

Webjet Hotel Industry Briefing held at UBS.

3 November 2023

Webjet Limited is pleased to provide the attached Hotel Industry Briefing presentation which was approved by Managing Director, Mr John Guscic, and delivered by Euromonitor International at UBS today.

Authorised for release by the Chair.

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A Global Outlook on Travel and Deep-dive into the Hotel Wholesale Industry

November 2023

Compiled by Euromonitor International



About the Speakers



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Jonathan is the General & Senior Consulting Manager based in Hong Kong, responsible for supervising and direct research of custom projects across various industries. Aside from custom research, Jonathan has presented and moderated events at Travel and Hospitality conferences, ASEAN E E-Tailing Summit, B2B Webinar Forums and other conferences.



Shruti Balachandar

Senior Consultant

Shruti is a Senior Consultant in the Consulting Research team responsible for customized research projects across various industries. Shruti has managed numerous consulting projects covering multiple markets across APAC in a wide array of industries including Travel, Retailing, Consumer Finance and Foodservice.

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The data included in this report is accurate according to Euromonitor International's market research database, at time of publication: November 2023

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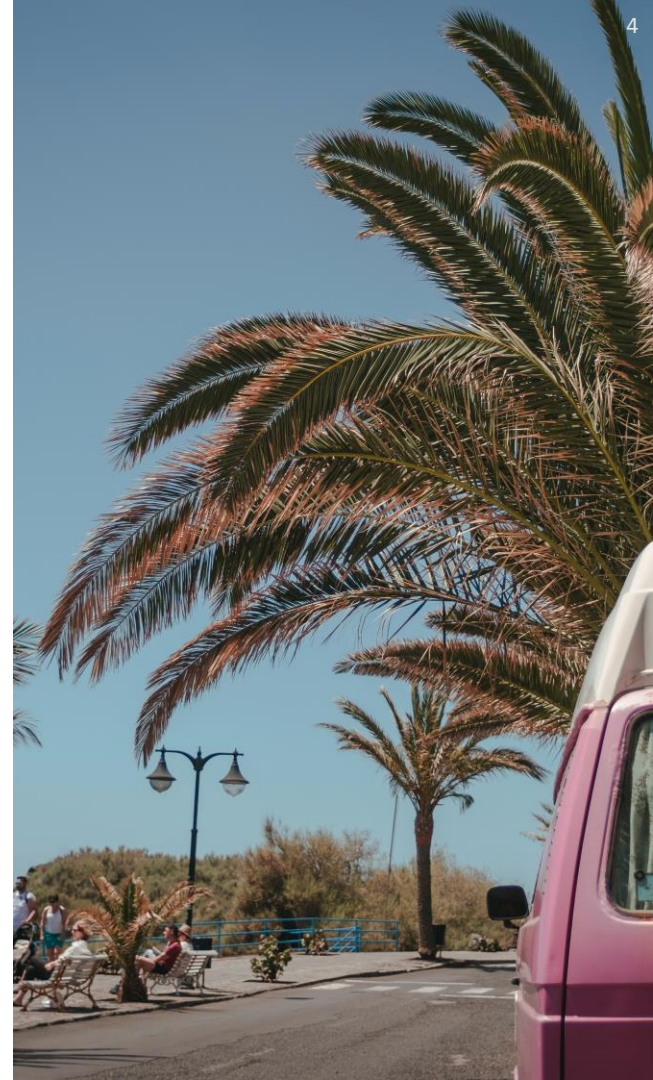
Who is Euromonitor International?

Session 1: Global Travel Outlook

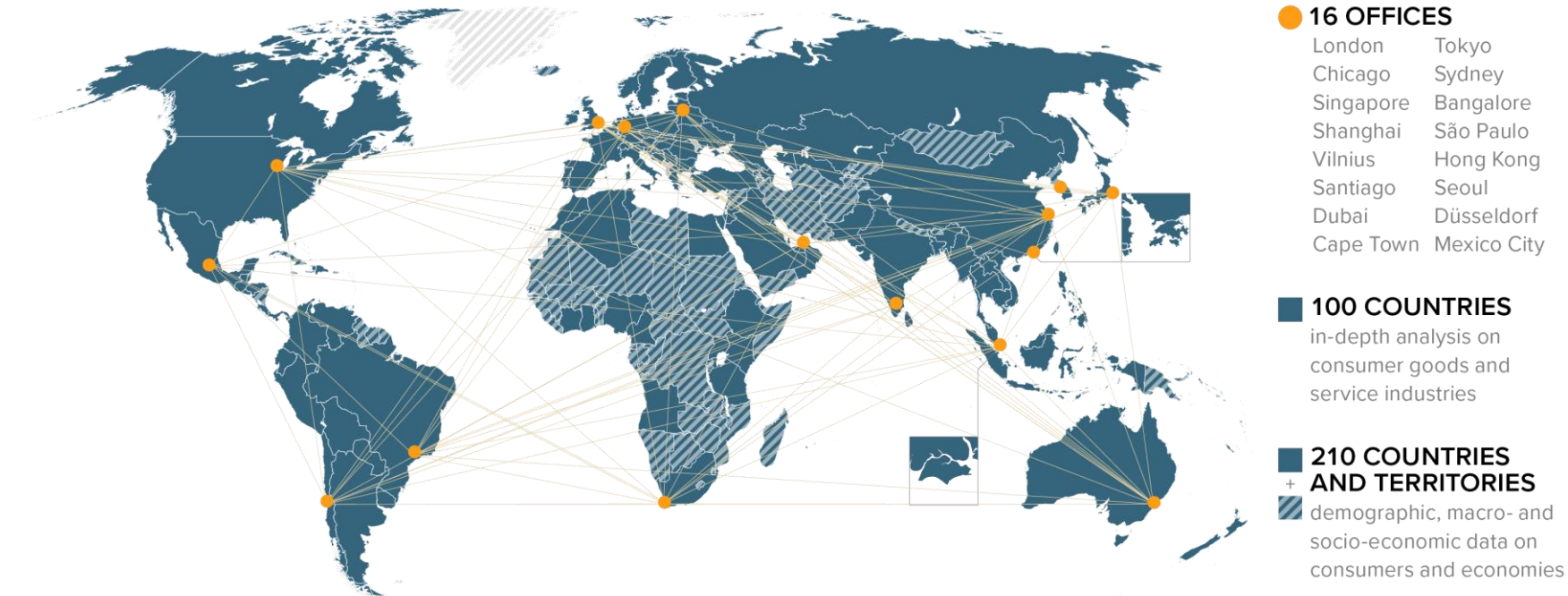
- Global Outlook on Travel
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- Americas: Onwards and Upwards
- Asia Pacific: Slow and Steady Recovery
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- Project Introduction
- Value Chain Introduction
- Global Hotel Wholesale Industry Overview
- Regional Hotel Wholesale Industry Overview
- Outlook of the Hotel Wholesale Market
- Q&A



Euromonitor International's global network and coverage



World's leading independent strategic insights company with large experience in the tourism sector

Strategic global market research

provider with over 40 years
researching international markets

OUR SERVICES

- Syndicated market research
- Consulting

EXPANSIVE NETWORK

- 1,000+ on-the-ground researchers in 100 countries
- Cross-comparable data across every market

OUR EXPERTISE

- Over 30 industry insights
- Full macroeconomic insights
- Consumer behaviour and lifestyles
- Channel distribution strategies
- Product innovation insights

OUR TRAVEL CLIENT PARTNERS



Flexible solutions to be customized according to the clients' business and geographical needs

Euromonitor International Solutions:



SYNDICATED RESEARCH

- Market sizes and forecasts for FMCG, durables and services
- Travel: flows, inbound and outbound travel, travel modes, lodging, in destination spend, booking (online/offline), business travel, sales via direct suppliers and intermediaries



WEB SCRAPED DATA

- Passport: Global SKU database
- Retailer assortment, pricing, promotion, ratings and review counts
- Attributes, claims, labels, ingredients and packaging
- 41 countries updated daily, 39 more updated monthly



CUSTOMIZED INTELLIGENCE

- Customized solutions
- Global consultants with expertise across industries
- Tailored studies to answer nuanced questions
- Present in 125+ countries

ADVISORY SERVICES

- Euromonitor also offers less structured engagements where we work hand in hand with our clients to transfer knowledge and develop plans

Session 1

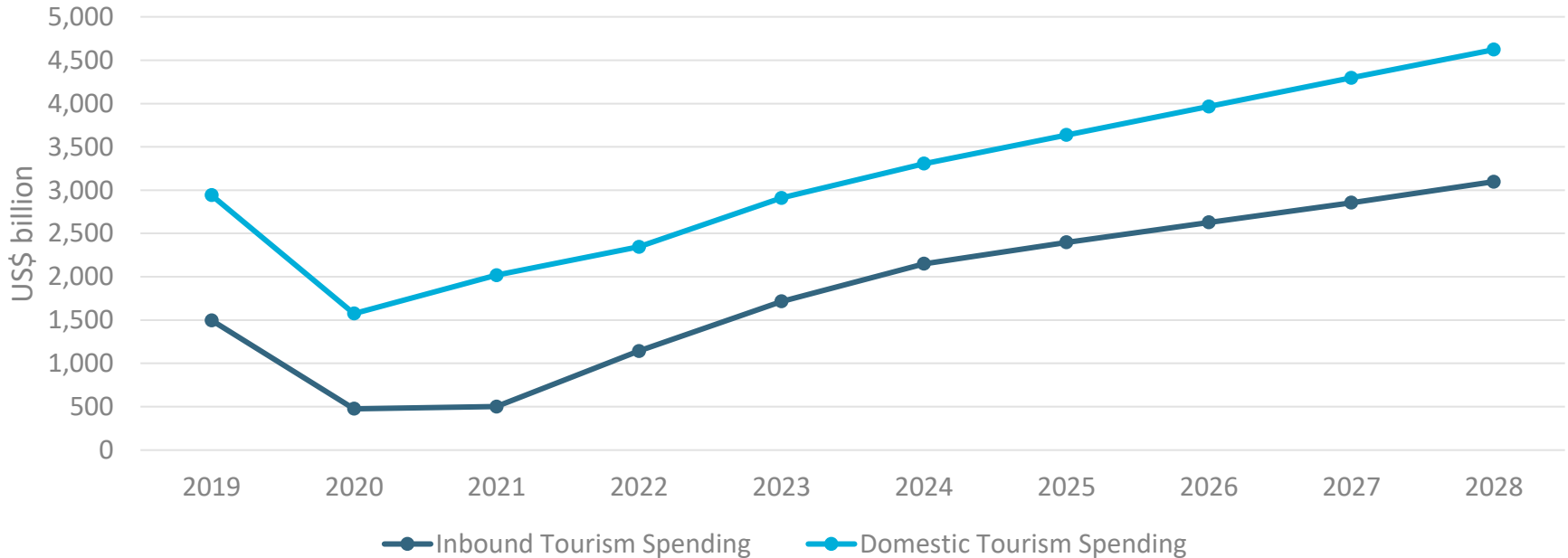
Global Outlook on Travel

Travel is set for accelerated growth

International travel is powering forward, with global inbound arrivals expected to increase 26% by 2028 since the pandemic

