

TRENDS IN HOSTEL PERFORMANCE

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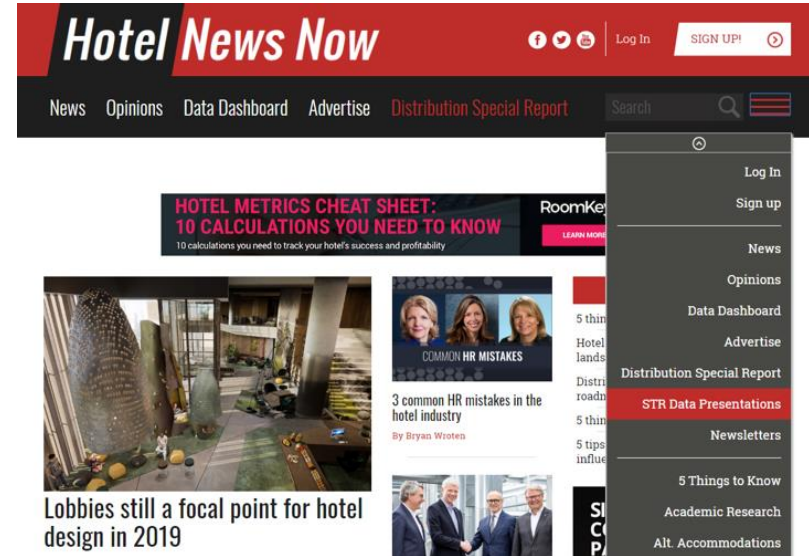
STAY WYSE

Amsterdam

31 Jan - 1 Feb 2019

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AGENDA

1. Who we are
2. London spotlight
3. Amsterdam spotlight
4. Key takeaways





Who we are

Nashville, TN

STR is the leading provider of **global data benchmarking, analytics** and **marketplace insights**

- **30+ years** in business
- Privately-held company
- Collect data from **62,000+** accommodations worldwide
- **98% client retention rate**
- Office Areas in **16 countries worldwide**
- Expanded focus now includes **serviced apartments, hostels, self storage, and more**

Select snapshot
of **STR customers**



STR Locations:



Our Key Performance Indicators:



Occupancy

The percentage of available beds sold over a specific time period.



Average Daily Rate (ADR)

The average rate paid for beds sold during a specific time period.



Revenue Per Available Bed (RevPAB)

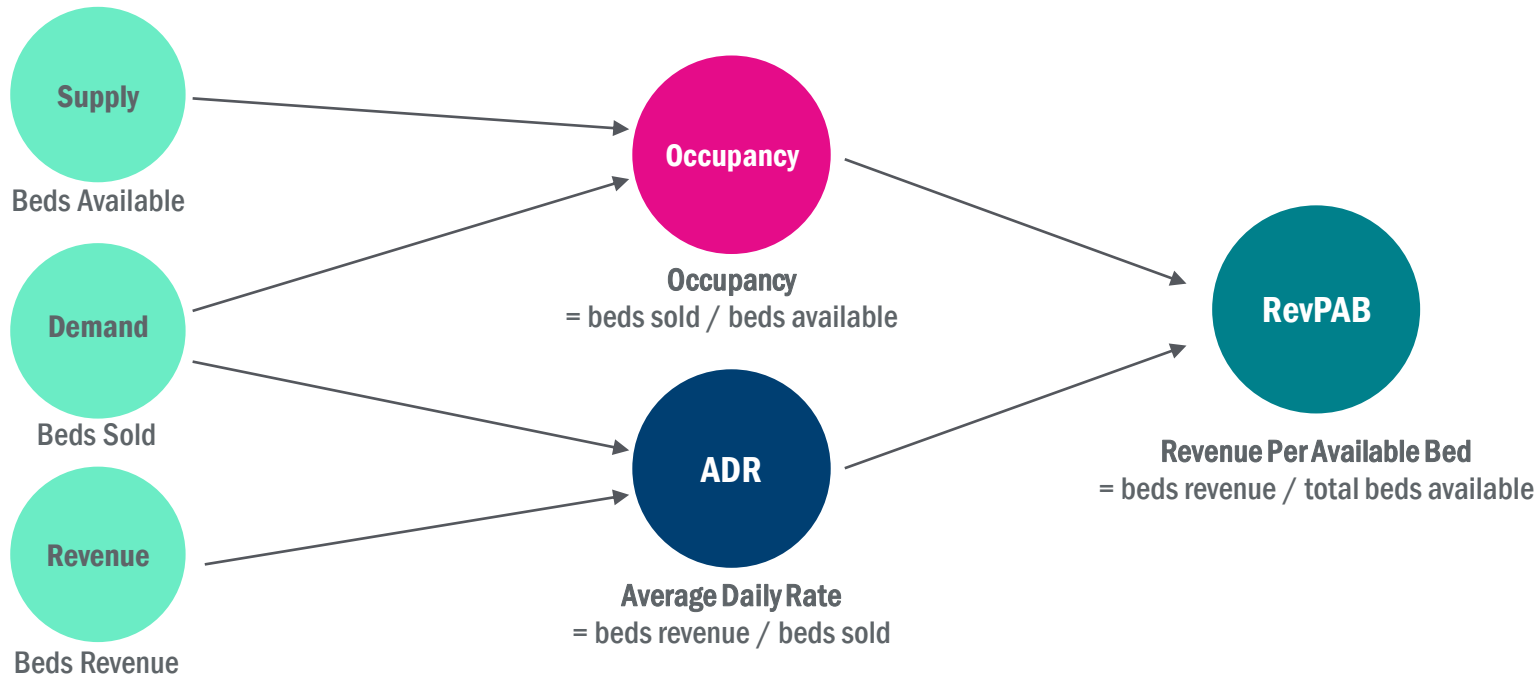
Bed revenue allocated across all available beds.



Total Revenue Per Available Bed (TrevPAB)

Total revenue (Bed + F&B + Other) allocated across all available beds.

How we calculate our KPIs



Hostel sample (Beds)



