,026	$ (79,520)	$ 14,349
Less: Dividends paid on unvested share-based compensation	(9)	(9)	(26)	(28)
Less: Undistributed earnings attributable to share-based compensation	—	(247)	—	(83)
Net income (loss) available to common shareholders — basic	$ (43,375)	$ 32,770	$ (79,546)	$ 14,238
Plus: Interest expense on convertible notes	—	3,281	—	—
Net income (loss) available to common shareholders — diluted	$ (43,375)	$ 36,051	$ (79,546)	$ 14,238
Denominator:				
Weighted-average number of common shares — basic	117,555,628	119,640,463	118,304,722	119,938,931
Effect of dilutive share-based compensation	—	270,228	—	428,420
Effect of dilutive convertible notes	—	29,441,175	—	—
Weighted-average number of common shares — diluted	117,555,628	149,351,866	118,304,722	120,367,351
Net income (loss) per share available to common shareholders — basic	$ (0.37)	$ 0.27	$ (0.67)	$ 0.12
Net income (loss) per share available to common shareholders — diluted	$ (0.37)	$ 0.24	$ (0.67)	$ 0.12

For the three and nine months ended September 30, 2025, 1,391,462 of unvested service condition restricted shares and performance-based equity awards were excluded from diluted weighted-average number of common shares, as their effect would have been anti-dilutive. For the three and nine months ended September 30, 2024, 467,452 and 157,010, respectively, of unvested service condition restricted shares and performance-based equity awards were excluded from diluted weighted-average number of common shares, as their effect would have been anti-dilutive.

For the three and nine months ended September 30, 2025, 13,739,215 of common shares underlying the Convertible Notes 2026 were excluded from diluted shares as their effect would have been anti-dilutive. For the three and nine months ended September 30, 2024, zero and 29,441,175, respectively, of common shares underlying the Convertible Notes 2026 were excluded from diluted shares as their effect would have been anti-dilutive.

The LTIP and OP units held by the non-controlling interest holders have been excluded from the denominator of the diluted earnings per share as there would be no effect on the amounts since the limited partners' share of income (loss) would also be added or subtracted to derive net income (loss) available to common shareholders.

Note 11. Commitments and Contingencies

Hotel Management Agreements

The Company’s hotel properties are operated pursuant to management agreements with various management companies. The remaining terms of these management agreements are up to nine years, not including renewals, and up to 27 years, including renewals. The majority of the Company’s management agreements are terminable at will by the Company upon paying a termination fee and some are terminable by the Company upon sale of the property, with, in some cases, the payment of termination fees. Most of the agreements also provide the Company the ability to terminate based on failure to achieve defined operating performance thresholds. Termination fees range from zero to up to three times the annual base management and incentive management fees, depending on the agreement and the reason for termination. Certain of the Company’s management agreements are non-terminable except upon the manager’s breach of a material representation or the manager’s failure to meet performance thresholds as defined in the management agreement.

The management agreements require the payment of a base management fee generally between 1% and 4% of hotel revenues. Under certain management agreements, the management companies are also eligible to receive an incentive management fee if hotel operating income, cash flows or other performance measures, as defined in the agreements, exceed certain performance thresholds. The incentive management fee is generally calculated as a percentage of hotel operating income after the Company has received a priority return on its investment in the hotel.

For the three and nine months ended September 30, 2025, combined base and incentive management fees were $11.4 million and $30.2 million, respectively. For the three and nine months ended September 30, 2024, combined base and incentive management fees were $11.8 million and $31.0 million, respectively. Base and incentive management fees are included in other direct and indirect expenses in the Company's accompanying consolidated statements of operations and comprehensive income.

Reserve Funds

Certain of the Company’s agreements with its hotel managers, franchisors, ground lessors and lenders have provisions for the Company to provide funds, typically 4.0% of hotel revenues, sufficient to cover the cost of (a) certain non-routine repairs and maintenance to the hotels and (b) replacements and renewals to the hotels’ furniture, fixtures and equipment.

Restricted Cash

At September 30, 2025 and December 31, 2024, the Company had $9.0 million and $10.9 million, respectively, in restricted cash, which consisted of funds held in cash management accounts held by a lender, reserves for replacement of furniture and fixtures, and reserves to pay for real estate taxes, ground rent or property insurance under certain hotel management agreements or loan agreements.

Long-Term Property Operating and Finance Leases

As of September 30, 2025, the following hotels were subject to leases as follows:

Lease Properties	Lease Type	Lease Expiration Date	
Restaurant at Southernmost Beach Resort	Operating lease	April 2029	
Paradise Point Resort & Spa	Operating lease	May 2050	
Harbor Court Hotel San Francisco	Finance lease	August 2052	
Hotel Monaco Washington DC	Operating lease	November 2059	
Argonaut Hotel	Operating lease	December 2059	
Hotel Zephyr Fisherman's Wharf and Retail	Operating lease	February 2062	
Viceroy Santa Monica Hotel	Operating lease	September 2065	
Estancia La Jolla Hotel & Spa	Operating lease	January 2066	
San Diego Mission Bay Resort	Operating lease	July 2068	
1 Hotel San Francisco	Operating lease	March 2070	(1)
Hyatt Regency Boston Harbor	Operating lease	April 2077	
The Westin Copley Place, Boston	Operating lease	December 2077	(2)
The Liberty, a Luxury Collection Hotel, Boston	Operating lease	May 2080	
Jekyll Island Club Resort and Restaurant	Operating lease	January 2089	
80 Rooms at Hotel Zeppelin San Francisco	Operating and finance lease	June 2089	(4)
Hotel Zelos San Francisco	Operating lease	June 2097	
Hotel Palomar Los Angeles Beverly Hills	Operating lease	January 2107	(3)
Margaritaville Hollywood Beach Resort	Operating lease	July 2112	

(1) The expiration date assumes the exercise of a 14-year extension option.
(2) No payments are required through maturity.
(3) The expiration date assumes the exercise of all 19 five-year extension options.
(4) Property is owned, with the exception of 80 rooms in an adjoining building that are subject to a lease agreement. The expiration date assumes the exercise of a 30-year extension option.

