



The stories inside the data

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Headline stories

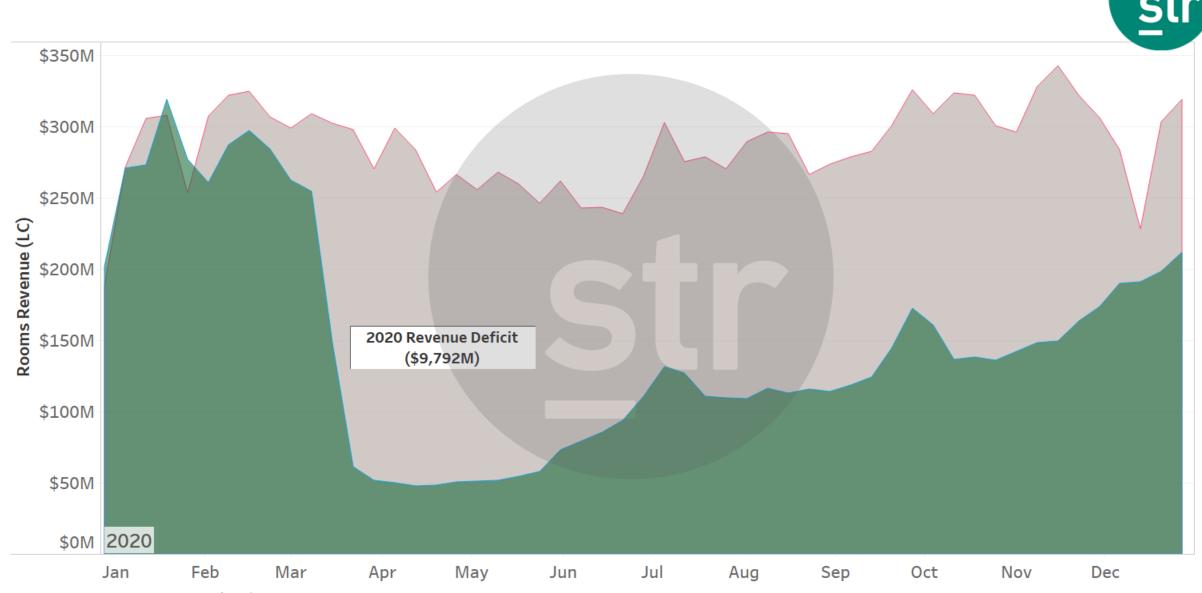


Regional leads the initial recovery

Nuance within that regional story

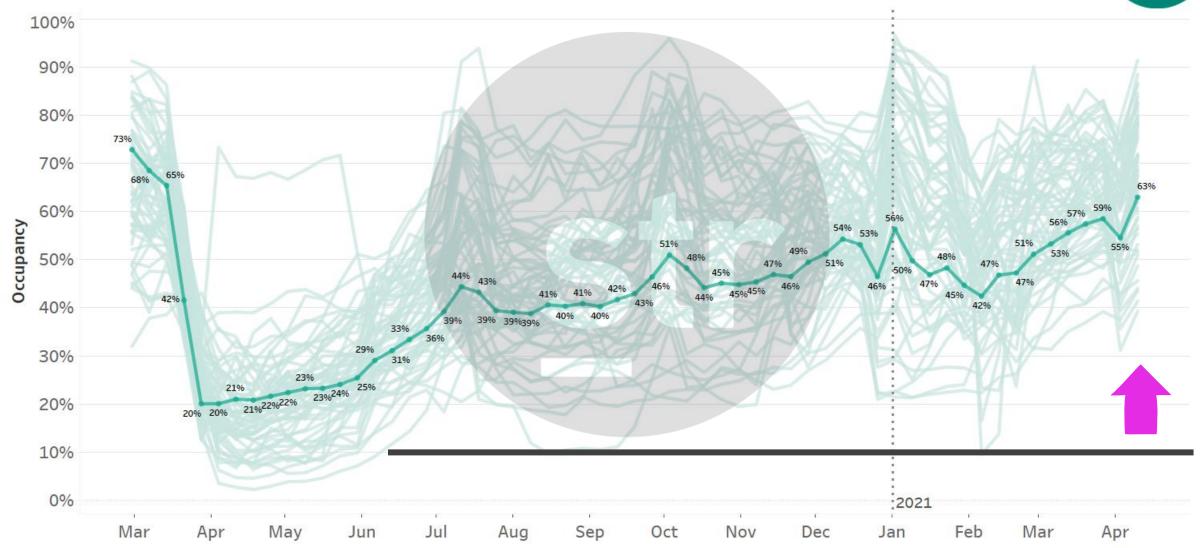
Cities are now recovering

Headlines | Australia's revenue impact for 2020 was \$9.8B



Headlines | Australia's occupancy recovery has been gradual – but with a large spread

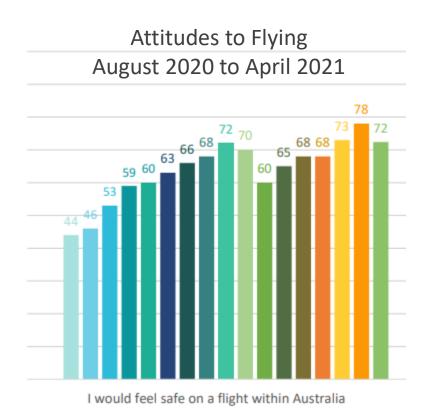




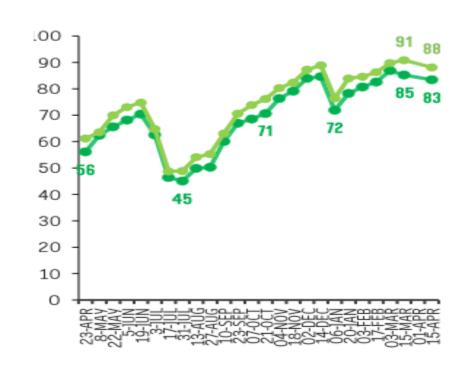
Headlines | The steady growth in occupancy is reflective of consumer trends



Source: Tourism Australia Domestic Sentiment Tracker April 2021



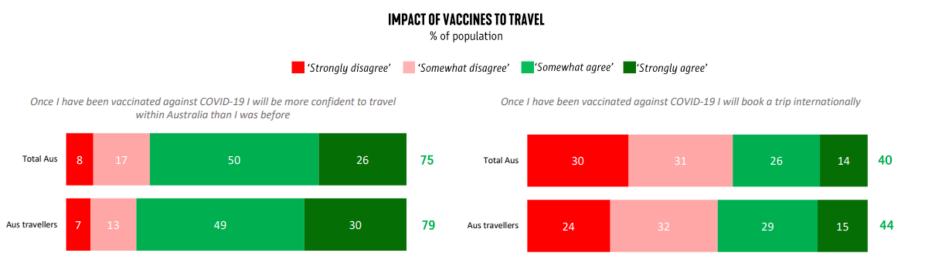
I FEEL IT IS SAFE TO TRAVEL WITHIN **AUSTRALIA**

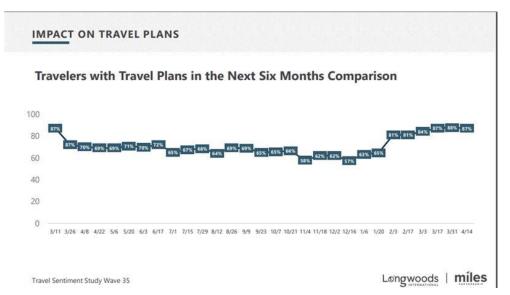


Headlines | Confidence is critical

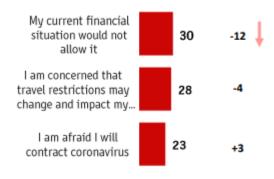


Source: Tourism Australia Domestic Sentiment Tracker April 2021 & Longwoods Travel Sentiment April 2021





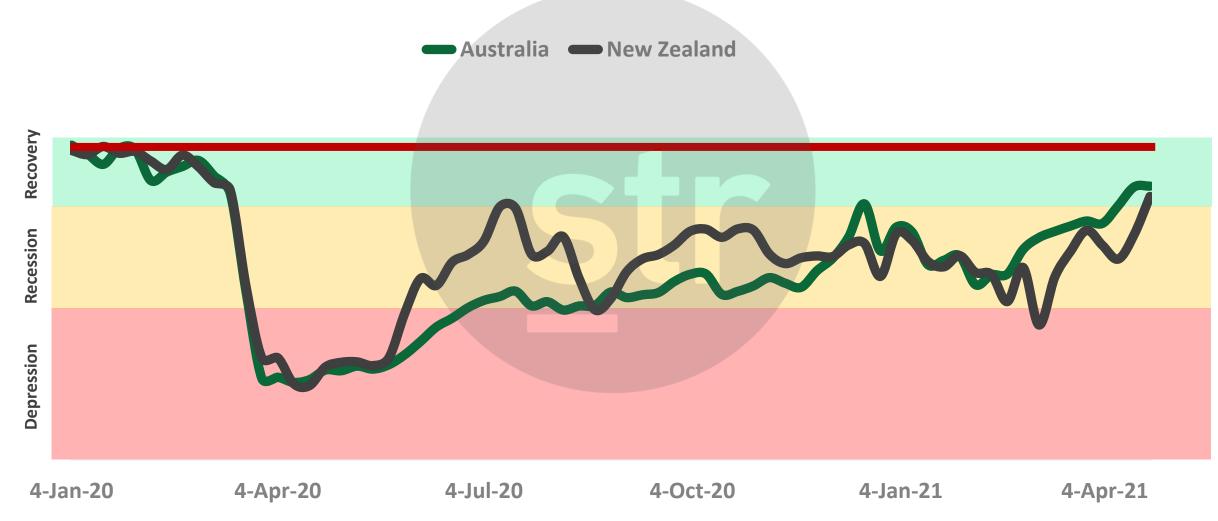




85% the way back to 2019 levels



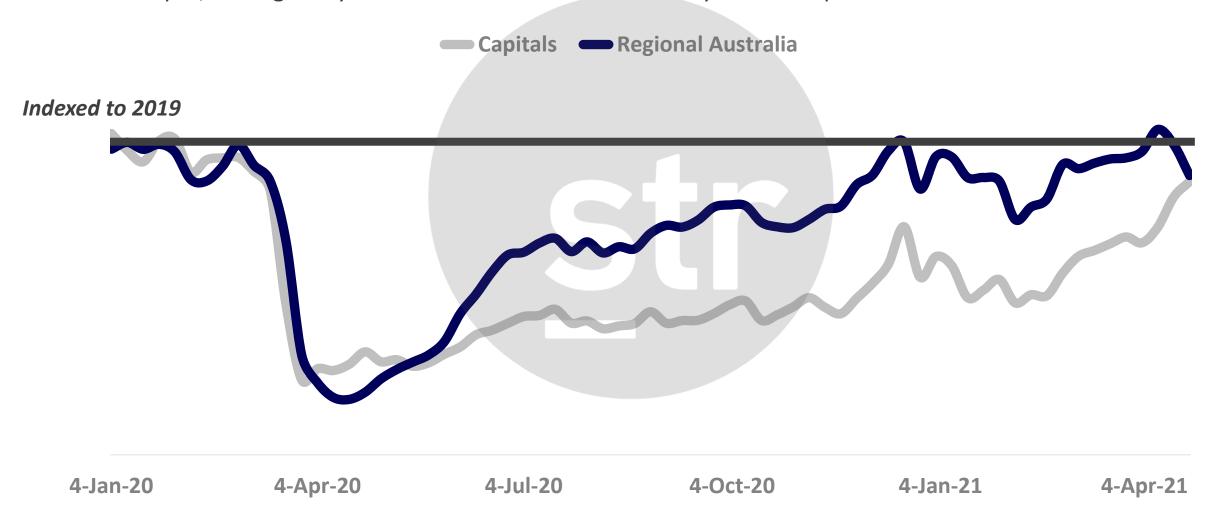
Rolling 7 day demand indexed to 2019 January 2020 to April 2021



Australia reaches a positive intersect



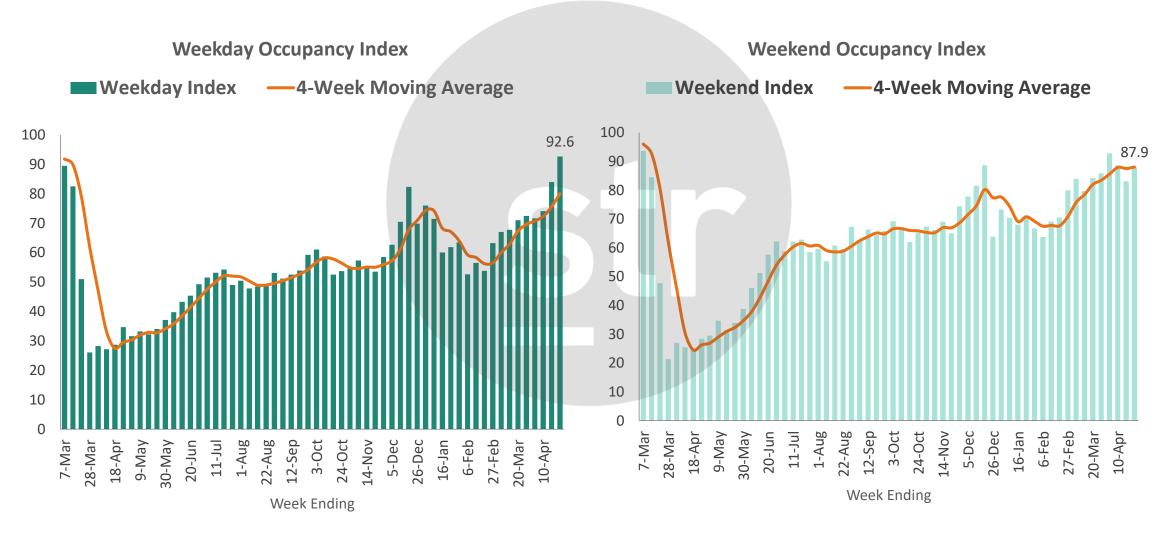
Capital cities are building – reach their highest point back Australia split, Rolling 7 day demand indexed to 2019 January 2020 to April 2021



