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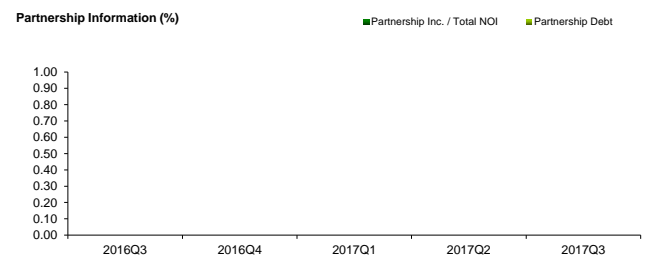
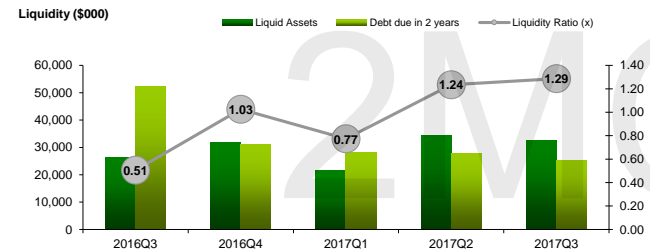
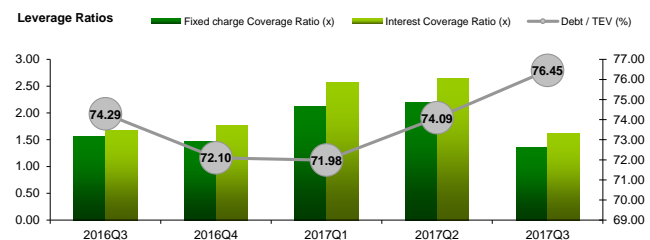
Current Market Information as of 01/25/2018		Closing Price (\$): 6.22	
Shares Outstanding (Shares)	13,823,459	Price Target	\$ 10.00
52 week High - Low (\$)	7.66 - 5.57	Price/ FFO (x)	9.1
Average Daily Volume (Shares)	18,545	Price/ LTM FFO (x)	6.5
Market Value (\$M)	86.0	Price/ Trailing-four-quarter EPS (x)	NM
Total Capitalization (\$M)	460.3	Prem./Disc to NAV (%)	-23.2
Total Enterprise Value (\$M)	427.6	TEV/ Recurring EBITDA (x)	NA
10 Year T Note (%)	2.63	Implied Return	61%

Insider Alignment as of 03/17/2017			
Title	Name	Insider shares (Voting)	%
Chairman & CEO	Andrew M. Sims	1,375,723	9.50
President & COO	David R. Folsom	270,191	1.90
Lead Independent Director	Edward S. Stein	237,599	1.60
<b>Total Shares Held by Insiders</b>		<b>2,024,489</b>	<b>13.80</b>

Note: If multiple insiders share controlling interest in a group of shares, they may both show ownership of those shares in insider ownership data.

Institutional Ownership			
Owner	Shares	%	As of
2nd Market Capital Advisory Corp.	1,316,337	9.52	03/17/2017
Uniplan Investment Counsel Inc.	642,826	4.65	09/30/2017
Vanguard Group Inc.	605,211	4.38	09/30/2017
BlackRock Inc.	531,582	3.85	09/30/2017
Palogic Value Management L.P.	500,000	3.62	12/31/2016
<b>Total - 46 Institutions</b>	<b>5,929,783</b>	<b>42.88</b>	

Current Dividend Information			
		% Change	
Dividend (\$)	0.1100	—	0.00 Mst Rct Dividend Anncd Date 10/23/2017
Annual Dividend Rate (\$)	0.4400	▲	20.55 Mst Rct Ex-Dividend Date 12/14/2017
LTM Dividends Anncd (\$)	0.4250		Most Recent Div Pay Date 01/11/2018
Current Dividend Yield (%)	7.07		
LTM Dividend Payout Ratio (%)	NM		