The Company's leases may require minimum fixed rent payments, percentage rent payments based on a percentage of revenues in excess of certain thresholds or rent payments equal to the greater of a minimum fixed rent or percentage rent. Minimum fixed rent may be adjusted annually by increases in the consumer price index and may be subject to minimum and maximum increases. Some leases also contain certain restrictions on modifications that can be made to the hotel structures due to their status as national historic landmarks.

The Company records expense on a straight-line basis for leases that provide for minimum rental payments that increase in pre-established amounts over the remaining terms of the leases. Ground rent expense is included in real estate taxes, personal property taxes, property insurance and ground rent in the Company's accompanying consolidated statements of operations and comprehensive income.

The components of ground rent expense for the three and nine months ended September 30, 2025 and 2024 are as follows (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Fixed ground rent	$ 5,017	$ 4,795	$ 14,652	$ 14,387
Variable ground rent	5,759	6,327	15,073	15,390
Total ground rent	$ 10,776	$ 11,122	$ 29,725	$ 29,777

Litigation

The nature of the operations of hotels exposes the Company's hotels, the Company and the Operating Partnership to the risk of claims and litigation in the normal course of their business. The Company has insurance to cover certain potential material losses. The Company is not presently subject to any material litigation nor, to the Company’s knowledge, is any material litigation threatened against the Company.

Note 12. Supplemental Information to Statements of Cash Flows *(in thousands)*

	For the nine months ended September 30,	
	2025	2024
Interest paid, net of capitalized interest	$ 68,342	$ 76,703
Interest capitalized	$ —	$ 4,710
Income taxes paid	$ 955	$ 2,043
Non-Cash Investing and Financing Activities:		
Distributions payable on common shares/units	$ 1,222	$ 1,256
Distributions payable on preferred shares/units	$ 10,581	$ 10,601
Issuance of common shares for Board of Trustees compensation	$ 745	$ 745
Accrued additions and improvements to hotel properties	$ 472	$ 4,500
Write-off of fully amortized deferred financing costs	$ 3,191	$ 682
Write-down of investment	$ 3,900	$ —

Note 13. Operating Segment Information

The following table presents the Company's segment hotel revenues, Hotel EBITDA, including significant hotel expenses and its reconciliation to net income (loss) for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Revenues:				
Total revenues	$ 398,723	$ 404,530	$ 1,126,526	$ 1,115,709
Less: Corporate and other revenues	259	1,963	846	5,045
Hotel revenues	398,464	402,567	1,125,680	1,110,664
Significant hotel expenses:				
Room expenses	70,434	68,721	196,689	188,747
Food and beverage expenses	71,011	71,346	208,237	203,281
Hotel general and administrative	31,391	31,406	92,081	90,202
Hotel sales and marketing	24,631	24,607	72,669	71,260
Hotel operations and maintenance	32,733	31,913	94,628	90,824
Hotel management fee	11,748	12,188	31,333	32,135
Hotel real estate taxes, personal property taxes, property insurance and ground rent	35,616	34,802	102,726	91,187
Other segment items (1)	15,512	14,569	40,123	38,442
Hotel EBITDA	105,388	113,015	287,194	304,586
Depreciation and amortization	(57,602)	(57,546)	(172,790)	(172,051)
Interest expense	(20,180)	(27,925)	(74,595)	(82,285)
Impairment	(46,497)	(1,908)	(46,497)	(1,908)
Business interruption insurance income and gain on insurance settlement	3,874	7,059	11,419	18,340
Income tax (expense) benefit	(3,002)	25,213	(7,652)	24,157
Corporate and other (2)	(14,334)	(12,763)	(42,327)	(40,975)
Net income (loss)	$ (32,353)	$ 45,145	$ (45,248)	$ 49,864

(1) Other segment items include expenses incurred for parking, spa, franchise fees and other hotel operating expenses.
(2) Corporate and other include corporate general and administrative and other operating income and expenses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this report. Pebblebrook Hotel Trust is a Maryland real estate investment trust that conducts its operations so as to qualify as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). Substantially all of the operations are conducted through Pebblebrook Hotel, L.P. (our "Operating Partnership"), a Delaware limited partnership of which Pebblebrook Hotel Trust is the sole general partner. In this report, we use the terms "the Company", "we" or "our" to refer to Pebblebrook Hotel Trust and its subsidiaries and "hotels" and "hotel properties" to refer to hotels and resorts, unless the context indicates otherwise.

FORWARD-LOOKING STATEMENTS

This report, together with other statements and information publicly disseminated by us, contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may", "will", "should", "potential", "could", "seek", "assume", "forecast", "believe", "expect", "intend", "anticipate", "estimate", "project" or similar expressions. Forward-looking statements in this report include, among others, statements about our business strategy, including acquisition and development strategies, industry trends, estimated revenues and expenses, estimated costs and durations of renovation or restoration projects, timing and extent of debt refinancings, estimated insurance recoveries, our ability to realize deferred tax assets and expected liquidity needs and sources (including capital expenditures and our ability to obtain financing or raise capital). You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and which could materially affect actual results, performance or achievements. These factors include, but are not limited to, the following:

- risks associated with the hotel industry, including competition; changes in visa and other travel policies by the U.S. government making it less convenient, more difficult or less desirable for international travelers to enter the U.S.; increases in employment costs, energy costs and other operating costs; and decreases in demand caused by events beyond our control, including, without limitation, actual or threatened terrorist attacks, natural disasters, cyber attacks, any type of flu or disease-related pandemic, or downturns in general and local economic conditions;
- world events impacting the ability or desire of people to travel;
- the availability and terms of financing and capital and the general volatility of securities markets;
- our dependence on third-party managers of our hotels, including our inability to implement strategic business decisions directly;
- risks associated with the U.S. and global economies, the cyclical nature of hotel properties and the real estate industry, including environmental contamination and costs of complying with new or existing laws, including the Americans with Disabilities Act and similar laws;
- interest rate increases;
- our possible failure to qualify as a REIT under the Code and the risk of changes in laws affecting REITs;
- the timing and availability of potential hotel acquisitions, our ability to identify and complete hotel acquisitions and our ability to complete hotel dispositions in accordance with our business strategy;
- the possibility of uninsured losses;
- risks associated with redevelopment and repositioning projects, including delays and cost overruns; and
- the other factors discussed under *Risk Factors* in Part II, Item 1A of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2024.

