



HOSPITALITY CONSULTING

Samui

Hotel Market Update

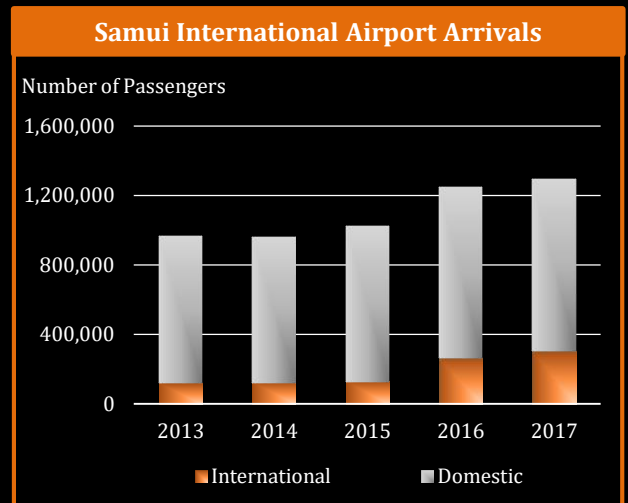
September 2018

Foreign passenger arrivals via international flights doubled during five year period

Climbing visitor numbers trigger hotel performance uplift

“Samui International Airport, as the major gateway to Koh Samui, is benefiting from a growing number of international flights and an expanded portfolio of codeshare partners. Following the doubling of international passenger arrivals in 2016, the number continued to increase with growth of 15% in 2017. Surat Thani Airport is increasingly an alternative access point to Samui, where aircraft arrivals rose significantly last year by 19% to 8,228 flights. Passenger arrivals at nearby Surat Thani also uplifted by 12% to 1.1 million.

Mainland China continue to be the fastest growing overseas source market, followed by Germany with 35% growth as of the second quarter of 2017. The market-wide hotel performance showed an increase in both average daily rate (ADR) and occupancy, which grew by 4.4% and 2.7% respectively as of Q2 2018 compared to the same period of previous year.



Source: The Civil Aviation Authority of Thailand (CAAT) and C9 Hotelworks Market Research

Future developments continue to focus on the upscale tier with a total of 9 hotels in the pipeline. As a growing trend in all of Thailand’s resort markets, the majority of the new properties will be affiliated with international brands.”

Bill Barnett, Managing Director, C9 Hotelworks

Trends

- Tourism revenue hit THB 31 billion for the first two quarters of 2017, representing a 16% year-on-year growth, with over 91% contributed by foreign visitors.
- Average length of stay remains approximately 5 nights on the island with a shorter length of stay for Mainland Chinese and Thai visitors.
- Bangkok Airways began codeshare service with El Al Israel Airlines this year and Thai Airways has ended their Bangkok – Koh Samui route from the beginning of September 2018.

Forward Outlook

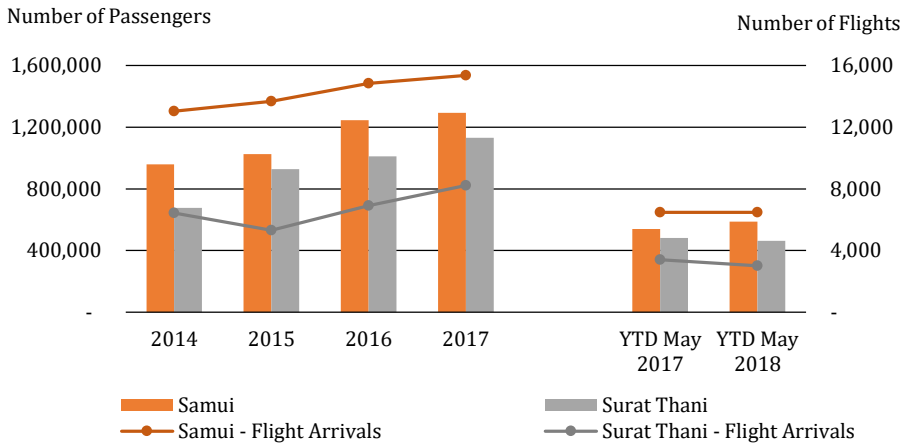
- According to STR data, since the downturn in 2014, hotel performance showed an upward trend over the past three years. With demand sustained, this trend is expected to continue.
- Wellness-focused properties are inducing tourism demand and attracting long-term stay travelers in this growth segment.
- The ongoing codeshare service with Bangkok Airways and future airport expansion is a solid predictor of maturation for the island’s tourism market.