Headlines | Weekdays are driving the recent growth

Total Australia Occupancy Indexed to 2019

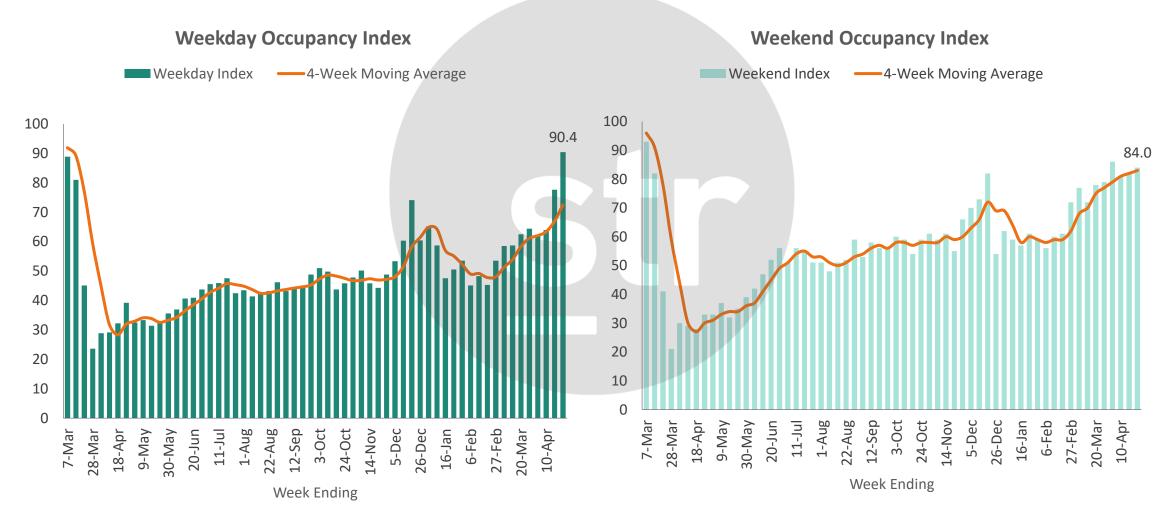




Headlines | And capital weekday performance trending!!

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Small caveat to latest week comparison with Easter Australian capital cities Occupancy Indexed to 2019



So let's lift the hood on Australian performance



Size has mattered

Day of week

Speed to action

Change of class

Foresight is key

Brand

Leverage any opportunity

Give me some space

What if

Domestic rules

Quarantine

ADR will be impacted

Don't panic - ADR is going to have an evolution

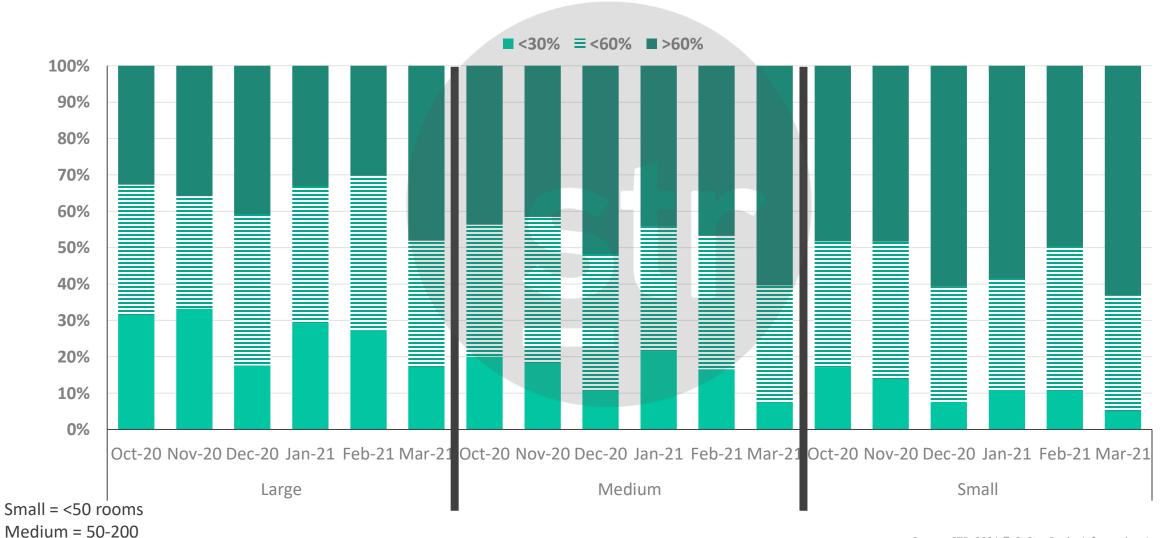
Forecast implications

#1 Size has mattered | Being a big box is mattering less now than it did

Total Australia Monthly Occupancy Grouped By Occupancy level and By Hotel Size

Large = >200

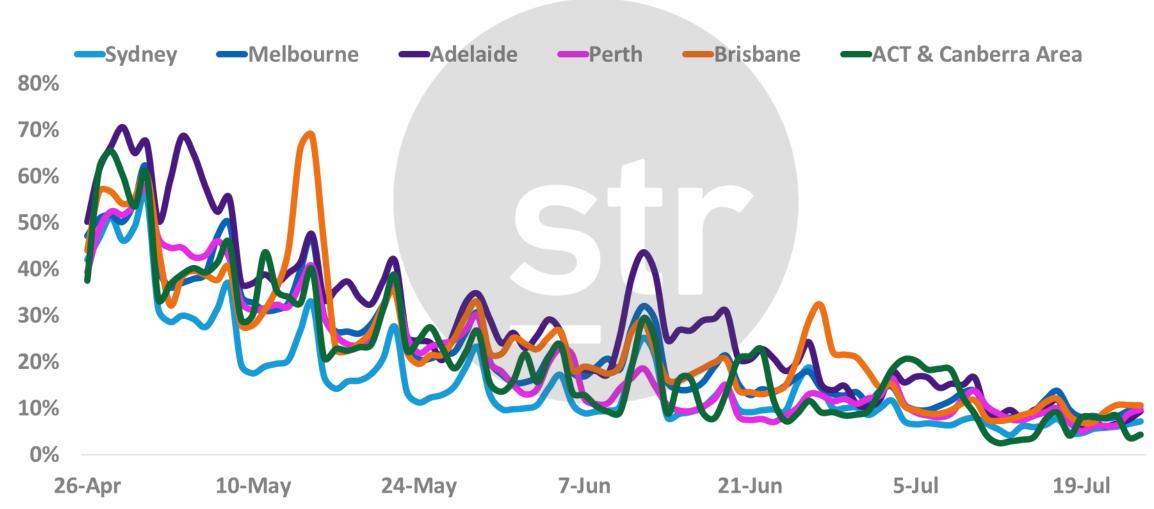




#2 Speed to action | Occupancy is within a short window

Selected markets, Occupancy on the books as at 26 April 2021

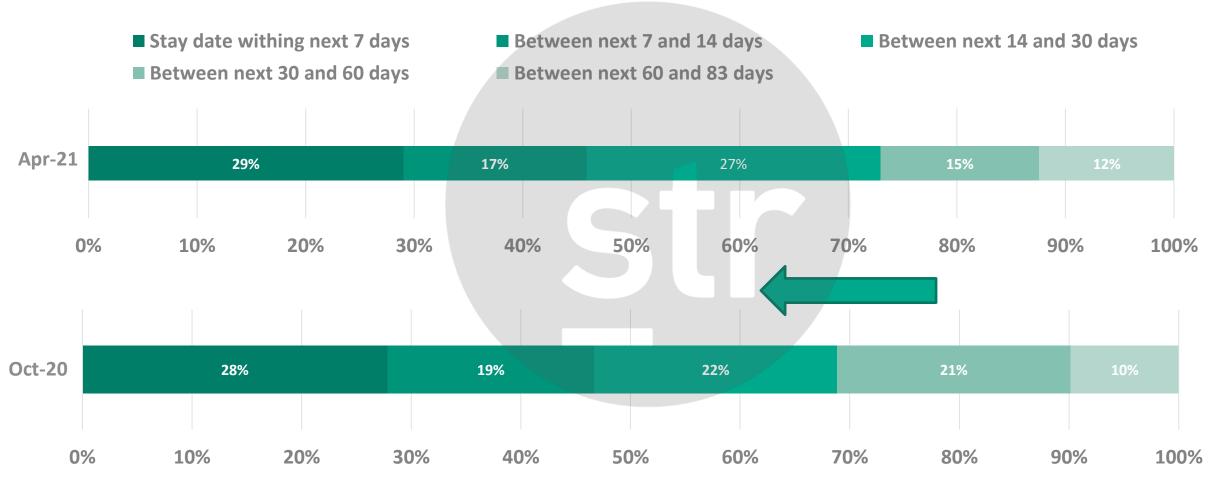




#Speed to action | 50% of all bookings within 14 days to arrival

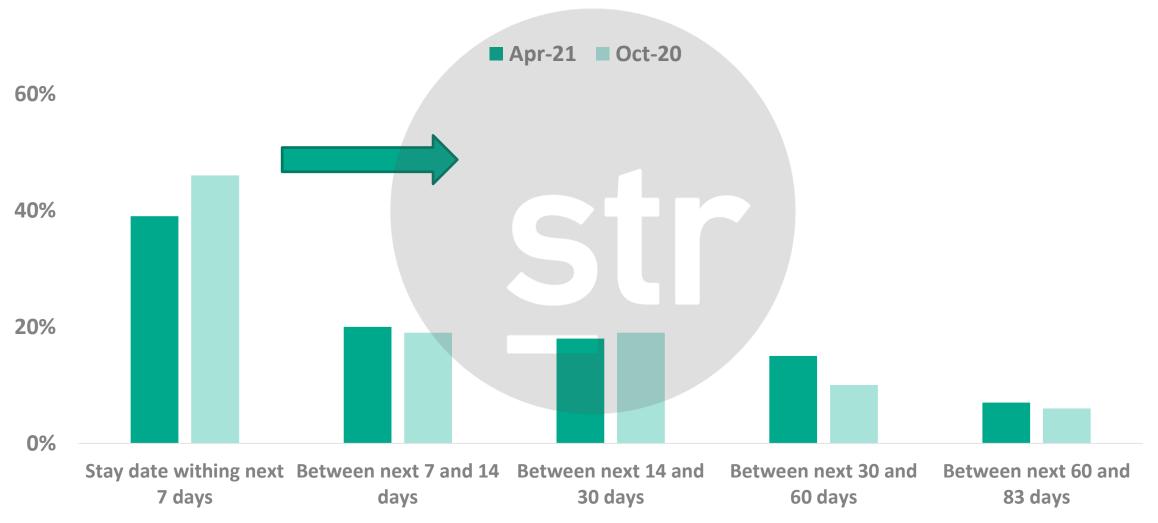


Adelaide, Distribution of time elapsed between booking made and stay date, as of April 19 2021



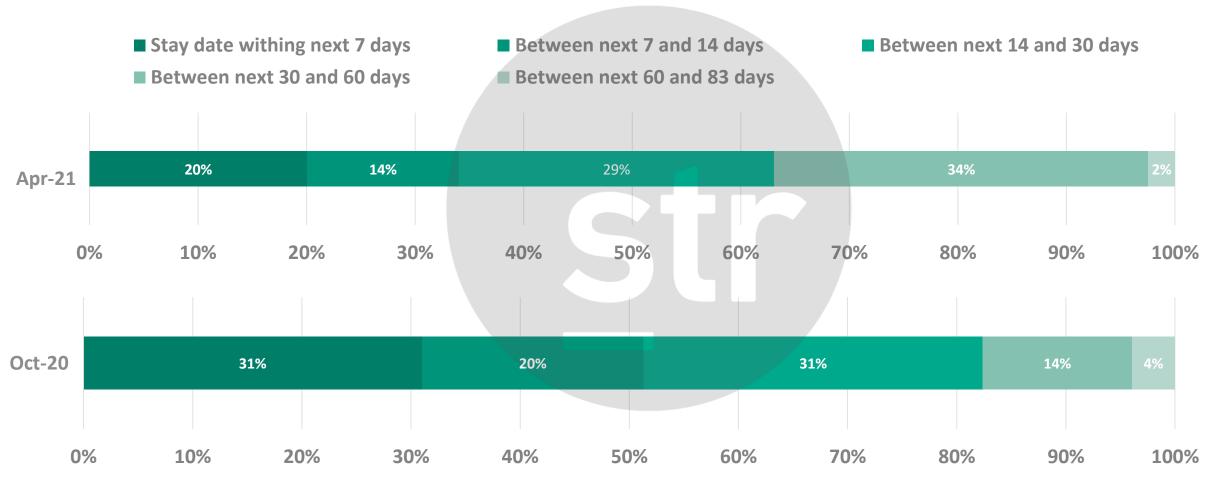
#2 Speed to action | For Sydney 59% within 14 days but is shifting

Sydney, Distribution of time elapsed between booking made and stay date, as of April 19 2021