Accordingly, there is no assurance that our expectations will be realized. Except as otherwise required by the federal securities laws, we disclaim any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Overview

Our third quarter operating results were consistent with our outlook. San Francisco led the portfolio as a result of robust citywide conventions, healthy business and leisure transient demand growth and elevated out-of-room spending. Chicago also exceeded expectations with broad-based strength across group, corporate and leisure customers. The quarter's results were negatively impacted by the year-over-year timing shift of the Jewish holidays and ongoing softness in group attendance. Newport Harbor Island Resort, Jekyll Island Club Resort and Estancia La Jolla Hotel & Spa each delivered solid gains as they continue to capture market share and expand profitability. We remain cautious given the broader economic backdrop and evolving trade and policy risks. We will remain disciplined and adaptable amid an uncertain macro environment, including the recent federal government shutdown, which we expect will temporarily soften travel demand.

During the nine months ended September 30, 2025, we had the following transactions and events:

- We issued $400.0 million of our 1.625% Convertible Senior Notes due January 2030 and used net proceeds and cash on hand to repurchase $400.0 million of 1.75% Convertible Senior Notes due December 2026 at a discount, for $392.0 million, which resulted in a gain on debt extinguishment of $7.4 million.
- We repurchased 5,623,656 common shares for an aggregate purchase price of $64.3 million, or an average of $11.44 per share, under our common share repurchase program.
- We repurchased 57,843 preferred shares for an aggregate purchase price of $1.1 million, or an average of approximately $18.38 per share, under our preferred share repurchase program.
- We finalized a settlement agreement for our Hurricane Helene insurance claim. We continue to work with our insurance providers on our remaining claim for Hurricane Milton.

While we do not operate our hotel properties, both our asset management team and our executive management team monitor and work cooperatively with our hotel managers by advising and making recommendations in all aspects of our hotels' operations, including property positioning and repositioning, revenue and expense management, operations analysis, physical design, renovation and capital improvements, guest experience and overall strategic direction. Through these efforts, we seek to improve property efficiencies, lower costs, maximize revenues and enhance property operating margins, which we expect will enhance returns to our shareholders.

Key Indicators of Financial Condition and Operating Performance

We measure hotel results of operations and the operating performance of our business by evaluating financial and non-financial metrics such as room revenue per available room ("RevPAR"); total revenue per available room ("Total RevPAR"); average daily rate ("ADR"); occupancy rate ("Occupancy"); funds from operations ("FFO"); Adjusted FFO; earnings before interest, income taxes, depreciation and amortization ("EBITDA"); and EBITDA for real estate ("EBITDA*re*")*;* Adjusted EBITDA*re*; and hotel-level EBITDA ("Hotel EBITDA"). We evaluate individual hotel and company-wide performance with comparisons to budgets, prior periods and competing properties. ADR, occupancy and RevPAR may be impacted by macroeconomic factors as well as regional and local economies and events. See *Non-GAAP Financial Measures* for further discussion of FFO, Adjusted FFO, EBITDA, EBITDA*re,* Adjusted EBITDA*re* and Hotel EBITDA.

Hotel Operating Statistics

The following table represents the key same-property hotel operating statistics for our hotels for the three and nine months ended September 30, 2025 and 2024:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Same-Property Occupancy	79.9 %	78.0 %	73.4 %	71.9 %
Same-Property ADR	$ 290.25	$ 306.78	$ 297.66	$ 306.87
Same-Property RevPAR	$ 231.84	$ 239.34	$ 218.60	$ 220.55
Same-Property Total RevPAR	$ 362.12	$ 367.47	$ 345.11	$ 343.15

For the three months ended September 30, 2025 and 2024, the above table of hotel operating statistics includes information from all hotels owned as of September 30, 2025.

For the nine months ended September 30, 2025 and 2024, the above table of hotel operating statistics includes information from all hotels owned as of September 30, 2025, except for Newport Harbor Island Resort which was excluded for the first and second quarters due to its redevelopment.

Non-GAAP Financial Measures

Non-GAAP financial measures are measures of our historical or future financial performance that are different from measures calculated and presented in accordance with U.S. GAAP. We report FFO, Adjusted FFO, EBITDA, EBITDA*re*, Adjusted EBITDA*re* and Hotel EBITDA, which are non-GAAP financial measures that we believe are useful to investors as key measures of our operating performance.

We calculate FFO in accordance with standards established by Nareit, formerly known as the National Association of Real Estate Investment Trusts, which defines FFO as net income (calculated in accordance with U.S. GAAP), excluding real estate related depreciation and amortization, gains (losses) from sales of real estate, impairments of real estate assets (including impairment of real estate related joint ventures), the cumulative effect of changes in accounting principles 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 industry investors consider presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. By excluding the effect of real estate related depreciation and amortization including our share of the joint venture depreciation and amortization, gains (losses) from sales of real estate and impairments of real estate assets (including impairment of real estate related joint ventures), all of which are based on historical cost accounting and which may be of lesser significance in evaluating current performance, we believe that FFO provides investors a useful financial measure to evaluate our operating performance.

Adjusted FFO is defined as FFO, as adjusted for transaction costs, non-cash ground rent on operating and capital leases, management/franchise contract transition costs, interest expense adjustment for acquired liabilities, finance lease adjustment, non-cash amortization of acquired intangibles, gain on insurance settlement, early extinguishment of debt, amortization of share-based compensation expense, issuance costs of redeemed preferred shares, repurchase of preferred shares, hurricane-related costs, non-cash interest expense and deferred tax asset provision (benefit). We believe Adjusted FFO provides useful supplemental information regarding our ongoing operating performance.