Domestic travel powers recovery and growth

Inbound and Domestic Tourism Spending Forecast to 2028



Europe: New Challenges to Overcome

Guided Tours

6.8%



Festivals & Leisure Events

7.9%



Duty-free Shopping

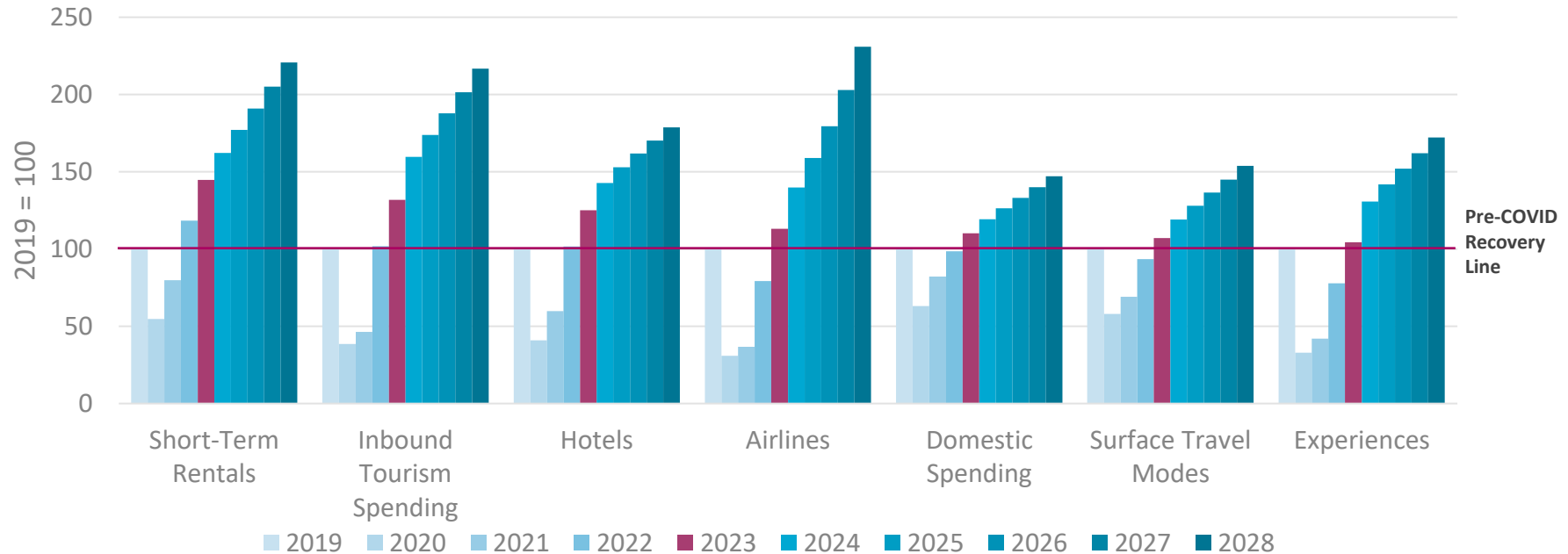
11%



*Fastest growth categories in Europe
2023-2028 % CAGR
Fixed exchange rates, current prices*

War and cost of living crisis cause further pain

Europe Travel and Tourism Forecast Sales Index 2019-2028



Source: Euromonitor International – Passport Travel, 2024 edition (fixed 2023 exchange rates, current prices), published in August 2023

Americas: Onwards and Upwards

Duty-free Shopping

9%



Other Experiences

7%



Medical Tourism

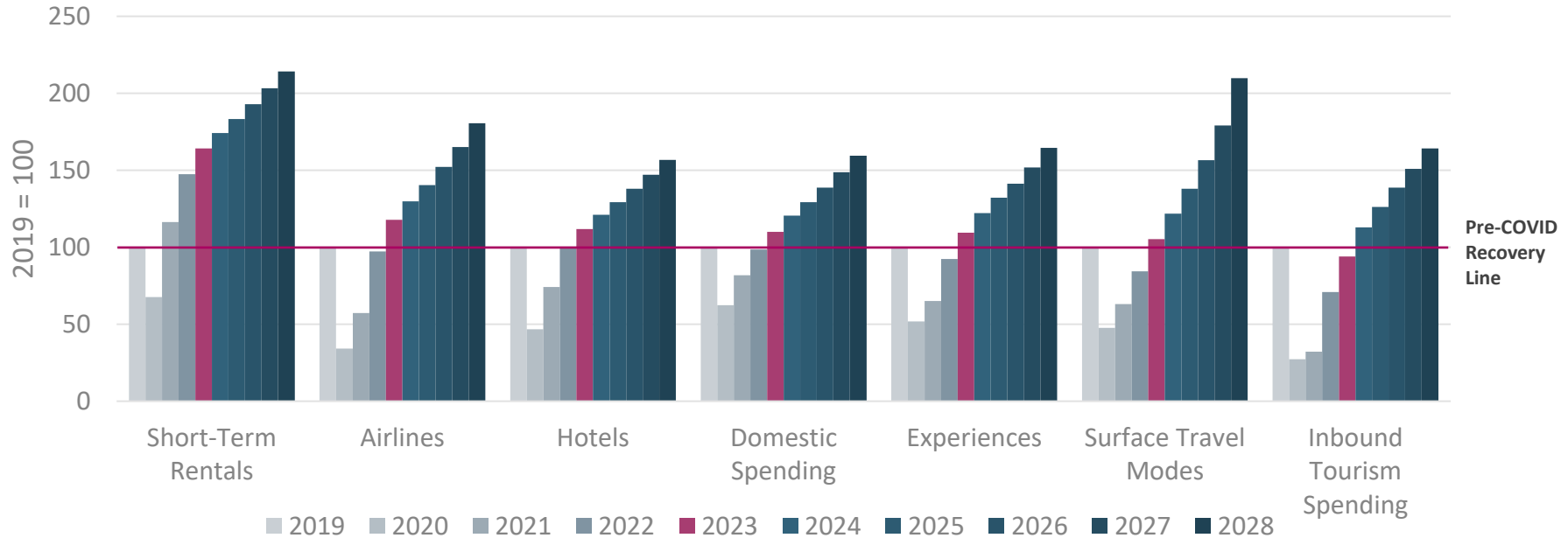
7%



*Fastest growth categories in North America
2023-2028 % CAGR
Fixed exchange rates, constant prices*

Domestic tourism is a major strength

Americas Travel and Tourism Forecast Sales Index 2019-2028



Asia Pacific: Slow and Steady Recovery

Wellness

15%



Theme Parks

14%



Food & Dining

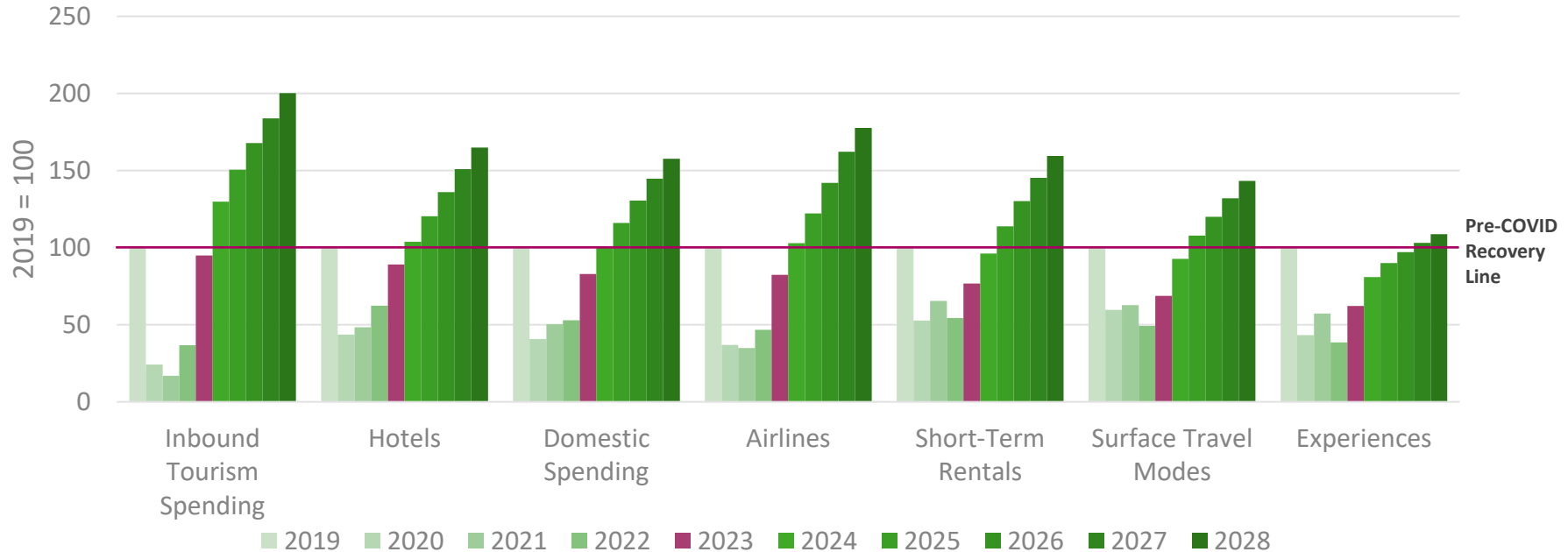
13%



*Fastest growth categories in Asia Pacific
2023-2028 % CAGR
Fixed exchange rate, constant terms*

Cautious approach to reopening delays recovery

Asia Pacific Travel and Tourism Forecast Sales Index 2019-2028



Key Takeaways



Cautiously optimistic



Threats ahead

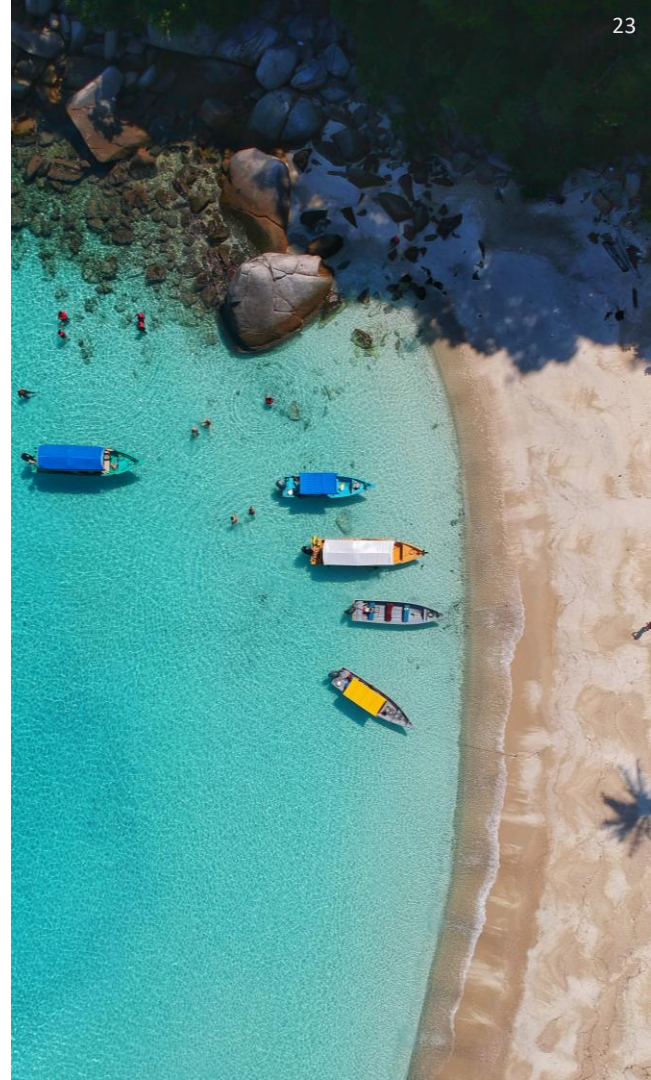
Session 2

Hotel Wholesale Industry Overview

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Session 2: Hotel Wholesale Industry Overview

- Project Introduction
- Value Chain Introduction
- Global Hotel Wholesale Industry Overview
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- Outlook of the Hotel Wholesale Market
- Q&A



Project Introduction

Research scope

Research Objectives

- ✓ Assess the **market dynamics** for the hotel retail and wholesale industry
- ✓ Review the global **hotel value chain**
- ✓ Validate market trends, **drivers and constraints**
- ✓ Establish the **market size** for hotel room retail and wholesale industry

Project Scope

Systematic review of the hotel wholesale market

- Assess the market dynamics for the hotel retail and wholesale industry
- Provide **investor education** on the **general market construct** and dynamics of the hotel **wholesale value chain**.