#2 Speed to action | Perth greatest share outside 30 days

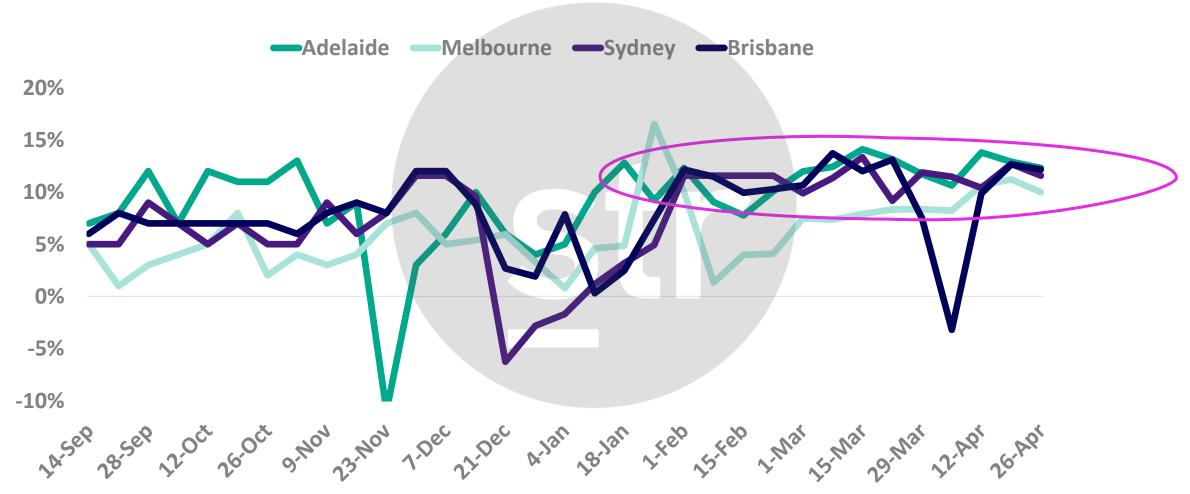
Perth, Distribution of time elapsed between booking made and stay date, as of April 19 2021



#3 Foresight is key | We have reached a somewhat consistent level of pick up

Selected markets, 14 day pick up average September 2020 – April 2021

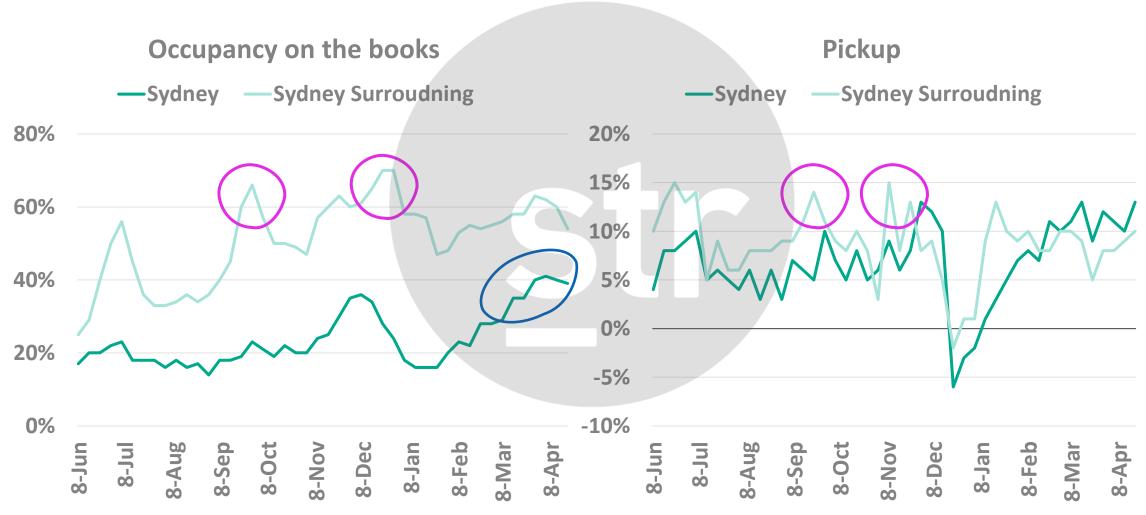




#3 Foresight is key | Knowing when biggest window opens

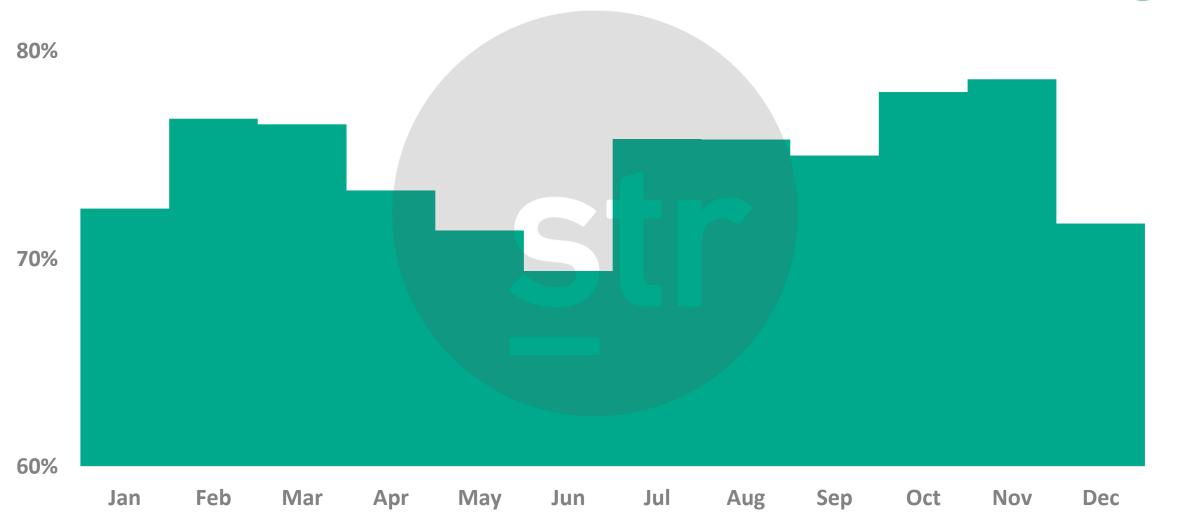
Sydney vs. Sydney Surrounding next 14 days since June 2020





#4 Leverage opportunity – Winter is the biggest challenge

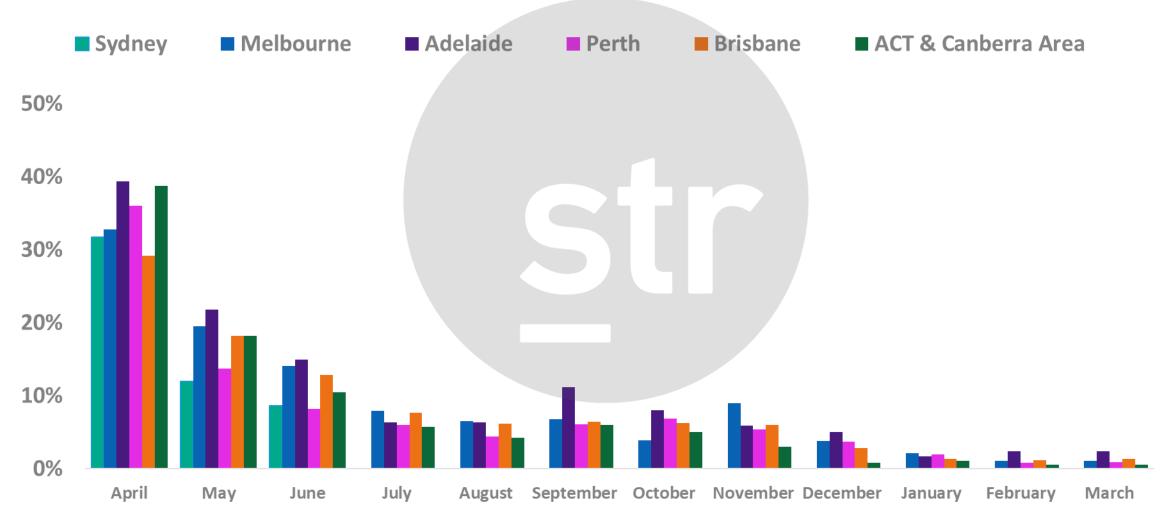
Australia Occupancy Average 2017-2019



#4 Leverage opportunity – Winter is going to be the challenge

Selected markets, Occupancy on the books aggregates as at 5 April 2021

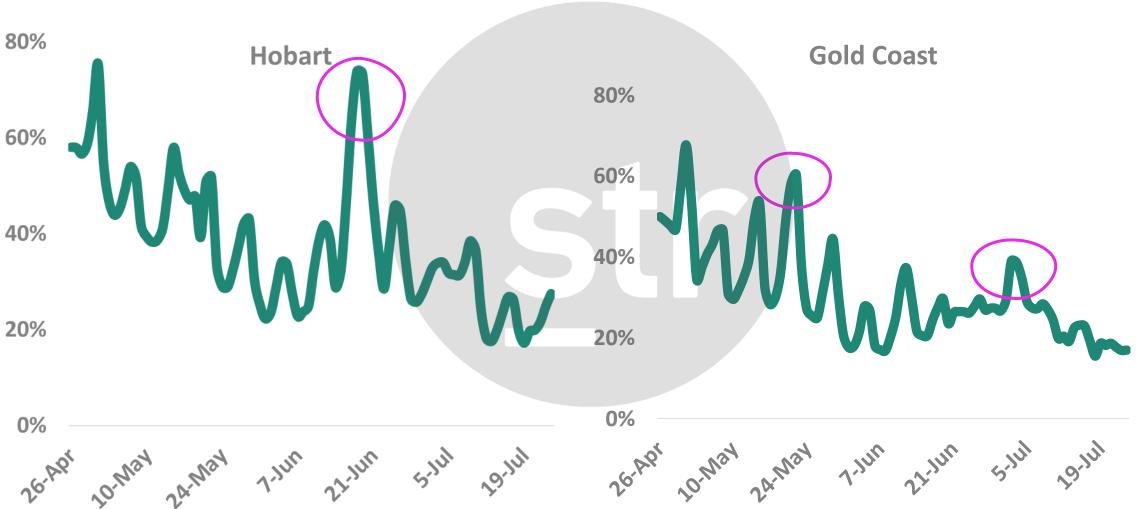




#4 Leverage opportunity | Events are driving demand and early

Hobart & Gold Coast, Occupancy on the books as at 26 April 2021

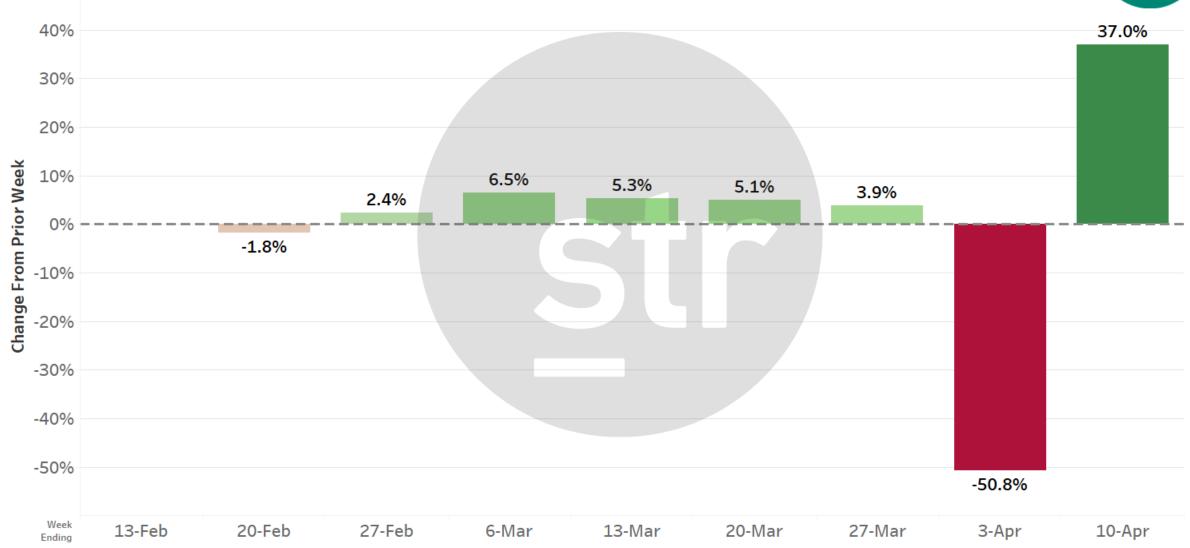




#5 What if | Lockdowns hurt!