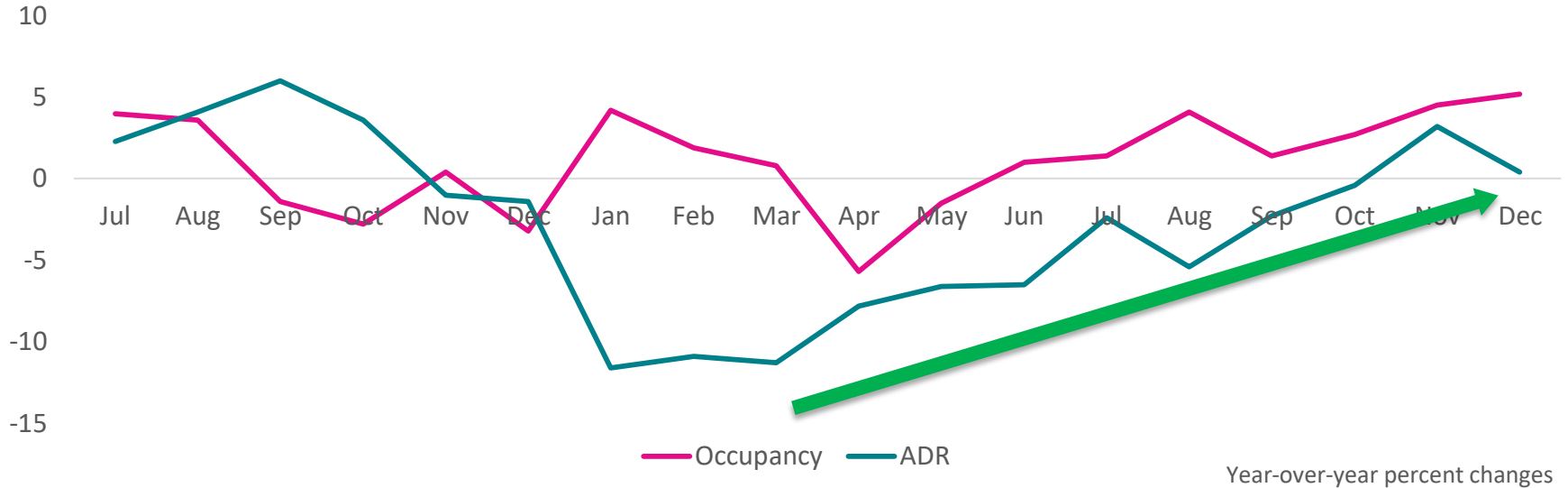


London Overview

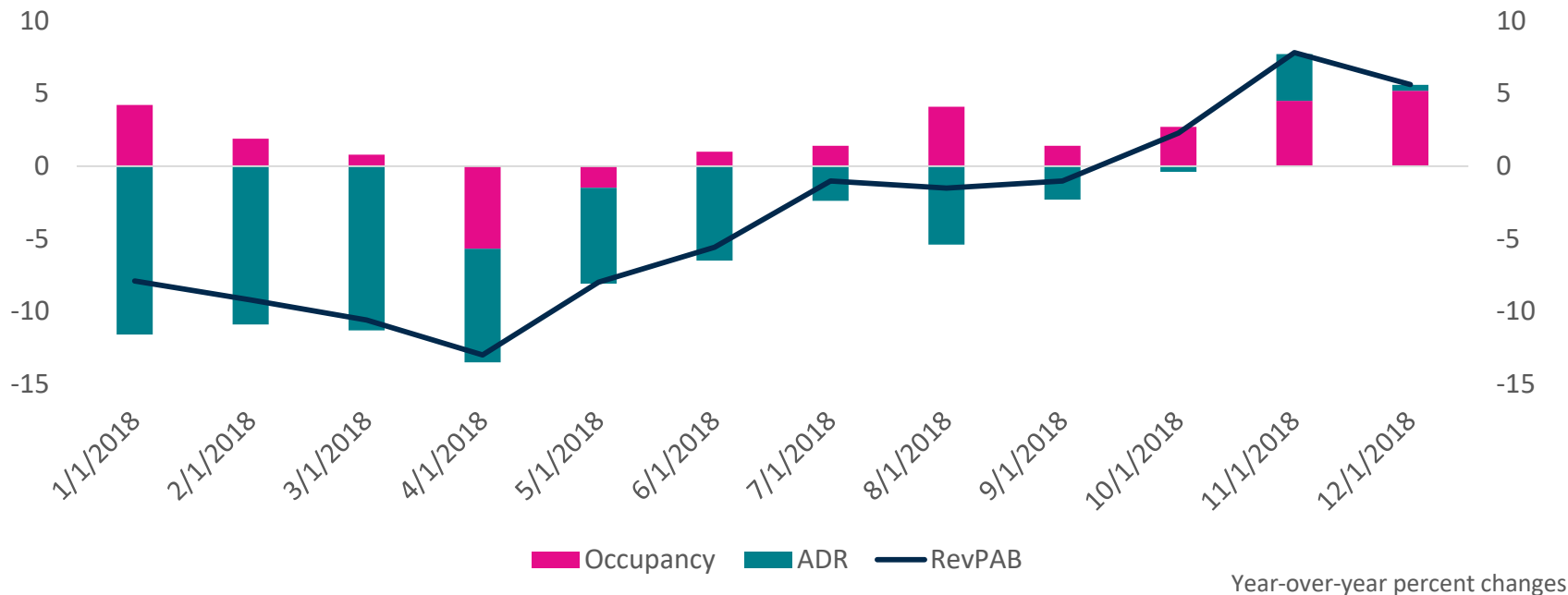


2018: A challenging year for Occupancy, ADR

... but finally trending in the right direction



Occupancy rebound buoys RevPAB performance





Year-end results (2016, 2017, 2018)

	Occupancy	ADR	RevPAB	TrevPAB
2018	83.2%	£19.57	£16.28	£19.22
2018 % change	1.5%	-5.0%	-3.5%	-3.7%

Full Year London hostel KPIs

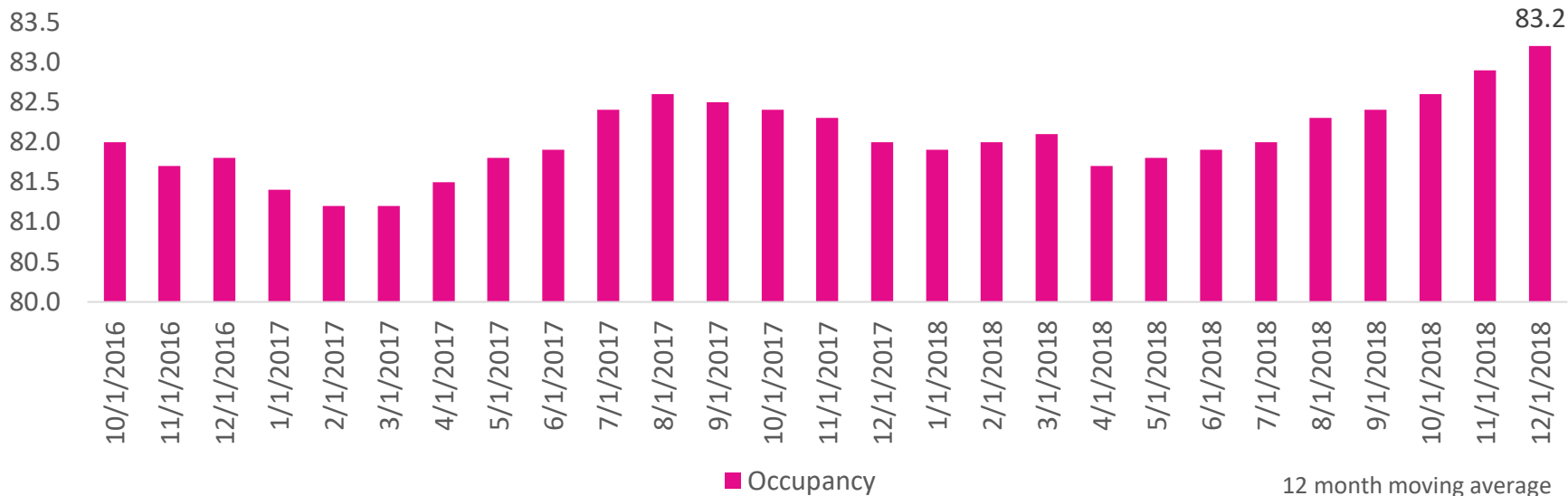
Year-end results (2016, 2017, 2018)

Are hosteliars trading ADR for occupancy?

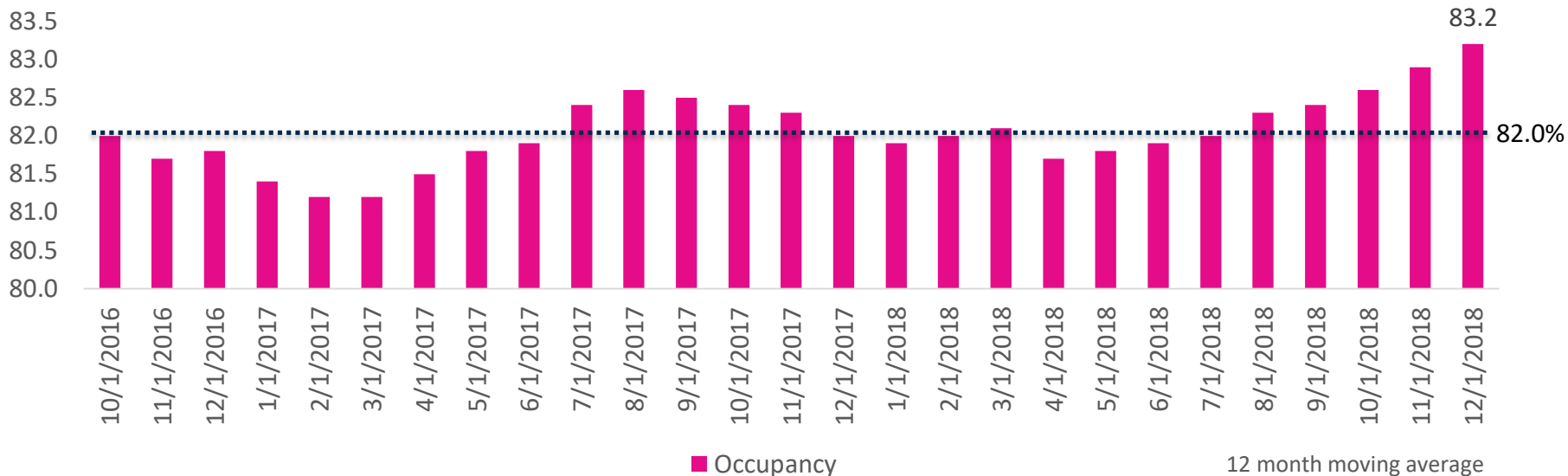
	Occupancy	ADR	RevPAB	TrevPAB
2016	81.8%	£19.43	£15.90	£18.99
2017	↑ 82.0%	↑ £20.58	£16.87	£19.96
2018	↑ 83.2%	↓ £19.57	£16.28	£19.22
2017 % change	0.1%	6.0%	6.1%	5.1%
2018 % change	1.5%	-5.0%	-3.5%	-3.7%