The following table reconciles net income (loss) to FFO, FFO available to common share and unit holders and Adjusted FFO available to common share and unit holders for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net income (loss)	**$ (32,353)**	**$ 45,145**	**$ (45,248)**	**$ 49,864**
Adjustments:				
Real estate depreciation and amortization	57,544	57,466	172,615	171,807
Impairment	46,497	1,908	46,497	1,908
FFO	**$ 71,688**	**$ 104,519**	**$ 173,864**	**$ 223,579**
Distribution to preferred shareholders and unit holders	(11,776)	(11,795)	(35,367)	(35,386)
Repurchase of preferred shares	312	—	312	—
FFO available to common share and unit holders	**$ 60,224**	**$ 92,724**	**$ 138,809**	**$ 188,193**
Transaction costs	37	—	94	44
Non-cash ground rent on operating and capital leases	1,788	1,868	5,450	5,613
Management/franchise contract transition costs	—	28	5	72
Interest expense adjustment for acquired liabilities	156	259	717	890
Finance lease adjustment	760	750	2,273	2,242
Non-cash amortization of acquired intangibles	(453)	(482)	(1,390)	(1,445)
Gain on insurance settlement	(1,820)	—	(1,820)	—
Early extinguishment of debt	(7,385)	—	(7,385)	1,534
Amortization of share-based compensation expense	3,521	3,500	10,262	10,083
Redemption of preferred shares	(312)	—	(312)	—
Hurricane-related costs	—	—	—	183
Deferred tax provision (benefit)	2,406	(26,976)	5,740	(26,976)
Unrealized loss on investment	1,238	—	3,900	—
Adjusted FFO available to common share and unit holders	**$ 60,160**	**$ 71,671**	**$ 156,343**	**$ 180,433**

EBITDA is defined as earnings before interest, income taxes, depreciation and amortization. We calculate EBITDA*re* in accordance with standards established by Nareit. EBITDA*re* is defined as EBITDA as adjusted for gain on sale of hotel properties and impairment loss. Adjusted EBITDA*re* is defined as EBITDA*re*, as adjusted for transaction costs, non-cash ground rent on operating and capital leases, management/franchise contract transition costs, non-cash amortization of acquired intangibles, gain on insurance settlement, amortization of share-based compensation expense and hurricane-related costs. Hotel EBITDA is defined as Adjusted EBITDA*re* plus corporate general and administrative expenses less interest income, business interruption insurance income and other. We believe that EBITDA, EBITDA*re*, Adjusted EBITDA*re* and Hotel EBITDA provide investors useful financial measures to evaluate our operating performance, excluding the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization).

The following table reconciles net income (loss) to EBITDA, EBITDA*re*, Adjusted EBITDA*re* and Hotel EBITDA for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net income (loss)	**$ (32,353)**	**$ 45,145**	**$ (45,248)**	**$ 49,864**
Adjustments:				
Interest expense	20,180	27,925	74,595	82,285
Income tax expense (benefit)	3,002	(25,213)	7,652	(24,157)
Depreciation and amortization	57,602	57,546	172,790	172,051
EBITDA	**$ 48,431**	**$ 105,403**	**$ 209,789**	**$ 280,043**
Impairment	46,497	1,908	46,497	1,908
EBITDA*re*	**$ 94,928**	**$ 107,311**	**$ 256,286**	**$ 281,951**
Transaction costs	37	—	94	44
Non-cash ground rent on operating and capital leases	1,788	1,868	5,450	5,613
Management/franchise contract transition costs	—	28	5	72
Non-cash amortization of acquired intangibles	(453)	(482)	(1,390)	(1,445)
Gain on insurance settlement	(1,820)	—	(1,820)	—
Amortization of share-based compensation expense	3,521	3,500	10,262	10,083
Hurricane-related costs	—	—	—	183
Unrealized loss on investment	1,238	—	3,900	—
Adjusted EBITDA*re*	**$ 99,239**	**$ 112,225**	**$ 272,787**	**$ 296,501**
Business interruption insurance income	(2,054)	(7,059)	(9,599)	(18,340)
Corporate general and administrative and other	8,203	7,849	24,006	26,425
Hotel EBITDA	**$ 105,388**	**$ 113,015**	**$ 287,194**	**$ 304,586**

FFO, Adjusted FFO, EBITDA, EBITDA*re*, Adjusted EBITDA*re* and Hotel EBITDA do not represent cash generated from operating activities as determined by U.S. GAAP and should not be considered as alternatives to U.S. GAAP net income (loss), as indications of our financial performance, or to U.S. GAAP cash flow from operating activities, as measures of liquidity. In addition, FFO, Adjusted FFO, EBITDA, EBITDA*re*, Adjusted EBITDA*re* and Hotel EBITDA are not indicative of funds available to fund cash needs, including the ability to make cash distributions.

Results of Operations

At September 30, 2025 and 2024, our consolidated financial statements included the operations of 46 hotel properties, which have been included in our results of operations during the respective periods since their dates of acquisition or through their dates of disposition. Based on when a property was acquired or disposed of, operating results for certain properties are not comparable for the three and nine months ended September 30, 2025 and 2024. As there were no properties acquired or disposed in 2025 or 2024, there were no "non-comparable properties" for the periods indicated.

Comparison of the three months ended September 30, 2025 to the three months ended September 30, 2024

Revenues — Total revenues decreased by $5.8 million primarily due to demand decreases at Paradise Point Resort & Spa, W Los Angeles - West Beverly Hills, Hotel Monaco Washington DC, The Westin San Diego Gaslamp Quarter and George Hotel. This decrease was partially offset by demand increases at 1 Hotel San Francisco and Newport Harbor Island Resort.

Hotel operating expenses — Total hotel operating expenses increased by $2.0 million primarily due to increased operations at Newport Harbor Island Resort and an increase in wages and benefits at many of our properties.

Impairment — We recognized an impairment loss of $46.5 million in 2025 related to three hotels. We recognized an impairment loss of $1.9 million in 2024 due to damage caused by Hurricane Helene at LaPlaya Beach Resort & Club.