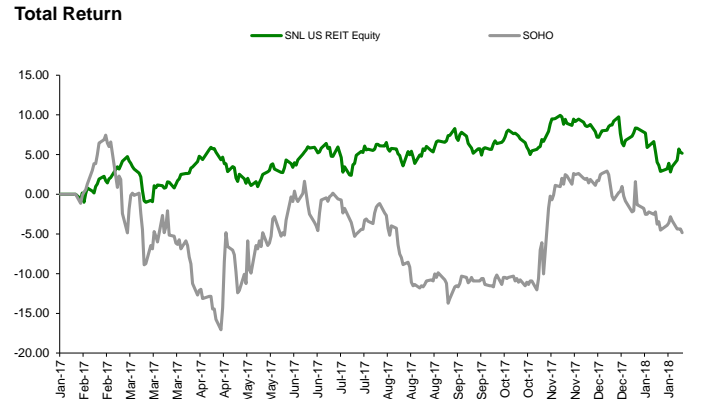


Same Store Analysis	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Same Store NOI Change (%)	NA	NA	NA	NA	NA
Same Store Rev % Chg (%)	NA	NA	NA	NA	NA
Same Store Exp % Chg (%)	NA	NA	NA	NA	NA
Same-store REV/PAR (\$)	95.32	84.63	104.58	111.93	96.11
Same-store ADR (\$)	134.79	136.39	147.33	146.32	135.09
Same Store Occupancy (%)	70.70	62.00	71.00	76.50	71.10

Debt Maturity Schedules for the Period 2017Q3					
	Debt Maturity		Principal Payment		Principal Payments Inc JV
	(\$000)	(%)	(\$000)	(%)	
Total Debt	322,991		322,991		322,991
Current Fiscal Year	0	0.00	1,683	0.52	NA
Avg Int Rate (%)	NA		NA		NA
Next Fiscal Year	14,571	4.51	23,696	7.34	NA
Avg Int Rate (%)	4.78		NA		NA
Two Years Out	70,561	21.85	77,463	23.98	NA
Avg Int Rate (%)	NA		NA		NA
Three Years Out	0	0.00	9,012	2.79	NA
Avg Int Rate (%)	NA		NA		NA
Four Years Out	24,183	7.49	30,770	9.53	NA
Avg Int Rate (%)	NA		NA		NA
Thereafter	215,520	66.73	182,212	56.41	NA
Avg Int Rate (%)	NA		NA		NA

Credit Ratings	Rating	Date	Direction	Watch
S&P	—	—	—	—
Moody's*	—	—	—	—
Fitch	—	—	—	—

\*Senior Unsecured Rating



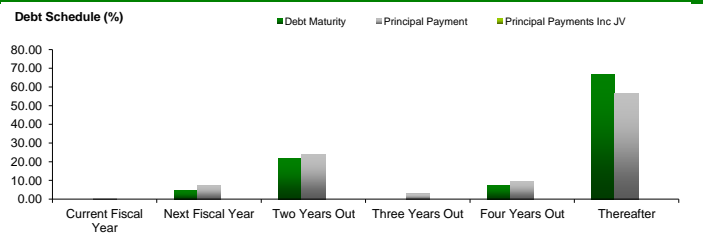
Leverage Analysis	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
<b>Capitalization (\$M)</b>					
Implied Market Cap	88.3	110.3	99.7	105.7	91.9
Total Mezzanine Level Items	0.0	0.0	0.0	0.0	0.0
Total Preferred Equity	40.3	40.3	40.3	40.3	40.3
Noncontrolling Interest	0.0	0.0	0.0	0.0	0.0
Total Debt	295.1	307.0	303.7	318.9	323.0
Prof. OP-FASB 150/Fin 46 Adj.	0.0	0.0	0.0	0.0	0.0
<b>Total Capitalization</b>	<b>423.6</b>	<b>457.6</b>	<b>443.6</b>	<b>464.9</b>	<b>455.1</b>
(-) Cash & Cash Equivalents	26.4	31.8	21.7	34.4	32.7
<b>Total Enterprise Value</b>	<b>397.2</b>	<b>425.8</b>	<b>421.9</b>	<b>430.4</b>	<b>422.5</b>
<b>Leverage Ratios (%)</b>					
Debt/ Total Cap	69.65	67.10	68.45	68.60	70.97
Debt / TEV	74.29	72.10	71.98	74.09	76.45
Debt and Preferred/ TEV	84.42	81.55	81.52	83.44	85.98
Total Debt/ Gross Properties	66.35	70.05	68.17	70.93	71.11
Debt/ RE Value	78.52	76.72	76.17	77.91	81.49
Fixed charge Coverage Ratio (x)	1.56	1.46	2.12	2.19	1.36
Interest Coverage Ratio (x)	1.68	1.76	2.57	2.64	1.62
Debt/ EBITDA (x)	12.06	11.60	6.98	8.27	12.01
Debt/Assets	73.41	75.62	75.73	77.22	77.56
NOI/ Debt	12.31	10.93	15.12	14.45	9.89