Market size analysis of hotel wholesale and retail markets

- Establish the **market size for B2B** hotel room retail via hotel direct and hotel via intermediaries and wholesale market.
- Highlight **market trends, drivers and constraints** of the industry.

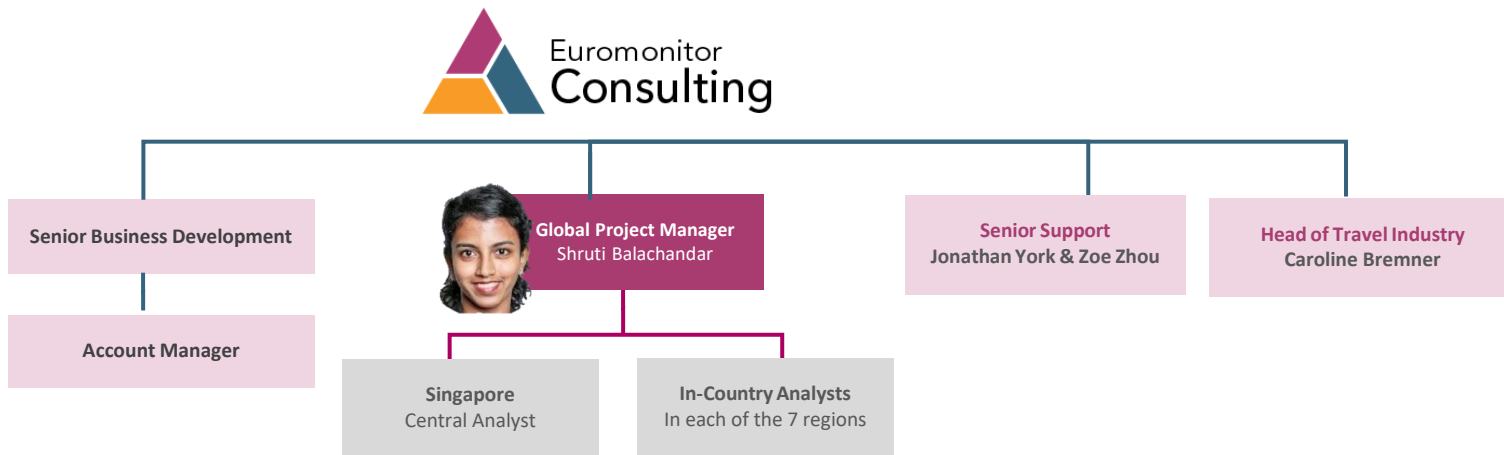
Key players profiling

- Profile of 5 **prominent global hotel wholesalers** within the hotel wholesale market including general background, company financials, portfolio and key service offering and observable marketing and branding activities.

Research methodology



Dedicated project team



Timeline



Review of the Regional Hotel and Hotel Wholesale Market
Market data by region

Region	Market Size (2017)	Market Size (2018)	Market Size (2019)	Market Size (2020)	Market Size (2021)	Market Size (2022)	Market Size (2023)	Market Size (2024)	Market Size (2025)
North America	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567
Europe	987,654	987,654	987,654	987,654	987,654	987,654	987,654	987,654	987,654
Asia Pacific	765,432	765,432	765,432	765,432	765,432	765,432	765,432	765,432	765,432
Latin America	543,210	543,210	543,210	543,210	543,210	543,210	543,210	543,210	543,210
Middle East	321,098	321,098	321,098	321,098	321,098	321,098	321,098	321,098	321,098
Africa	109,876	109,876	109,876	109,876	109,876	109,876	109,876	109,876	109,876

Regional Hotel Overview
Final Report

Global Outlook on Travel and Deep-dive into Hotel Wholesale Industry
November 2023
Jonathan York

Session 2
Review of the Global Hotel Wholesale Industry

Definitions



Hotel Wholesalers : Hotel wholesalers generally sit between **travel agents and travel suppliers** (i.e. hotels) to act as a middleman, **sourcing and acquiring products** (rooms, rates, packages) in bulk before selling them on to **various clients** (e.g. travel agents, OTAs, tour operators, airlines etc.) through which, the end-consumer (i.e., **hotel guests**) can access them.

Hotel Wholesalers Value Sales: refers to the selling price of hotel rooms from hotel wholesalers to intermediaries.



Hotel Guest Bookings Via Direct Channels: Covers spending by **inbound and domestic travelers**, providing a **destination point of view** (also known as point of supply). Hotel direct refers to both (1) **online bookings** (regardless if the payment is made at the time of making the reservation or at the hotel upon check out) made through a hotel **company's own website**; and (2) **offline bookings**, i.e. transactions that are **not booked or paid for over the Internet**. The main offline channels include sales made **face to face** as well as booking and payment of rooms over the phone or **call center**.



Hotel Guest Bookings Via Online Intermediaries: Covers spending by **inbound and domestic travelers**, providing a **destination point of view** (also known as point of supply). Hotel online via intermediaries includes all **third parties with online travel sales**, such as travel agents, tour operators and other travel companies selling hotels over the web.

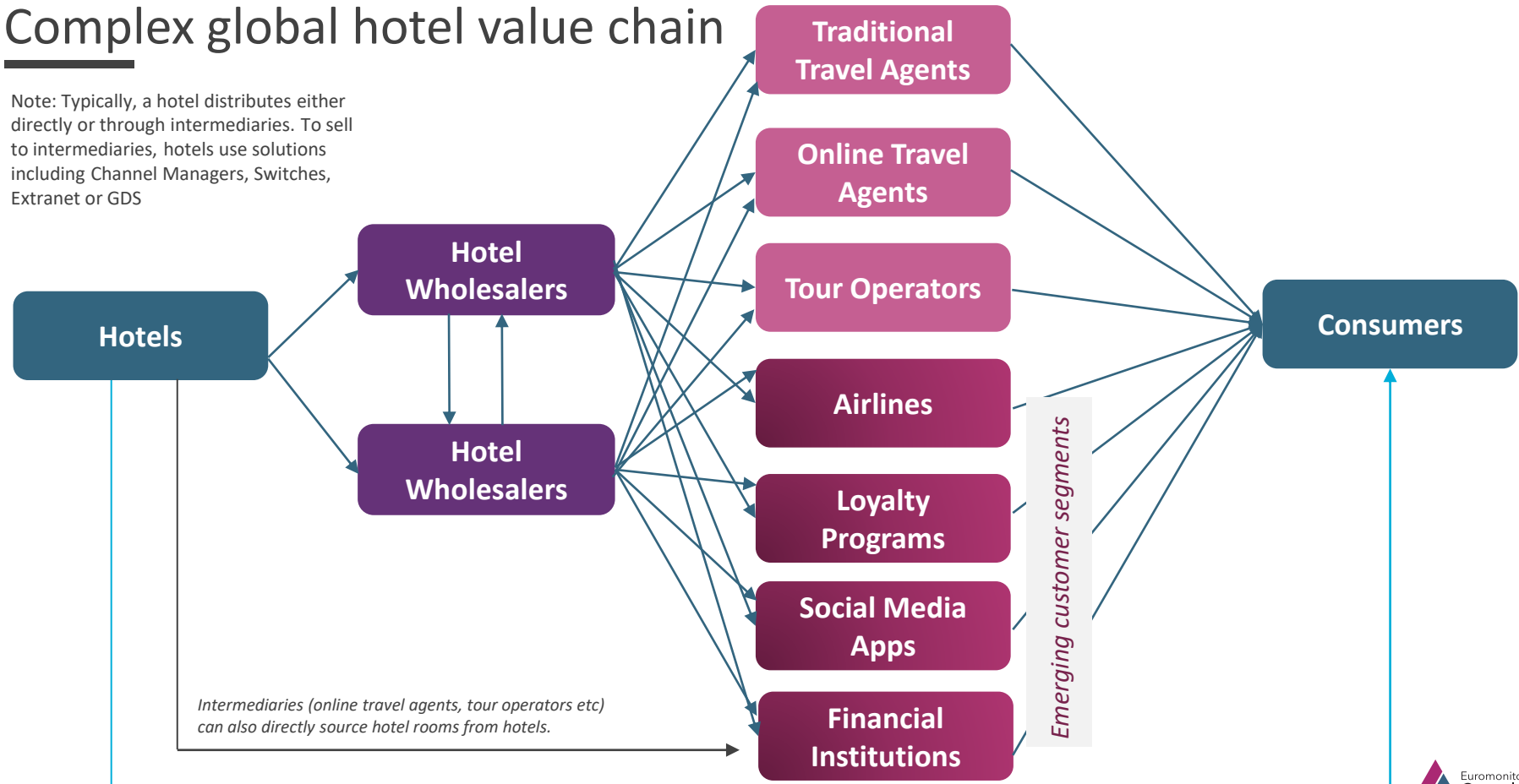


Hotel Guest Bookings Via Offline Intermediaries: Covers spending by inbound and domestic travelers, providing a destination point of view (also known as point of supply). Offline hotel sales via intermediaries cover all transactions that are **not booked or paid for over the Internet**. The main offline channels include sales made **face to face through third parties** as well as booking and payment of rooms over the phone or **call center via an intermediary**.

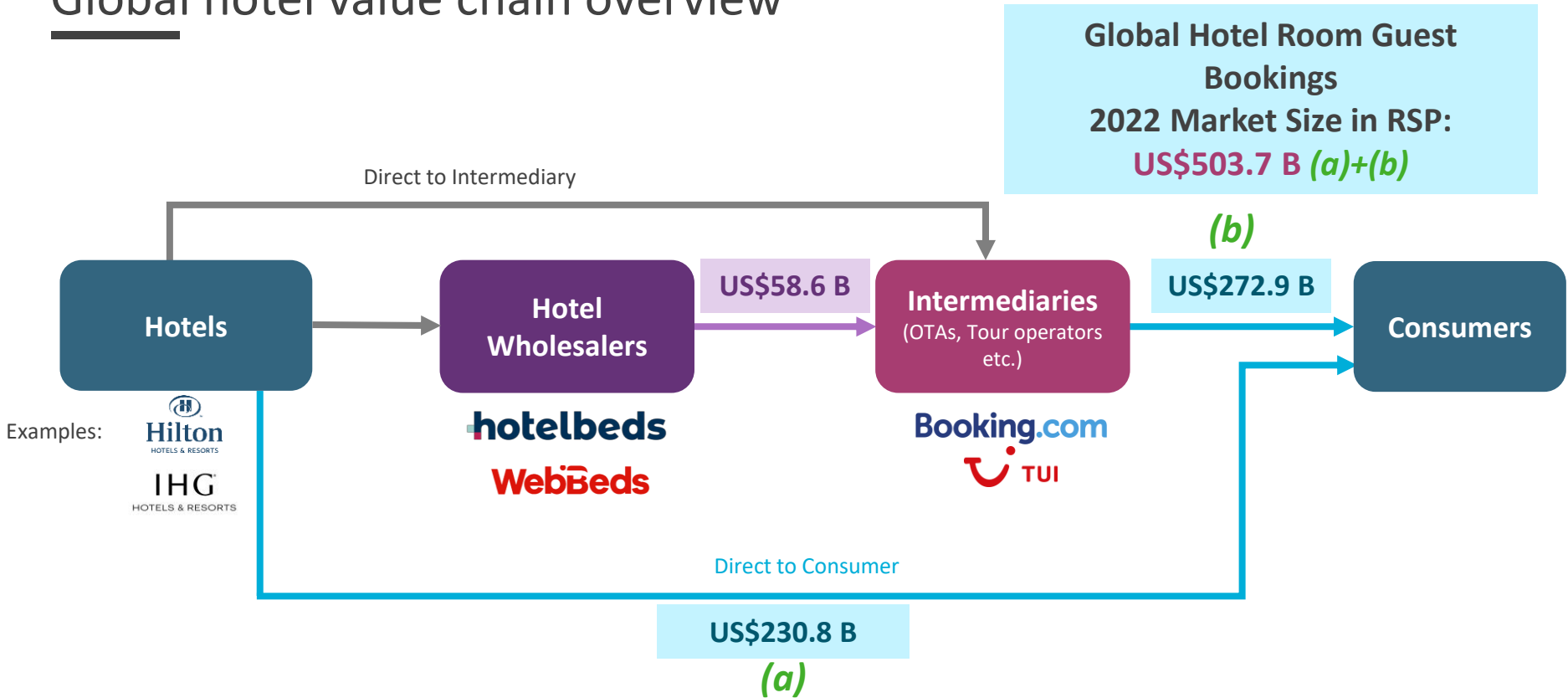
Value Chain Introduction

Complex global hotel value chain

Note: Typically, a hotel distributes either directly or through intermediaries. To sell to intermediaries, hotels use solutions including Channel Managers, Switches, Extranet or GDS



