

SOUTHERN LODGING SUMMIT — MEMPHIS —

U.S. Performance Overview and Outlook

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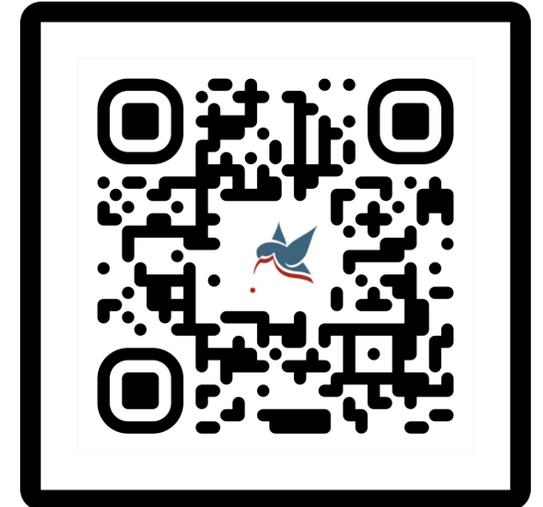
2023 Summary

✦ Trends so far in 2023

- ADR growth plateauing
- Overall demand still below 2019 levels
- Length of stay shrinking slightly
- Recent bi-modal trends
- Early recovery markets: performance metrics retreating

✦ Second half of 2023

- Tracking Length of Stay
- Pause in cycle or end of cycle
- Commercial/Leisure Mix
- International travel
- Economic factors



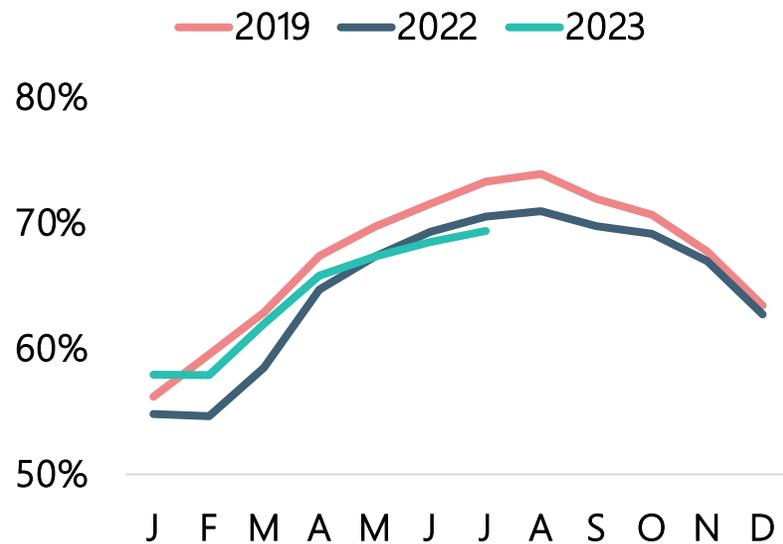
SCAN FOR PRESENTATION

YoY '23 Demand Growth Remains Sluggish; ADR still growing over '22 in '23

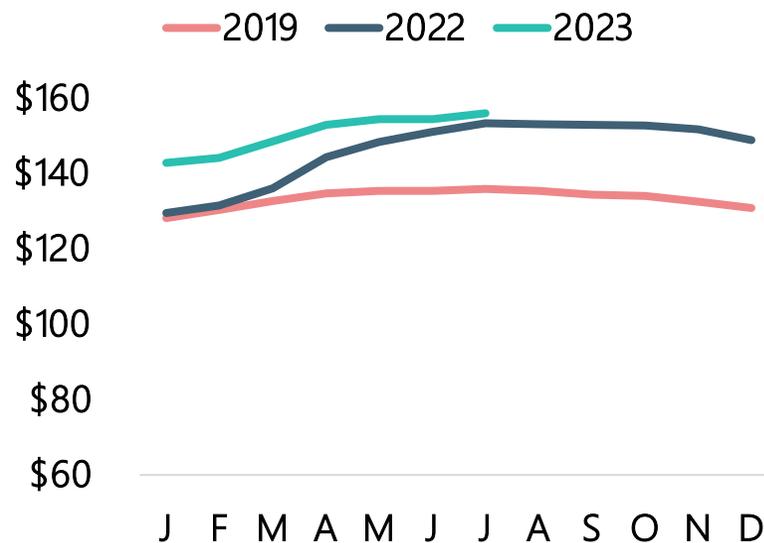
2019, 2022 Full Year, and 2023 July YTD – All U.S. Hotels



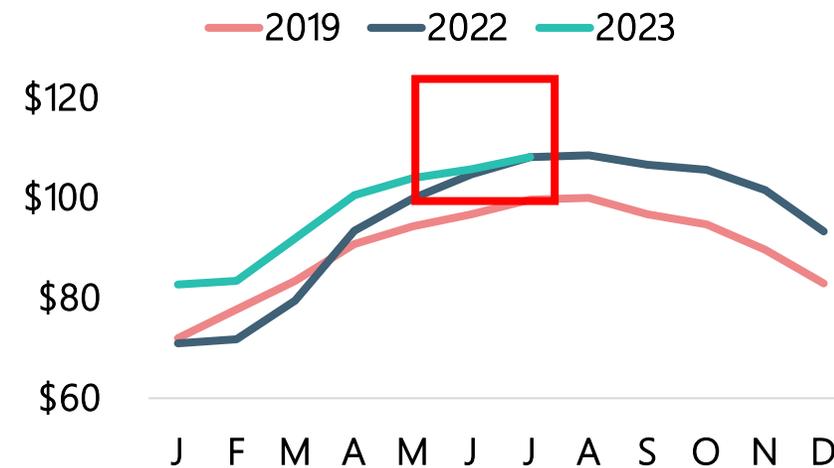
Occupancy by Month (T3M)



Guest-Paid ADR by Month (T3M)



Guest-Paid RevPAR by Month (T3M)

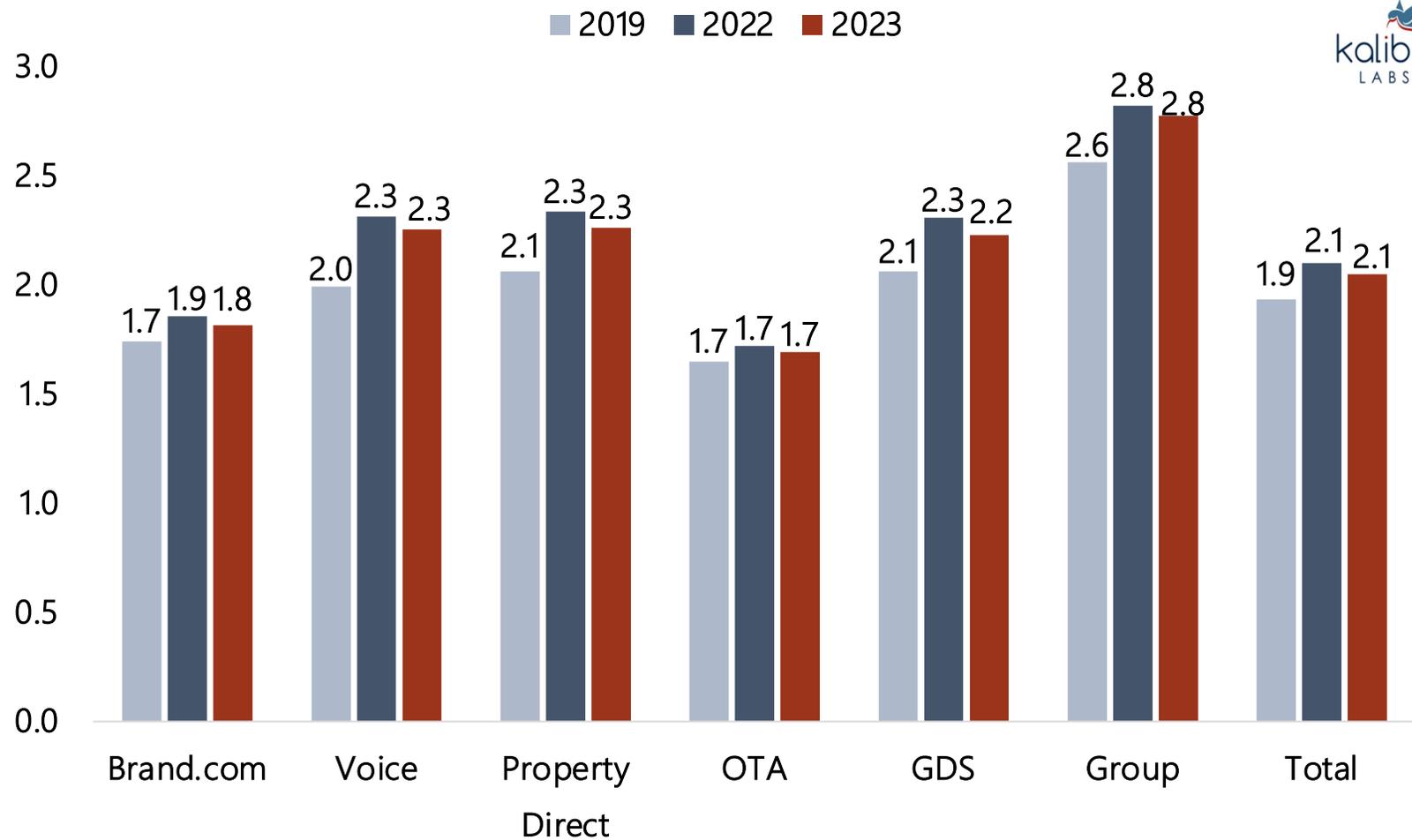


2023—July YTD Actual



Length of Stay: Strong LOS growth in '22 from '19 still holds in '23 despite a slight decline across all channels

2019, 2022 Full Year and 2023 July YTD - All U.S. Hotels

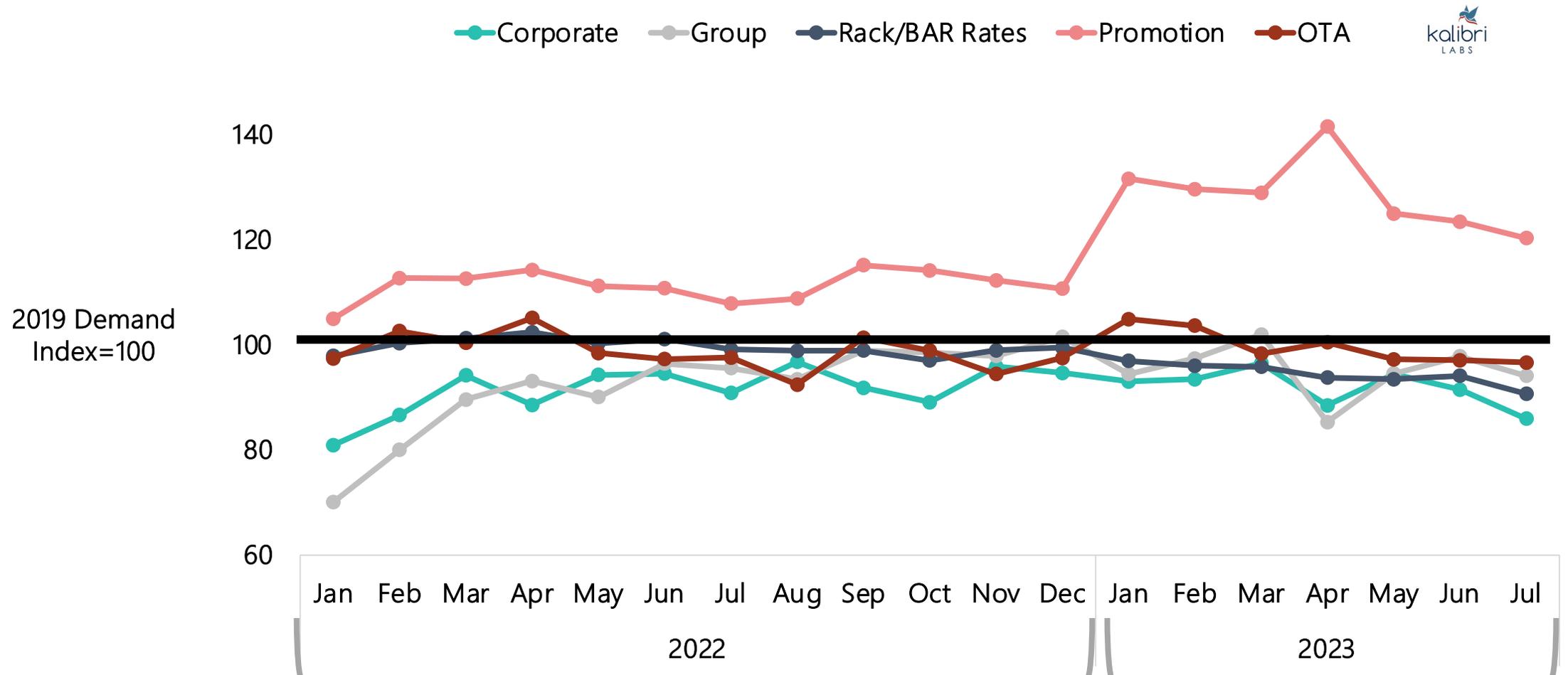


2023—July YTD Actual



U.S. Room Nights: Corporate and Group are still below 2019 levels

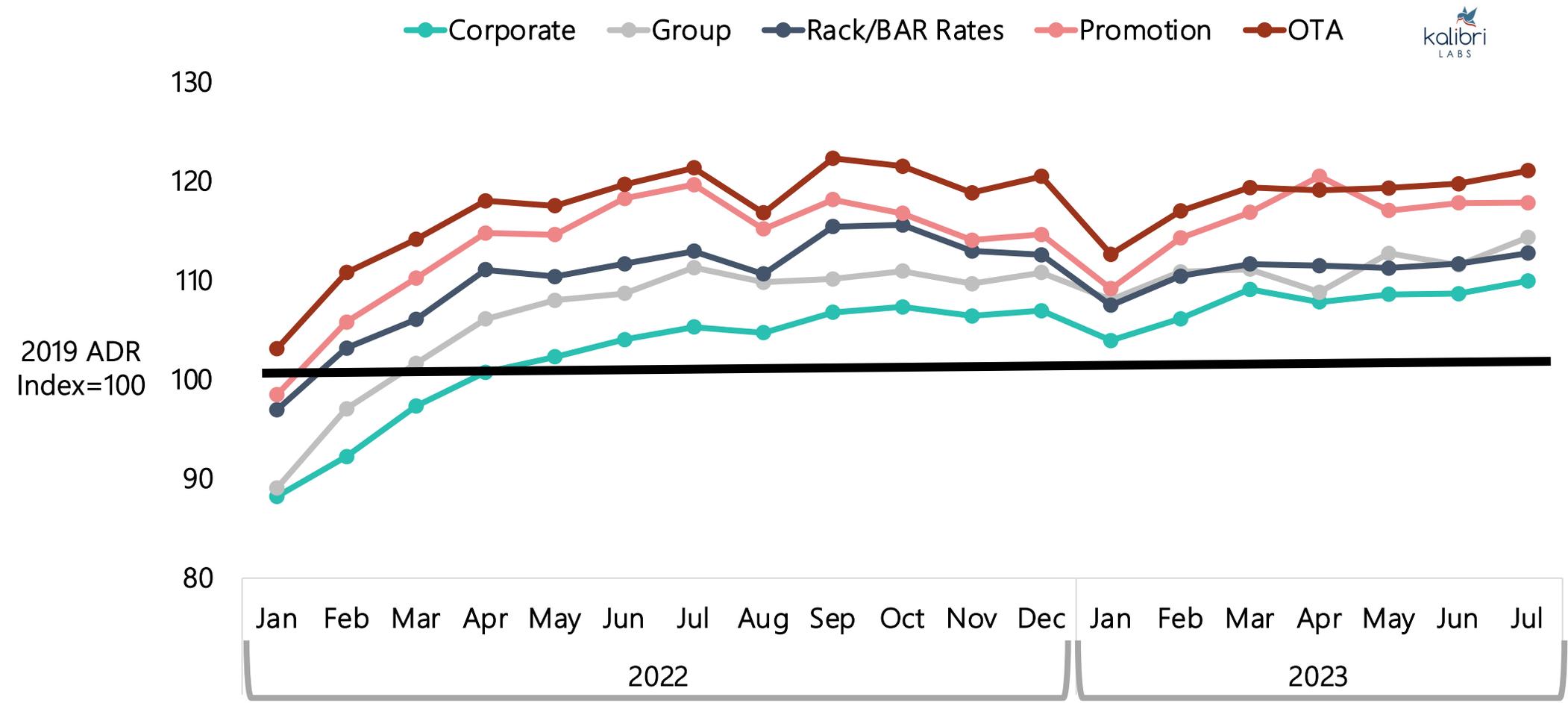
January 2022-July 2023- Indexed vs. 2019- All U.S. Hotels