Liquidity Analysis (\$000)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Cash and Equivalents	26,433	31,767	21,744	34,439	32,652
Revolving Credit Facilities	0	0	0	0	0
Revolving Credit Facilities Drawn	0	0	0	0	0
<b>Liquid Assets</b>	<b>26,433</b>	<b>31,767</b>	<b>21,744</b>	<b>34,439</b>	<b>32,652</b>
Debt Due this Fiscal Year	4,173	6,363	4,397	4,253	1,683
Debt Due during Next Fiscal Year	48,078	24,627	23,700	23,629	23,696
Debt Due this Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt Due during Next Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
<b>Debt due in 2 years</b>	<b>52,251</b>	<b>30,990</b>	<b>28,097</b>	<b>27,882</b>	<b>25,379</b>
<b>Liquidity Ratio (x)</b>	<b>0.51</b>	<b>1.03</b>	<b>0.77</b>	<b>1.24</b>	<b>1.29</b>

Profitability Analysis (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Implied Capitalization Rate	10.80	10.52	10.76	10.32	9.88
Rental NOI/ Avg Gross Ppty	0.00	0.00	0.00	0.00	0.00
Operating NOI/ Avg Gross Ppty	8.18	7.60	10.39	10.30	7.07
Total RE NOI/ Avg Gross Ppty	8.18	7.60	10.39	10.30	7.07
Partnership Income/ Total Revenue	NA	NA	NA	NA	NA

Partnership Information (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Partnership Inc. / Total NOI	0.00	0.00	0.00	0.00	0.00
Partnership Revenue/ Revenue	0.00	0.00	0.00	0.00	0.00
Partnership Debt	0.00	0.00	0.00	0.00	0.00
Partnership Income/ Avg Partnerships	NA	NA	NA	NA	NA

Debt Analysis (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Tax-exempt Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Secured Debt/ Debt	91.79	92.08	91.97	92.32	92.40
Short-term Debt/ Debt	NA	2.07	NA	NA	NA
Long-term Debt/ Debt	NA	97.93	NA	NA	NA
Variable-rate Debt/ Debt	22.59	26.42	26.59	19.22	18.89
Fixed-rate Debt/ Debt	78.21	74.25	74.04	81.46	81.75
Hedged Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Convertible Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Credit Lines Drawn/ Available	NA	NA	NA	NA	NA