Full Year London hostel KPIs

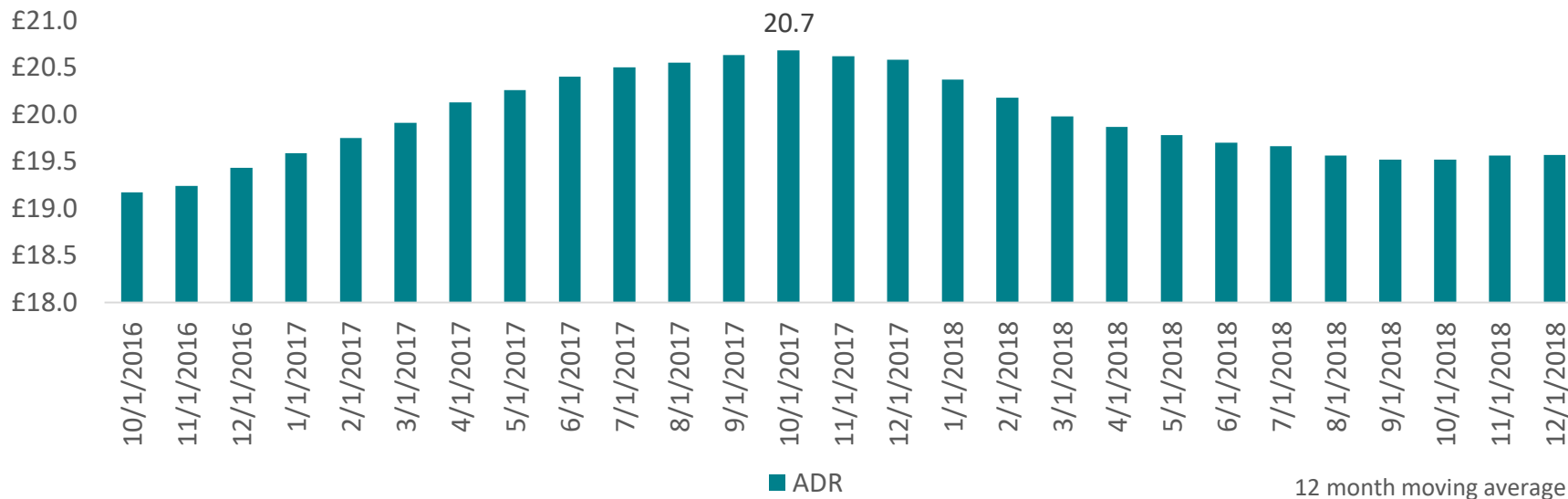
Occupancy trending above long-run average



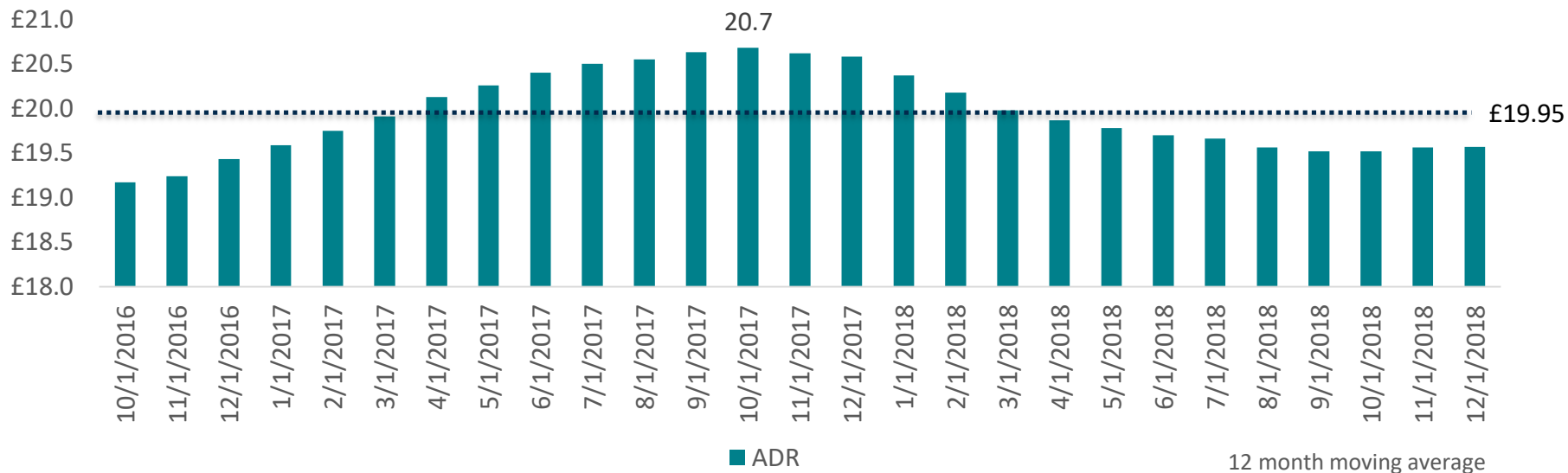
Occupancy trending above long-run average