2023—July YTD Actual
Total U.S.

U.S. ADR: All Rate Categories are outperforming 2019 levels in 2023

January 2022-July 2023- Indexed vs. 2019- All U.S. Hotels

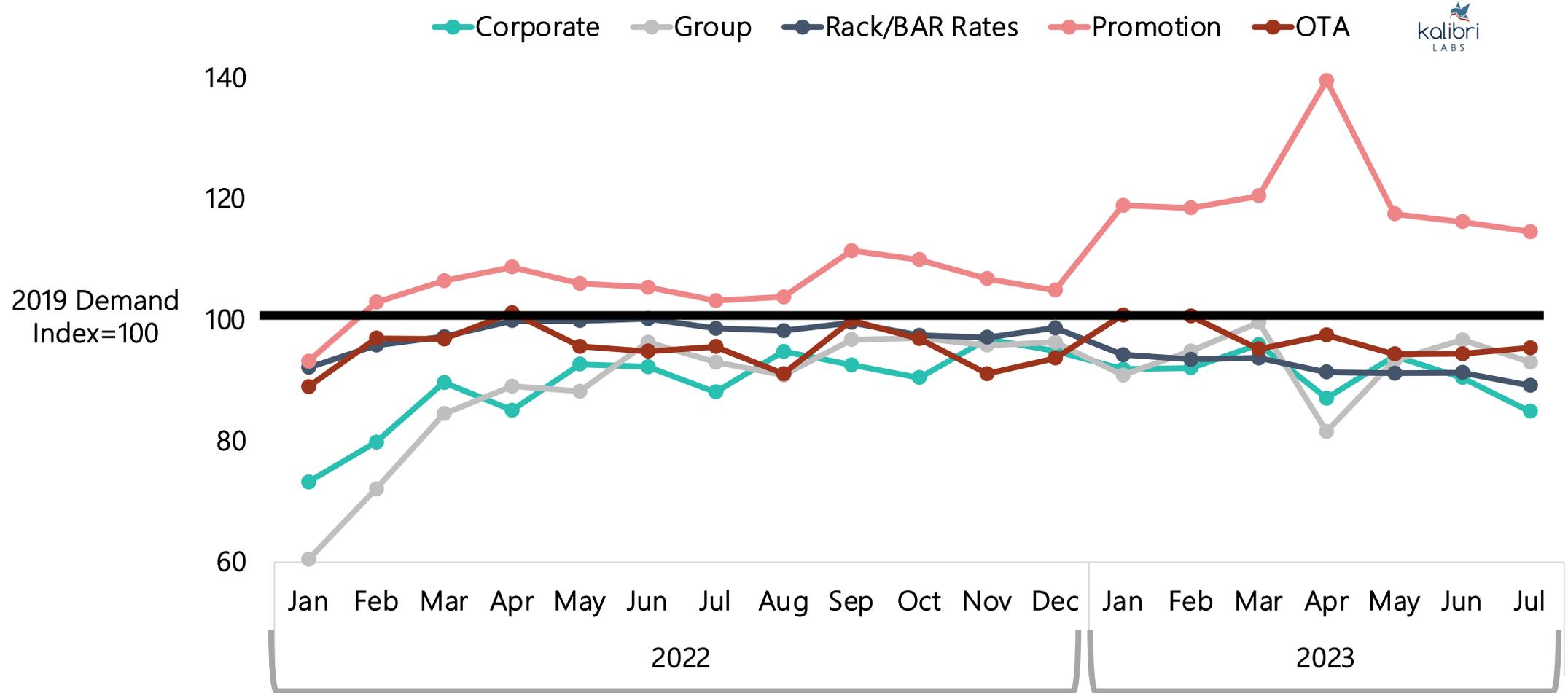


2023—July YTD Actual
Total U.S.



Top 50 U.S. Markets Room Nights: Corporate and Group are still below 2019 levels

January 2022-July 2023- Indexed vs. 2019

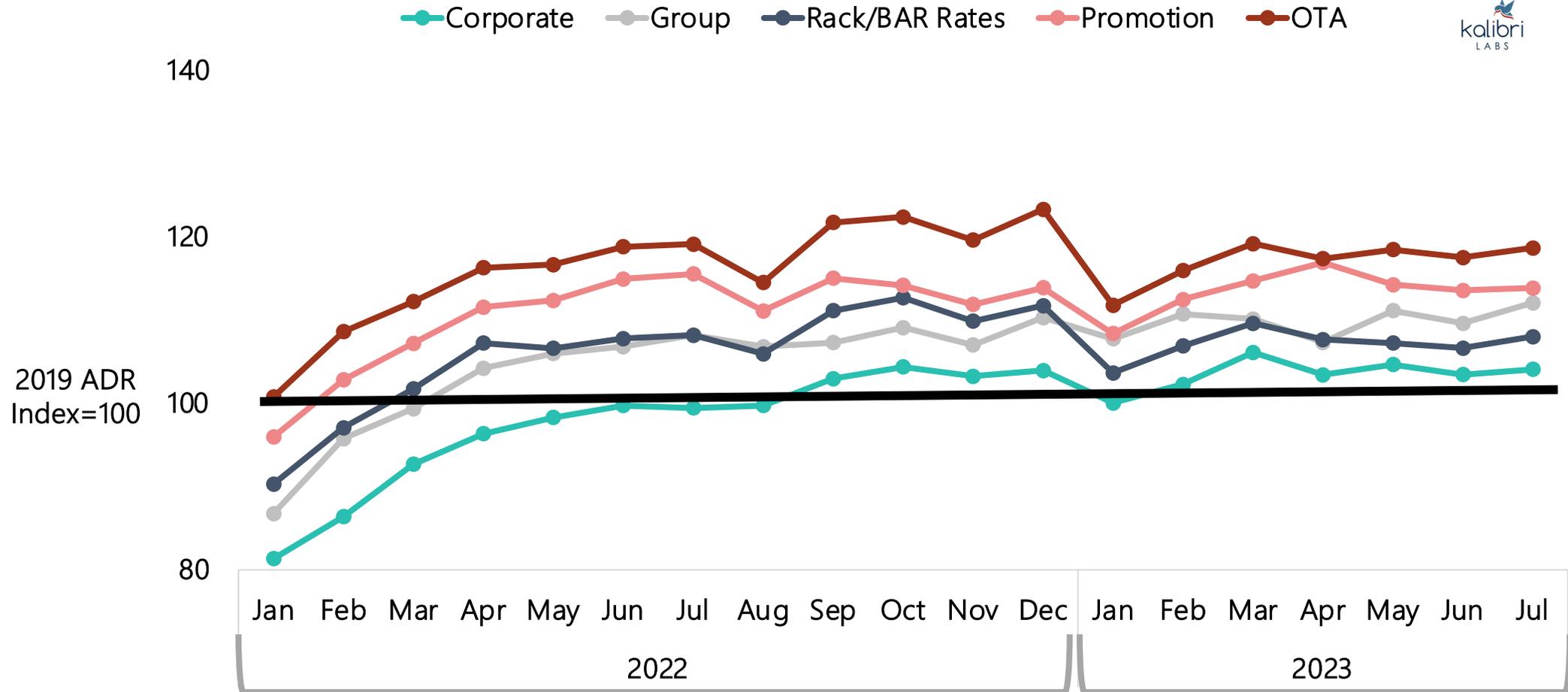


2023—July YTD Actual
Top 50 U.S. Markets



Top 50 U.S. Markets ADR: Corporate is now beginning to outperform 2019 levels

January 2022-July 2023 - Indexed vs. 2019

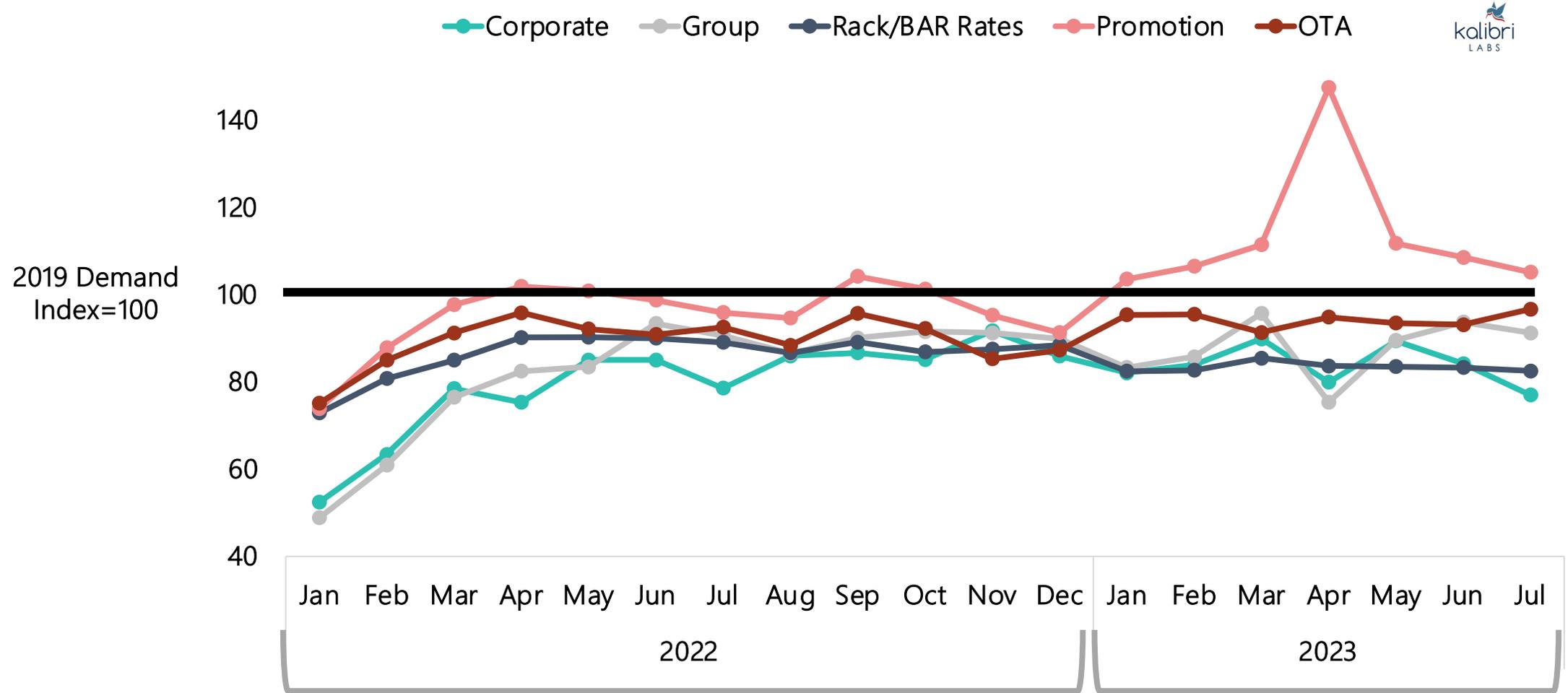


2023—July YTD Actual
Top 50 U.S. Markets



U.S. Large Metro Urban Submarkets Room Nights: Corporate and Group are still below 2019 levels