Global hotel value chain overview



Note₁: Names of leading players shown for illustration purposes only. Total room booking is in retail selling price (RSP); Wholesale market size is in wholesale value terms.

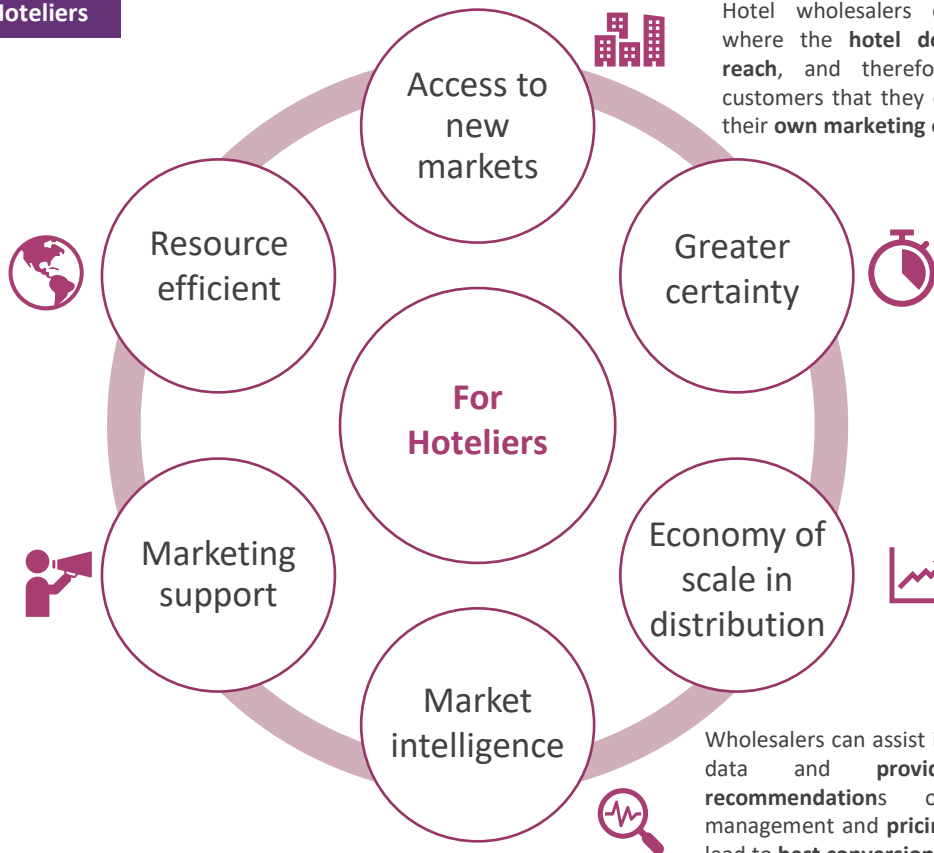
Note₂: This is a simplified version of the value chain, global hotel value chain is still complex. Typically, a hotel distributes either directly or through intermediaries. To sell to intermediaries, hotels use solutions including Channel Managers, Switches, Extranet or GDS.

Hotel wholesalers ensure global reach and greater certainty

Benefits of hotel wholesalers – Hoteliers

Wholesalers can **assign an account manager (AM)** for the **market/destination** that a hotel is keen in. The AM helps to manage **market demand throughout the year**. So, hoteliers can leverage the **expertise of the AM** to increase **hotel's visibility**.

Wholesalers act as an **extended marketing arm** for the hotels and **undertake campaigns**, such as placement on their **HTML sites, EDMs** to their **customer databases** sharing the details of the properties, etc



Hotel wholesalers **operate in markets** where the **hotel does not have direct reach**, and therefore can bring them customers that they **cannot reach** through their **own marketing efforts**.

Hotel wholesalers provides **longer lead time, higher booking values and lower cancellations compared to OTAs**. Engaging a wholesaler helps hoteliers **plan better** for **occupancy, pricing, and manpower** and provides **greater certainty**.

With wholesalers, hoteliers can access **multiple distribution channels** (e.g. blue chip MNC companies, airlines, loyalty schemes) in a **cost-effective manner**.

Wholesalers can assist in **analyzing past pricing data** and **provide hoteliers** with **recommendations on room inventory management and pricing strategies** that would lead to **best conversion rates**.

One-stop shop for all of intermediaries' needs

Benefits of hotel wholesalers – Intermediaries

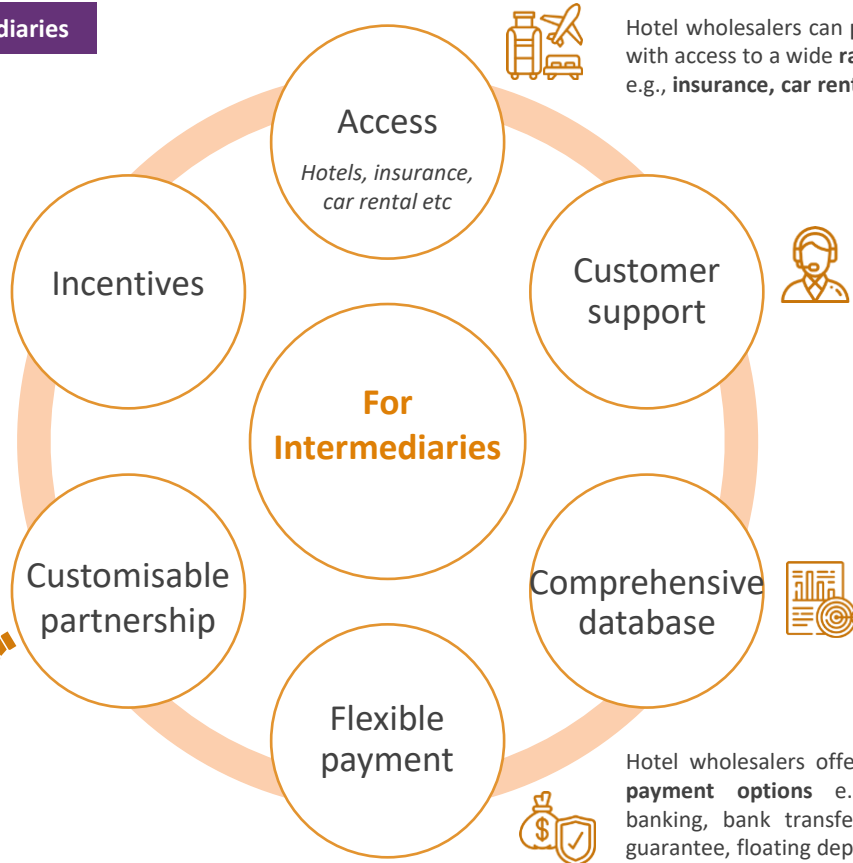
Hotel wholesalers offer **reward points based on tiers** to intermediaries who **perform well** (e.g., Expedia Partner solutions' standard, silver, gold tier etc.) This **incentivizes intermediaries** to drive **more business**. The relationship becomes **mutually beneficial, fostering growth** for both parties.



Hotel wholesalers offer **customizable partnership arrangements** for the key intermediaries they work with. So, **intermediaries can negotiate** for items that best suit their **current needs** (e.g., negotiating mandatory breakfast or securing a room on a higher floor etc.)



Source: Euromonitor International



Hotel wholesalers can **provide intermediaries** with access to a wide **range of travel products** e.g., **insurance, car rental, attractions** etc



Intermediaries **do not need to have a large customer service team** to deal with **different hotel groups** (contracting, day-to-day operations etc.) and can **engage a wholesaler** for customer **support**.

Hotel wholesalers can provide **accurate and comprehensive database** of hotel rooms, including **images, amenities, and locations**. This is especially **useful for intermediaries** such as **financial institutions, airlines** who seek **low error rates**.



Hotel wholesalers offer a **variety of flexible payment options** e.g., credit card, net banking, bank transfer, cash deposit, bank guarantee, floating deposits etc.



Global Hotel Wholesale Industry Overview

Global Hotel Industry

Global Hotel Industry



Note: 2022 Global Hotel Guest booking via **hotel direct** = US\$230.8B and CAGR 2023-2027F: 7.3%

Key Customers of Wholesalers	Emerging Customer Segments of Wholesalers	
Online Travel Agencies	Airlines	Superapps
Other Wholesalers	Financial Institutions	Social Media Apps
Tour Operators	Corporate Travel	Loyalty Schemes
Traditional Travel Agents		

Source: Euromonitor International

Global Hotel Wholesale Industry



Leading Global Hotel Wholesalers

hotelbeds

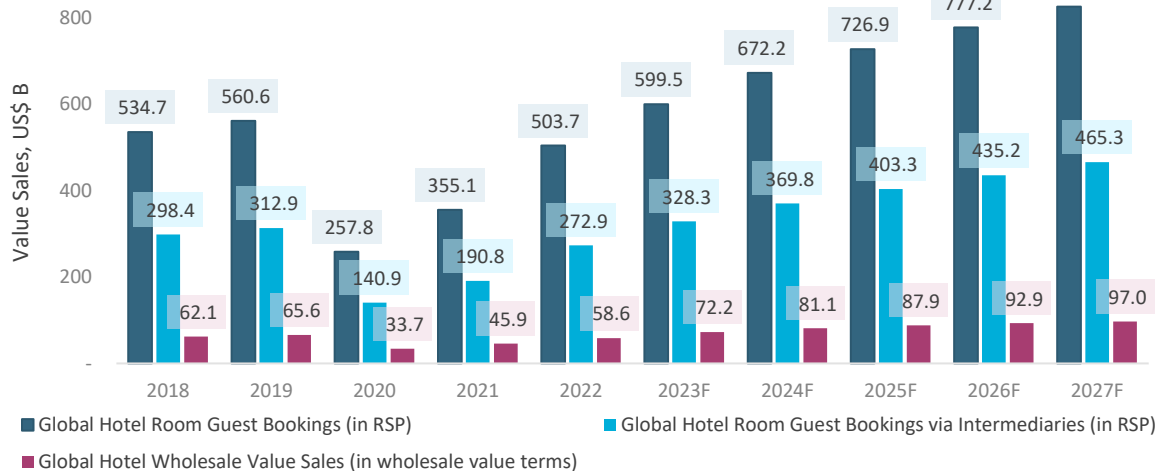
WebBeds

expedia group
partner solutions

priceline
partner solutions

Full global recovery from the Covid-19 pandemic is expected by 2023, with MEA, LATAM, emerging while APAC, North America and Europe drive wholesale value sales