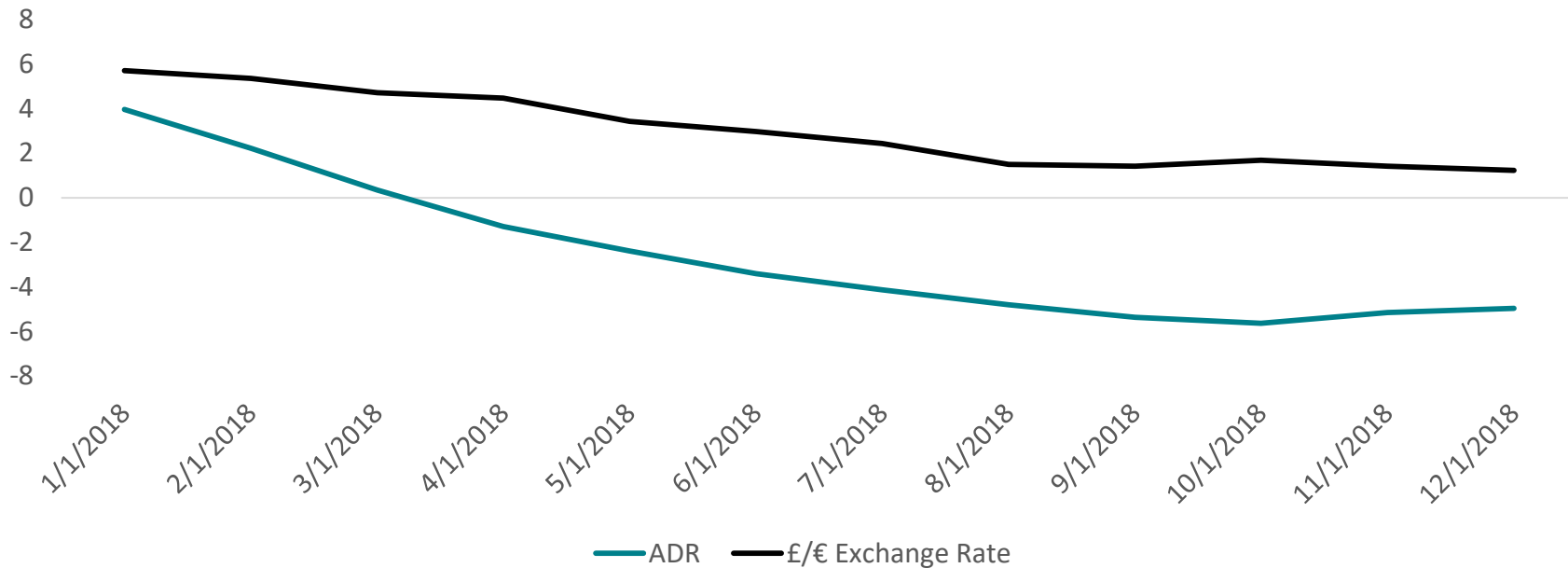
ADR trending below long-run average



ADR trending below long-run average

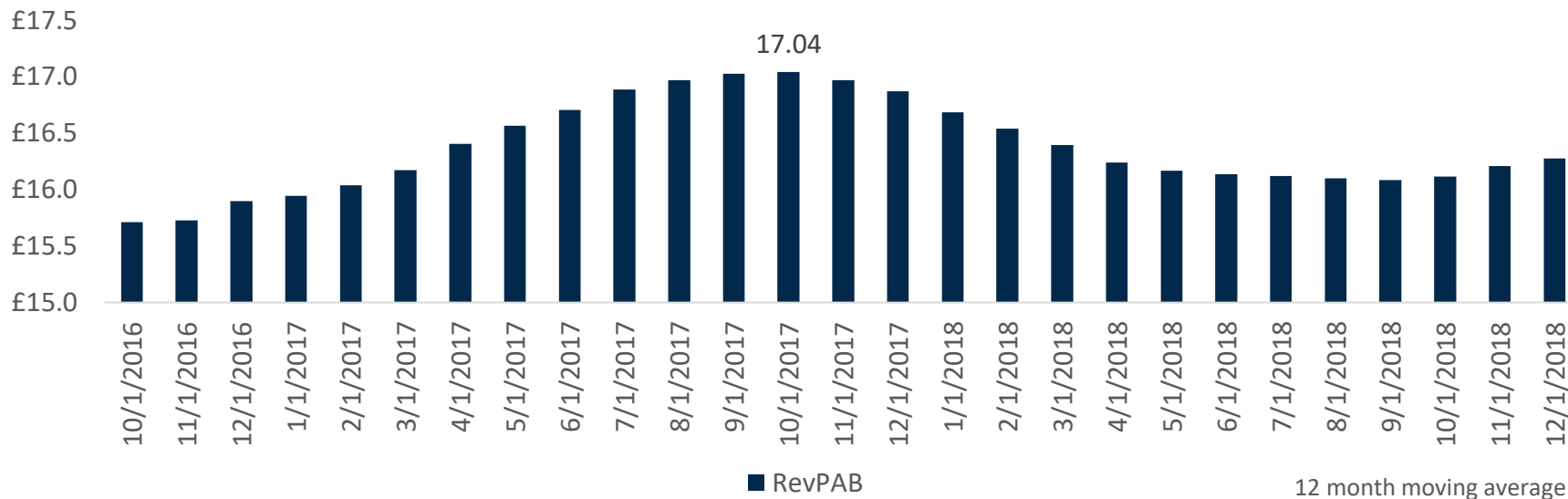


ADR potentially a victim of £ depreciation

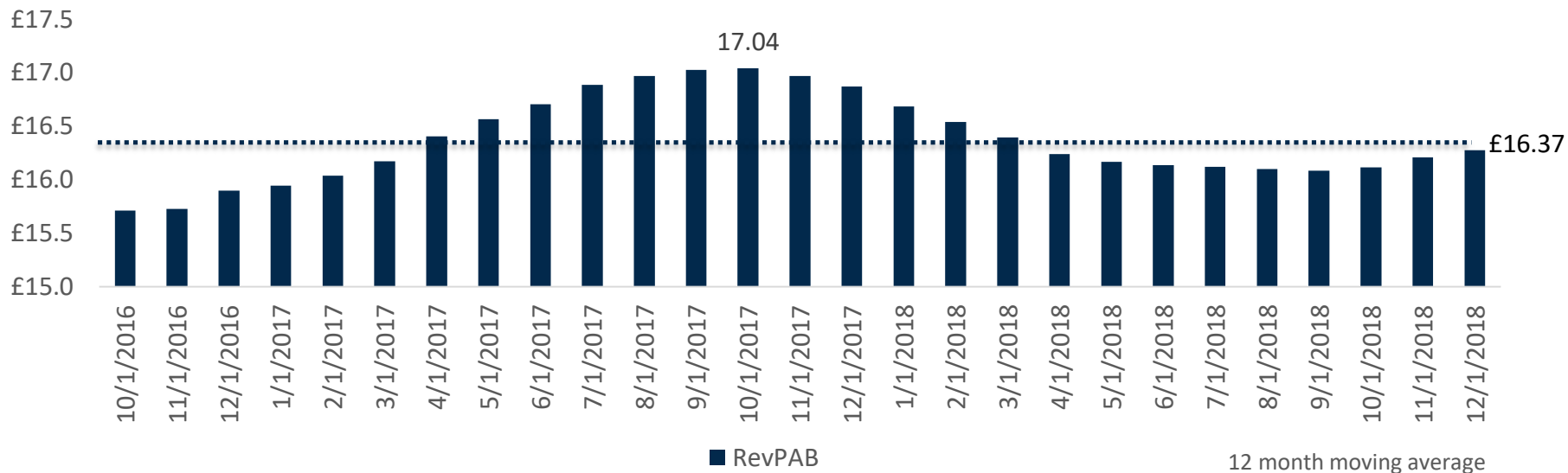


12MMA London hostel ADR growth and £/€ exchange rate growth

RevPAB below long-run average, but not for long?

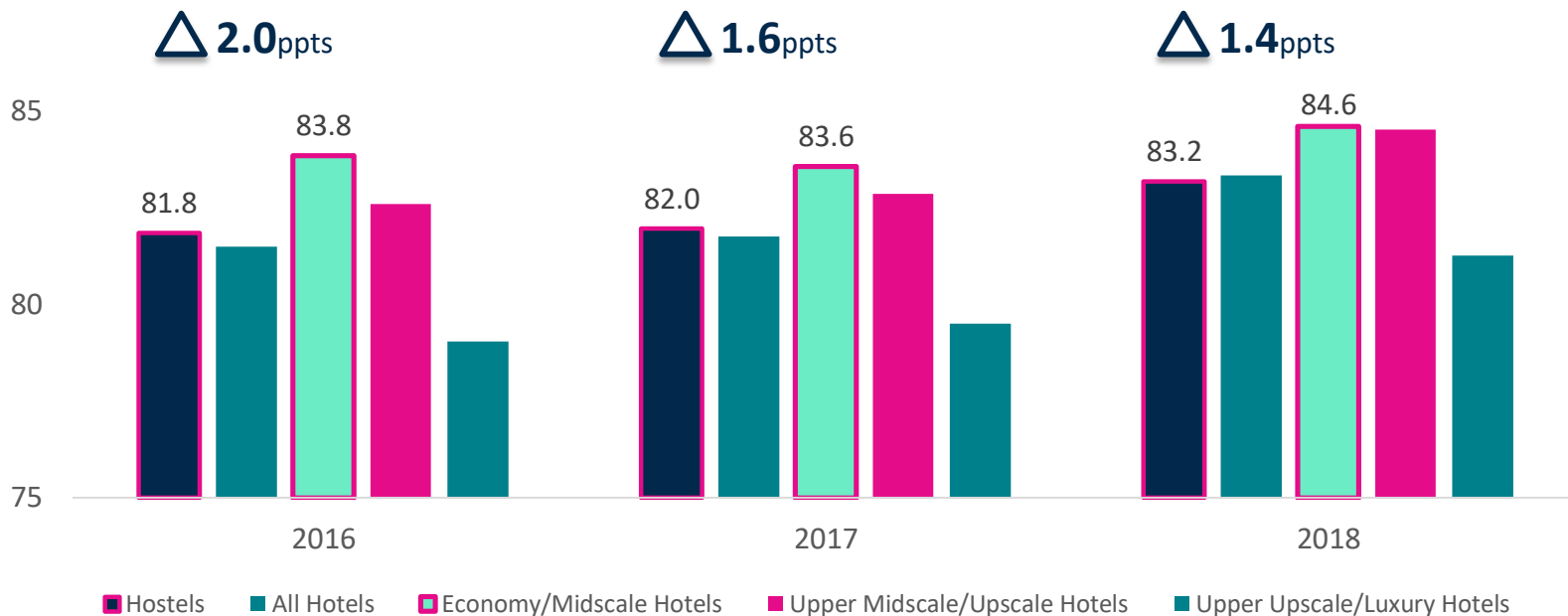


RevPAB below long-run average, but not for long?