January 2022-July 2023- Indexed vs. 2019

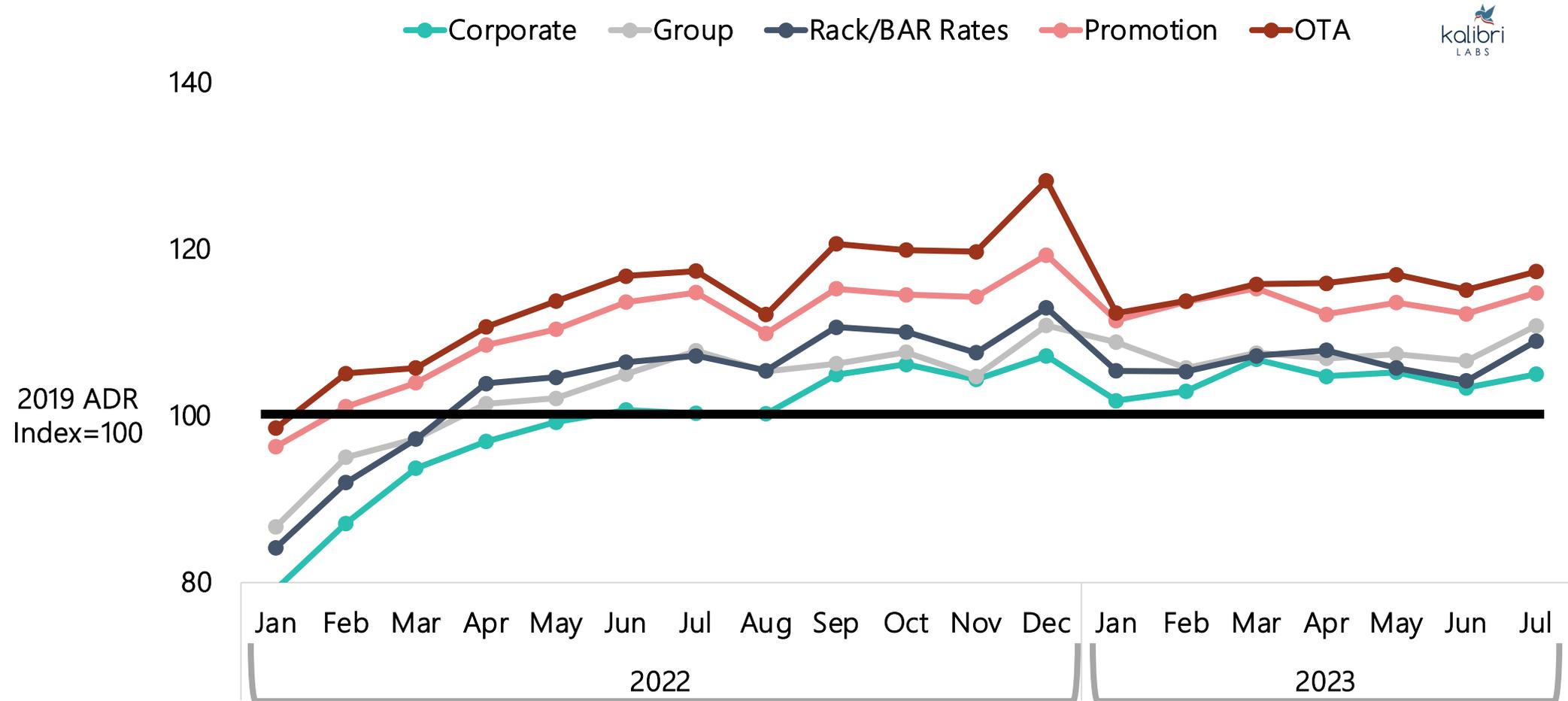


2023—July YTD Actual
U.S. Large Metro Urban Submarkets



U.S. Large Metro Urban Submarkets ADR: All Rate Categories are now outperforming 2019

January 2022-July 2023- Indexed vs. 2019

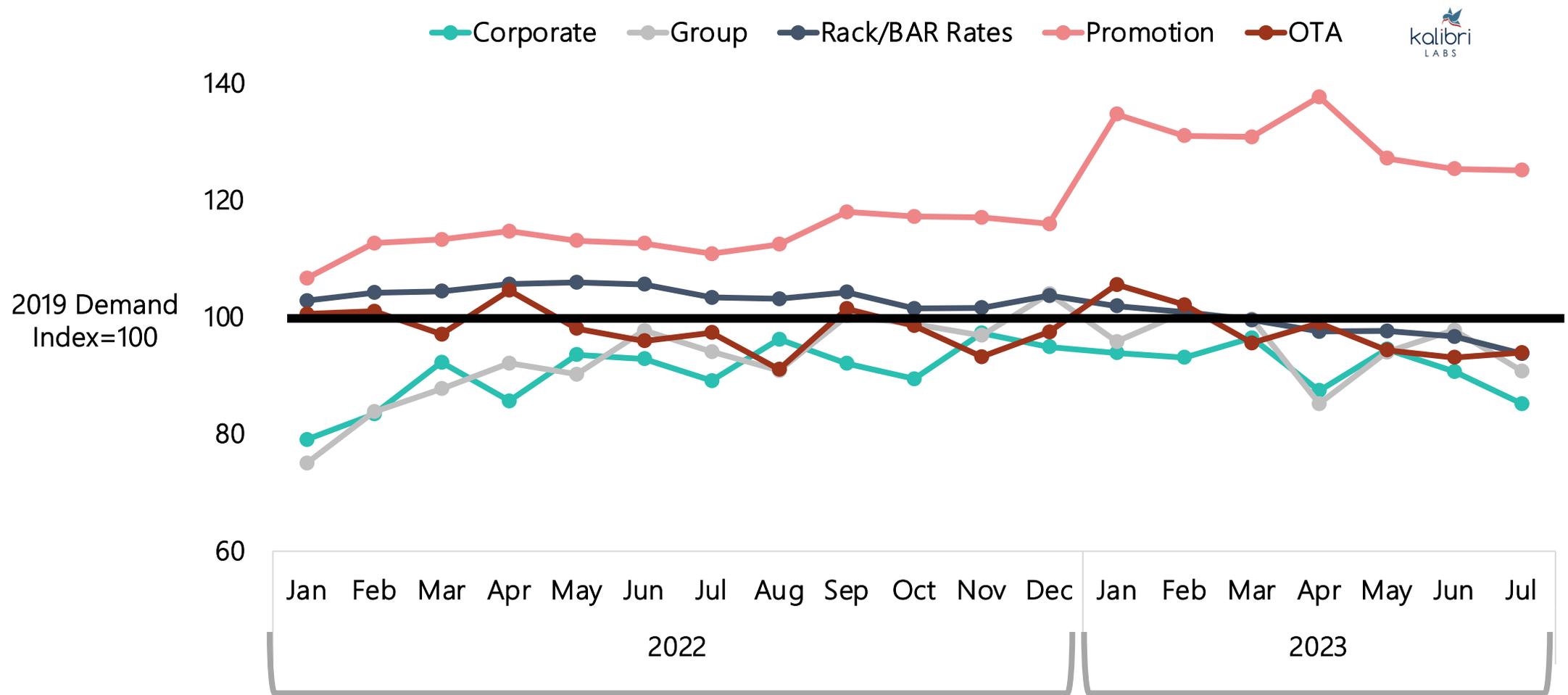


2023—July YTD Actual
U.S. Large Metro Urban Submarkets



U.S. Large Metro Suburban Submarkets Room Nights: Corporate and Group are still below 2019 levels

January 2022-July 2023 - Indexed vs. 2019

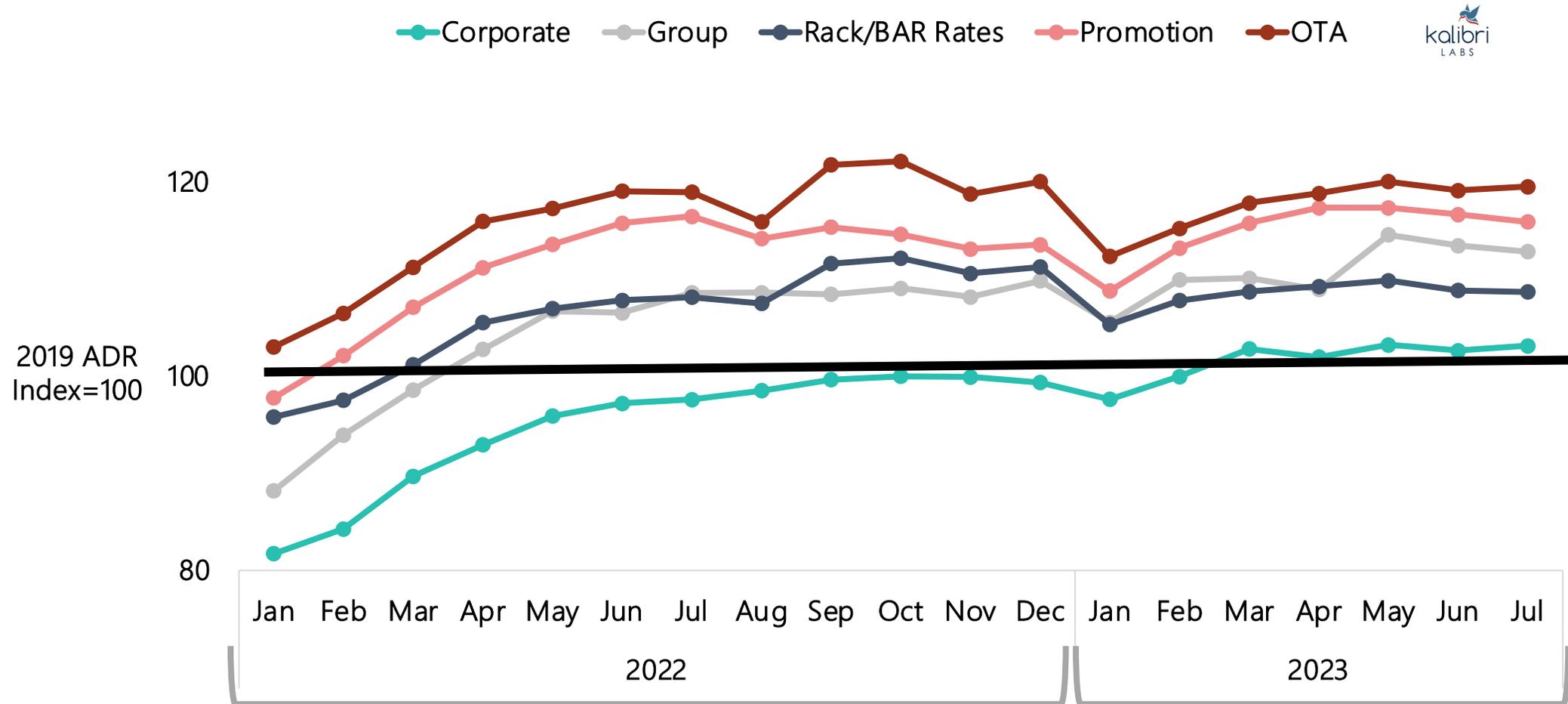


2023—July YTD Actual
U.S. Large Metro Suburban Submarkets



U.S. Large Metro Suburban Submarkets ADR: All Rate Categories are now outperforming 2019

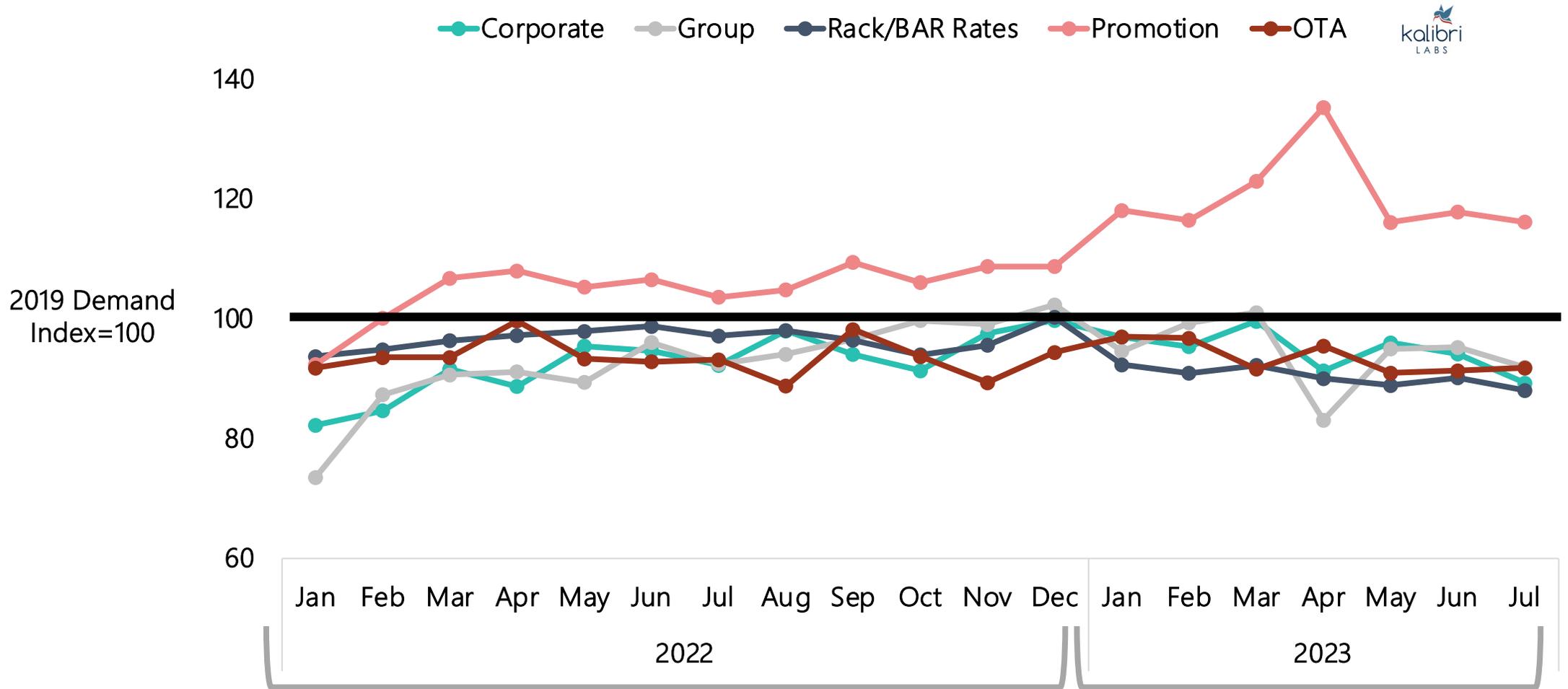
January 2022-July 2023 - Indexed vs. 2019



2023—July YTD Actual
U.S. Large Metro Suburban Submarkets

U.S. Large Metro Airport Submarkets Room Nights: Corporate and Group are still below 2019 levels