Global Hotel Room Guest Bookings, Bookings via Intermediaries and Bookings via Wholesalers, 2018-2027F



US\$ 503.7 B

Global Hotel Room Guest Bookings, 2022

54.2%

% of Global Hotel Room Guest Bookings via intermediaries, 2022

Regional Hotel Wholesale Market, CAGR 2018-2027F

Region	Global	Middle East & Africa	Latin America	Eastern Europe	Asia Pacific	Australasia	Western Europe	North America
2018-2022 CAGR	-1.4%	-3.0%	1.1%	-5.2%	-5.4%	-8.5%	1.3%	0.6%
2023F-2027F CAGR	7.7%	11.5%	9.7%	8.6%	8.5%	7.3%	7.2%	5.6%

US\$ 58.6 B

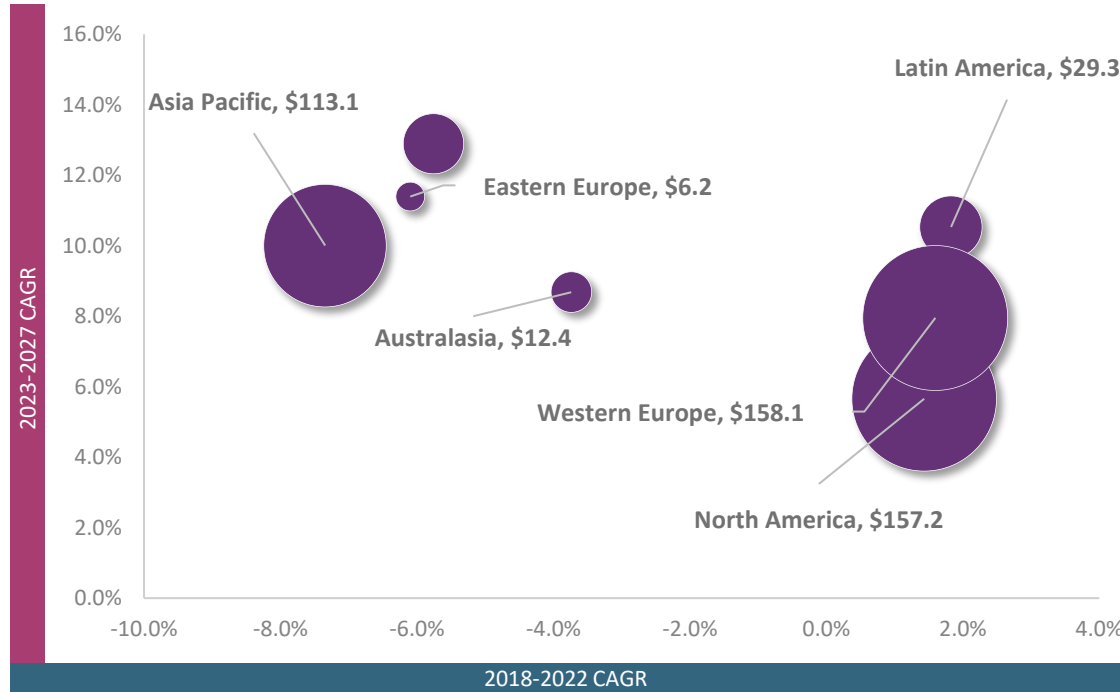
Global Hotel Wholesale Value Sales, 2022

Source: Euromonitor International

North America, APAC and Western Europe are the biggest regions for hotel guest bookings while Middle East and Africa will be growing fast over the forecast period

Global Hotel Room Guest Bookings, US\$ B

Note: Bubble represent 2022 market size (US\$ B)



US\$503.7 B

Global Hotel Room Guest Bookings, 2022

APAC: Investment in **tourism infrastructure** and **fast-growing disposable income** will drive the growth of the region.

North America: **Domestic travel** and **long summer holidays** propelled growth of hotel guest bookings in **2022**. Over forecast period, **growth of leisure travel, business travel, loyalty programs and large-scale events** (e.g., FIFA world cup 2026) will be key growth drivers.

Western Europe: Most European countries **reopened their domestic borders** after 3 months of its lockdown in March 2020, fueling **intra-Europe travel**.

Business and leisure tourism and **major events** remain a **key catalyst** (e.g., Oktoberfest)

Middle East and Africa: Investment in tourism (\$6 trillion), expansion of Grand Mosque's capacity for **religious pilgrims, corporate events, leisure, business travel** and **medical tourism** will be key drivers for the growth of travel in the region.

Source: Euromonitor International

North America, Western Europe and APAC present great opportunities due to sizeable markets while emerging Middle East & Africa, Latin America are experiencing rapid growth

Global Hotel Wholesale Market Size (wholesale value terms, US\$ B)

Note: Bubble represent 2022 market size. Global hotel wholesale = US\$58.6 B in 2022



Source: Euromonitor International

Regional Hotel Wholesale Industry Overview



North America

bleisure
mice destination
loyalty scheme

sport event
financial institution

point redemption scheme

entertainment

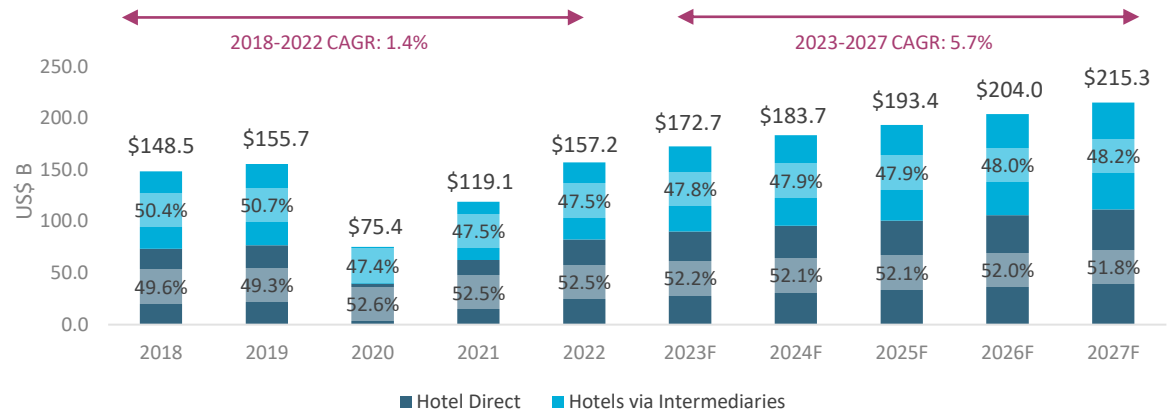
157.2 B

2022 Hotel Room Guest Bookings, US\$

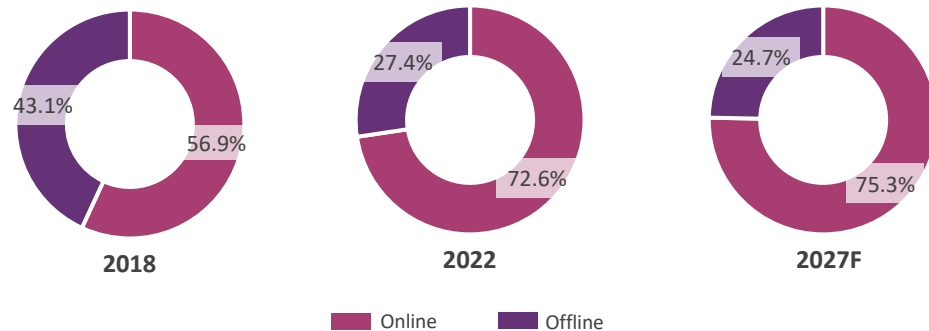
16.2 B

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

Hotel Room Guest Bookings, North America, 2018-2027F



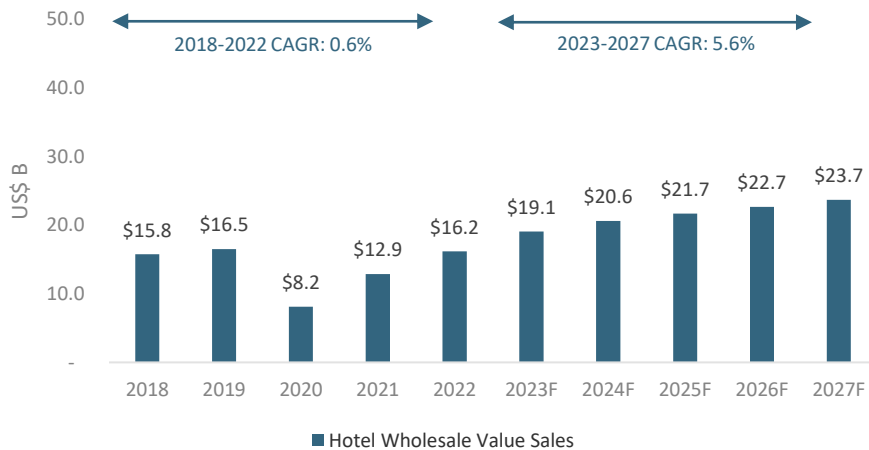
Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



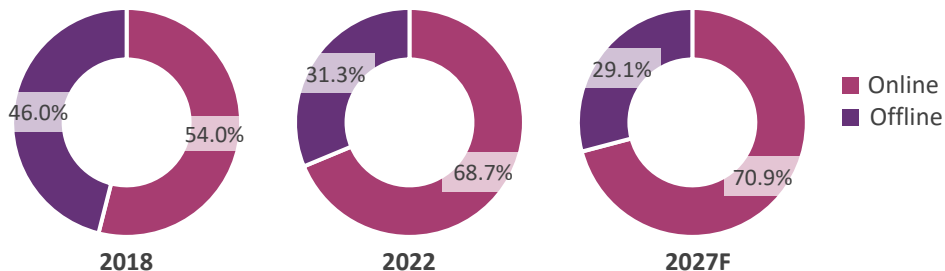
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)
 Note: Bleisure is a combination of travel that involves business and leisure. MICE = Meetings, Incentives, Conventions and Exhibitions

The increasing demand for business and leisure travel coupled with emergence of airlines and financial institutions provide new customer segments for wholesalers

Hotel Wholesale Value Sales, North America, 2018-2027F



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices

Note: Bleisure is a combination of travel that involves business and leisure. MICE = Meetings, Incentives, Conventions and Exhibitions

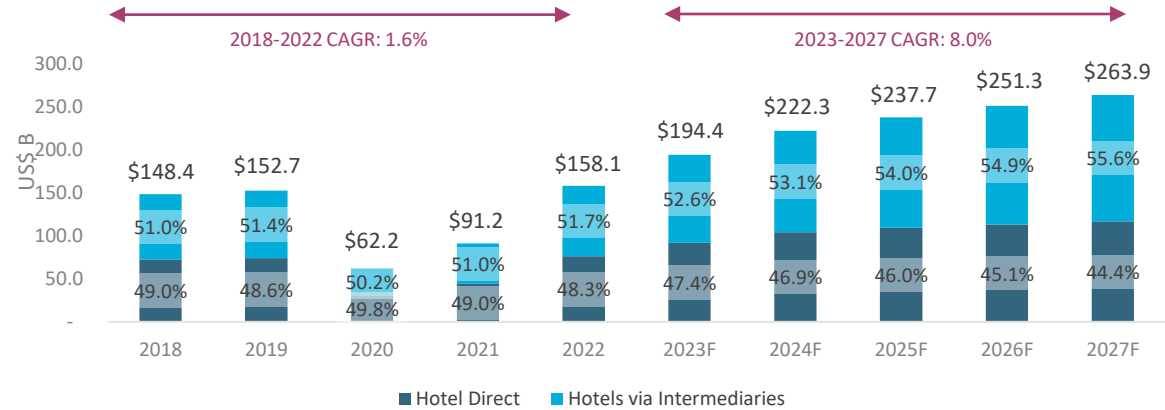
Hotel Wholesale Overview

- The **US government's** support in **promoting US** as a travel destination through **marketing** and **reducing barriers of entry** for travelers as well as **increasing demand for business and leisure travel** is expected to fuel wholesale CAGR growth of **5.6%** over **forecast** period.
- The region has **few successful OTAs** besides the **prominent ones e.g., Booking.com and Expedia**. Hence, there would be **less competition between wholesalers and OTAs**.
- Hotel wholesalers are diversified, ranging from global-scale wholesalers (**WebBeds**), to luxury wholesalers (**Bonotel Exclusive Travel**).