Brisbane market, RevPAR % change from prior week Feb – Apr 2021



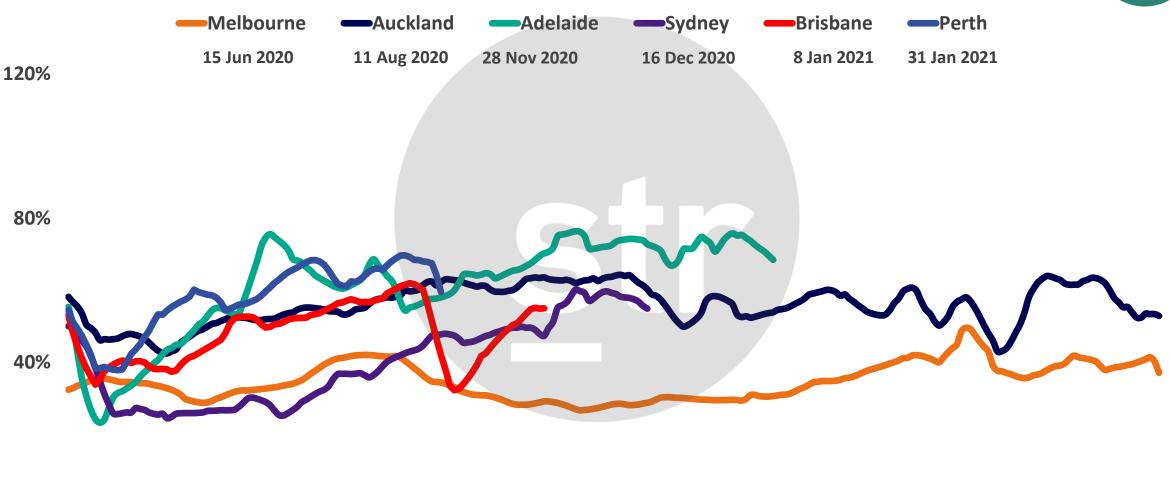


#4 What if | Lockdowns & Restrictions take different forms

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Second Wave recovery time frames: circuit breaking vs suppression perspective

Day 84



Day 112

Day 140

Day 168

R7 Occupancy since the first day of reported second wave community transmission

Day 56

Day 28

0%

Day 0

Source: STR. 2021 © CoStar Realty Information, Inc.

Day 224

Day 196

Lockdown Analysis



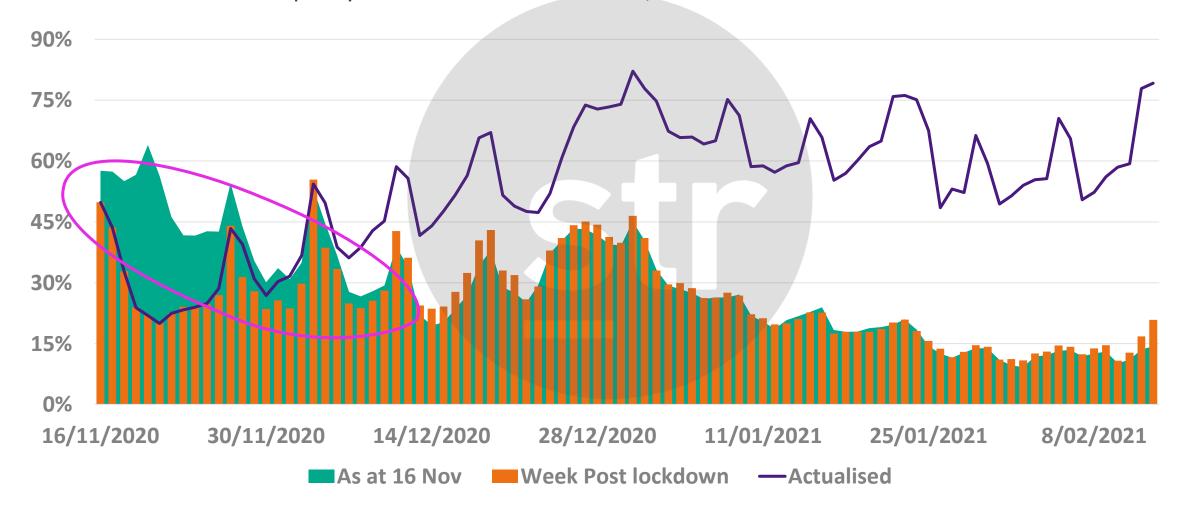




#5 What if | Adelaide's sharp impact for 3 future weeks

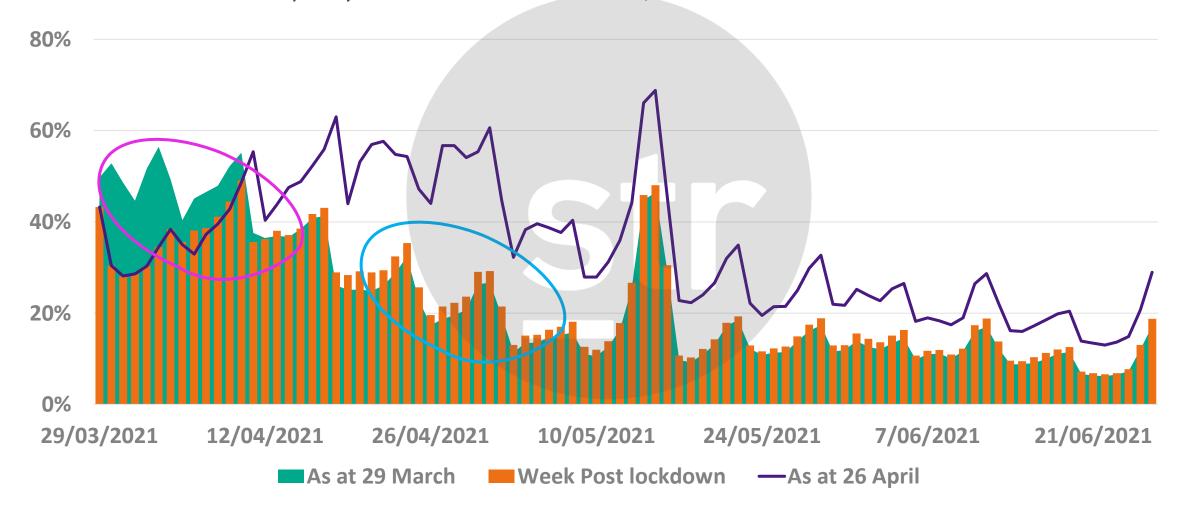


Lockdown commenced 18th November 2020 Adelaide historic & occupancy on the books 16 Nov 2020, 23 Nov 2020



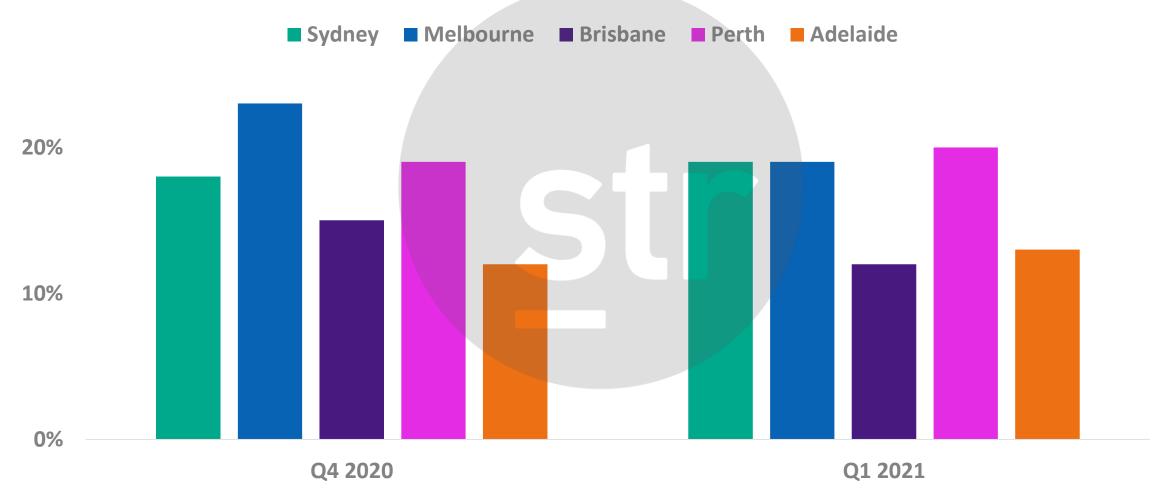
#5 What if | Brisbane's 10 day impact – but pick up continued to grow

Lockdown commenced 1st April 2021 Brisbane historic & occupancy on the books 16 Nov 2020, 23 Nov 2020



#6 Quarantine | Overall contribution to demand has fallen slightly

12% to 20% of total demand is quarantine related Contribution to total demand

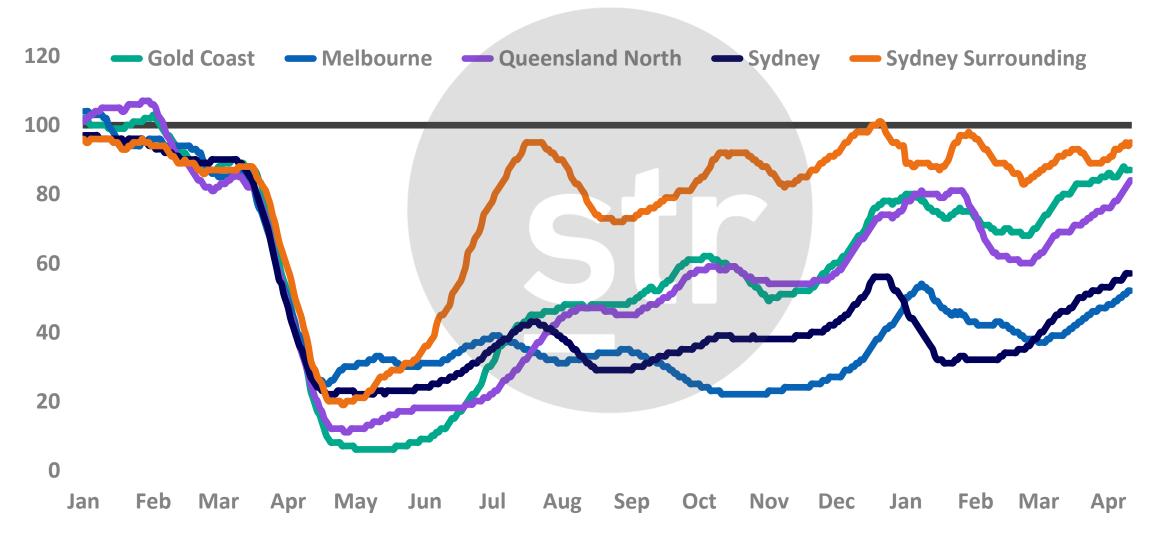


Tracking known returning traveller quarantine properties. Sample changes as properties are contracted

#7 Don't panic | Occupancy & ADR atypical behaviour

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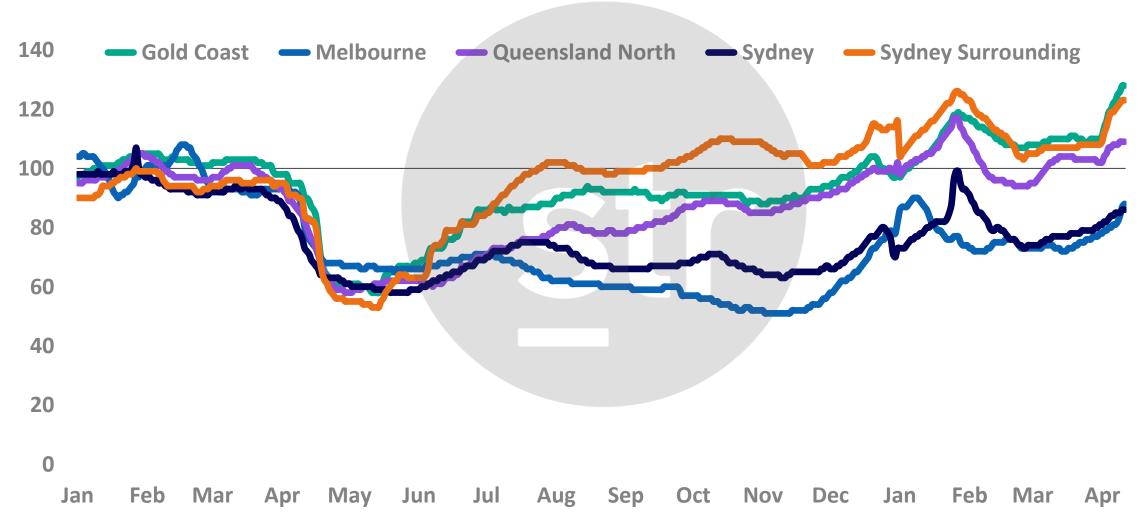
Rolling 28 days Occupancy (full inventory) indexed to 2019, January 2020 – April 2021



#7 Don't panic | Occupancy & ADR atypical behaviour

Rolling 28 days ADR indexed to 2019, Local currency, January 2020 – April 2021





#7 Don't panic, understand the logic | There are temporary anomalies influencing





Leisure travel = Rate of the day

Typical low rate demand segments are not travelling

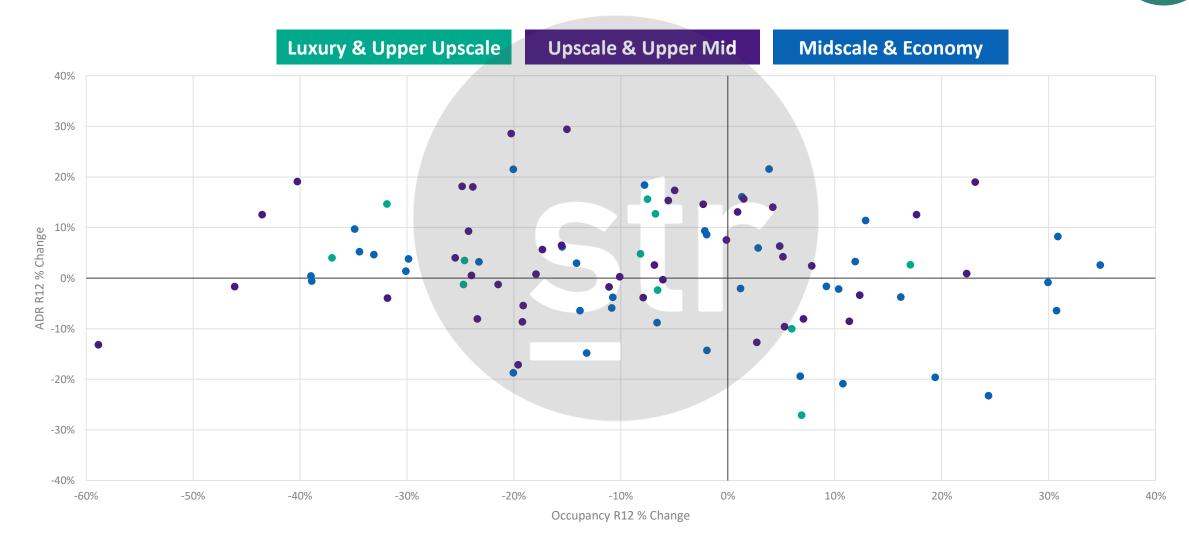
Consumers have shown a willingness to pay