January 2022-July 2023 - Indexed vs. 2019

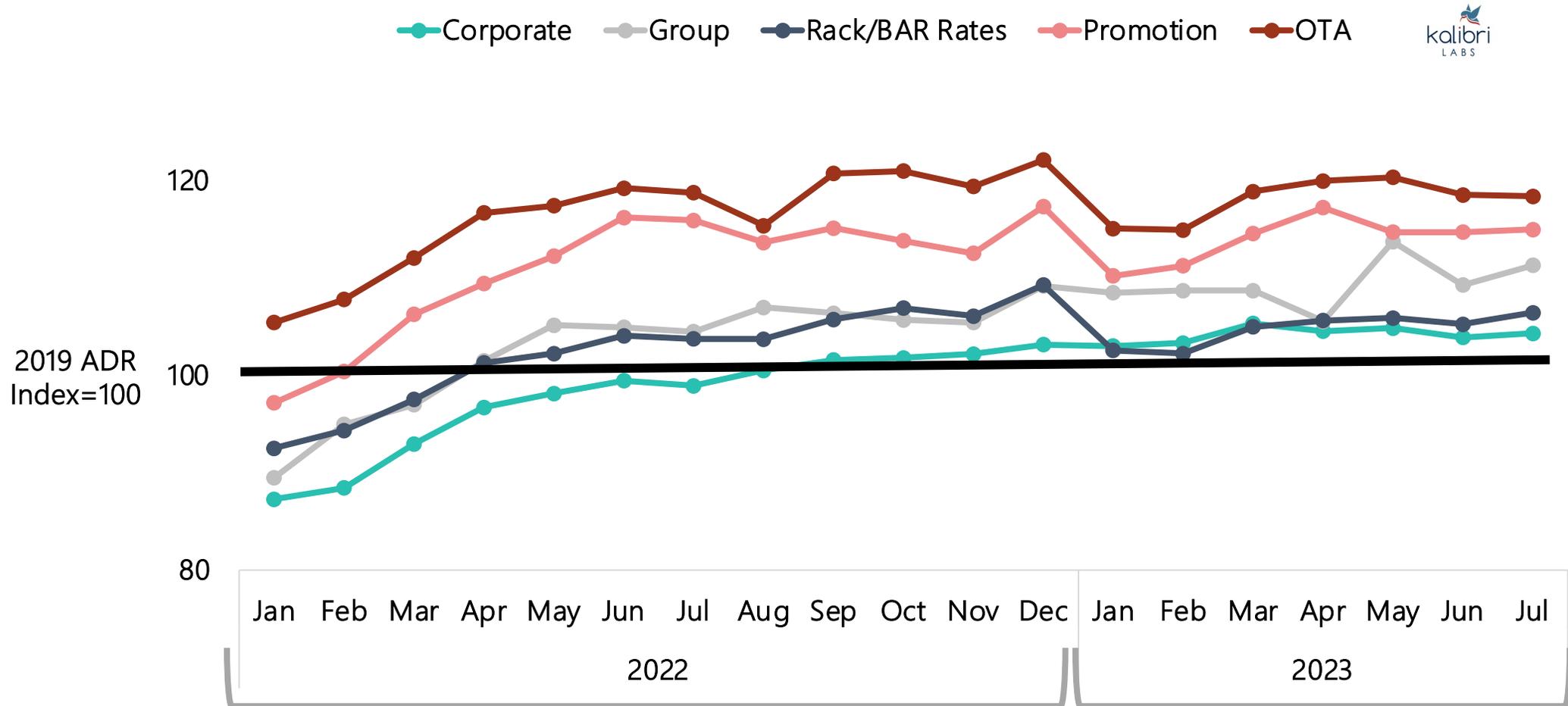


2023—July YTD Actual
U.S. Large Metro Airport Submarkets



U.S. Large Metro Airport Submarkets ADR: All Rate Categories are outperforming 2019 levels

January 2022-July 2023- Indexed vs. 2019

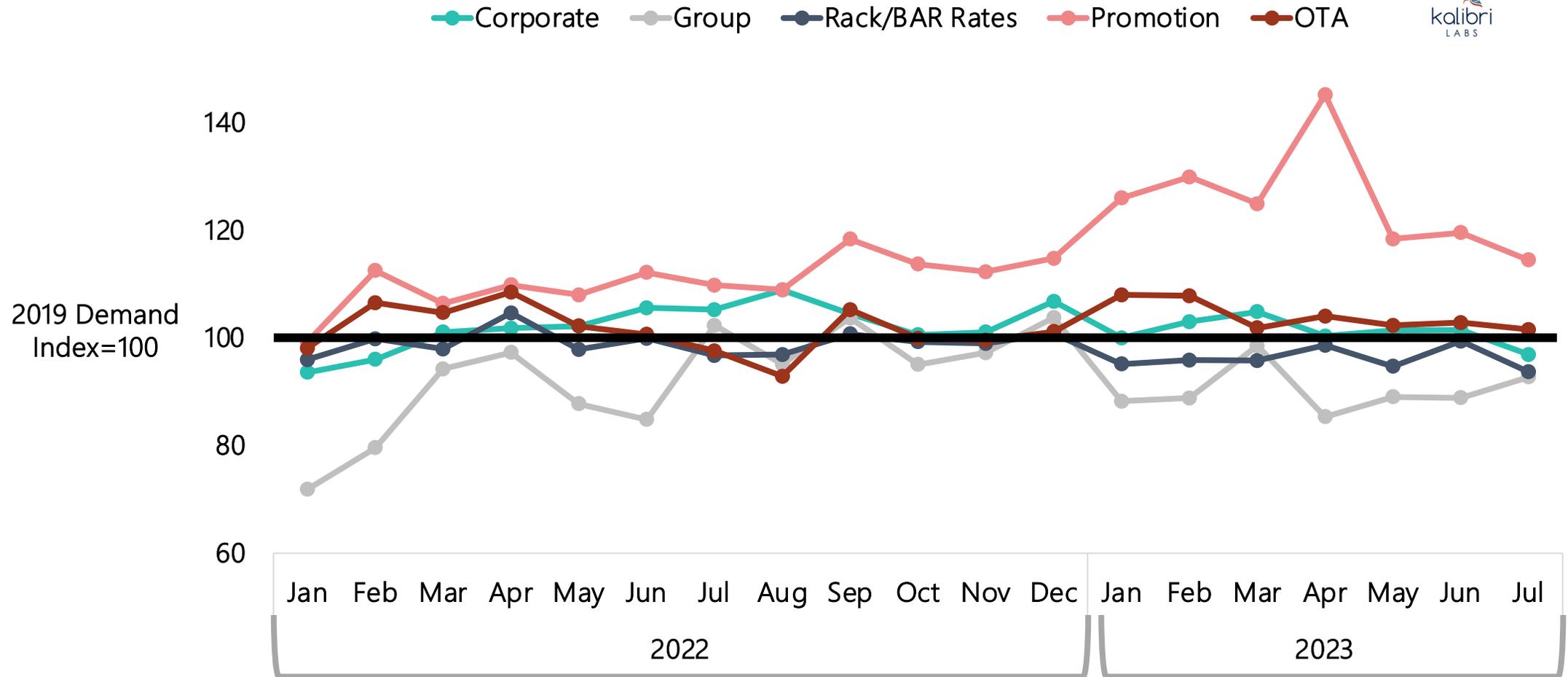


2023—July YTD Actual
U.S. Large Metro Airport Submarkets



U.S. Resort/Destinations Room Nights: Group has still not reached 2019 levels

January 2022-July 2023 - Indexed vs. 2019

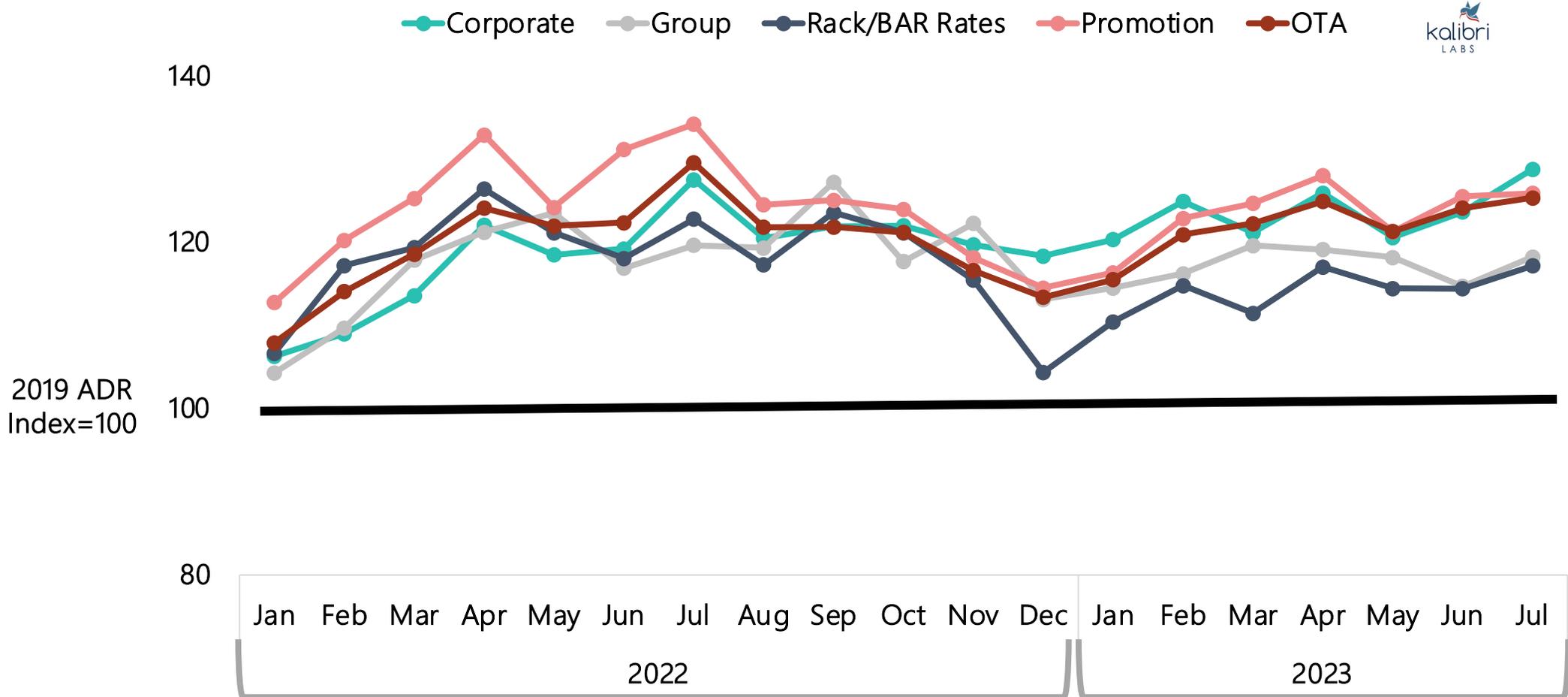


2023—July YTD Actual
U.S. Resort/Destinations



U.S. Resort/Destinations ADR: All Rate Categories are outperforming 2019 levels

January 2022-July 2023- Indexed vs. 2019



2023—July YTD Actual
U.S. Resort/Destinations



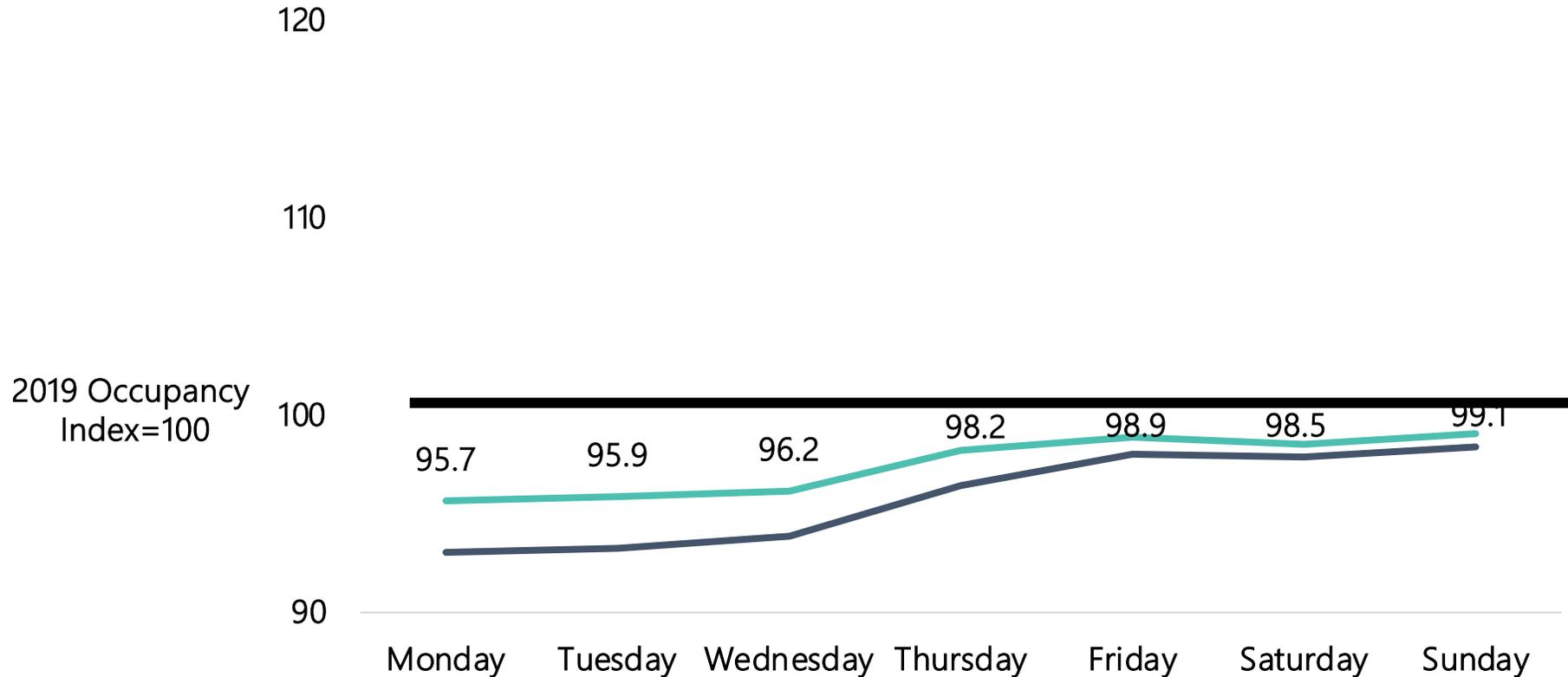
U.S. Occupancy: Still underperforming on all Days of Week vs. 2019

