



Article Title

Apple Hospitality REIT Takes Steps to Mitigate Impact of COVID-19.

Citation

Medical Letter on the CDC & FDA. 2020, pages. 82; NewsRX LLC, 2020

Abstract

N/A

Summary

An example of what one hospitality company is doing:

The Company has postponed all non-essential capital improvement projects planned for 2020 and anticipates a reduction of approximately \$50 million in the previously announced capital improvements program for the year.

The Company has suspended its monthly distributions, effective immediately. The Company's Board of Directors, in consultation with management, will continue to monitor hotel operations and intends to resume monthly distributions at a time and level determined to be prudent in relation to the Company's other cash requirements.

As a precautionary measure, to increase the amount of cash on hand, the Company has recently drawn on its credit facility and currently has approximately \$300 million of cash on hand. Current availability on the Company's revolving credit facility is \$145 million. The Company has no scheduled debt maturities for the remainder of the year and approximately \$34 million in scheduled maturities in 2021.

Glade Knight, the Company's Founder and Executive Chairman, has volunteered to forego his salary for the next six months, effective immediately. In addition, Justin Knight, the Company's President and Chief Executive Officer, has volunteered to reduce his target compensation by 60 percent, and the non-employee directors of the Company's Board of Directors, as a group, have volunteered to reduce their annual fee by more than 15 percent. The Company's senior management team owns approximately 7 percent of the Company's outstanding common stock.