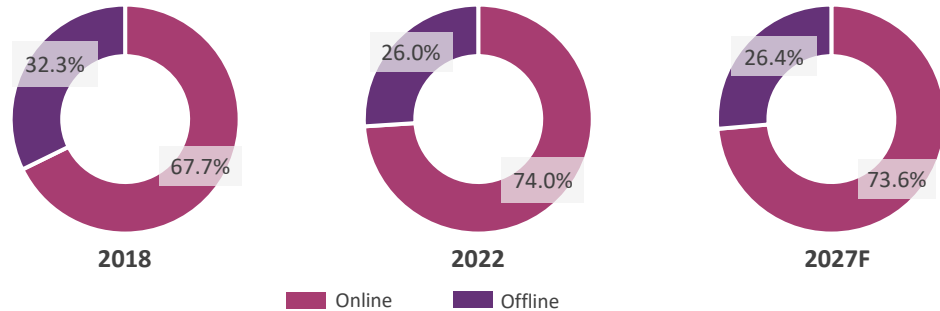
Opportunities of the Hotel Wholesale Industry

- More **airlines** (e.g., SIA) and **financial institutions** (e.g., JP Morgan chase) are entering the travel industry in recent years, making them **potential wholesale customers**.
- **Nationwide, international events** are **returning post-covid**, attracting both **local and international** travelers.
- Over the **forecast period**, the **shift to online** provides opportunities for global wholesalers with robust technology to **serve airlines, digital banks, and online loyalty schemes** while still **playing a key role with offline travel agents**.

Hotel Room Guest Bookings, Western Europe, 2018-2027F



Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

Note: Bleisure is a combination of travel that involves business and leisure.



Western Europe

intra europe
 sport event
 group tour
 bleisure
 ski resort
royal family event

158.1 B

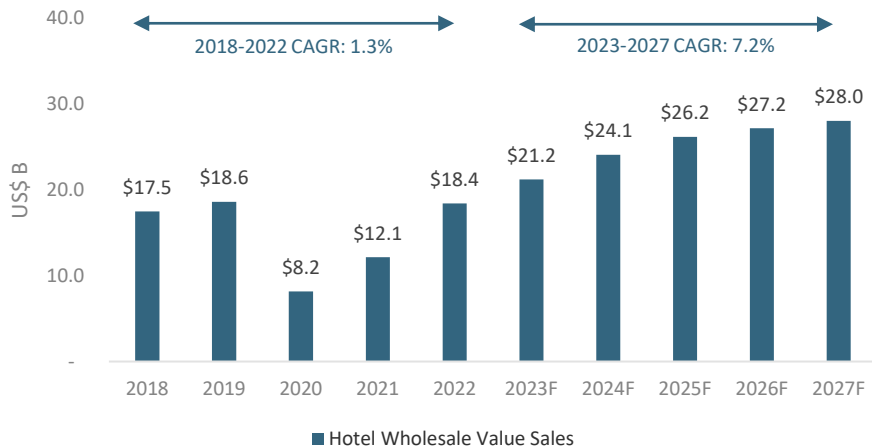
2022 Hotel Room Guest Bookings, US\$

18.4 B

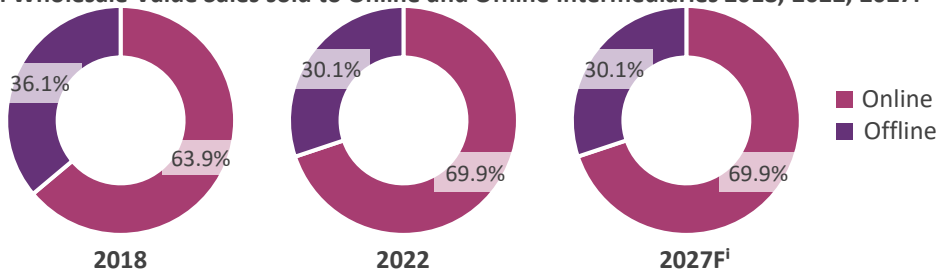
2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

Group travel and tours are a mainstay in Western Europe, providing opportunities for wholesalers to offer hotel rooms bundled with tours

Hotel Wholesale Value Sales, Western Europe, 2018-2027F



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Note:ⁱOffline booking via wholesalers continue to hold shares. Hence, online/offline proportion is same for 2022 vs 2027F at 69.9% (offline) and 30.1% (online) due to prominence of offline travel intermediaries like tour operators, travel agents working with independent hotels in Western Europe.

Hotel Wholesale Overview

- With a **variety of attractive destinations** and **independent hotels**, the region should be a **continued focus** for global **hotel wholesalers**.
- Wholesalers continue to grow in value sales as more inbound travelers, particularly from **emerging APAC markets** such as China and India, gain **increasing disposable income** and spend on **long haul travel**.

Opportunities of the Hotel Wholesale Industry

- **Significant investments** are being made in improving **conference facilities** (e.g., Italy). The **rise of travel consortia** and cooperatives in the region is a **potential key segment**.
- **Growing consumer demand** for **glamping** in nature settings and **boutique/designer hotels** will increase. Hence, **wholesalers** who offer **boutique hotels** in **varying price ranges**, **packaged with ancillary products** could **compete effectively** in the region.
- Wholesalers can serve **emerging** customers such as **airlines**, **loyalty schemes** while still **playing an essential role** among **offline tour operators** for **planning complex trips** (e.g., long-haul, trips to non-English speaking countries).



Asia Pacific

cultural experience

chinese traveller
bleisure travel

destination market
wellness retreat

mice destination

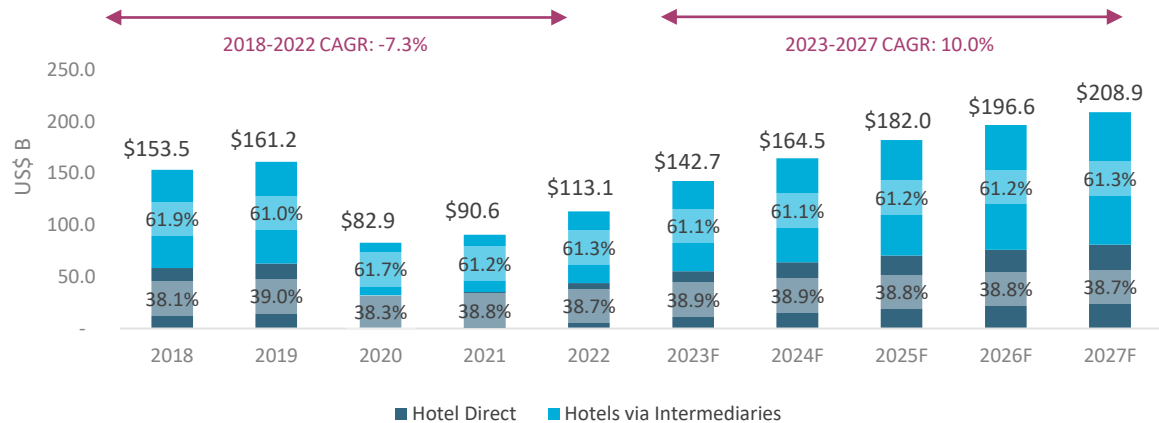
113.1 B

2022 Hotel Room Guest Bookings, US\$

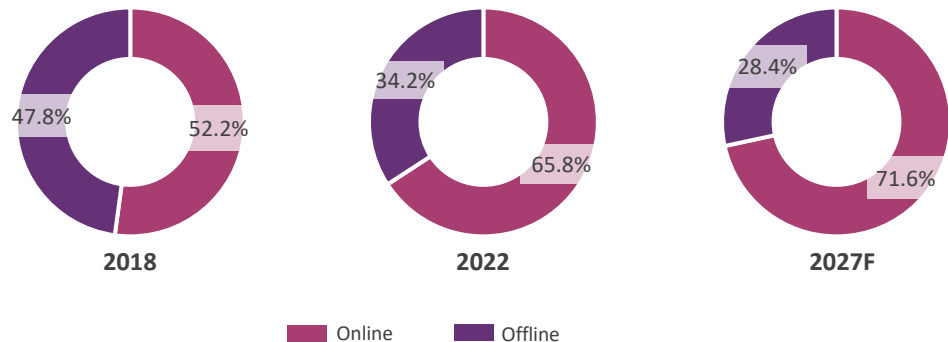
14.5 B

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

Hotel Room Guest Bookings, Asia Pacific, 2018-2027F

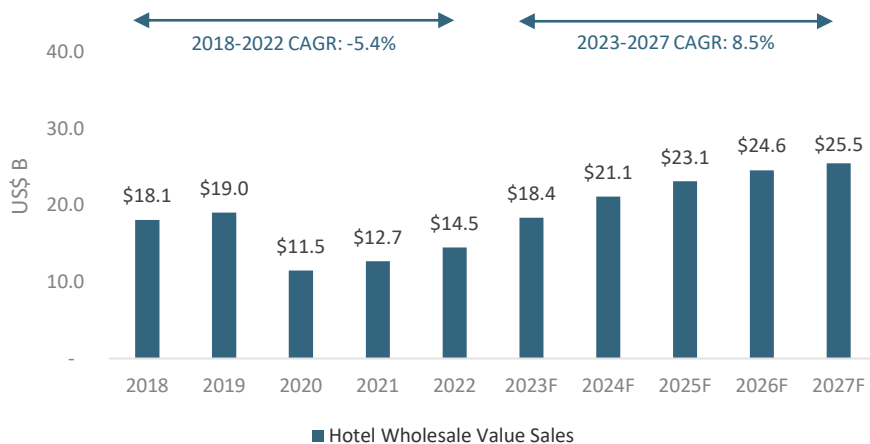


Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F

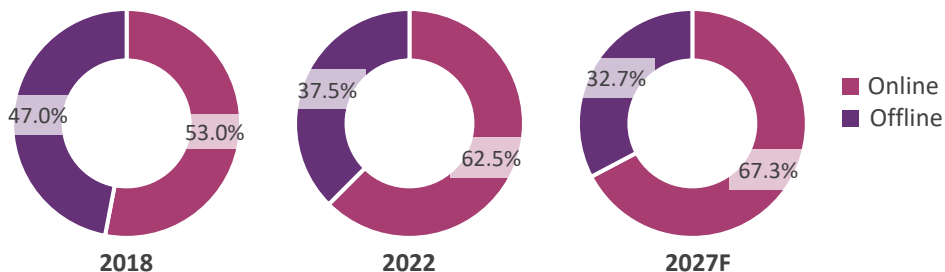


Affordable travel and wide range of experiential activities offered in APAC make it one of the most attractive regions globally for wholesalers to tap into

Hotel Wholesale Value Sales, Asia Pacific, 2018-2027F



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices

Hotel Wholesale Overview

- Wholesalers can cater to the **rising demand** for travel products in APAC by focusing on **direct contracting** with hotels for **best rates** and **upselling hotels** with **packages** (attractions, culture and experiences).
- The pandemic has caused smaller, **domestic wholesalers** (e.g., Mengtu Travel, Chiyu travel) to **exit the market**.
- Provides opportunities** for **global wholesalers** with **strong technology** and **direct contracting capabilities** to gain **foothold** in the region.