January 2022- December 2023(f) - Indexed vs. 2019

Total U.S. Total Tier Occupancy Indexed vs. 2019



—2022 —2023



2019 Occupancy Index=100

2023—Jul. YTD Actual+ FC

Labels are 2023 Values

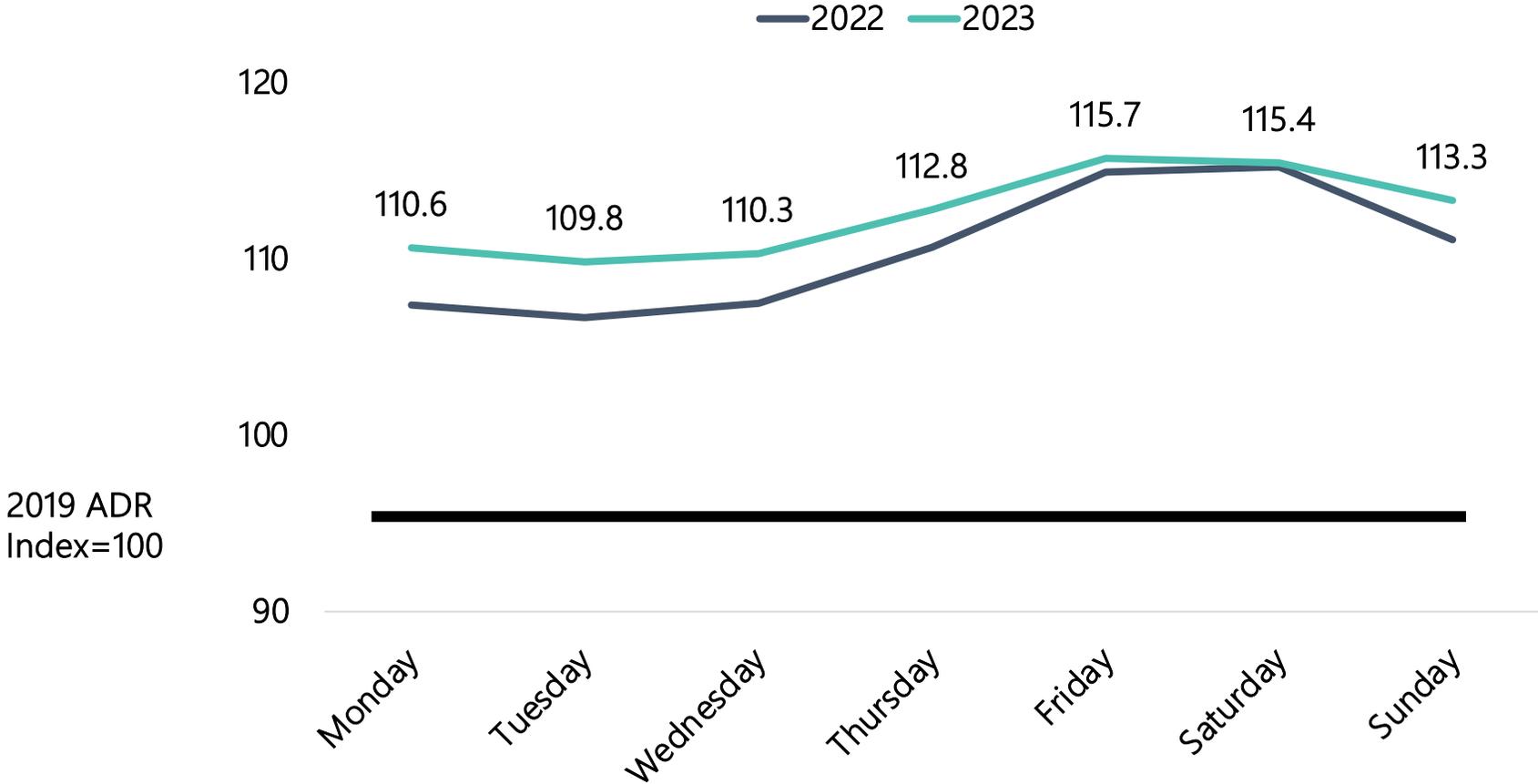


U.S. ADR: 2022 and 2023 are outperforming on all Days of Week vs. 2019

January 2022-December 2023(f) - Indexed vs. 2019



Total U.S. Total Tier ADR Indexed vs. 2019



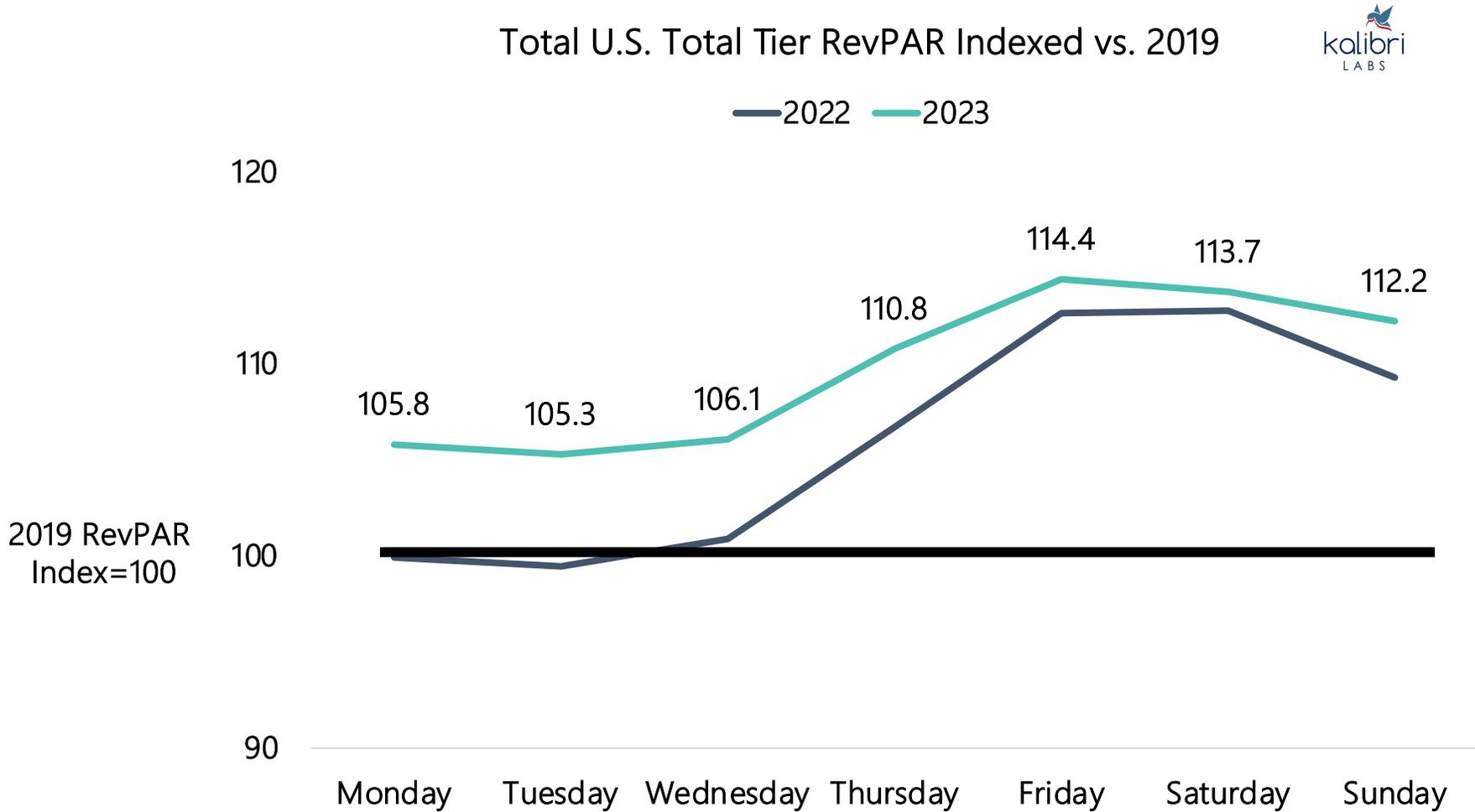
2019 ADR Index=100

2023—Jul. YTD Actual+ FC
Labels are 2023 Values



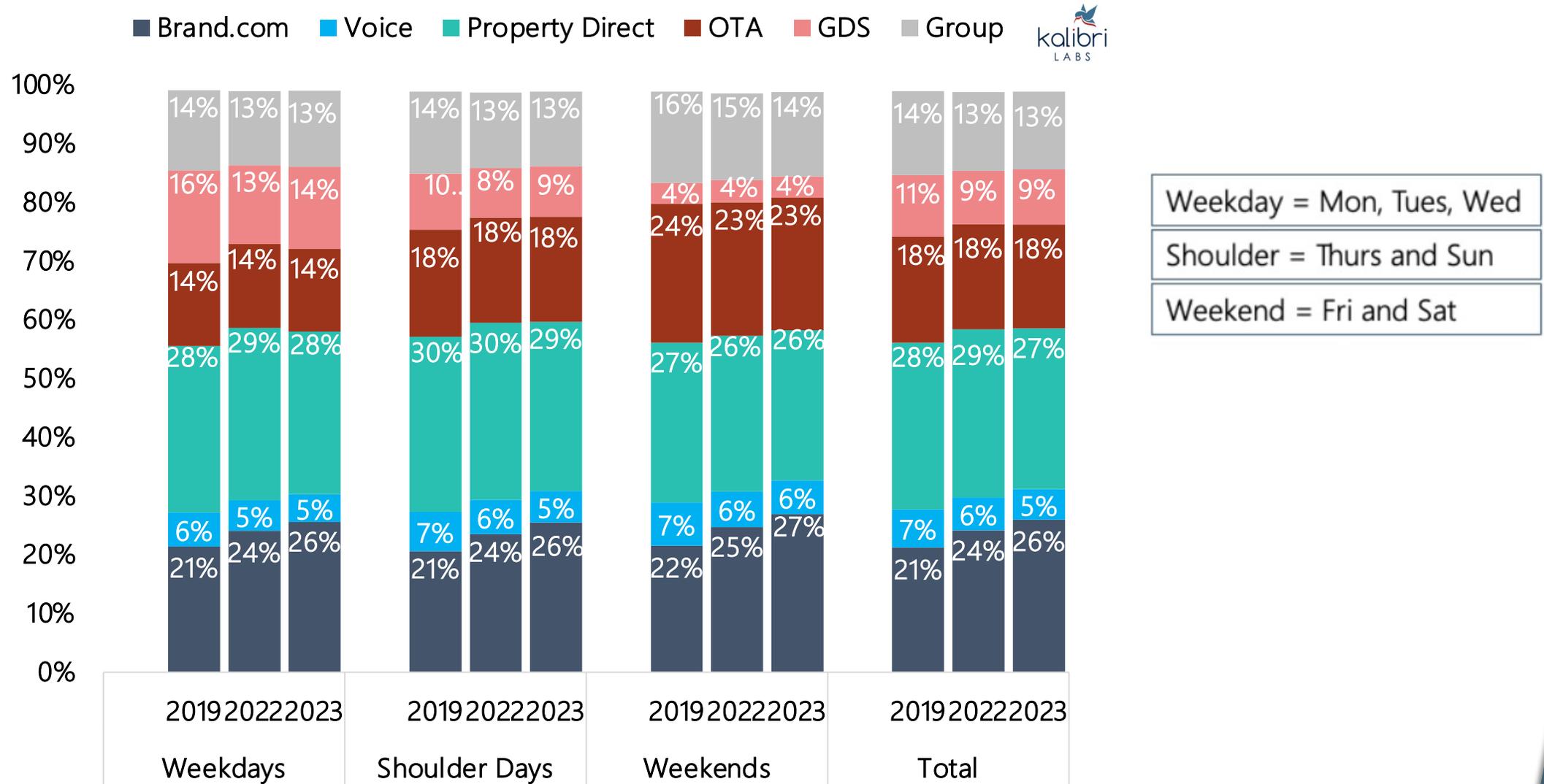
U.S. RevPAR: Weekends have highest index to 2019 despite flat YoY performance in '23; all other DoWs grow in '23 from '22

January 2022- December 2023(f) - Indexed vs. 2019



Channel Mix by Day of Week: Brand.com has grown at the expense of GDS & Voice

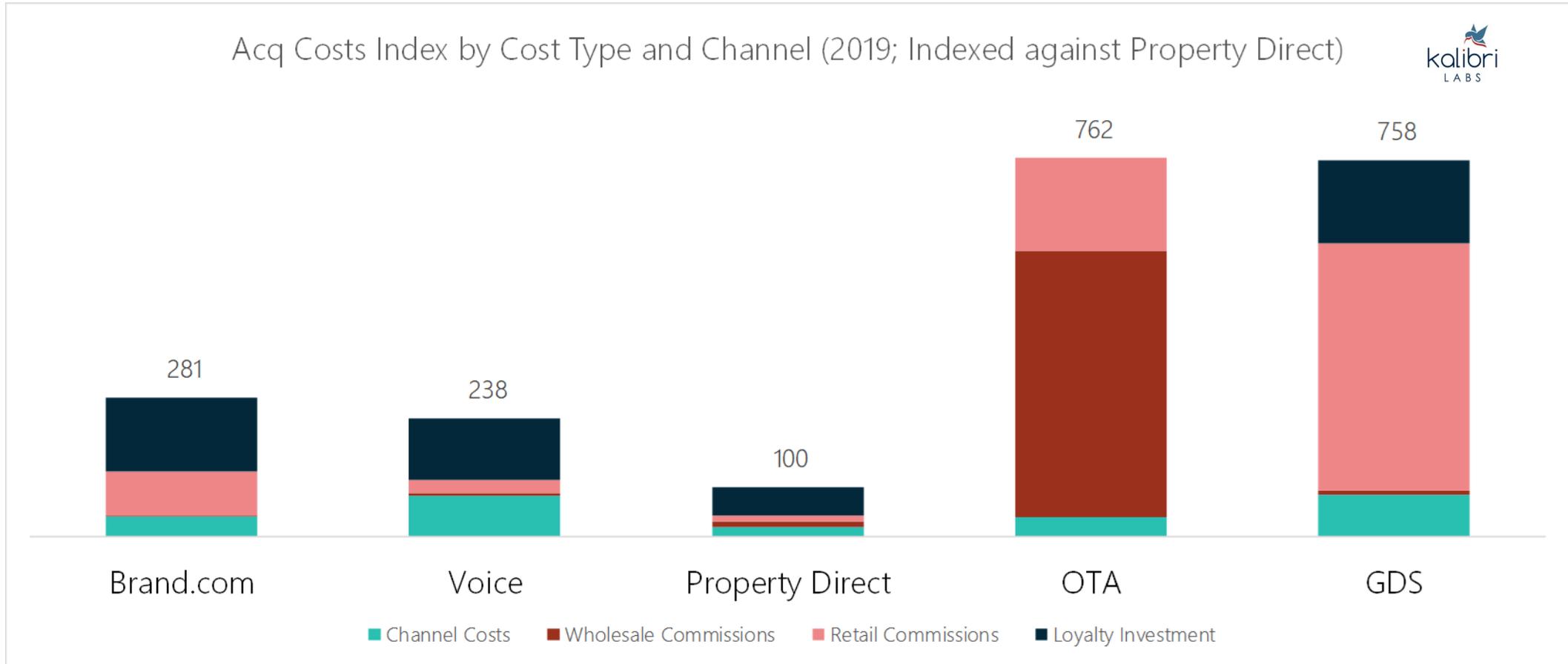
Room Nights Demand 2019, 2022 and 2023(f) - All U.S. Hotels