To come: Compression, competitor actions & size of demand creates tension

#7 ... there is no strong correlation between Occ & ADR change right now



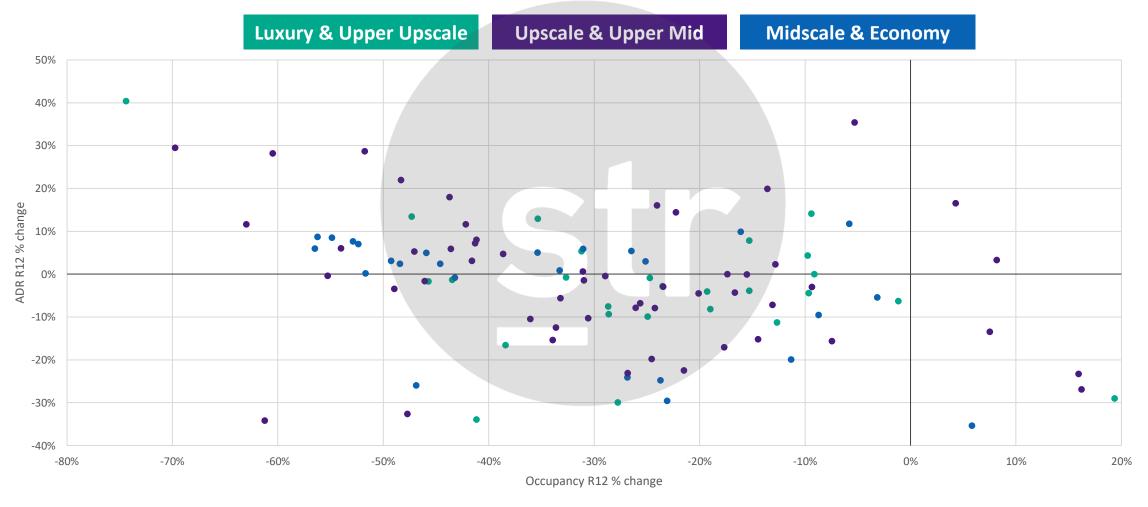
Sydney Surrounding, Rolling 12 months Occupancy and ADR % change, Local currency, March 2021



#7but there is no strong correlation between Occ & ADR change right now



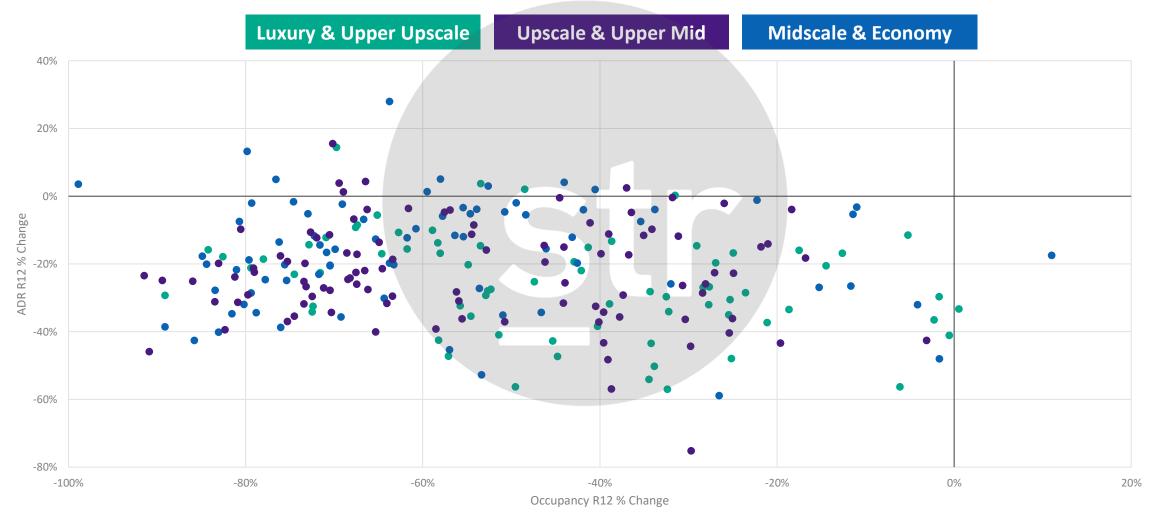




#7...but there is no strong correlation between Occ & ADR change right now

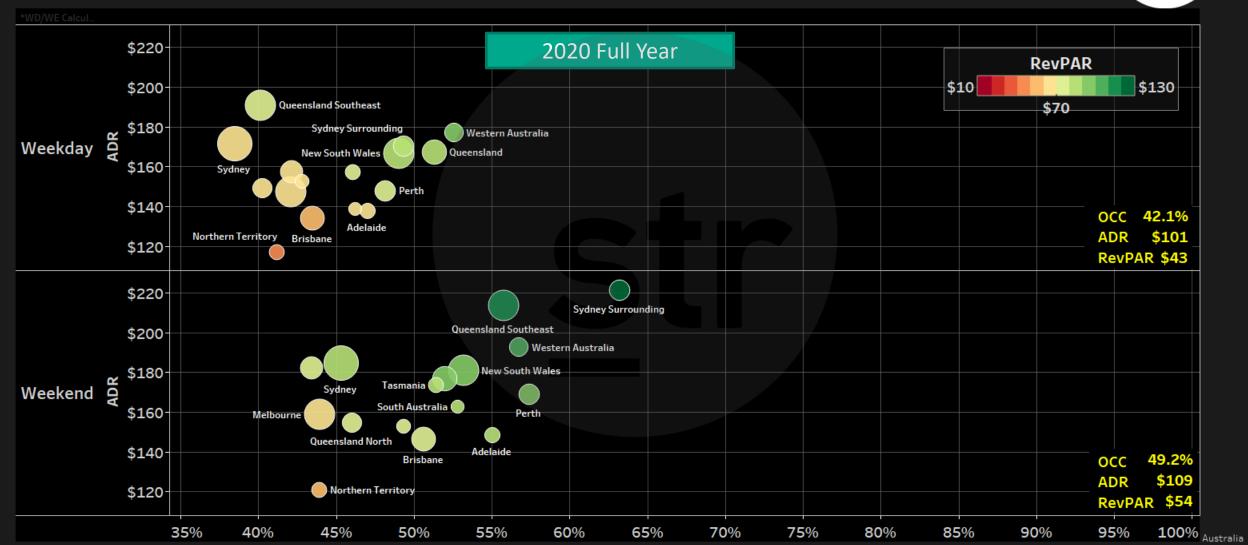
Sydney, Rolling 12 months Occupancy and ADR % change, Local currency, March 2021





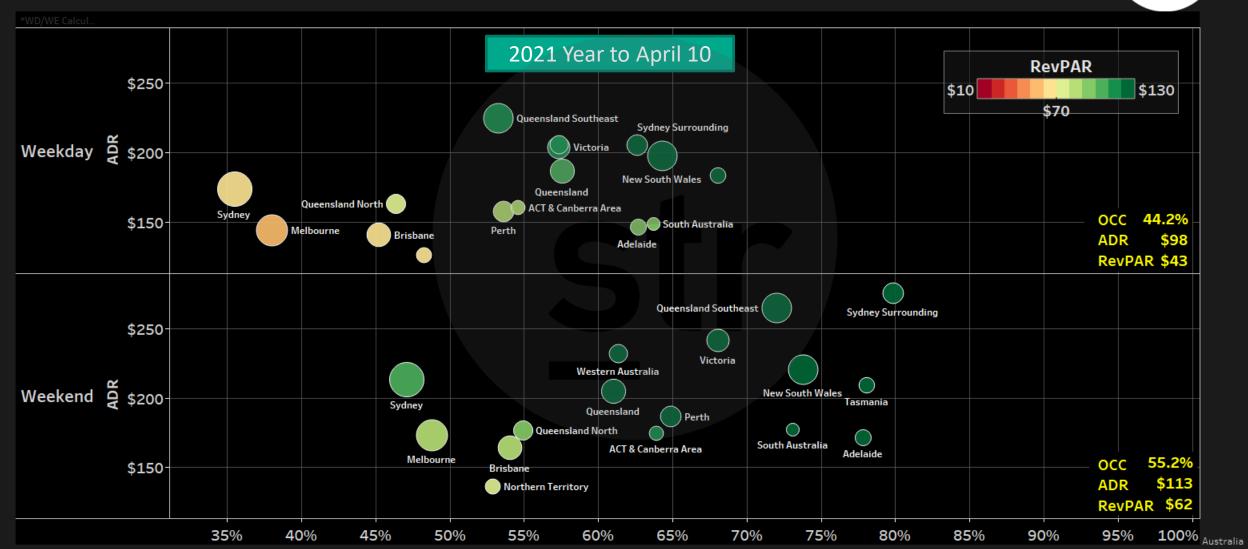
#8 Day of week | Two markets pass 50% weekdays





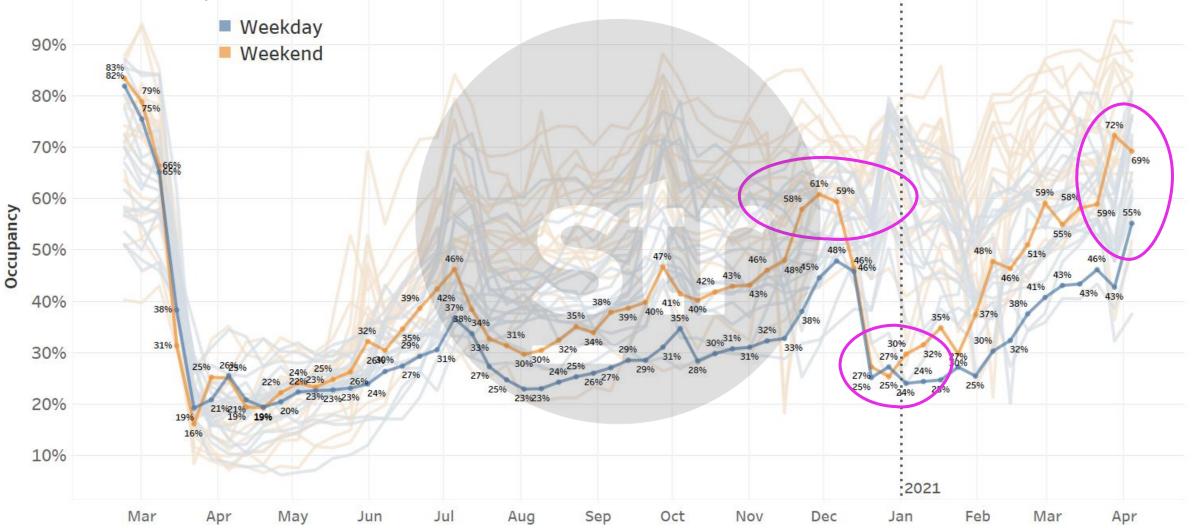
#8 Day of week | 2021 shows a greater spread