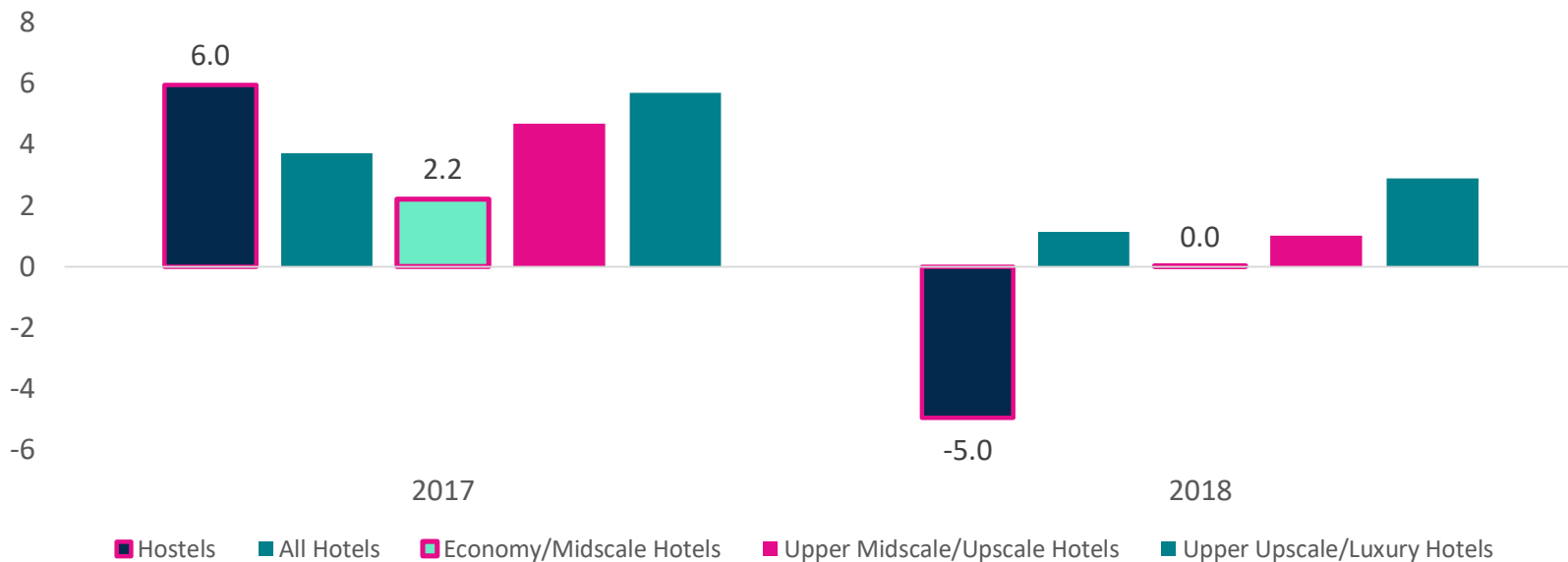


Hostel occ. closing in on economy/midscale hotels



Full Year London occupancy by accommodation type

2018 not the best year for pricing power



Full Year London occupancy by accommodation type

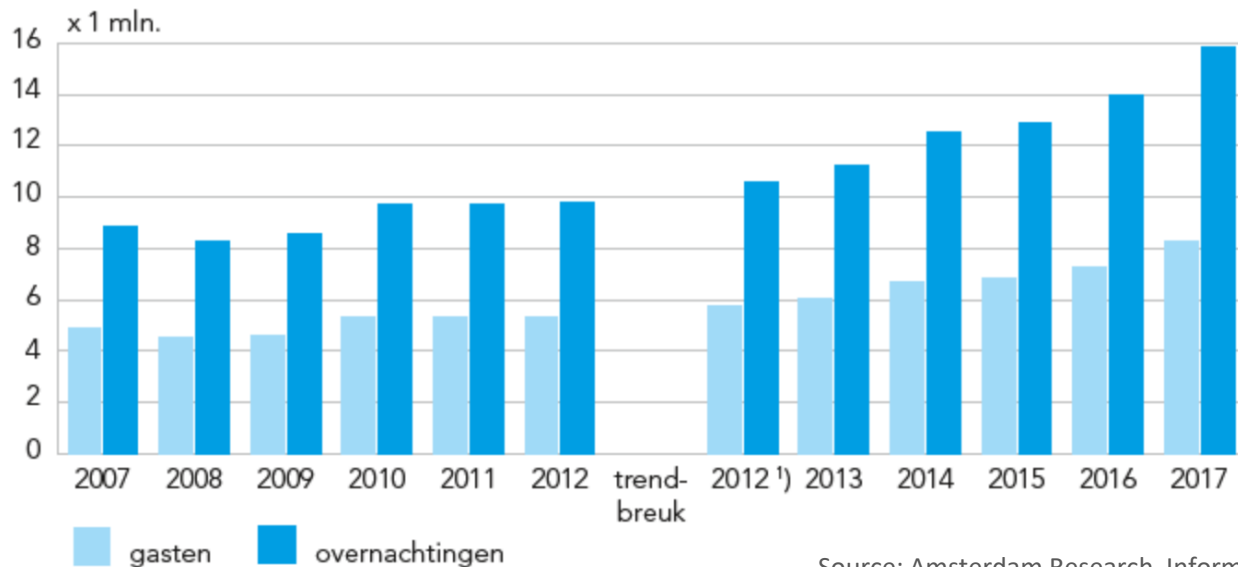


Amsterdam Overview



Guests and overnight hotel stays

2007 - 2017



Source: Amsterdam Research, Information and Statistics

Amsterdam Overtourism a Cause for Concern

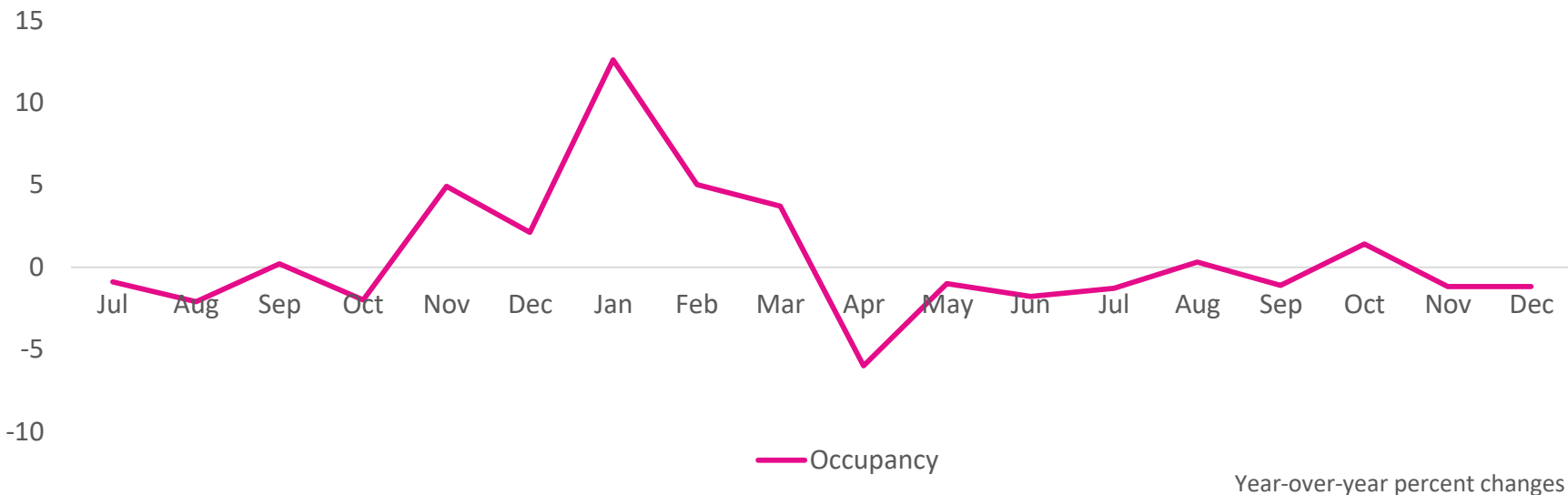


Amsterdam Overtourism a Cause for Concern

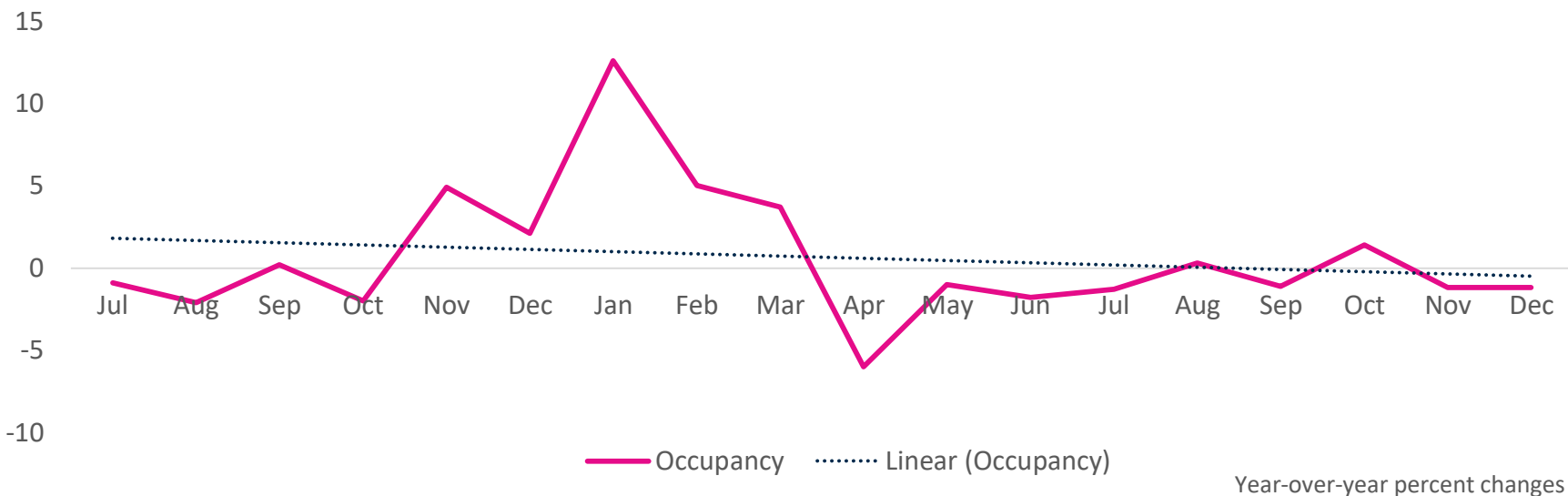


There are 10 tourists for every Amsterdam resident, according to a new analysis from ABN AMRO Group.