2023—July YTD+ FC

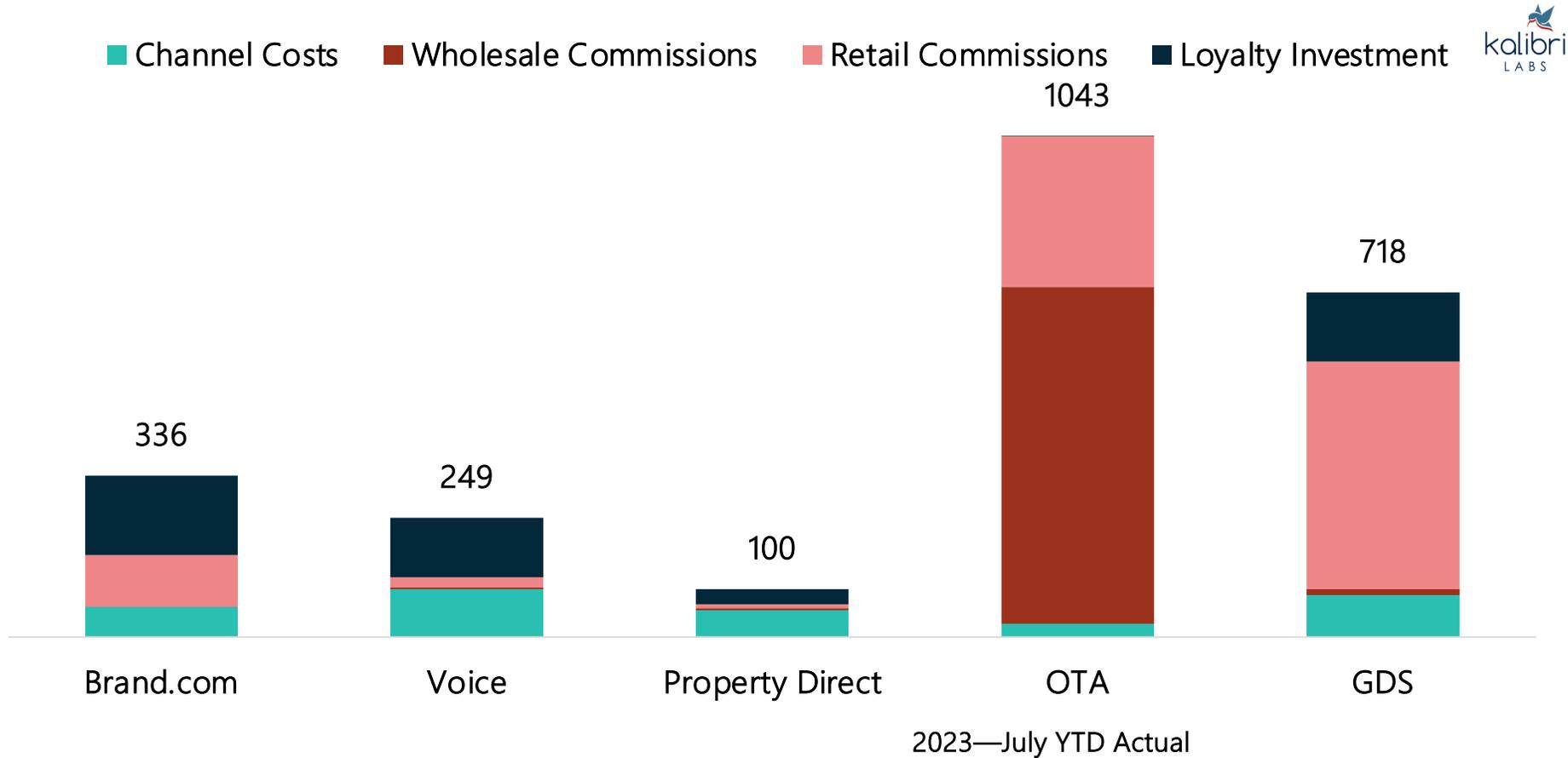
U.S. Channel Booking Costs: OTA and GDS are 3-4x Direct Channels

2019 (Indexed Against Property Direct)



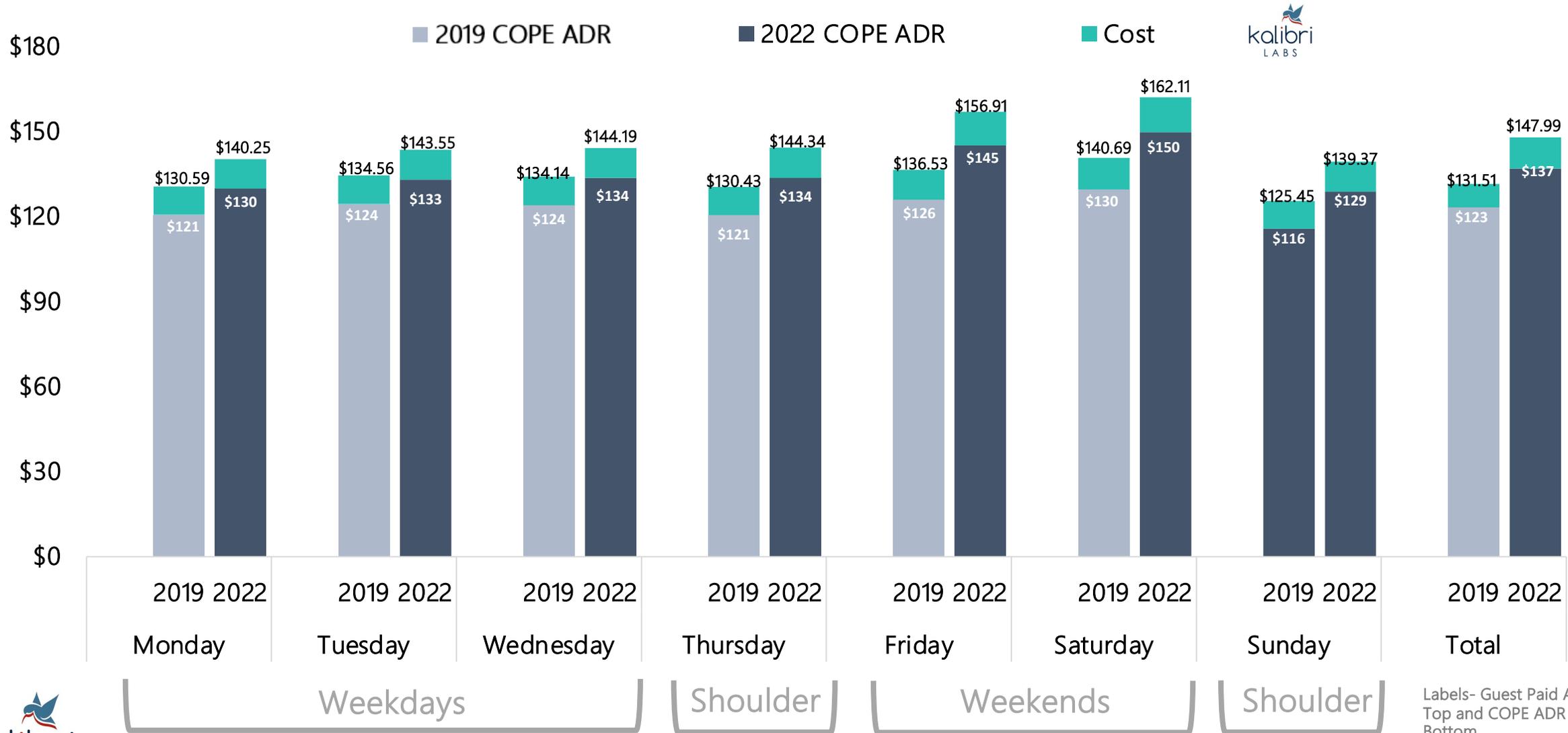
U.S. Channel Booking Costs: OTA and GDS are 3-4x Direct Channels

2023 July YTD (Indexed vs. Property Direct)



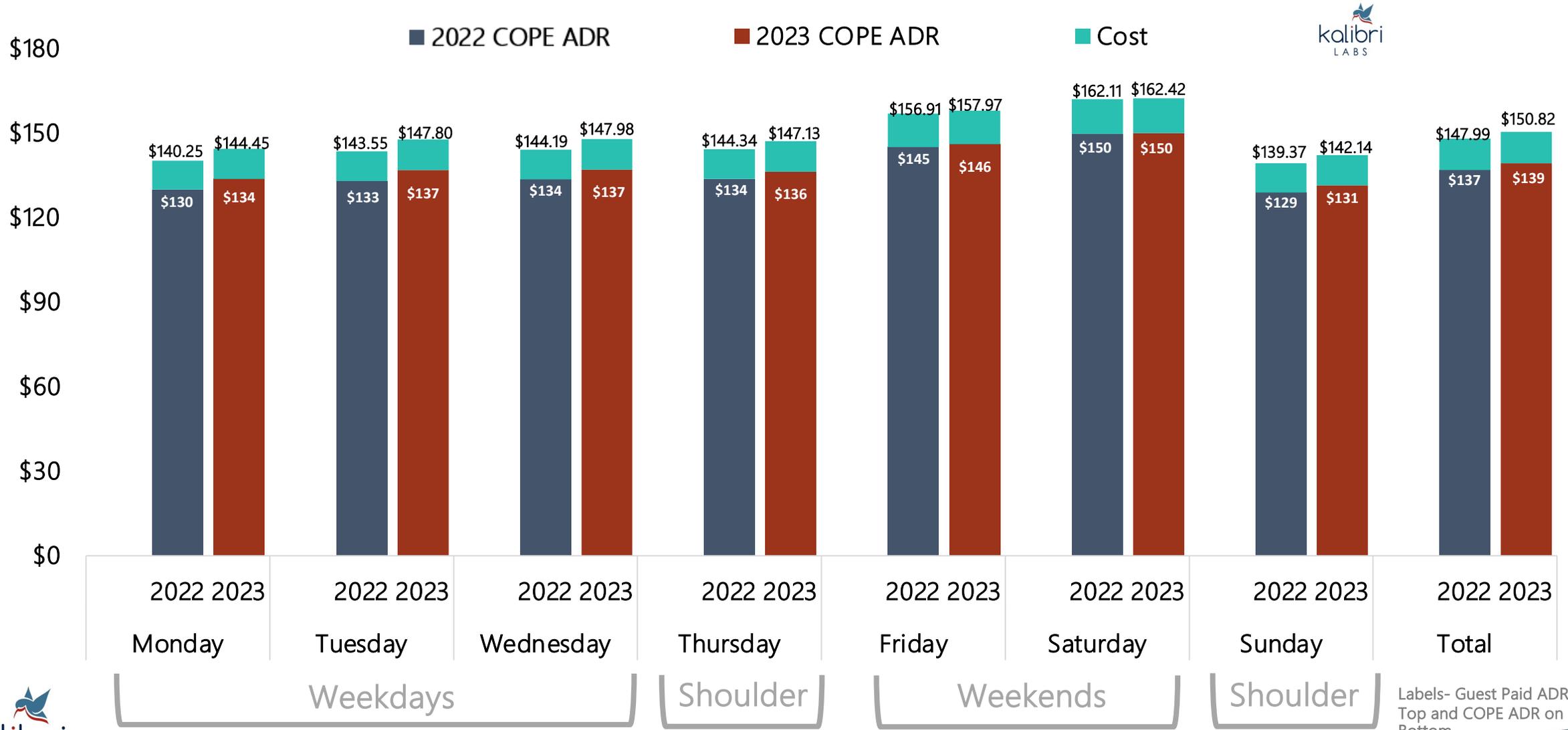
U.S. Net ADR by Day of Week: Fridays and Saturdays (+15%) in 2022 vs. 2019

2019 & 2022—All Chain Classes/All Tiers



Labels- Guest Paid ADR on Top and COPE ADR on Bottom

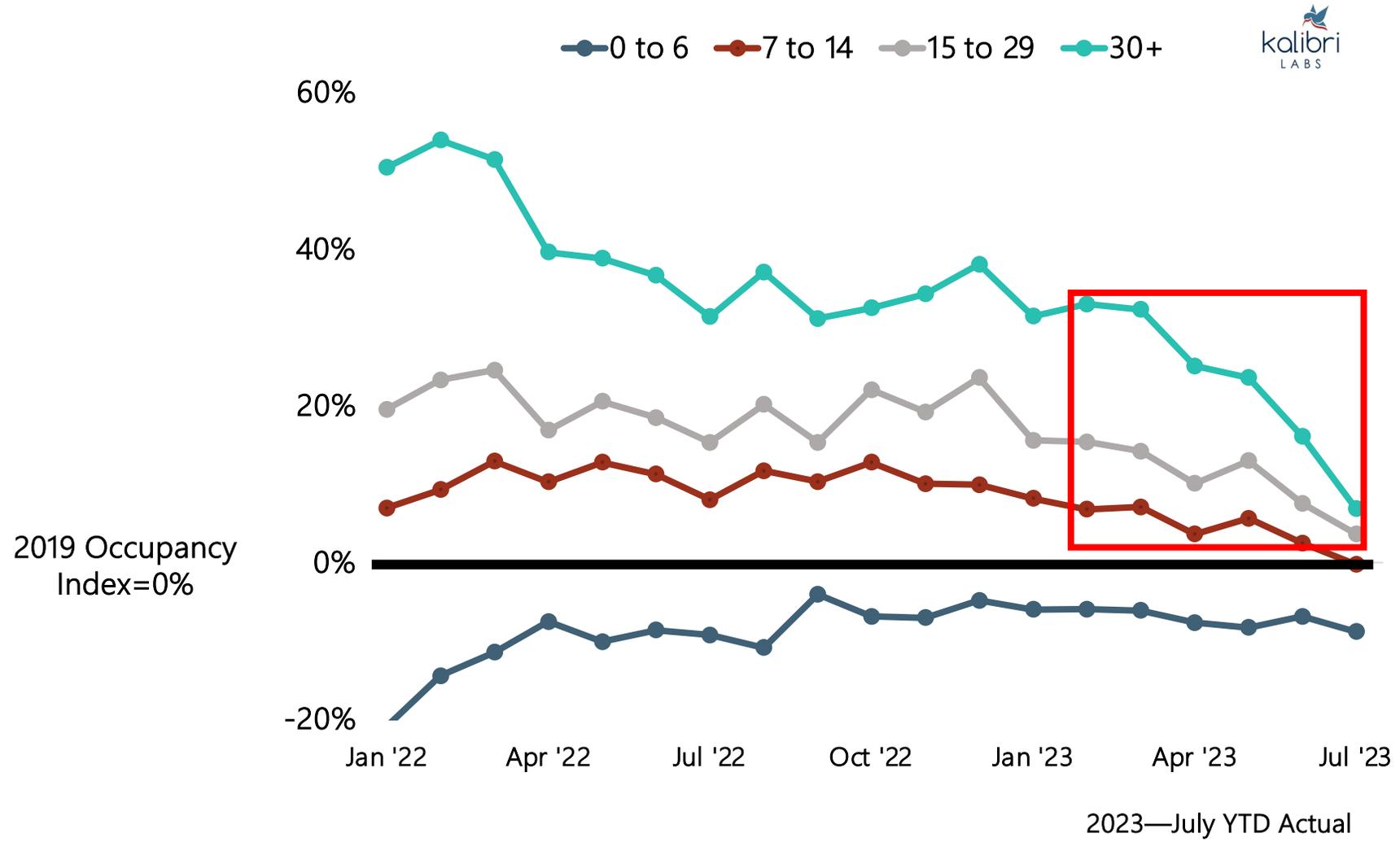
U.S. Net ADR by Day of Week: Slight ADR increase for every day of the week 2022 & 2023(f)—All Chain Classes/All Tiers