TOURISM

Demand Indicators

A total number of 586,766 passenger arrivals for the year were recorded at Samui International Airport as of May 2018, representing 9% of growth compared to same period last year.

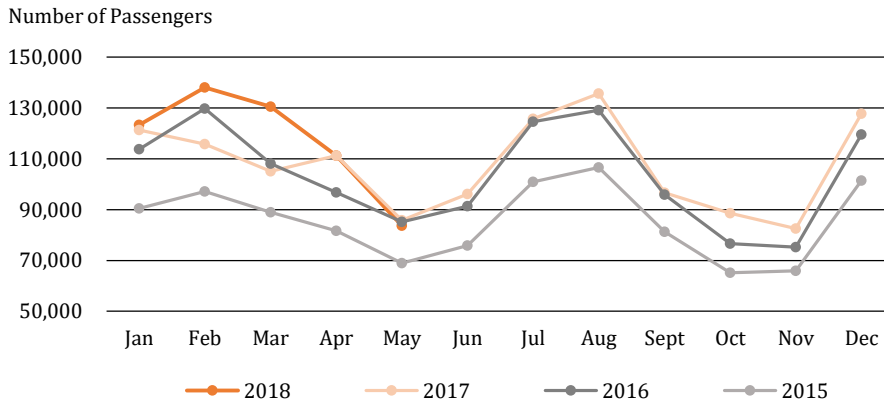
Samui International Airport & Surat Thani Airport Arrivals/Flights



Source: CAAT and C9 Hotelworks Market Research

Surat Thani is becoming a key gateway for Mainland Chinese, given airlift by low-cost carriers

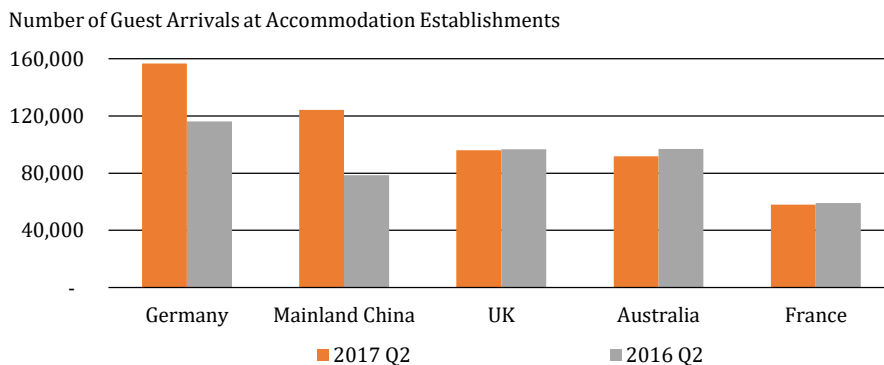
Seasonality



Source: CAAT and C9 Hotelworks Market Research

Rising number of passenger arrivals during low season reflects shift in geographic source markets

Top 5 Key International Geographic Source Markets



Source: Thailand Ministry of Tourism and Sports and C9 Hotelworks Market Research