2018: Flat occupancy growth belies healthy market

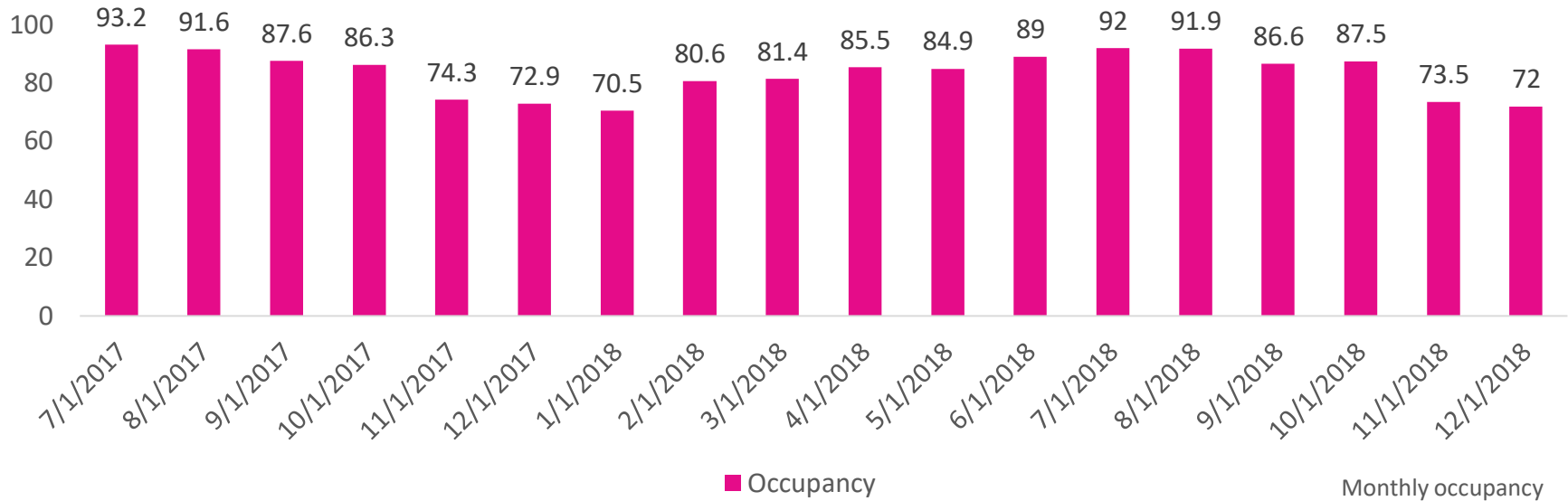


2018: Flat occupancy growth belies healthy market

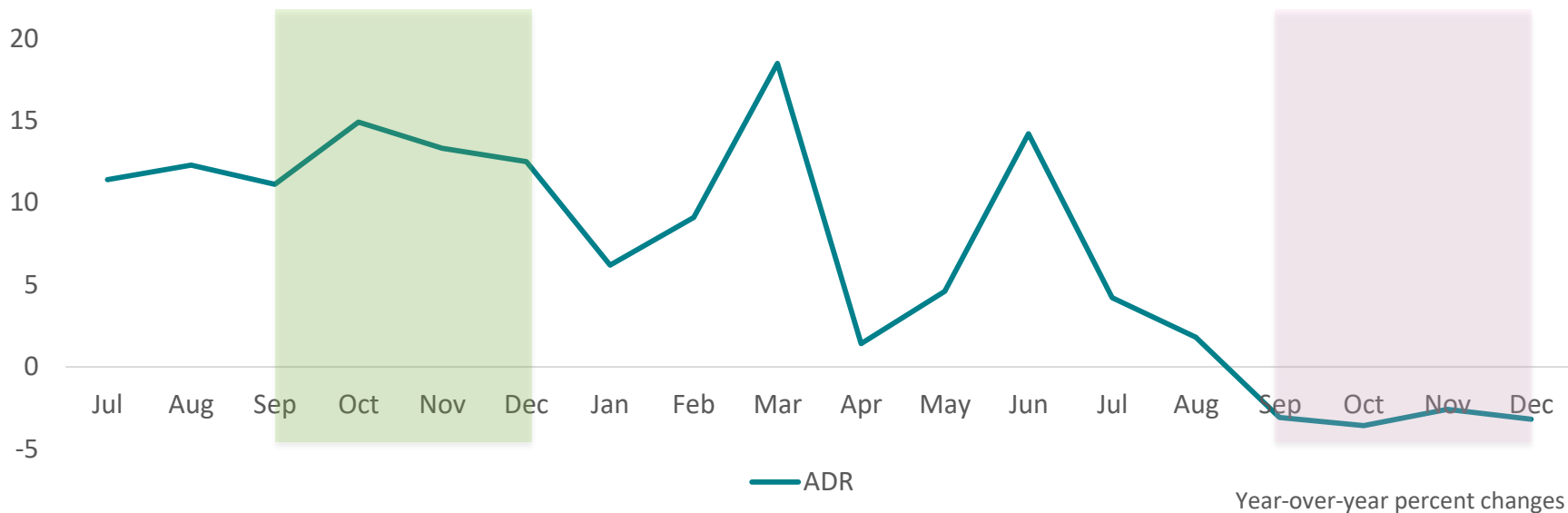


Hard to sell more beds during peak season

Which means occupancy growth likely will remain flat



2018: High bar makes further growth a challenge



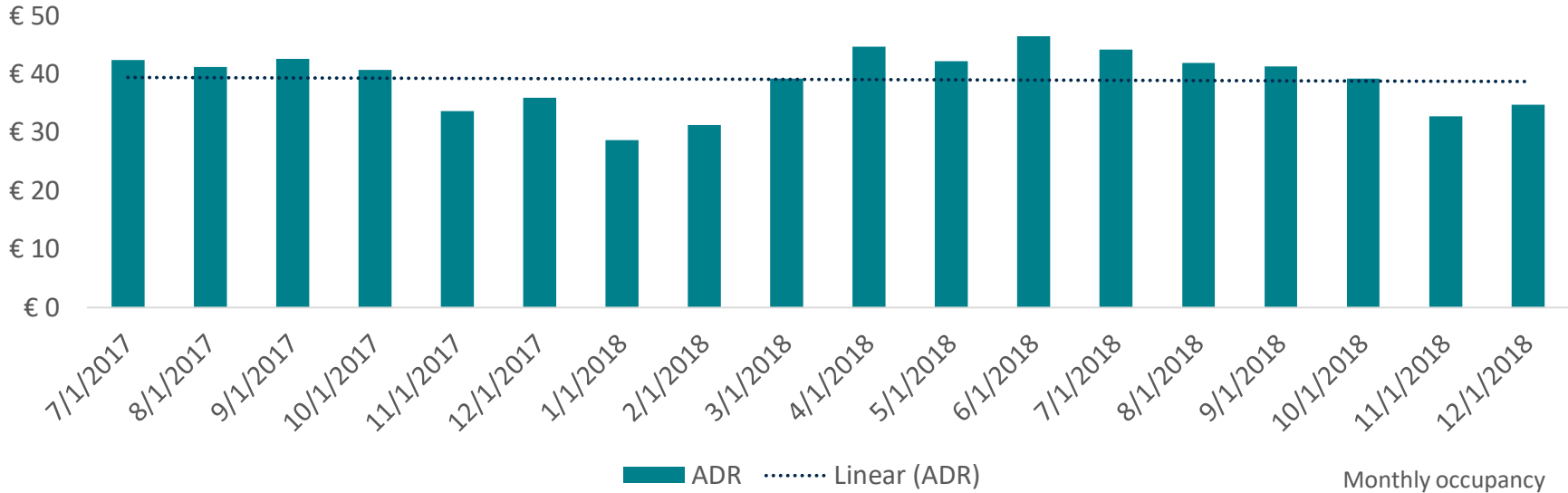
Pricing power remains elusive

Are hosteliers fully realizing rate amid period of high demand?