Business interruption insurance income and gain on insurance settlement — We recognized business interruption insurance income and gain on insurance settlement in 2025 and 2024 related to the settlement or partial settlements of property damage, business interruption and other costs sustained at LaPlaya Beach Resort & Club resulting from Hurricane Helene and Hurricane Milton in 2025 and Hurricane Ian in 2024.

Other operating expenses — Other operating expenses increased by $1.2 million primarily due to an increase in preopening expenses.

Interest expense — Interest expense decreased by $7.7 million primarily due to the repurchase of $400.0 million aggregate principal amount of our 1.75% Convertible Senior Notes due December 2026, which resulted in a gain on debt extinguishment of $7.4 million.

Income tax (expense) benefit — The income tax expense in 2025 was the result of taxable income of Pebblebrook Hotel Lessee, Inc. The income tax benefit in 2024 was a result of the partial release of the valuation allowance offset by income tax expense.

Non-controlling interests — Non-controlling interests represents the allocation of income or loss of the Operating Partnership to third-party common OP unit holders and to the preferred OP unit holders.

Comparison of the nine months ended September 30, 2025 to the nine months ended September 30, 2024

Revenues — Total revenues increased by $10.8 million primarily due to increases at Newport Harbor Island Resort, which was closed for renovation for part of 2024; LaPlaya Beach Resort & Club, where the Beach House was closed in 2024 due to hurricane damage and substantially reopened in 2025; and demand increases at 1 Hotel San Francisco and The Westin Copley Place, Boston. This increase was partially offset by lower revenue at Hyatt Centric Delfina Santa Monica, which continued to ramp up from its room renovation and conversion to the Hyatt brand; and demand decreases at W Los Angeles - West Beverly Hills and Viceroy Santa Monica Hotel.

Hotel operating expenses — Total hotel operating expenses increased by $19.3 million primarily due to increased operations at Newport Harbor Island Resort, The Westin Copley Place, Boston, 1 Hotel San Francisco and LaPlaya Beach Resort & Club, as well as an increase in wages and benefits at many of our properties.

Real estate taxes, personal property taxes, property insurance and ground rent — Real estate taxes, personal property taxes, property insurance and ground rent increased by $10.0 million primarily due to an increase in real estate tax assessments in 2025 and lower property taxes in 2024 on several California properties as a result of the successful settlement of appeals from previous years.

General and administrative — General and administrative expenses increased by $1.9 million primarily due to an increase in legal costs in 2025. General and administrative expenses consist of employee compensation costs, legal and professional fees, insurance and other expenses.

Impairment — We recognized an impairment loss of $46.5 million in 2025 related to three hotels. We recognized an impairment loss of $1.9 million in 2024 due to damage caused by Hurricane Helene at LaPlaya Beach Resort & Club.

Business interruption insurance income and gain on insurance settlement — We recognized business interruption insurance income and gain on insurance settlement in 2025 and 2024 related to the settlement or partial settlements of property damage, business interruption and other costs sustained at LaPlaya Beach Resort & Club resulting from Hurricane Helene and Hurricane Milton in 2025 and Hurricane Ian in 2024.

Interest expense — Interest expense decreased by $7.7 million primarily due to the repurchase of $400.0 million aggregate principal amount of our 1.75% Convertible Senior Notes due December 2026, which resulted in a gain on debt extinguishment of $7.4 million.

Income tax (expense) benefit — Income tax (expense) benefit increased by $31.8 million as a result of the deferred tax benefit recorded in 2024 upon the release of a portion of the valuation allowance.

Non-controlling interests — Non-controlling interests represents the allocation of income or loss of the Operating Partnership to third-party common OP unit holders and to the preferred OP unit holders.

Critical Accounting Policies

Our consolidated financial statements have been prepared in conformity with U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. While we do not believe the reported amounts would be materially different, application of these policies involves the exercise of judgment and the use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on experience and on various other assumptions that are believed to be reasonable under the circumstances. All of our significant accounting policies, including certain critical accounting policies, are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

New Accounting Pronouncements

See *Note 2. Summary of Significant Accounting Policies* to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for recently issued accounting pronouncements that may affect us.

Liquidity and Capital Resources

Our primary sources of liquidity are cash provided by our operations, borrowings under our credit facilities, net proceeds from equity and debt offerings, and net proceeds from property sales. Our primary cash requirements in the short term (i.e., those requiring cash on or before September 30, 2026) will be to fund property lease obligations, interest and current principal on debt, capital improvements, dividends on common and preferred shares, and working capital of our property operations. We believe our cash and cash equivalents, restricted cash and the amount available on our senior unsecured revolving credit facility, which totaled $874.2 million as of September 30, 2025, along with cash generated from ongoing operations will be sufficient to satisfy our short-term cash requirements. As of September 30, 2025, we had no off-balance sheet arrangements.

In order to maintain our qualification as a REIT, we must pay dividends to our shareholders of at least 90% of our taxable income. As a result of this requirement, we cannot rely on retained earnings to fund long-term liquidity requirements such as hotel property acquisitions, redevelopments and repayments of long-term debt. As such, we expect to continue to raise capital through equity and debt offerings to fund our growth.

Our material cash requirements include the following contractual and other obligations.

Debt

Our outstanding debt consisted of floating- and fixed-rate unsecured term loans, convertible senior notes, unsecured senior notes and mortgage loans with varying maturities. Our total debt had an aggregate face value of $2.3 billion as of September 30, 2025, as summarized below:

	September 30, 2025
	(in thousands)
Unsecured revolving credit facilities	$ —
Unsecured term loans	916,652
Convertible senior notes	750,000
Unsecured senior notes	402,400
Mortgage loans	193,767
Total debt at face value	$ 2,262,819

For further discussion on the components of our debt, see *Note 5. Debt* to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We have the option to extend certain of our current debt maturities with the payment of extension fees. Assuming we exercise all extension options available in our debt agreements, we expect that future principal and interest payments associated with our remaining debt obligations outstanding as of September 30, 2025 will be $2.6 billion through their maturity, with $19.3 million of principal and $99.9 million of interest payable on or before September 30, 2026. We intend to pay amounts due with available cash, borrowings under our revolving credit facility, proceeds from property sales and/or to refinance amounts due with long-term debt.