Labels- Guest Paid ADR on Top and COPE ADR on Bottom

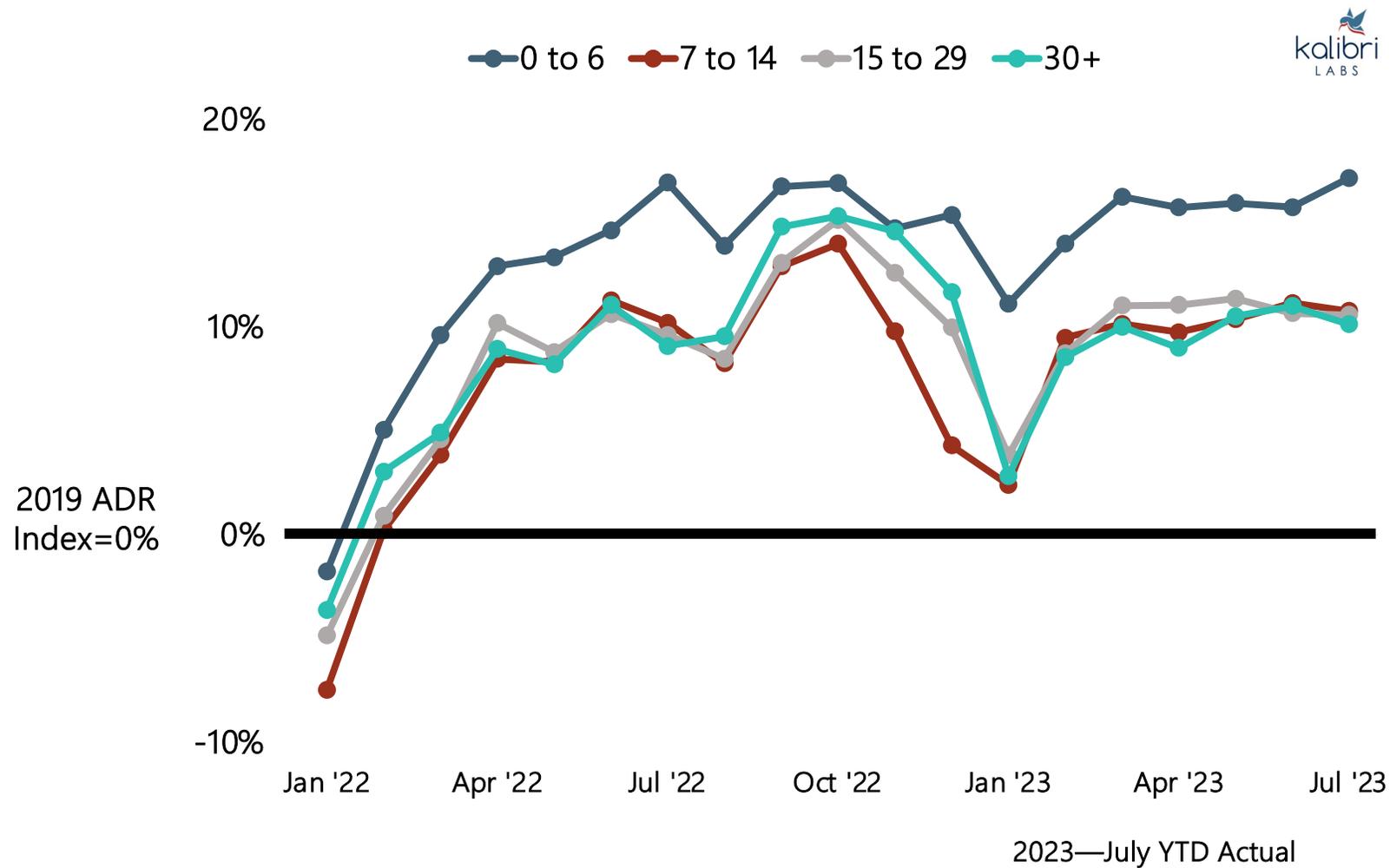
All LOS tiers (except 0-6) trend downwards since Feb. '23 with 30+ dropping close to 15-29 levels

Occupancy Growth: January 2022 – July 2023-Indexed vs. 2019



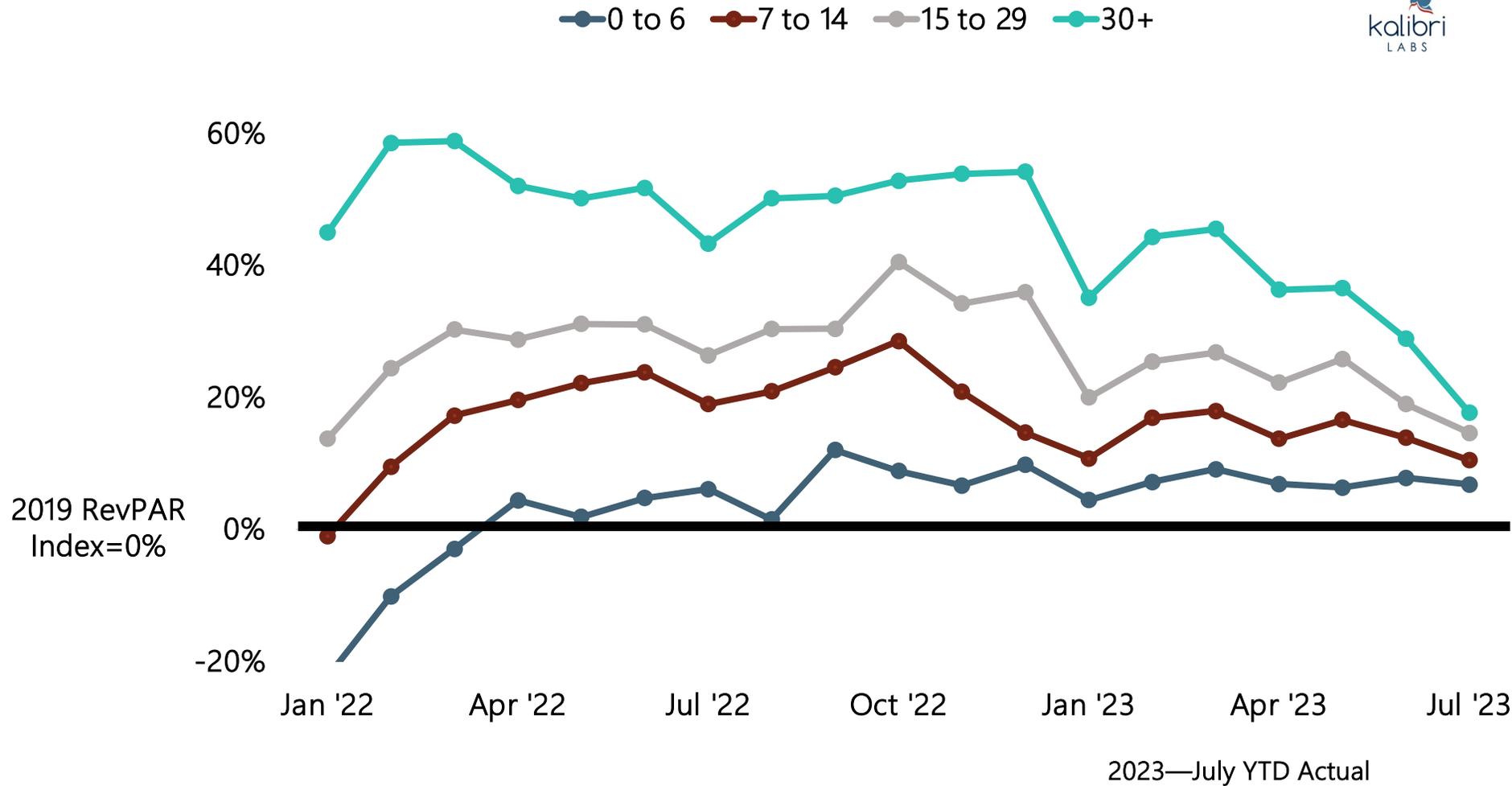
After ADR dip in Jan. '23, all tiers 7+ grow 8% over '19 and hold relatively flat through Jul.; 0-6 leads all tiers in '23 by 3pts each month

ADR Growth- January 2022 – July 2023- Indexed vs. 2019



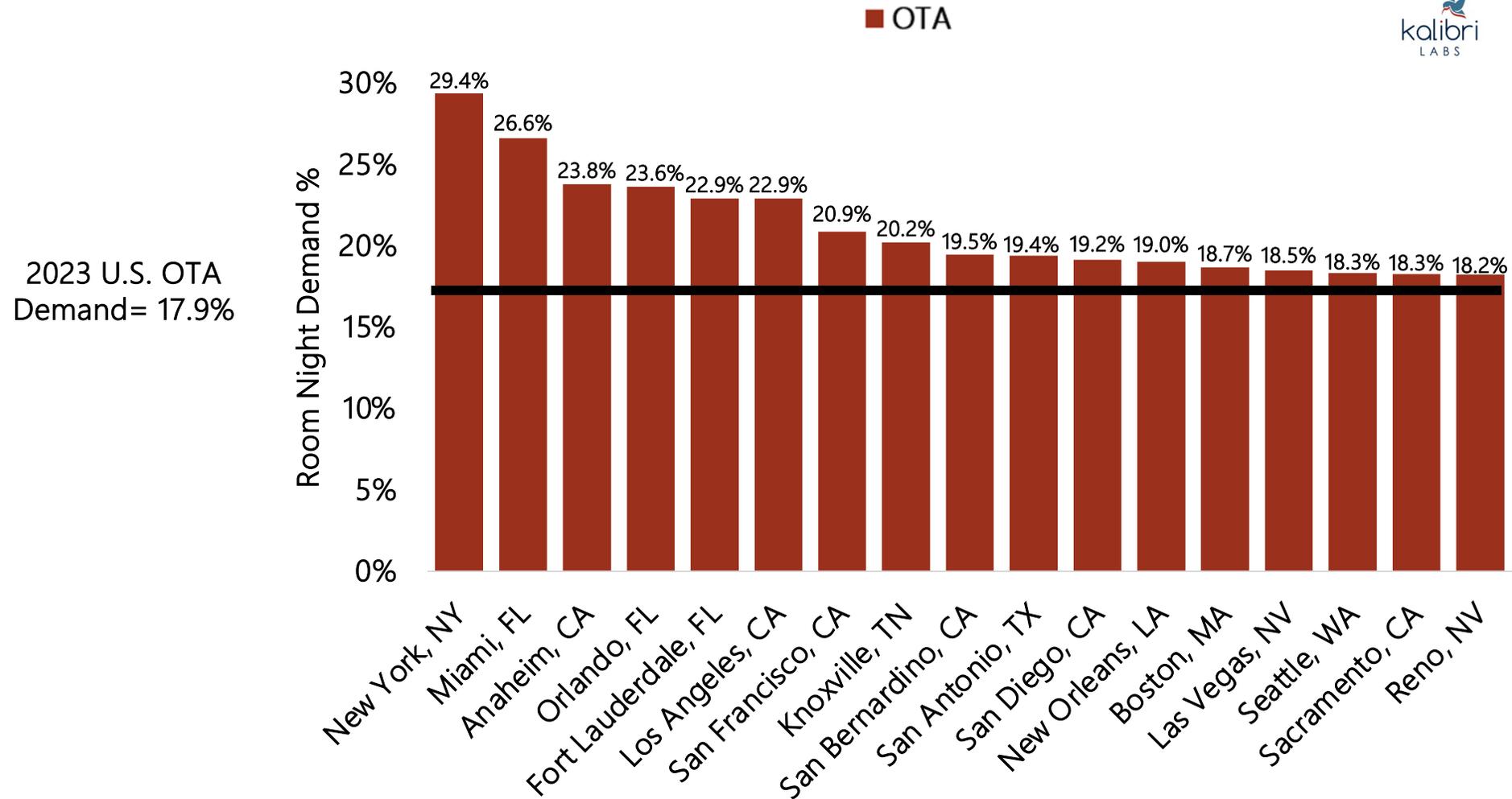
Jul. continues to trend downward in '23 with sharp declines in 15-29 + 30+; 0-6 stays relatively flat across '23 with ~6% growth to '19

RevPAR Growth-January 2022 -July 2023-Indexed vs. 2019



OTA Dominates in FL and CA: 17/50 Large Markets Exceed National Average of 17.9%

2023(f) – All U.S. Hotels



2023—July YTD + FC



U.S. Guest Paid RevPAR Increases Slightly in 2024: Occ% is the Driver

2019, 2022 2023(f), and 2024(f)