Opportunities of the Hotel Wholesale Industry

- Specifically for APAC, wholesalers that can offer travel buyers with unique, diversified ancillary products** (e.g., attractions, experiences, tour packages) will **thrive**. This is due to growing **demand** for culture, **attractions, immersive experiences** and **sustainable travel** among **long-haul North American and European travelers visiting APAC**.
- As **bookings shift to online**, partnering with online **social media applications, airlines, loyalty schemes** would provide wholesalers with **new opportunities to grow**.
- Business travel, specifically MICE** is a **potential customer segment** for wholesalers.



Latin America

ecotourism
authentic experience

local culture

sustainable tourism
heritage tour

adventure tourism

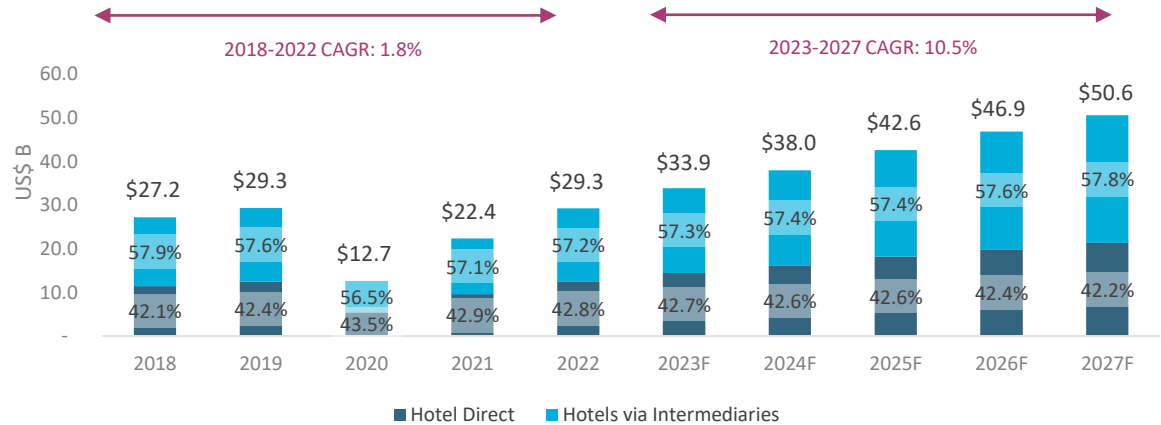
29.3 B

2022 Hotel Room Guest Bookings, US\$

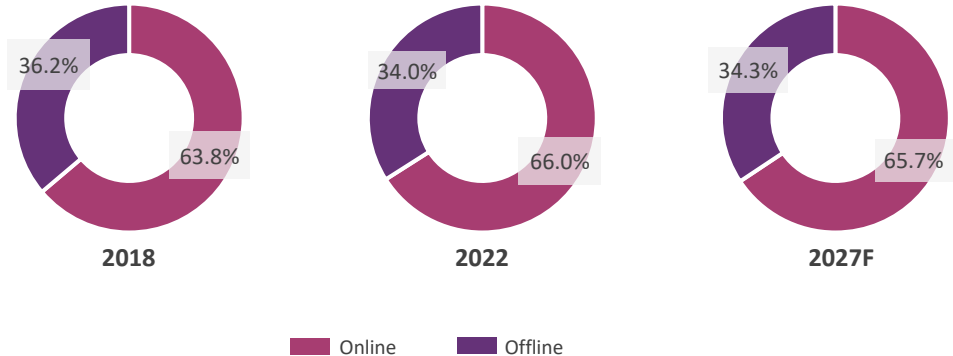
3.5 B

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

Hotel Room Guest Bookings, Latin America, 2018-2027F



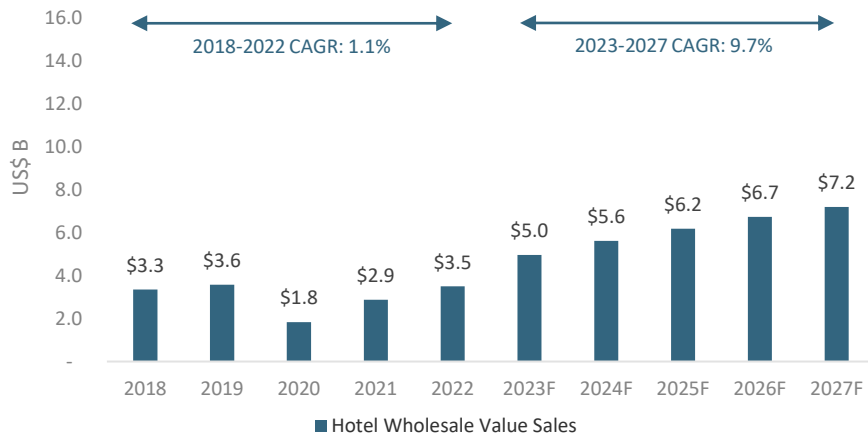
Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



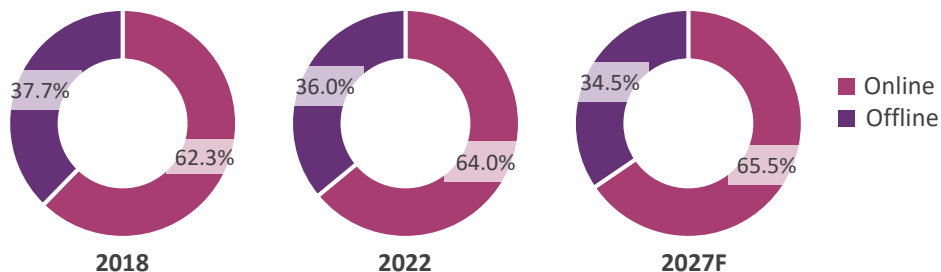
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

Strong growth and development of players along the value chain provide opportunities for wholesalers to expand in the region, but currency fluctuations should be considered

Hotel Wholesale Value Sales, Latin America, 2018-2027F



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices

Hotel Wholesale Overview

- Over the forecast period, **fast growing** countries such as Mexico and Brazil would drive the growth of the region driven by **eco-tourism, glamping and “Bleisure” travel**.
- Wholesalers** will continue to be a **key player** connecting **independent boutique hotels** to a **global consumer base**.

Opportunities of the Hotel Wholesale Industry

- With the emergence of Latin America as an **attractive destination** for international travelers, global hotel chains such as **Hyatt, Hilton, and Marriott** have begun **expanding** their presence in the region, providing potential for wholesalers to participate in the industry. **Historical sites, nature, and adventure tourism** are popular.
- Currently, the region has relatively **low penetration of global wholesalers**, and the region is expected to grow at **9.7% CAGR** over forecast period hence there is **opportunity to capitalize on the popularity of leisure travel**.
- Online intermediaries' growth** is driven by local OTAs such as **Despegar** while the popularity of **group leisure travel** and tours drives **offline** growth.



Middle East and Africa

mice destination
 religious travel
 luxury travel
 entertainment
 government investment

medical tourism

27.3 B

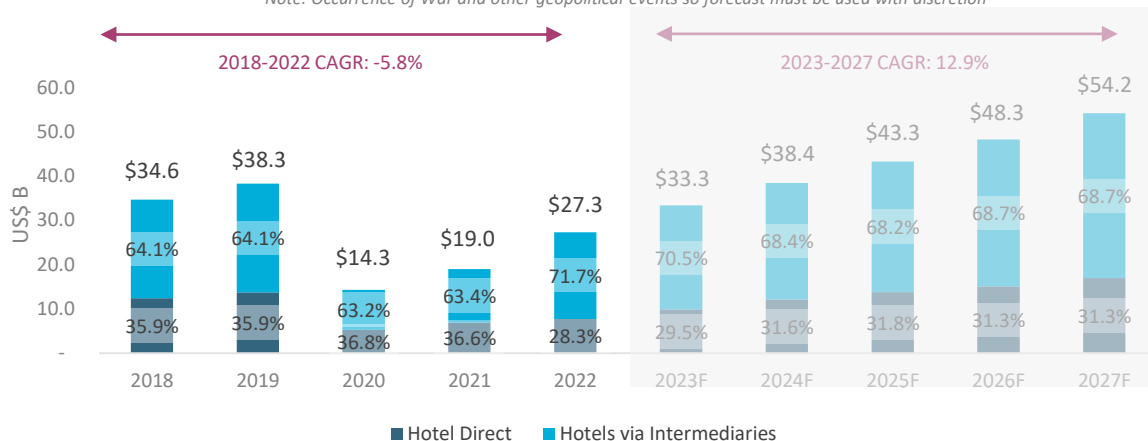
2022 Hotel Room Guest Bookings, US\$

3.4 B

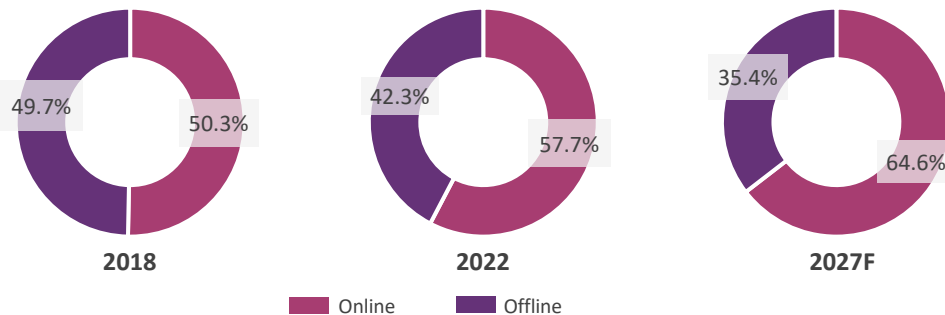
2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

Hotel Room Guest Bookings, Middle East and Africa, 2018-2027F

Note: Occurrence of War and other geopolitical events so forecast must be used with discretion



Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F

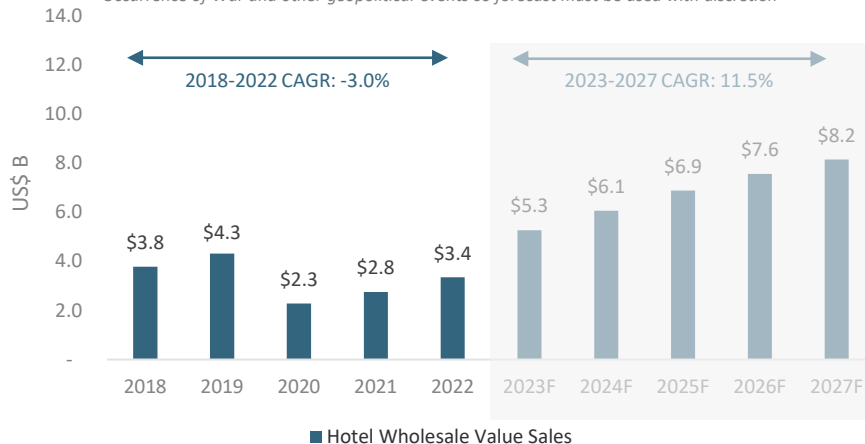


Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)
 Note: MICE refers to Meetings, Incentives, Conventions and Exhibitions