We are in compliance with all covenants governing our existing credit facilities, term loans, senior note facilities and mortgage loans.

Our mortgage loans contain customary provisions regarding events of default, as well as customary cash management, cash trap and lockbox provisions. Cash trap provisions may be triggered if the hotel's performance is below a certain threshold. Once triggered, all of the cash flow generated by the hotel is deposited directly into lockbox accounts and then swept into cash management accounts for the benefit of our lender. As of September 30, 2025, none of the mortgage loans were in a cash trap.

Long-term operating and finance lease obligations

Our properties that are subject to long-term operating or finance leases, as noted in *Note 11. Commitments and Contingencies* to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, may require minimum fixed rent payments, percentage rent payments based on a percentage of revenues in excess of certain thresholds or rent payments equal to the greater of a minimum fixed rent or percentage rent. Minimum fixed rent may be adjusted annually by increases in consumer price index ("CPI") and may be subject to minimum and maximum increases.

Future fixed minimum payments associated with our long-term operating and finance leases total $1.8 billion as of September 30, 2025, with $23.3 million payable on or before September 30, 2026.

Purchase commitments

As of September 30, 2025, we had $1.8 million of outstanding purchase commitments, all of which will be paid on or before September 30, 2026. These purchase commitments represent outstanding purchase orders and contracts that have been executed for capital and renovation projects at our properties. See *Capital Investments* for discussion on planned capital investments.

Preferred dividends and Series Z preferred operating partnership units

We expect to pay aggregate annual dividends and distributions of approximately $47.1 million on our outstanding Series E, Series F, Series G and Series H Cumulative Redeemable Preferred Shares and Series Z Cumulative Perpetual Preferred Units on or before September 30, 2026 and in future years until the shares/units are redeemed. For further discussion on our preferred shares and preferred units, see *Note 7. Equity* to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Sources and Uses of Cash

Our principal sources of cash are cash from operations, draws on our credit facilities, net proceeds from equity and debt offerings, and net proceeds from property sales. Our principal uses of cash are asset acquisitions, debt service payments, the redemption of equity securities, capital investments, operating costs, corporate expenses and dividends.

Operating Activities. Our net cash provided by operating activities was $218.5 million for the nine months ended September 30, 2025 and $205.8 million for the nine months ended September 30, 2024. Fluctuations in our net cash provided by (used in) operating activities are primarily the result of changes in hotel revenues, operating cash requirements and corporate expenses.

Investing Activities. Our net cash used in investing activities was $66.0 million for the nine months ended September 30, 2025 and $79.9 million for the nine months ended September 30, 2024. Fluctuations in our net cash provided by (used in) investing activities are primarily the result of capital improvements and additions to our properties.

- During the nine months ended September 30, 2025, we invested $70.7 million in improvements to our hotel properties and received $5.3 million in property insurance proceeds.
- During the nine months ended September 30, 2024, we invested $100.9 million in improvements to our hotel properties and received $21.7 million in property insurance proceeds.

Financing Activities. Our net cash used in financing activities was $138.0 million for the nine months ended September 30, 2025 and $175.3 million for the nine months ended September 30, 2024. Fluctuations in our net cash provided by (used in) financing activities are primarily the result of our issuance and repurchase of debt and equity securities and distributions paid on our preferred and common shares.

- During the nine months ended September 30, 2025, we issued $400.0 million of debt, repaid $393.6 million of debt, purchased $27.2 million of capped calls, repurchased $65.6 million of common shares through our common share repurchase program and for tax withholding purposes in connection with vestings of share-based equity awards, paid $10.3 million in deferred financing costs and paid $39.0 million in preferred and common distributions.
- During the nine months ended September 30, 2024, we repaid $111.4 million of debt, repurchased $16.9 million of common shares through our common share repurchase program and for tax withholding purposes in connection with vestings of share-based equity awards, paid $6.4 million in deferred financing costs and paid $39.0 million in preferred and common distributions.

Capital Investments

We maintain and intend to continue maintaining all of our hotels in good repair and condition, in conformity with applicable laws and regulations, in accordance with franchisor standards when applicable and in accordance with agreed-upon requirements in our management agreements. Routine capital investments will be administered by the hotel management companies. However, we maintain approval rights over the capital investments as part of the annual budget process and as otherwise required from time to time.

Certain of our hotel properties may undergo renovations as a result of our decision to upgrade portions of the hotels, such as guest rooms, meeting space and restaurants, in order to better compete with other hotels in our markets. In addition, after we acquire a hotel property, we are often required by the franchisor or brand manager, if any, to complete a property improvement plan ("PIP") in order to bring the hotel property up to the franchisor's or brand's standards. Generally, we expect to fund renovations and improvements with available cash, restricted cash, borrowings under our credit facility or proceeds from new debt or equity offerings.

For the nine months ended September 30, 2025, we invested $70.7 million in capital investments (or $56.6 million excluding the repair and remediation of LaPlaya Beach Resort & Club) to reposition and improve our properties, including the renovations of Hyatt Centric Delfina Santa Monica, Skamania Lodge, Argonaut Hotel, The Westin Copley Place, Boston and Paradise Point Resort & Spa.

Depending on market conditions, and in some instances subject to approval from governmental authorities, we expect to invest a total of $65.0 million to $75.0 million in capital investments in 2025, which includes normal hotel capital refurbishments and repositioning projects at Hyatt Centric Delfina Santa Monica, Paradise Point Resort & Spa, Chaminade Resort & Spa and The Westin Copley Place, Boston and excludes capital expenditures related to the repair and remediation of LaPlaya Beach Resort & Club.

Common Share Repurchase Programs and Preferred Share Repurchase Program

Common Share Repurchase Program

On February 17, 2023, our Board of Trustees authorized a share repurchase program of up to $150.0 million of common shares. Under this program, we may repurchase common shares from time to time in transactions on the open market or by private agreement. We may suspend or discontinue this program at any time. Repurchased common shares cease to be outstanding and become authorized but unissued common shares.