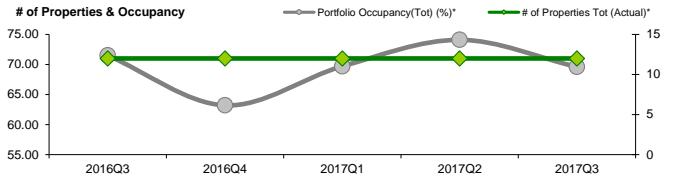
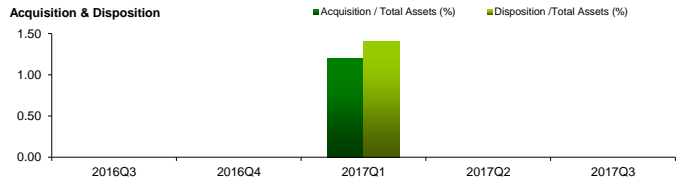


**Property Analysis**

Property Financials	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
# of Properties Tot (Actual)*	12	12	12	12	12
Portfolio Occupancy(Tot) (%)*	71.5	63.2	69.7	74.1	69.6
Total Acquisitions (\$000)	0	0	4,800	0	0
Total Dispositions (\$000)	0	0	5,650	0	0
Development Pipeline (\$000)	NA	NA	NA	NA	NA
Development Cost Incurred (\$000)	NA	NA	NA	NA	NA
Net Property Investment (\$000)	354,138	348,594	355,998	357,467	357,645
Gross Leasable Area (sq. ft.)	NA	NA	NA	NA	NA
Acquisition / Total Assets (%)	0.00	0.00	1.20	0.00	0.00
Disposition / Total Assets (%)	0.00	0.00	1.41	0.00	0.00

\* If total value is filed as NA for all periods by the company, it will give the individual portfolio level information.  
**Top 10 Markets\***

Name	% of NOI	% of Rev.	% Change SS Occupancy %
None			



\*Based on reported market exposure. SS here stands for Same Store

**Top 10 Most Recent Acquisitions**

Property Name	Portfolio Acq. Yes/No?	Acq. Date	Owned %	Price (\$000) <sup>1</sup>	Size (Owned Sq. Ft.) <sup>2</sup>
Hyde Resort & Residences	No	01/30/2017	100.00	4,800	480,000
Land-Atlanta	Yes	03/27/2014	100.00	61,106	NA
The Georgian Terrace	Yes	03/27/2014	100.00	61,106	391,200
The Whitehall	No	11/13/2013	100.00	30,880	310,800
Crowne Plaza-Hampton Marina	No	04/24/2008	100.00	7,750	207,600
Crowne Plaza-Tampa Westshore	No	10/29/2007	100.00	13,800	266,400
DoubleTree-Hollywood Beach Ret	No	08/09/2007	100.00	18,500	373,200
Sheraton-Louisville Riverside	No	09/20/2006	100.00	7,700	216,000
DoubleTree-Jacksonville Riverfor	No	07/22/2005	100.00	22,000	351,600
DoubleTree-Laurel West	No	12/21/2004	100.00	NA	249,600

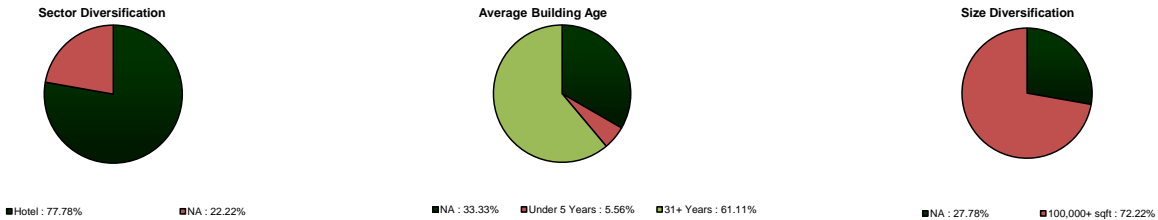
**Top 10 Most Recent Dispositions**

Property Name	Portfolio Dis. Yes/No?	Dis. Date	Owned %	Price (\$000) <sup>2</sup>	Size (Owned Sq. Ft.) <sup>3</sup>
Crowne Plaza-Hampton Marina	No	02/07/2017	100.00	5,650	207,600
Land-Atlanta	No	09/02/2015	100.00	2,200	NA
Shell Island Resort	No	12/31/2011	100.00	NA	192,000
Holiday Inn-Williamsburg	No	08/10/2006	100.00	4,750	163,200

<sup>1</sup> If the transaction is a portfolio acquisition than the price will be a portfolio Acq. Price.