#8.. In more detail, Sydney illustrates the changing pattern

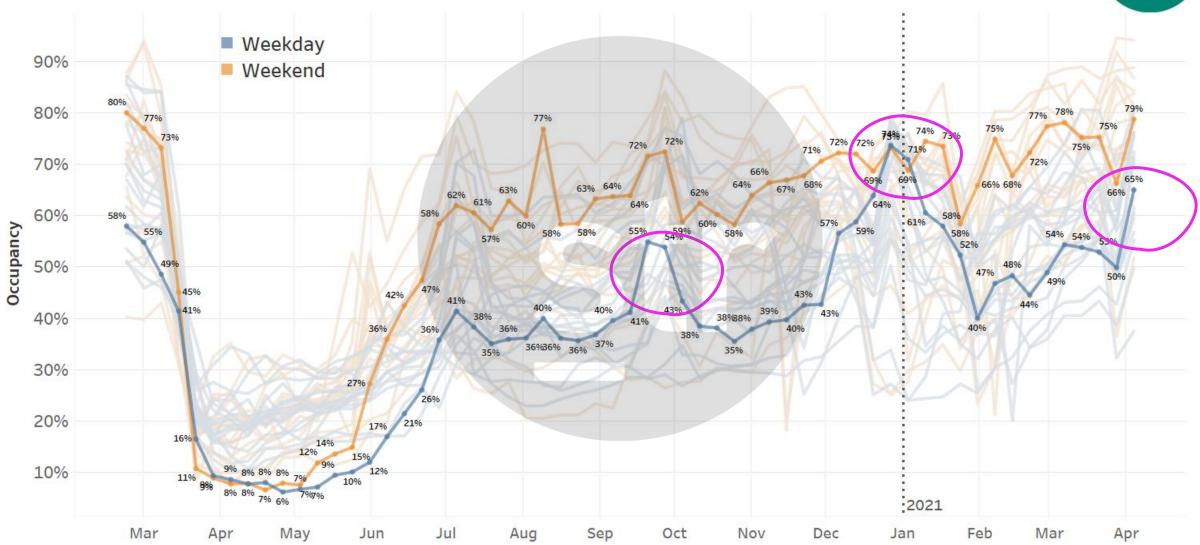




#8 ... and for leisure remains a school holiday influence

South-East Queensland, Weekday vs Weekend comparison March 2020 to April 2021

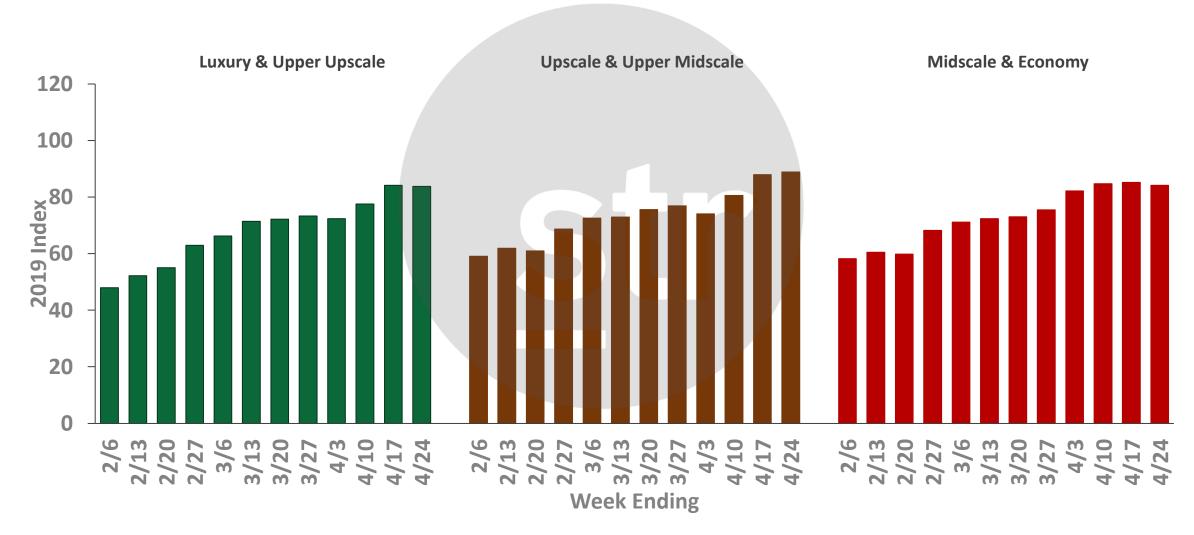




#9 Change of class | Luxury & Upper Upscale grows the most.. All 80% back



Australia Weekly Class Occupancy Indexed to 2019—Standard Methodology

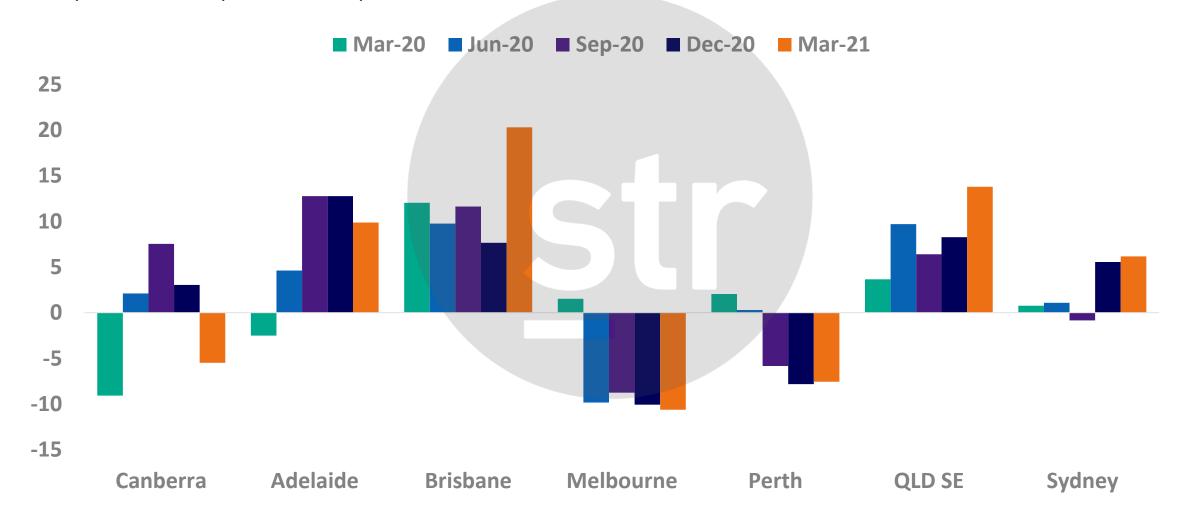


Note: Easter 2019 comparable is last week shown here

#10 Brands | Who comes out on top. Isn't as simple as it seems



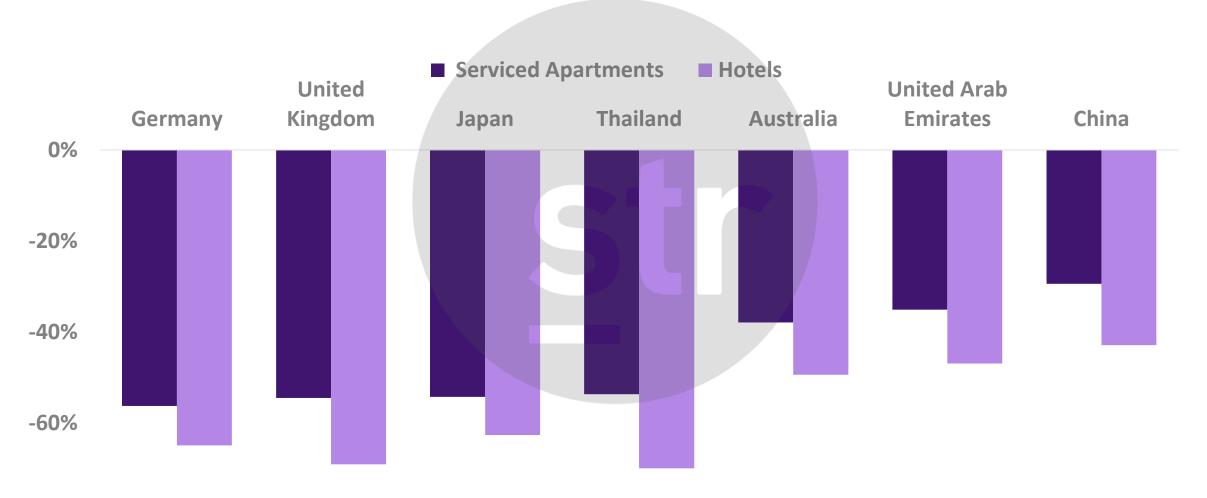
The variance appears to be different for a few reasons – 2019 baseline & size being the biggest factors Independent index premium Independent vs Branded, Demand indexed to 2019



#11 Give me some space | Globally in 2020 Serviced apartments outperformed

RevPAR % Change, Total 2020 vs 2019, Local Currency





#11 and in Q1 2021 the story evolved

RevPAR % Change, Q1 2021 vs Q1 2020,



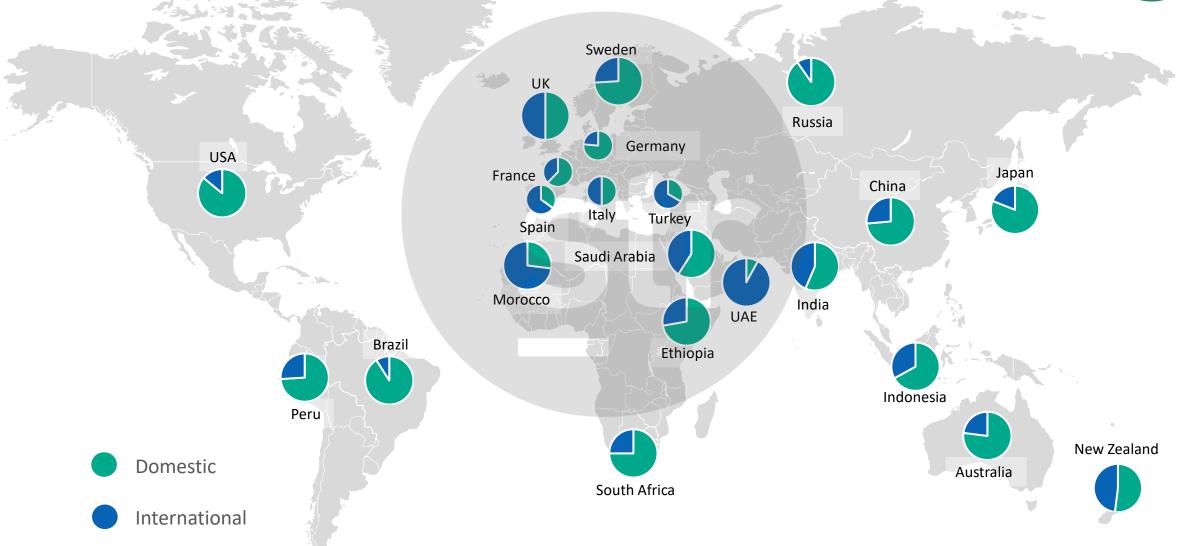


#12 – Domestic rules | Domestic has always been important

OXFORD ECONOMICS

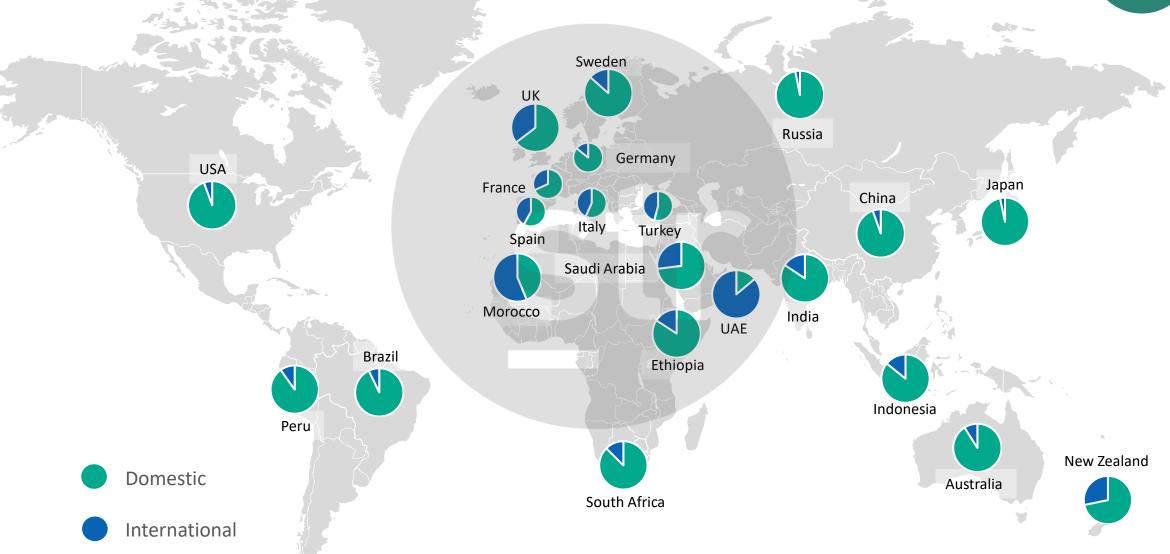


Hotel Domestic vs international demand by country, 2019



#12 ... and became even more so in 2020 ...

Hotel Domestic vs international demand by country, 2020



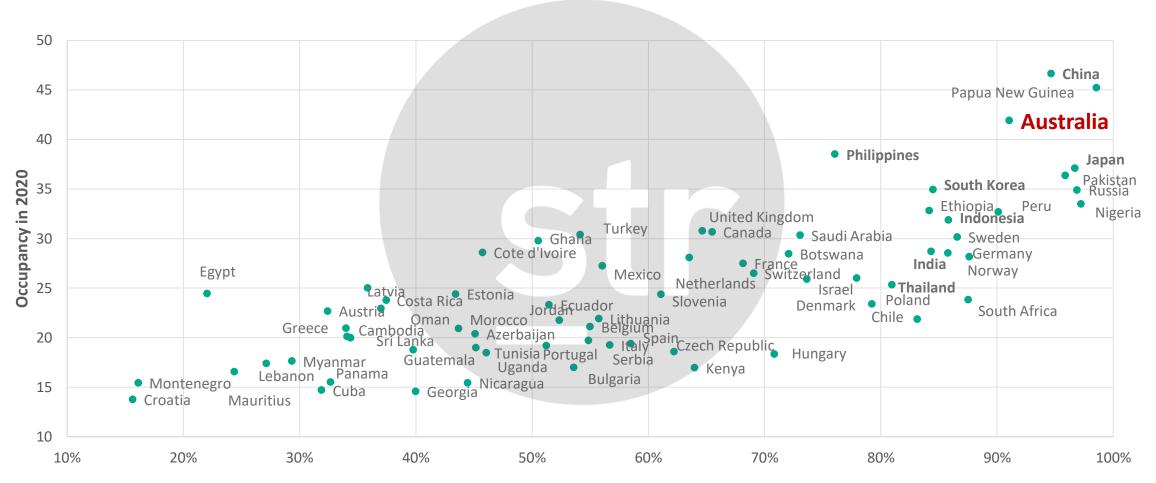
OXFORD ECONOMICS

#12 ... as evidenced by the strong correlation to performance





Correlation between % of domestic Demand and full year 2020 Occupancy (full inventory)