During the nine months ended September 30, 2025, we repurchased 5,623,656 common shares for an aggregate purchase price of $64.3 million, or an average of approximately $11.44 per share. As of September 30, 2025, $66.6 million of common shares remained available for repurchase under the program.

In October 2025, our Board of Trustees terminated its February 2023 Common Share Repurchase Program and authorized a new common share repurchase program of up to $150.0 million of common shares. Under this program, we may repurchase common shares from time to time in transactions on the open market or by private agreement. We may suspend or discontinue this program at any time. Repurchased common shares cease to be outstanding and become authorized but unissued common shares.

The timing, manner, price and amount of any repurchases will be determined by us in our discretion and will depend on a variety of factors, including legal requirements, price, liquidity and economic considerations and market conditions. The program does not require us to repurchase any specific number of common shares. The program does not have an expiration date and may be suspended, modified or discontinued at any time.

Preferred Share Repurchase Program

On February 17, 2023, our Board of Trustees authorized a share repurchase program of up to $100.0 million of preferred shares. Under the terms of the program, we may repurchase up to an aggregate of $100.0 million of our 6.375% Series E Cumulative Redeemable Preferred Shares, 6.30% Series F Cumulative Redeemable Preferred Shares, 6.375% Series G Cumulative Redeemable Preferred Shares and 5.70% Series H Cumulative Redeemable Preferred Shares from time to time in transactions on the open market or by private agreement.

During the nine months ended September 30, 2025, we repurchased 57,843 preferred shares an aggregate purchase price of $1.1 million, or an average of approximately $18.38 per share. As of September 30, 2025, $83.1 million of preferred shares remained available for repurchase under the program.

The timing, manner, price and amount of any repurchases will be determined by us in our discretion and will depend on a variety of factors, including legal requirements, price, liquidity and economic considerations, and market conditions. The program does not require us to repurchase any specific number of preferred shares. The program does not have an expiration date and may be suspended, modified or discontinued at any time.

Inflation

We rely on the performance of the hotels to increase revenues to keep pace with inflation. Generally, our hotel operators possess the ability to adjust room rates daily, except for group or corporate rates contractually committed to in advance, although competitive pressures may limit the ability of our operators to raise rates faster than inflation or even at the same rate.

Seasonality

Demand in the lodging industry is affected by recurring seasonal patterns which are greatly influenced by overall economic cycles, geographic locations, weather and customer mix at the hotels. Generally, our hotels have lower revenue, operating income and cash flow in the first quarter of each year and higher revenue, operating income and cash flow in the third quarter of each year.

Derivative Instruments

In the normal course of business, we are exposed to the effects of interest rate changes. We may enter into derivative instruments including interest rate swaps, caps and collars to manage or hedge interest rate risk. Derivative instruments are subject to fair value reporting at each reporting date and the increase or decrease in fair value is recorded in net income (loss) or accumulated other comprehensive income (loss), based on the applicable hedge accounting guidance. Derivatives expose the Company to credit risk in the event of non-performance by the counter parties under the terms of the interest rate hedge agreements. We believe we minimize the credit risk by transacting with major credit-worthy financial institutions.

As of September 30, 2025, we have interest rate swap agreements with an aggregate notional amount of $955.0 million to hedge variable interest rates on our unsecured term loans and Margaritaville Hollywood Beach Resort's mortgage loan. We have designated these pay-fixed, receive-floating interest rate swap derivatives as cash flow hedges. For a further discussion of our derivative instruments, see *Note 5. Debt* to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Interest Rate Sensitivity

We are exposed to market risk from changes in interest rates. We seek to limit the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs by closely monitoring our variable rate debt and converting such debt to fixed rates when we deem such conversion advantageous. From time to time, we may enter into interest rate swap agreements or other interest rate hedging contracts. While these agreements are intended to lessen the impact of rising interest rates, they also expose us to the risks that the other parties to the agreements will not perform, we could incur significant costs associated with the settlement of the agreements, the agreements will be unenforceable and the underlying transactions will fail to qualify as highly effective cash flow hedges under guidance included in ASC 815 "Derivatives and Hedging."

As of September 30, 2025, $101.7 million, or 4.5%, of our aggregate indebtedness, was subject to variable interest rates, excluding amounts outstanding under the term loan facilities and mortgage loans that have been effectively swapped into fixed rates. If interest rates on our unhedged variable rate debt increase or decrease by 0.1%, our annual interest expense will increase or decrease by approximately $0.1 million, respectively.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting during our most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The nature of the operations of our hotels exposes the hotels and us to the risk of claims and litigation in the normal course of business. We are not presently subject to any material litigation nor, to our knowledge, is any litigation threatened against us, other than routine actions for negligence or other claims and administrative proceedings arising in the ordinary course of business, some of which are expected to be covered by liability insurance and all of which collectively are not expected to have a material adverse effect on our liquidity, results of operations or our financial condition.

Item 1A. Risk Factors.

There have been no material changes from the risk factors disclosed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

Common Shares

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [(1)] *(in millions)*
July 1, 2025 - July 31, 2025	—	$ —	—	$ —
August 1, 2025 - August 31, 2025	—	$ —	—	$ —
September 1, 2025 - September 30, 2025	4,325,260	$ 11.56	4,325,260	$ —
Total	4,325,260	$ 11.56	4,325,260	$ 66.6

(1) On February 17, 2023, our Board of Trustees authorized a share repurchase program of up to $150.0 million of our outstanding common shares. Under this program, we may repurchase common shares from time to time in transactions on the open market or by private agreement. We may suspend or discontinue this program at any time. As of September 30, 2025, $66.6 million of common shares remained available for repurchase under this program.