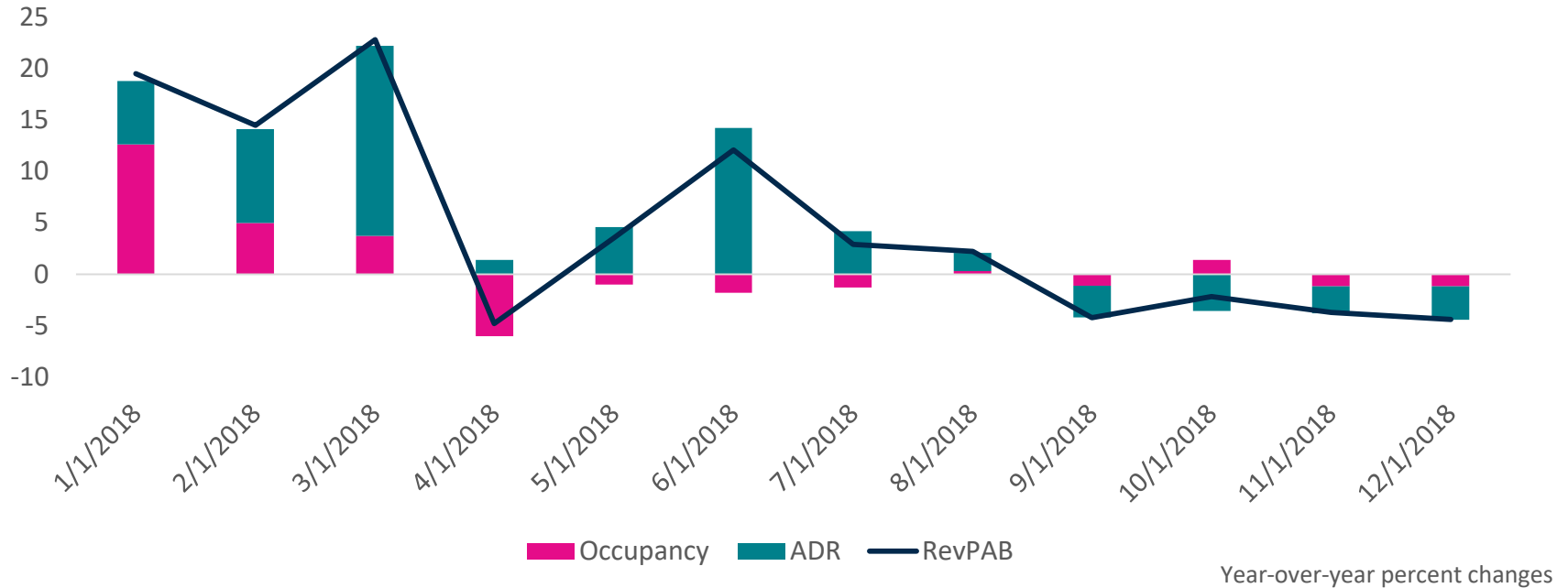


Pricing power remains elusive

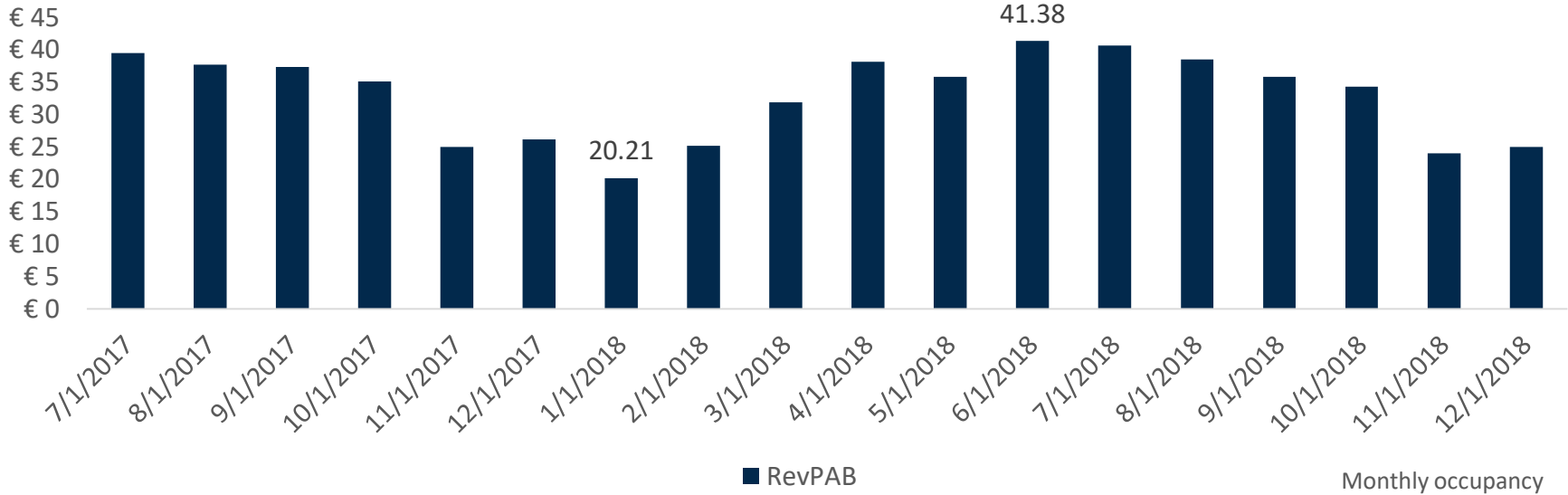
Are hosteliers fully realizing rate amid period of high demand?



RevPAB growth flattening out as well



Strong RevPAB, with some shoulder softness





Year-end results (2016, 2017, 2018)

Amsterdam

	Occupancy	ADR	RevPAB	TrevPAB
2018	83.0%	€39.40	€32.70	€38.82
2018 % change	0.5%	3.3%	3.8%	3.9%