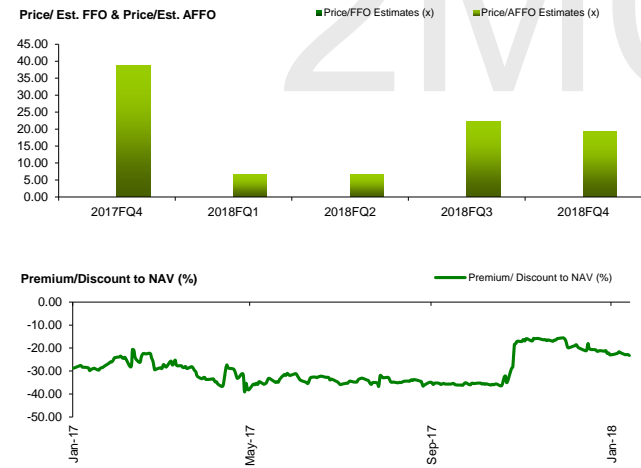
<sup>2</sup> If the transaction is a portfolio sales than the price will be a portfolio disposition Price.

**Property Charts**



NA = Not Available

**Estimates Data**



**Estimates Information**

	2017FQ4	2018FQ1	2018FQ2	2018FQ3	2018FQ4
<b>FFO Estimates</b>					
FactSet Mean FFO Estimate (\$)					
FactSet High FFO Estimate (\$)					
FactSet Low FFO Estimate (\$)					
FactSet No. of FFO Estimates (Actual)					
Closing Price (\$)	6.22	6.22	6.22	6.22	6.22
Price/FFO Estimates (x)					
<b>AFFO Estimates</b>					
SNL Mean AFFO Estimate (\$)	0.04	0.23	0.23	0.07	0.08
SNL High AFFO Estimate (\$)	0.04	0.23	0.23	0.07	0.08
SNL Low AFFO Estimate (\$)	0.04	0.23	0.23	0.07	0.08
SNL No. of AFFO Estimates (Actual)	1	1	1	1	1
Price/AFFO Estimates (x)	38.88	6.76	6.76	22.21	19.44
<b>EBITDA Estimates</b>					
FactSet Mean EBITDA Estimate (\$000)					
FactSet High EBITDA Estimate (\$000)					
FactSet Low EBITDA Estimate (\$000)					
FactSet No. of EBITDA Estimates (Actual)					
Shares Outstanding (Shares)	13,823,459	13,823,459	13,823,459	13,823,459	13,823,459
Total Enterprise Value (\$M)	427.6	427.6	427.6	427.6	427.6
Price/ Est. EBITDA per Share (x)					
Current TEV/ Est. EBITDA (x)					
<b>NAV</b>					
NAV per Share (\$)	8.10	8.10	8.10	8.10	NA
Price/ NAV	0.77	0.77	0.77	0.77	
Premium/Discount to NAV (%)	-23.21	-23.21	-23.21	-23.21	
Number of NAV per Share Estimates (actual)	1				

**Commentary:**

In the past we have liked Sotherly Hotels despite disliking the broader hotel REIT space. We thought its sheer value was enough to make it worth investment despite the challenges facing hotels. Presently, however, hotel fundamentals are looking better. 2017 ended stronger than it began and 2018 is off to a good start. In particular, Houston and southern Florida have outperformed and these markets make up a large portion of SOHO's portfolio. With improved RevPAR, SOHO should be able to continue increasing its dividend and we suspect the gap between market price and NAV will begin to close. The 4Q17 report is likely to be average as timing issues are pushing certain revenues into 1Q18.

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