Preferred Shares

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [(1)] *(in millions)*
July 1, 2025 - July 31, 2025	—	$ —	—	$ —
August 1, 2025 - August 31, 2025	—	$ —	—	$ —
September 1, 2025 - September 30, 2025	57,843	$ 18.38	57,843	$ —
Total	57,843	$ 18.38	57,843	$ 83.1

(1) On February 17, 2023, our Board of Trustees authorized a share repurchase program of up to $100.0 million of our outstanding preferred shares. Under this program, we may repurchase up to an aggregate of $100.0 million of our 6.375% Series E Cumulative Redeemable Preferred Shares, 6.30% Series F Cumulative Redeemable Preferred Shares, 6.375% Series G Cumulative Redeemable Preferred Shares and 5.70% Series H Cumulative Redeemable Preferred Shares from time to time in transactions on the open market or by private agreement. We may suspend or discontinue this program at any time. As of September 30, 2025, $83.1 million of preferred shares remained available for repurchase under this program.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the three months ended September 30, 2025, none of our officers or trustees adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits.

Exhibit Number	Description of Exhibit
3.1	Declaration of Trust of Pebblebrook Hotel Trust, as amended and supplemented through July 23, 2021 (incorporated by reference to Exhibit 3.1 to Pebblebrook Hotel Trust's Quarterly Report on Form 10-Q filed with the SEC on July 29, 2021 (File No. 001-34571)).
3.2	Bylaws of Pebblebrook Hotel Trust, as amended and restated on February 17, 2023 (incorporated by reference to Exhibit 3.1 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on February 24, 2023 (File No. 001-34571)).
3.3	Second Amended and Restated Agreement of Limited Partnership of Pebblebrook Hotel, L.P., dated as of December 13, 2013 (incorporated by reference to Exhibit 3.1 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on December 17, 2013 (File No. 001-34571)).
3.4	First Amendment to the Second Amended and Restated Agreement of Limited Partnership of Pebblebrook Hotel, L.P., dated as of September 30, 2014 (incorporated by reference to Exhibit 3.4 to Pebblebrook Hotel Trust's Annual Report on Form 10-K filed with the SEC on February 17, 2015 (File No. 001-34571)).
3.5	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Pebblebrook Hotel, L.P., dated as of June 8, 2016 (incorporated by reference to Exhibit 3.5 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on June 8, 2016 (File No. 001-34571)).
3.6	Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of Pebblebrook Hotel, L.P., dated as of November 30, 2018 (incorporated by reference to Exhibit 3.3 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on December 3, 2018 (File No. 001-34571)).
3.7	Fourth Amendment to the Second Amended and Restated Agreement of Limited Partnership of Pebblebrook Hotel, L.P., dated as of May 12, 2021 (incorporated by reference to Exhibit 3.2 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on May 12, 2021 (File No. 001-34571)).
3.8	Fifth Amendment to the Second Amended and Restated Agreement of Limited Partnership of Pebblebrook Hotel, L.P., dated as of July 23, 2021 (incorporated by reference to Exhibit 3.2 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on July 27, 2021 (File No. 001-34571)).
3.9	Sixth Amendment to the Second Amended and Restated Agreement of Limited Partnership of Pebblebrook Hotel., L.P., dated as of May 11, 2022 (incorporated by reference to Exhibit 3.1 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on May 12, 2022 (File No. 001-34571)).
4.1	Indenture, dated December 15, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on December 16, 2020 (File No. 001-34571)).
4.2	First Supplemental Indenture, dated December 15, 2020, between the Company and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.2 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on December 16, 2020 (File No. 001-34571)).
4.3	Second Supplemental Indenture, dated September 18, 2025, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on September 22, 2025 (File No. 001-34571)).
4.4	Indenture, dated October 3, 2024, among Pebblebrook Hotel, L.P., PEB Finance Corp., Pebblebrook Hotel Trust, the subsidiary guarantors party thereto and UMB Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on October 3, 2024 (File No. 001-34571)).
4.5	Form of 6.375% Senior Notes due 2029 (attached as Exhibit A to the Indenture incorporated by reference to Exhibit 4.1 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on October 3, 2024 (File No. 001-34571)).
4.6	Form of 1.625% Convertible Senior Notes Due 2030 (attached as Exhibit A to the Second Supplemental Indenture incorporated by reference to Exhibit 4.1 to Pebblebrook Hotel Trust's Current Report on Form 8-K filed with the SEC on September 22, 2025 (File No. 001-34571)).
31.1†	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2†	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1††	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2††	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.(1)
101.SCH	Inline XBRL Taxonomy Extension Schema Document(1)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document(1)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document(1)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document(1)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document(1)
104	Cover Page Interactive Date File (embedded within the Inline XBRL document)(1)

† Filed herewith.

†† Furnished herewith.

'(1) Submitted electronically herewith. Attached as Exhibit 101 to this report are the following documents formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations and Comprehensive Income; (iii) Consolidated Statements of Equity; (iv) Consolidated Statements of Cash Flows; (v) Notes to Consolidated Financial Statements; and (vi) Cover Page (in connection with Exhibit 104).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PEBBLEBROOK HOTEL TRUST

Date: November 5, 2025

/s/ JON E. BORTZ

Jon E. Bortz

Chief Executive Officer and Chairman of the Board

Exhibit 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jon E. Bortz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pebblebrook Hotel Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ JON E. BORTZ

Jon E. Bortz
Chief Executive Officer and Chairman of the Board
(principal executive officer)

Exhibit 31.2

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Raymond D. Martz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pebblebrook Hotel Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ RAYMOND D. MARTZ

Raymond D. Martz

Co-President, Chief Financial Officer, Treasurer and Secretary
(principal financial officer and principal accounting officer)

Exhibit 32.1

Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Pebblebrook Hotel Trust (the "Company") on Form 10-Q for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jon E. Bortz, Chairman of the Board and Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ JON E. BORTZ

Jon E. Bortz
Chief Executive Officer and Chairman of the Board
(principal executive officer)

Exhibit 32.2

Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Pebblebrook Hotel Trust (the "Company") on Form 10-Q for the period ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Raymond D. Martz, Co-President, Chief Financial Officer, Treasurer and Secretary, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ RAYMOND D. MARTZ

Raymond D. Martz
Co-President, Chief Financial Officer, Treasurer and Secretary
(principal financial officer and principal accounting officer)