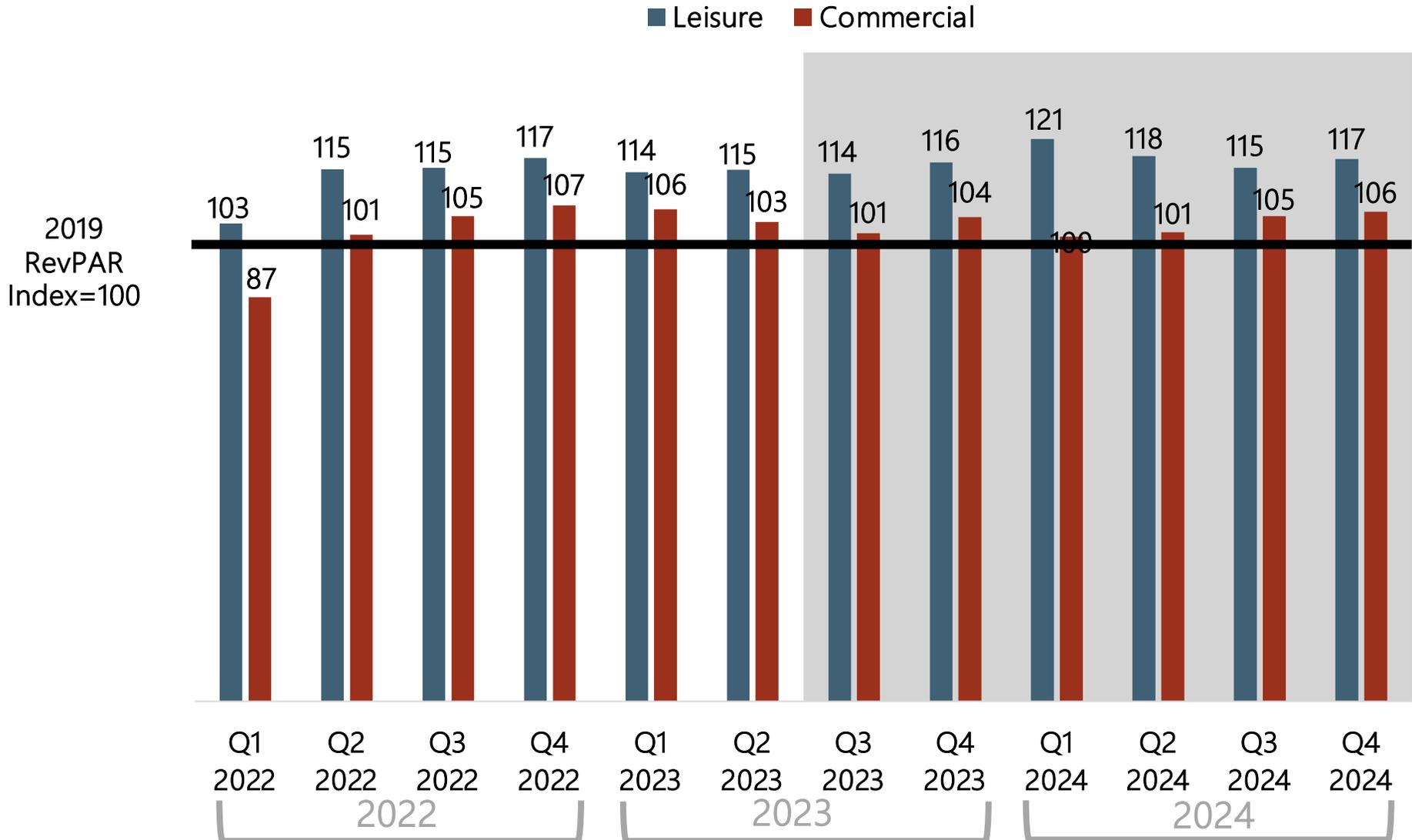
	2019	2022	% Change '19 vs. '22	2023(f)	% Change '22 vs. '23	2024(f)	% Change '23(f) vs. '24(f)
							
Occupancy	66.8%	64.6%	-3.4%	65.4%	1.2%	66.3%	1.4%
ADR	\$131.51	\$147.99	12.5%	\$150.82	1.9%	\$150.36	-0.3%
RevPAR	\$87.81	\$95.53	8.8%	\$98.57	3.2%	\$99.61	1.1%

2023—July YTD Actual + FC



U.S. Guest Paid RevPAR Contribution – Commercial vs. Leisure

January 2022-December 2024(f) - Indexed vs. 2019



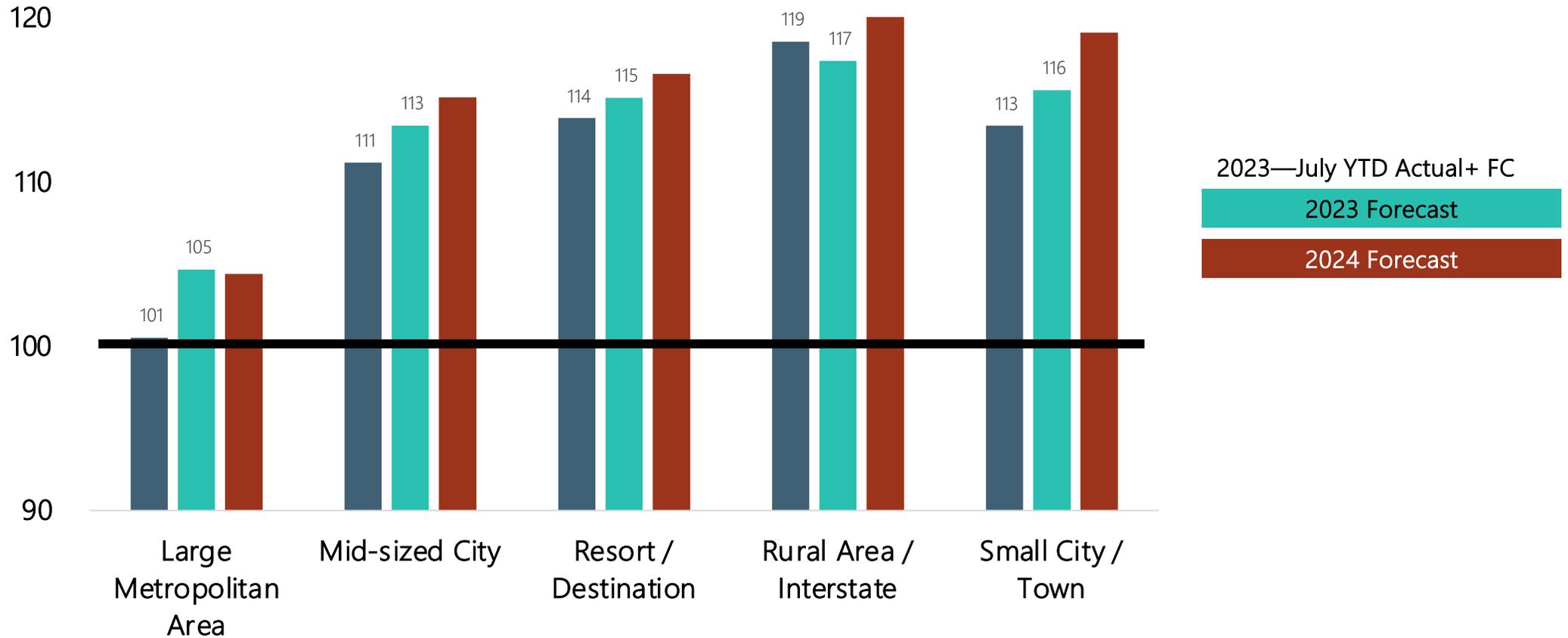
Large Metro Areas Reach 2019 levels in 2022; Rural/Resort Strongest

January 2022-December 2024(f) - Indexed vs. 2019; Guest Paid RevPAR by Market Type



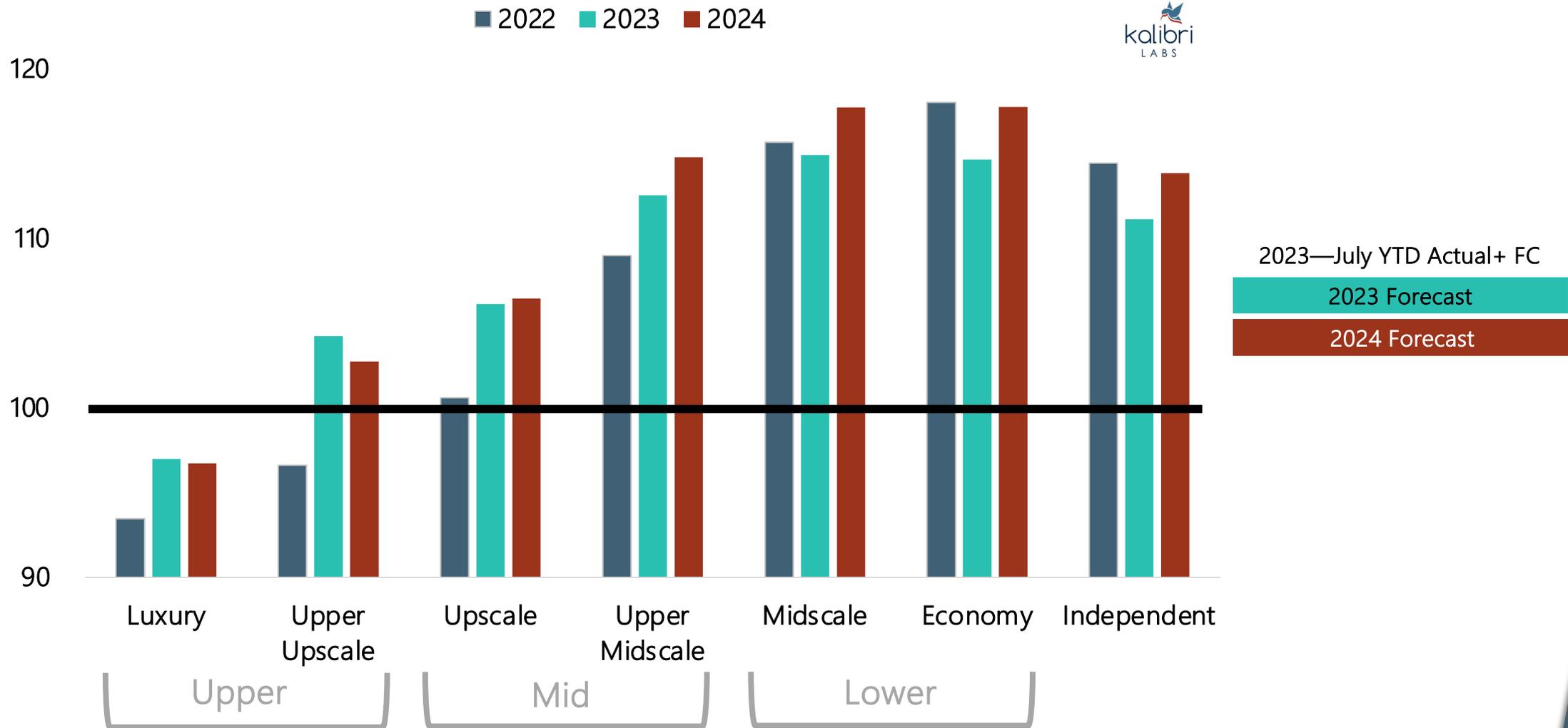
■ 2022 ■ 2023 ■ 2024

2019 RevPAR
Index=100



Upper Tier reaches 2019 levels in 2023, Mid in 2022, Lower in 2021

January 2022-December 2024(f) -Indexed vs. 2019—Guest Paid RevPAR by Chain Scale



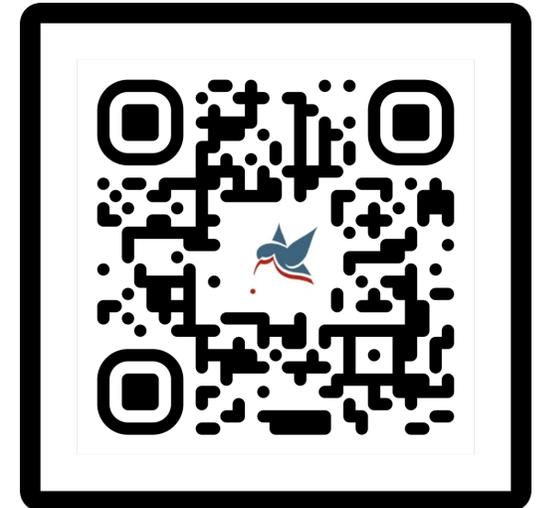
2024 Considerations

✦ External

- Presidential Election year
- Leap year
- Economic indicators (savings rate, increasing debt, Real estate)
- Continued lower inflation

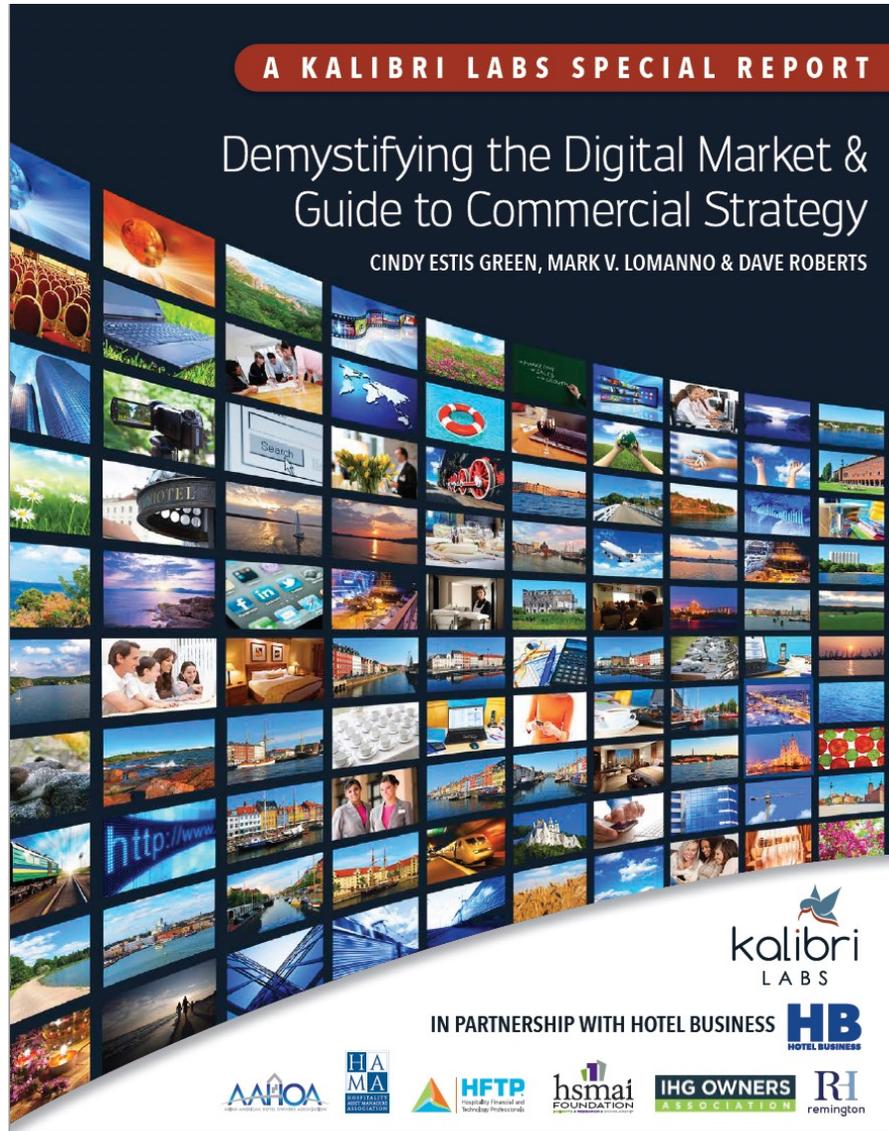
✦ Internal

- Tracking Length of Stay
- Potential shift in business mix to more historical norms
- Return of International travel ?
- Some major market distress
- ADR plateauing



SCAN FOR PRESENTATION

Demystifying the Digital Market & Guide to Commercial Strategy



- ✦ Released in partnership with Hotel Business; 100% industry sponsored
- ✦ Commercial Strategy certification to be tested through Q4 2023 and rolled out by Q1 2024
- ✦ Certification partners—HSMAI, HFTP, AAHOA, HAMA