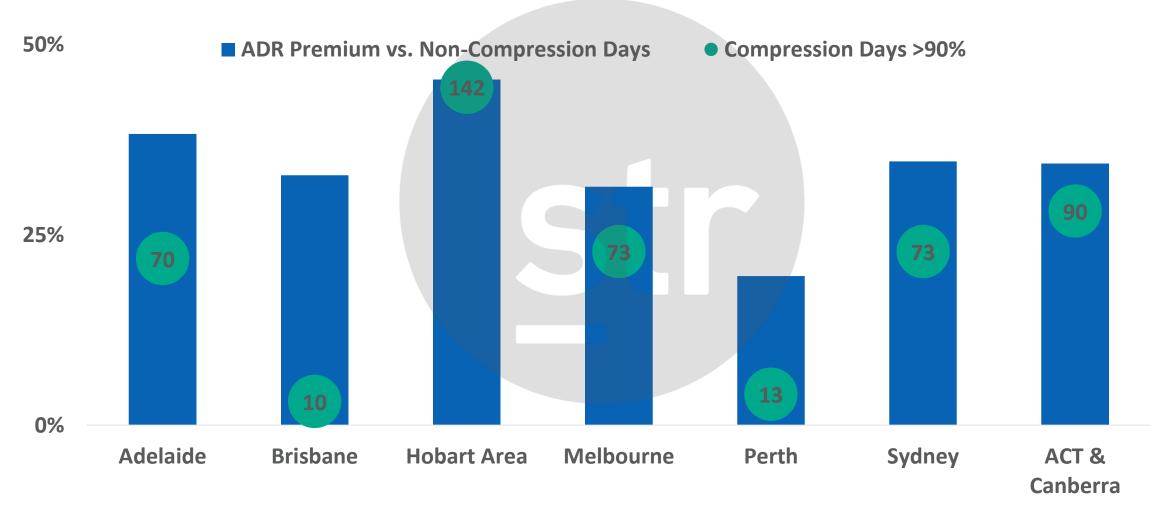


Proportion of Domestic demand in 2020

#13 ADR will be impacted | Our cities were yielding in 2019

Selected markets, number of days >90% occupancy and ADR premium to night <70%

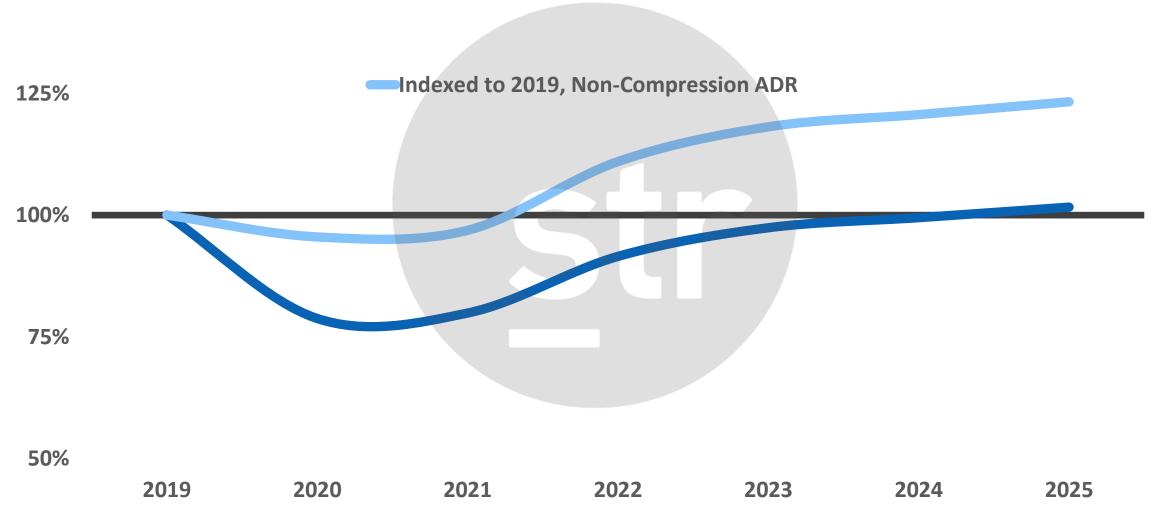




#13 ADR will be impacted | Is 2019 not a fair comparison for ADR?



Sydney Centre Feb 21 Forecast, Indexed to Overall 2019 ADR, Non-Compression 2019 ADR

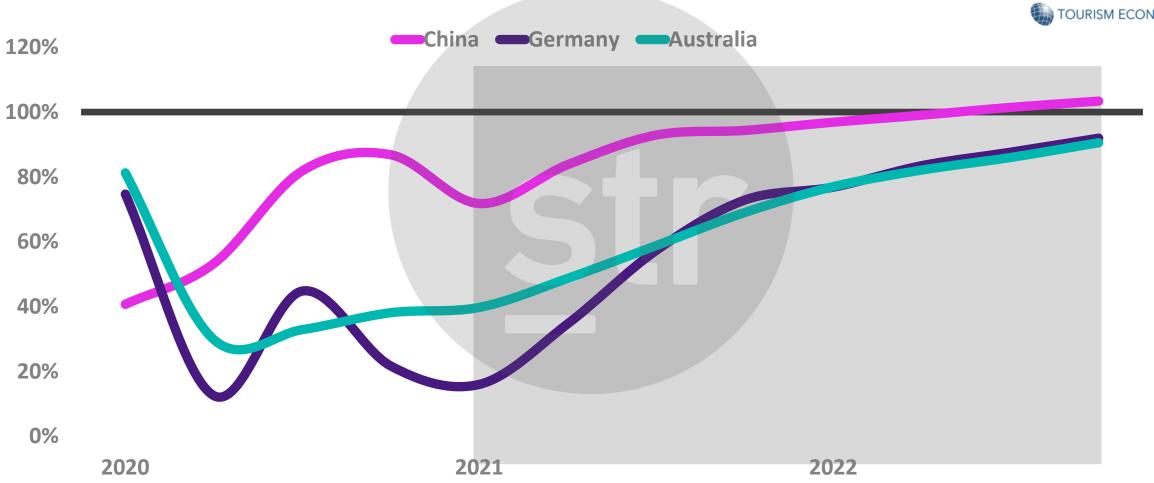


#14 Forecast | So demand comes back by Q4 2022

China, Germany, Australia Aggregated Markets, Demand % of 2019





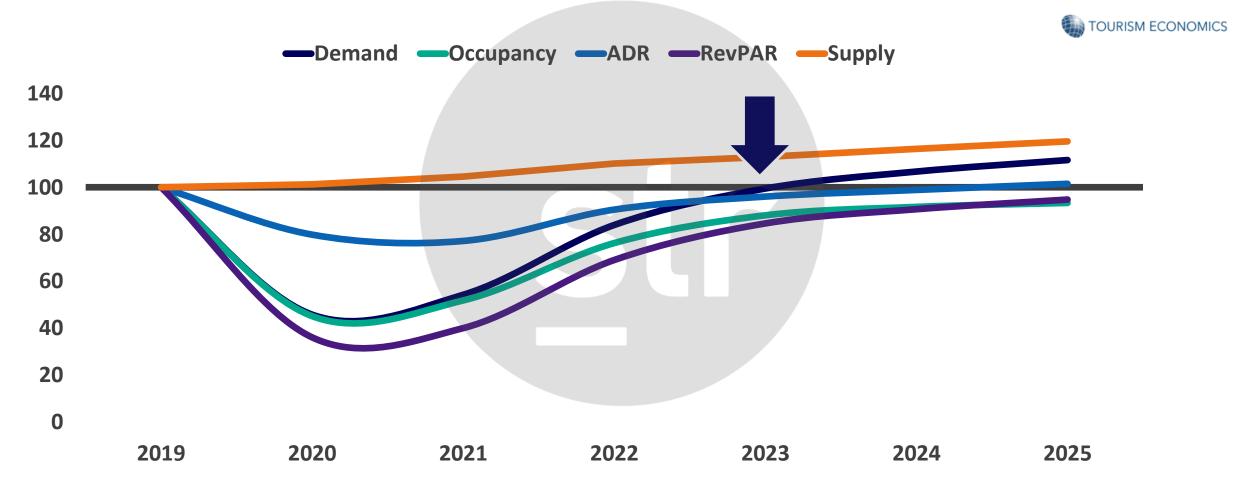


China includes: Beijing, Shanghai, Guangzhou, Hangzhou, Chengdu Germany includes: Berlin, Cologne, Dusseldorf, Frankfurt, Hamburg, Munich, Stuttgart Australia: Sydney, Melbourne

#14 Forecast | New supply slows the overall recovery

Demand, OCC, ADR and RevPAR – Australia, Annual Indexed to 2019, Feb 2021 Forecast





What changes when just looking at a few vs the many?

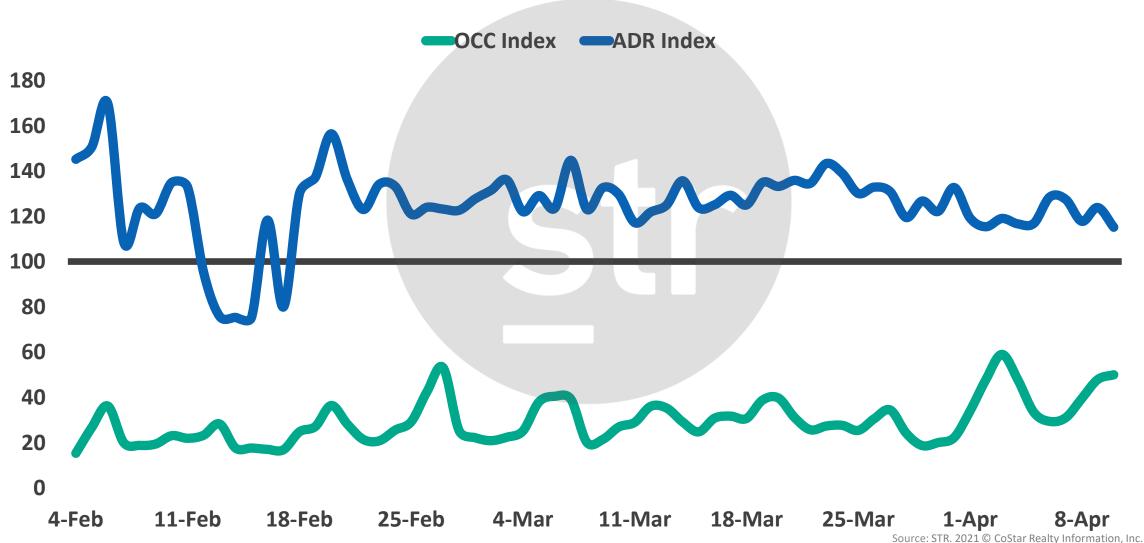






Incumbency value | New hotels building share

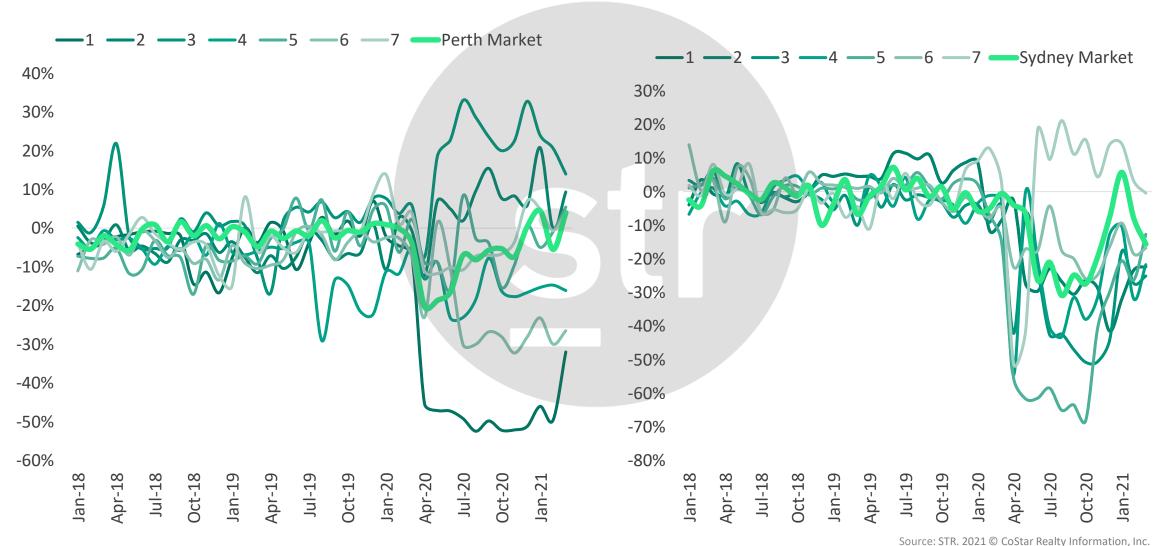




Competitor set ADR | Variability has moved from a tight to large band

ADR % Change, 7 comp sets in Perth & Sydney Markets – Jan 2018 to Mar 2021

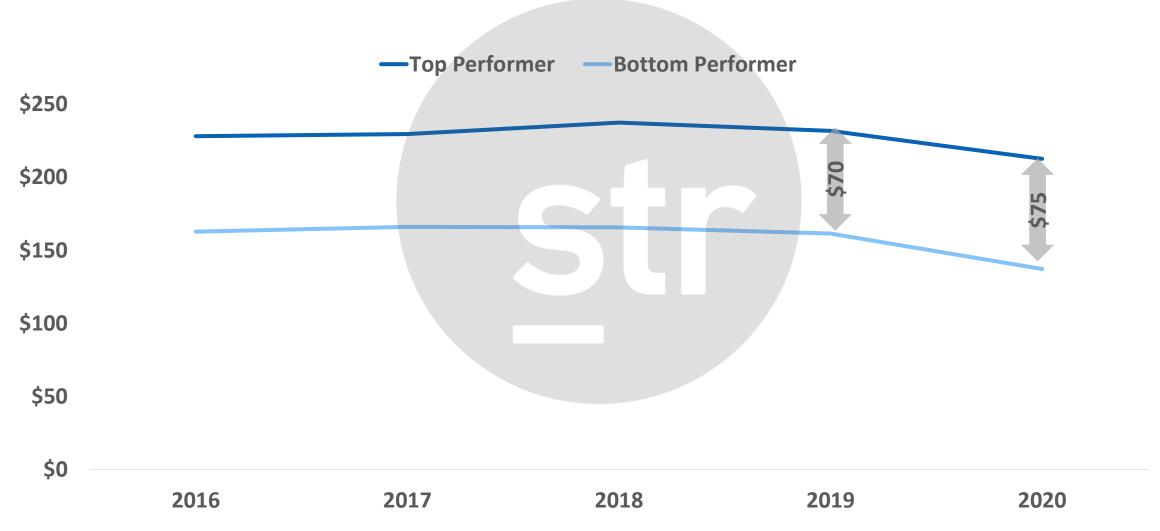




So, what has happened? In 2020, bottom performer dropped rate more than top performer