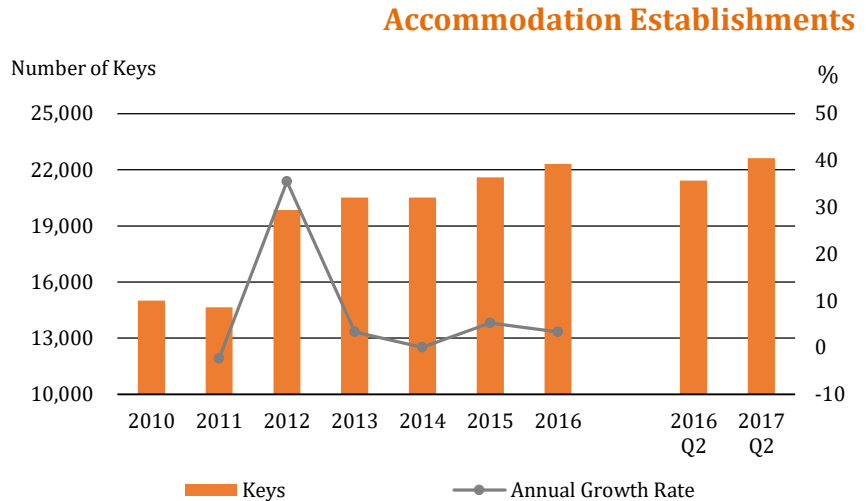
Mainland China and Germany, respectively spiked 58% and 35% y-o-y growth as of June 2017

HOTEL MARKET

Hotel Supply

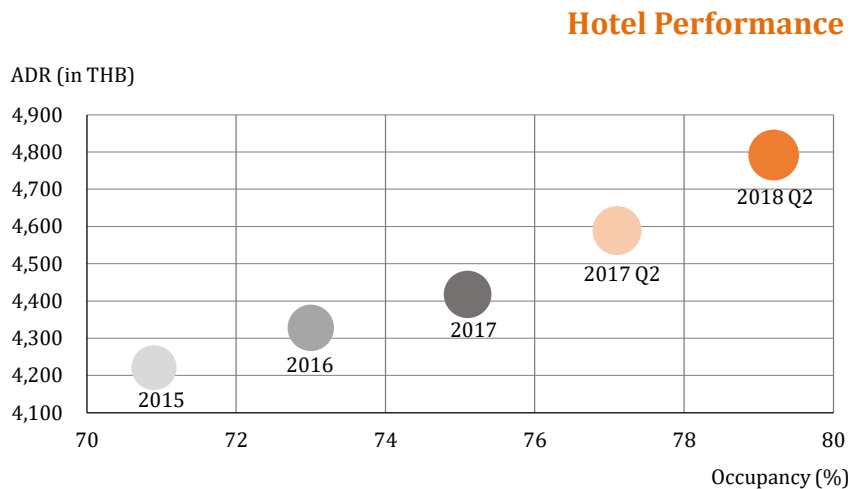
Registered hotel inventory on the island has increased by 6% to 22,623 keys from Q2 2016 to Q2 2017, which represent 622 accommodation establishments.

Hotel supply recorded a compound annual growth rate of 3% from 2012 to 2016



Source: Thailand Ministry of Tourism and Sports and C9 Hotelworks Market Research

Market-wide RevPAR increased by 7% y-o-y as result of growth in both ADR and occupancy as of June 2018



Source: Thai Hotels Association and C9 Hotelworks Market Research

Hotel Pipeline

Hotel Name	Location	Keys	Opening Date
Avani Sunset Coast Samui Resort & Villas	Taling Ngam	58	Q1 2019
Unnamed	Choeng Mon	132	Q3 2019
Sofitel So Samui	Choeng Mon	120	2020
Sol Beach House Koh Samui*	Choeng Mon	209	2020
Unbound Collection Koh Samui (Hyatt)	Chaweng Noi	107	2020
Holiday Inn Express Bophut	Bophut	200	2021
Holiday Inn Resort Bophut	Bophut	150	2021
Holiday Inn Express Samui Chaweng	Chaweng	300	2027
Hyatt Regency Koh Samui	Bophut	139	N/A

**Rebranding & upgrading of existing hotel

Source: C9 Hotelworks Market Research

About C9 Hotelworks



Bill Barnett
Managing Director

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- **Hotel and Resort Development**
- **Asset Management / Ownership Representation**
- **Project Feasibility and Analysis**

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 30 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.



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