Full Year Amsterdam hostel KPIs

A picture of sustained growth

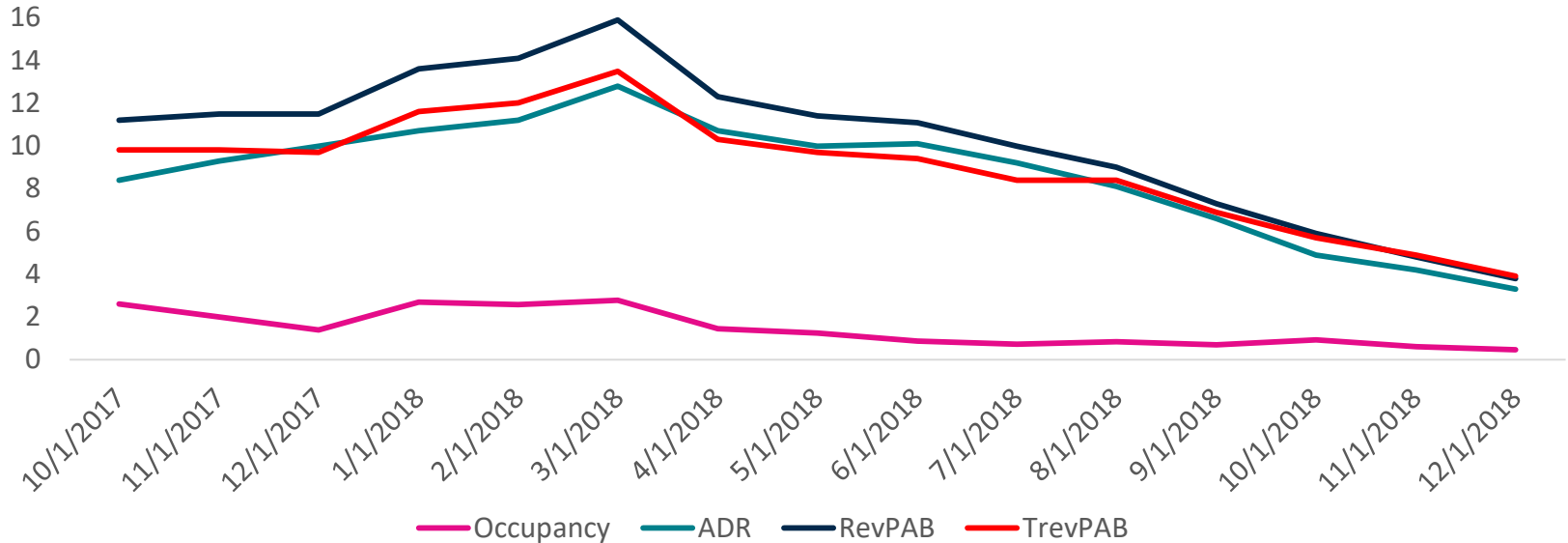
But the rate of growth is decelerating

	Occupancy	ADR	RevPAB	TrevPAB
2016	81.5%	€34.67	€28.26	€34.05
2017	↑ 82.6%	↑ €38.15	↑ €31.52	↑ €37.36
2018	↑ 83.0%	↑ €39.40	↑ €32.70	↑ €38.82
2017 % change	1.4%	10.0%	11.5%	9.7%
2018 % change	0.5%	3.3%	3.8%	3.9%

Full Year Amsterdam hostel KPIs

Growth is decelerating across the board

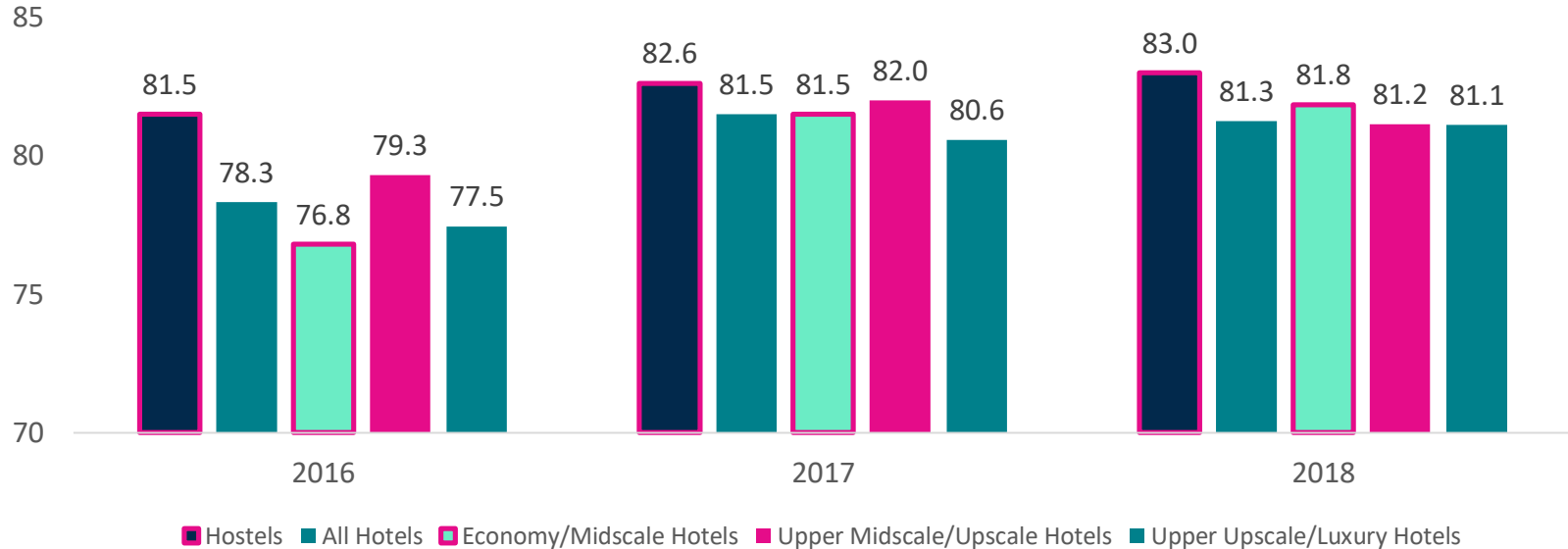
Occupancy, ADR, RevPAB and TrevPAB



12MMA Amsterdam occupancy growth

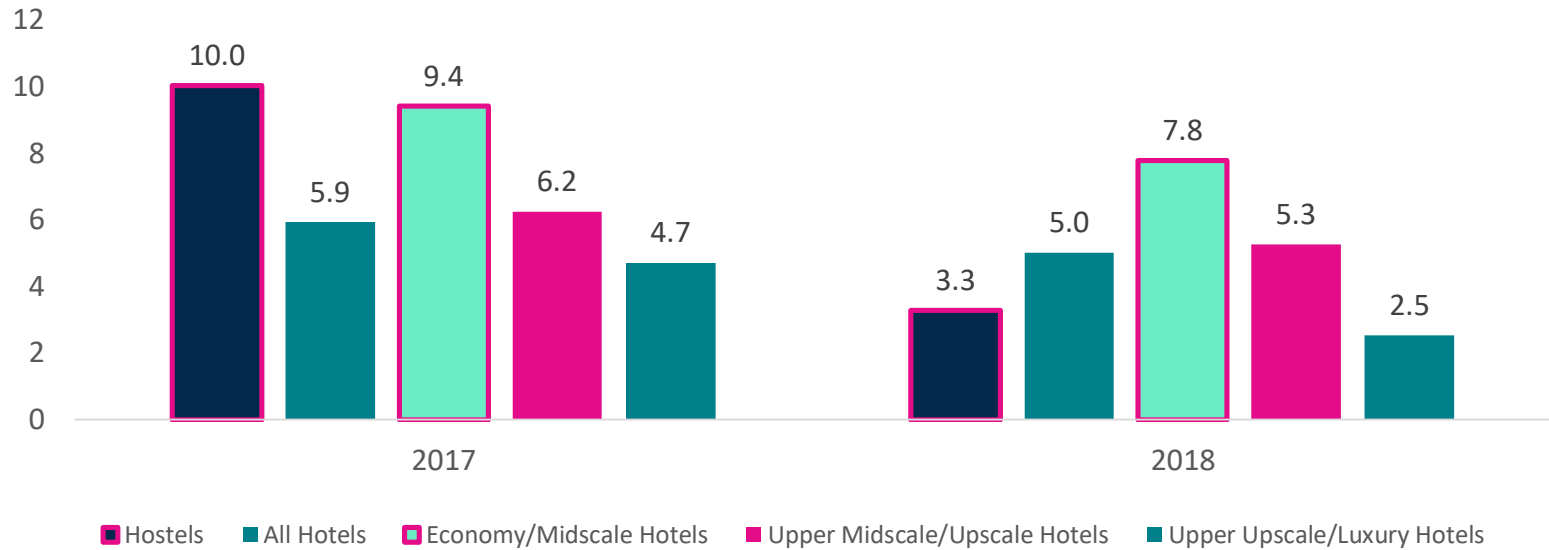


Hostels still have higher occupancy than hotels



Full Year Amsterdam occupancy by accommodation type

ADR growth slowed in 2018



Full Year Amsterdam ADR growth by accommodation type

Takeaways

1. Decreases in London ADR have outweighed any gains made in occupancy.
2. Unprecedented demand in Amsterdam is fueling strong performance.
3. Amsterdam: Hosteliers are nearing capacity in occupancy, which means ADR is the remaining growth vehicle.
4. ADR growth decelerated (or went negative) in both markets during 2018.
5. Fundamentals are strong going into 2019, although various market factors could impede performance.

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Thank you

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