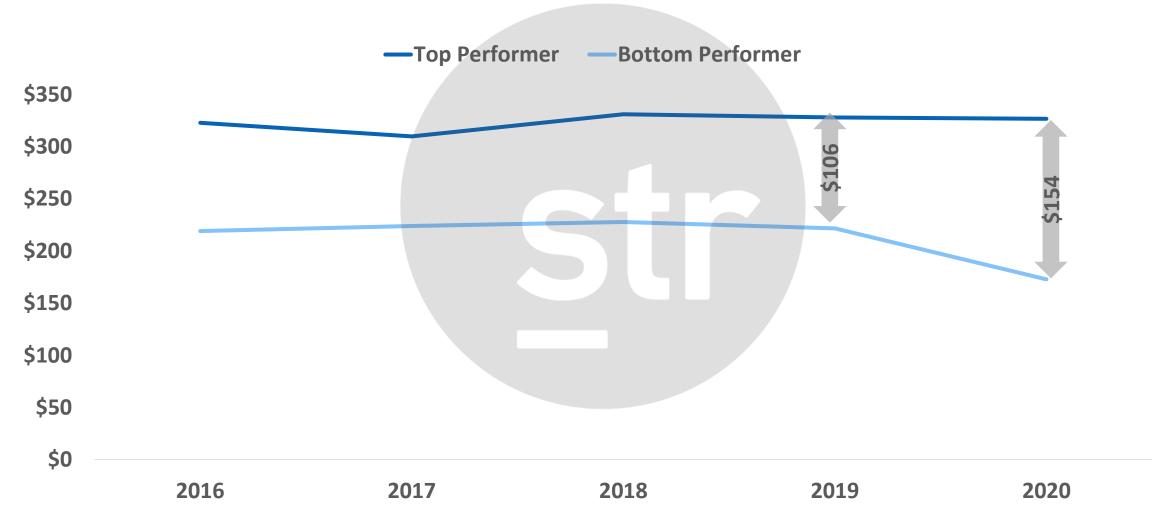
Australia, Aggregated Comp Set Data, AUD



Luxury: Bottom performers rate falls away



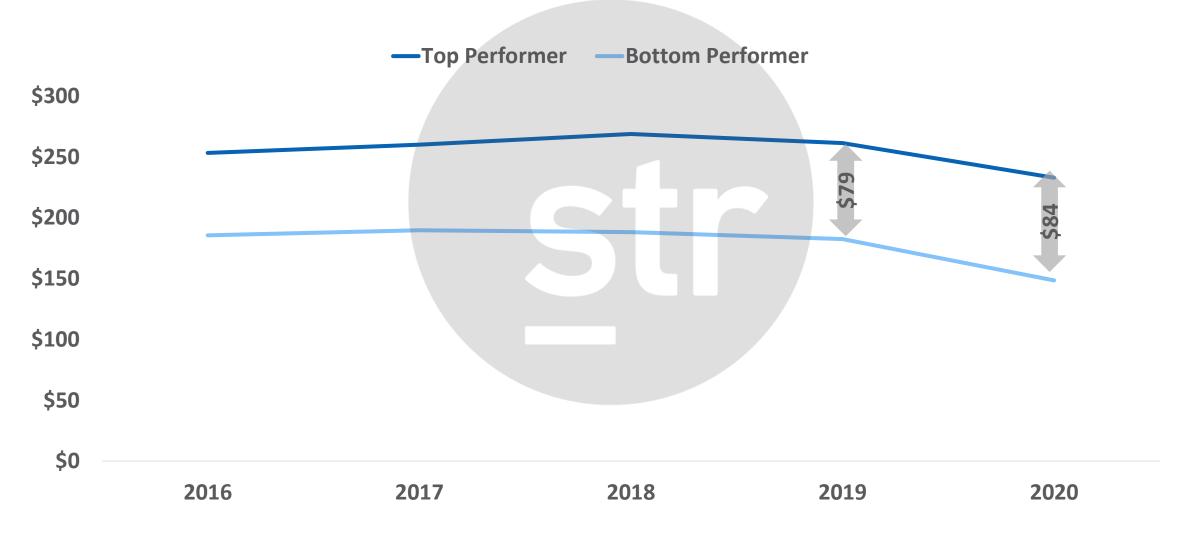




Upper Up: In 2020, top performer dropped rate less than bottom performer



Australia, Aggregated Comp Set Data, Upper Upscale Class Subject Property, AUD



Upscale: Gap between top and bottom performers shrinks

Australia, Aggregated Comp Set Data, Upscale Class Subject Property, AUD

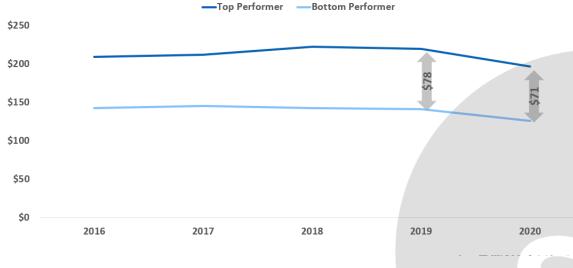


\$200

\$150

\$100





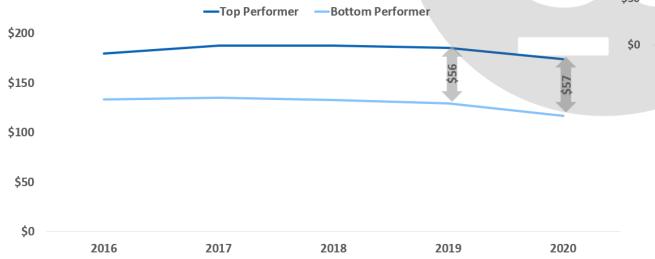
Midscale: Lower classes perform differently from upper classes

Australia, Aggregated Comp Set Data, Midscale Class Subject Property, AUD



Upper Midscale: No change in top performer premium

Australia, Aggregated Comp Set Data, Upper Midscale Class Subject Property, AUD





—Top Performer —Bottom Performer

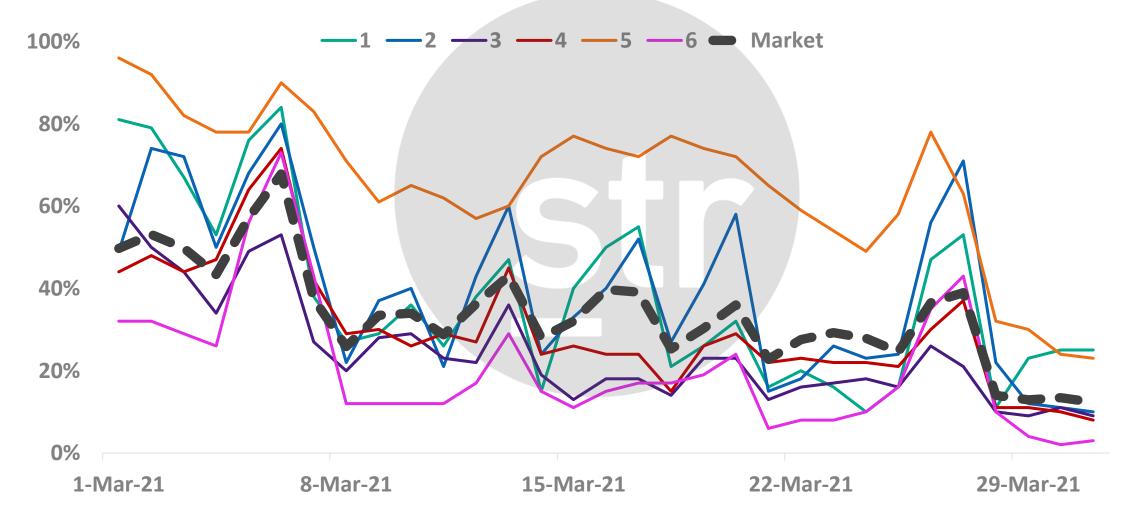
Source: STR. 2021 @ CoStar Realty Information, Inc.

Bringing the pieces together – Historic & Forward

Multiple story lines present themselves.

Sample competitive set, Occupancy on the books as at 1st March 2021



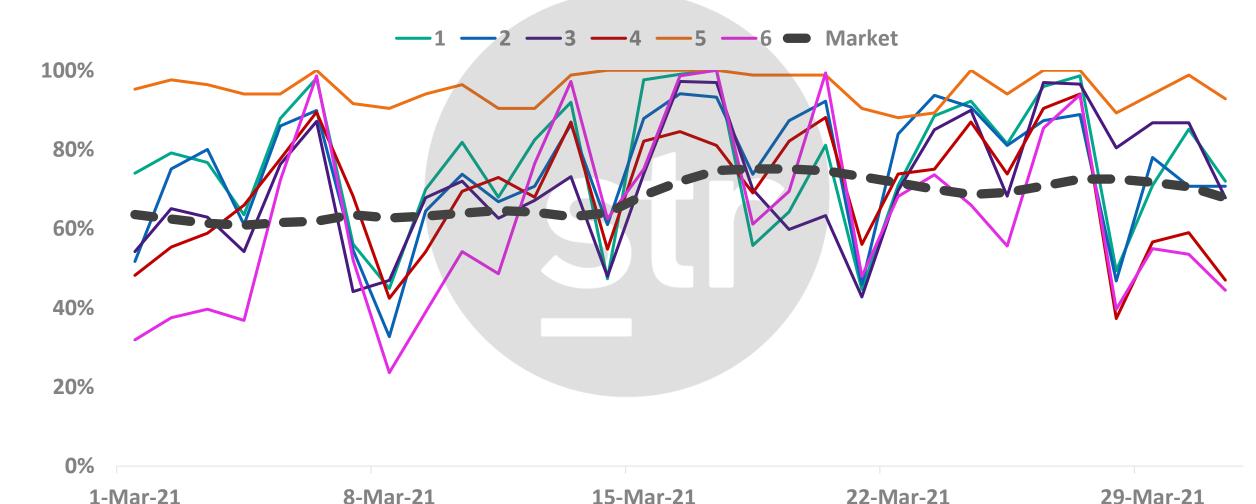


Bringing the pieces together – Historic & Forward

Multiple story lines present themselves.

Sample competitive set, Daily performance March 2021

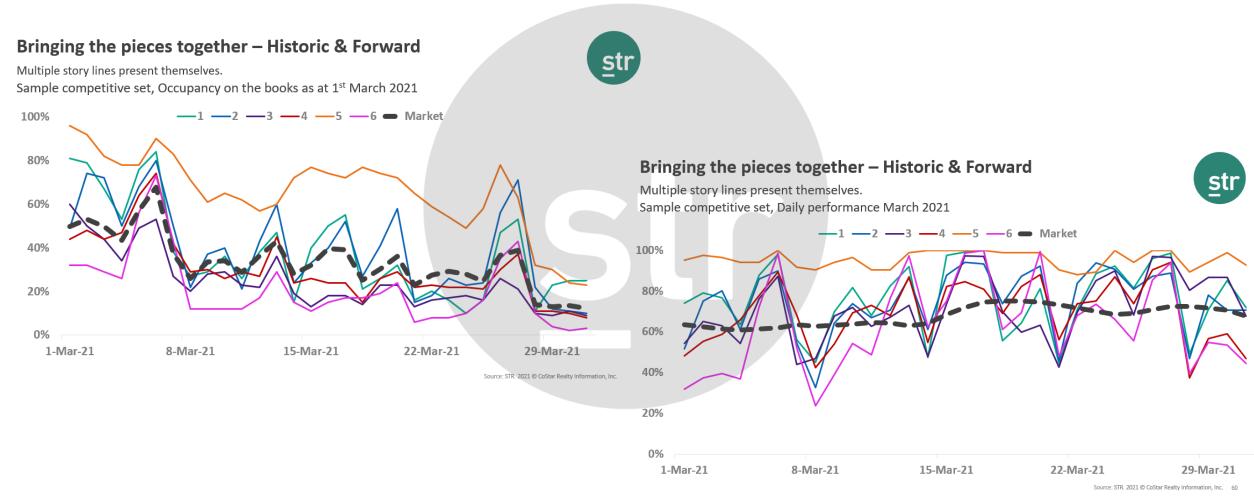




Bringing the pieces together – Historic & Forward

Multiple story lines present themselves.





Takeaways



We are trending in the right direction



Make sure you have the right tools



Variability and volatility will exist – but can be leveraged

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