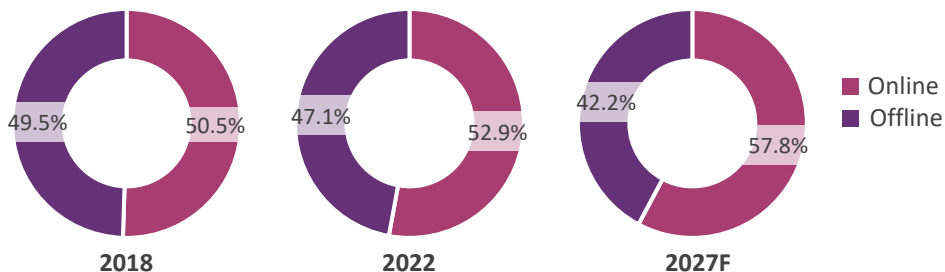
Growing awareness of MEA as an attractive destination will push local players to rely on wholesalers to capture a greater share of international traveler spending

Hotel Wholesale Value Sales, Middle East & Africa, 2018-2027F

Occurrence of War and other geopolitical events so forecast must be used with discretion



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices
Note: Occurrence of War and other geopolitical events so forecast must be used with discretion

Hotel Wholesale Overview

- The Middle East is an **emerging region** for wholesalers **due to a lack of strong global OTAs** in the region. **Local Destination Management Companies** (e.g., dnata) are relatively small while **offline travel agencies** largely cater to the growing **religious travel**. Tourism has been a **major focus for Africa**, with several **African countries** promoting their **natural environment** (national reserves, waterfalls, etc) with an aim of becoming **travel hubs**. Major **giga projects** (luxury hotels, Qiddiya entertainment project) provides opportunities for global wholesalers to tap into by providing **tour packages**.

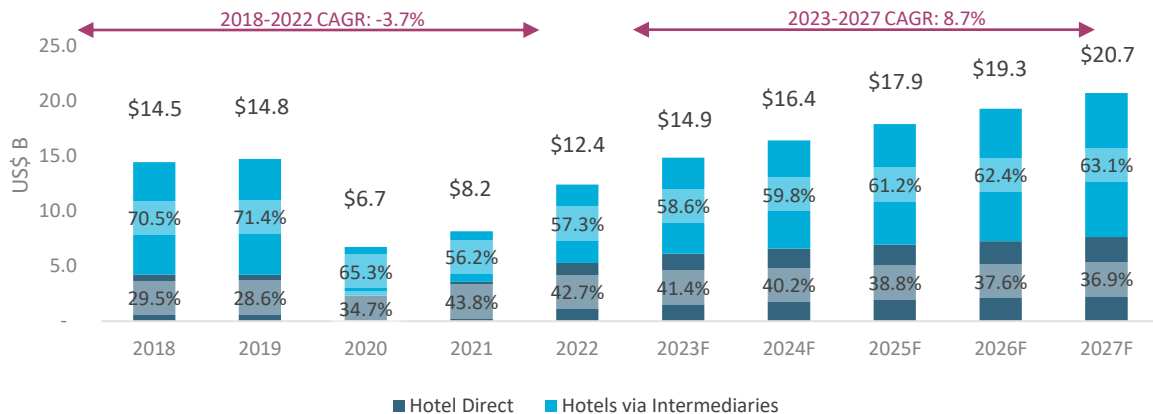
Opportunities of the Hotel Wholesale Industry

- Attractive destination market where local intermediaries will need to **rely on wholesalers to expand their global reach to religious, business, and leisure travel**.
- Large-scale leisure, corporate events, and AI conferences** will drive the region's growth.
- Wholesalers have the potential to serve **offline retail travel agents** catering to **leisure and religious tour packages** (attractions, car rentals etc.), while increasingly serving **online travel intermediaries**.



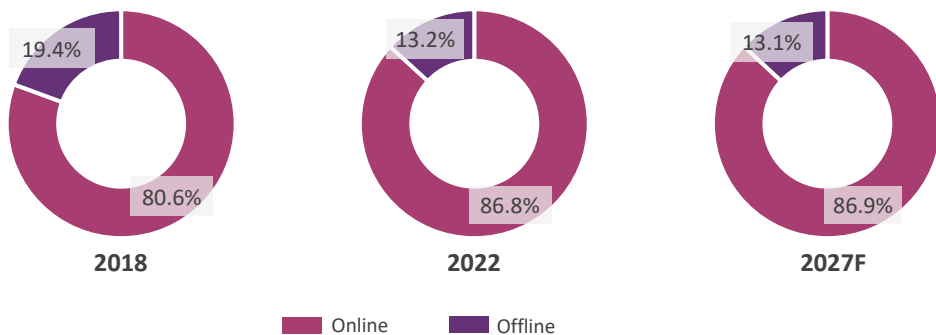
Australasia

Hotel Room Guest Bookings, Australasia, 2018-2027F



boutique hotel
 wildlife tour
 cultural experience
 domestic travel
 nature
 bleisure
 campsite

Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



12.4 B

2022 Hotel Room Guest Bookings, US\$

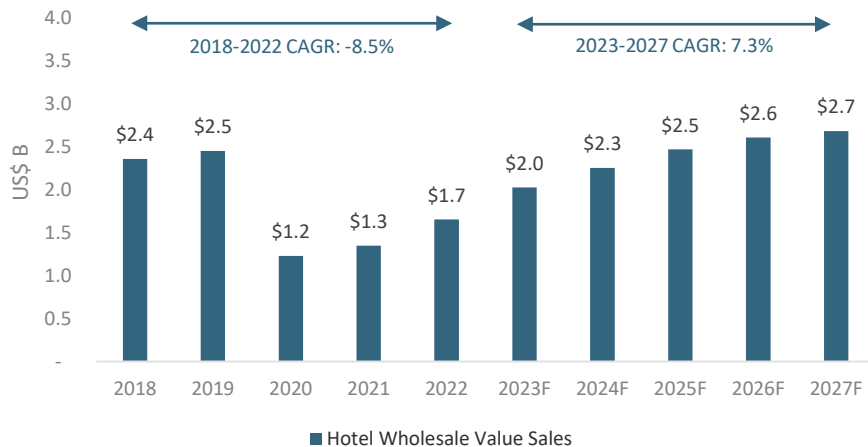
1.7 B

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

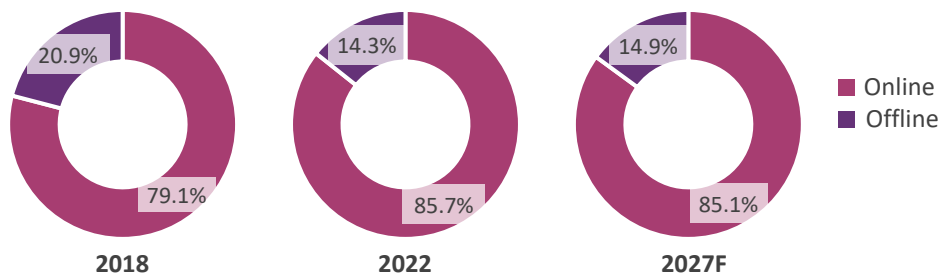
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

Hotel wholesalers in Australasia should leverage on the Bleisure trend by focusing on offering travel products attracting business and leisure travelers

Hotel Wholesale Value Sales, Australasia, 2018-2027F



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices

Hotel Wholesale Overview

- Hotel wholesale is **expected** to surpass pre-pandemic levels by **2025**. **Wholesale online** accounts for **85%** (share of bookings in 2022) and persists into the forecast.
- Hotels are **“capping” occupancy rates** to address **continual staff shortages**. This results in **fewer available rooms for wholesalers to directly contract** from hotels and the issue would likely persist until migration and backpacker numbers return to **pre-pandemic levels** around 2024-2025.

Opportunities of the Hotel Wholesale Industry

- Australian tourism is supported by **government’s promotional efforts** (AUD40 mn) over the 2022-2030 period to **attract international visitors**, potentially increasing **inbound travel**.
- Sydney and Melbourne** are **gateway cities** through which **international travelers** arrive and wholesalers can **focus on supporting hoteliers** in these cities for **Bleisure** while serving **boutique independent hotels in other cities**.
- Online bookings** (e.g., OTAs, mobile apps) is expected to become the norm **providing opportunities for wholesalers** to cater to **OTAs and mobile apps** in the region.
- Australia** has **higher ADRs** and wholesalers can command **higher mark ups** than in **other regions** e.g., Southeast Asia.



Eastern Europe

group tour
 heritage tour
 intra-europe
 holiday resort
convention outdoor activity

beach destination

6.2 B

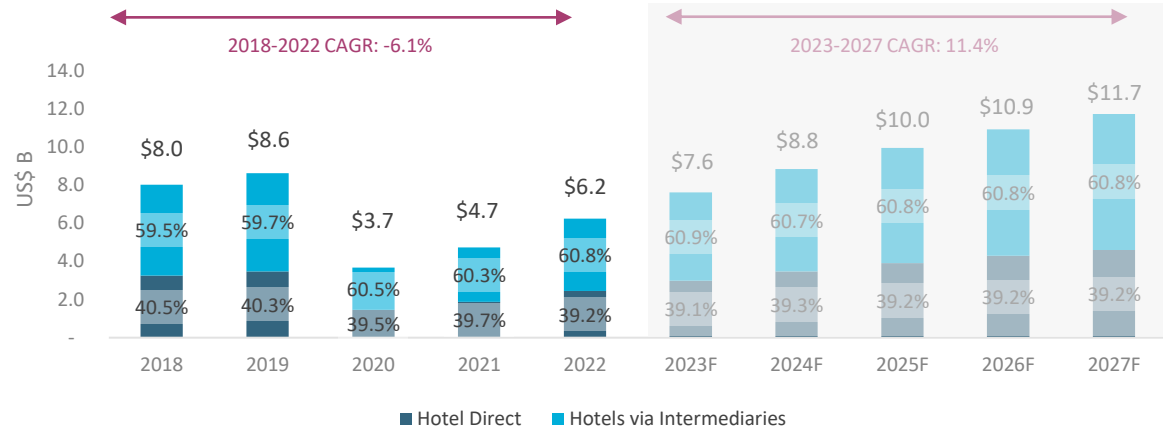
2022 Hotel Room Guest Bookings, US\$

1.0 B

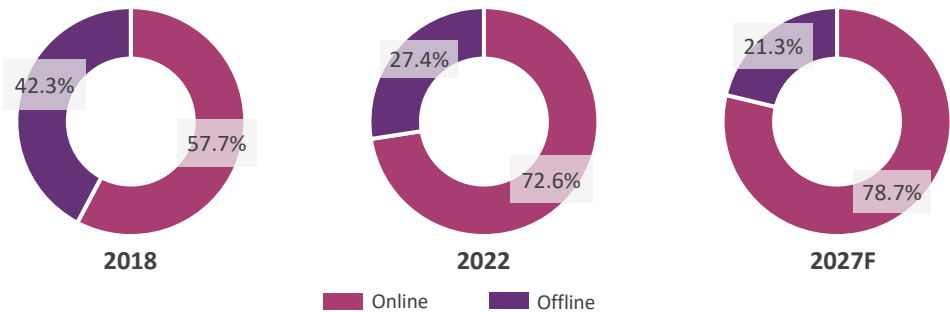
2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

Hotel Room Guest Bookings, Eastern Europe, 2018-2027F

Note: Occurrence of War and other geopolitical events so forecast must be used with discretion



Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F

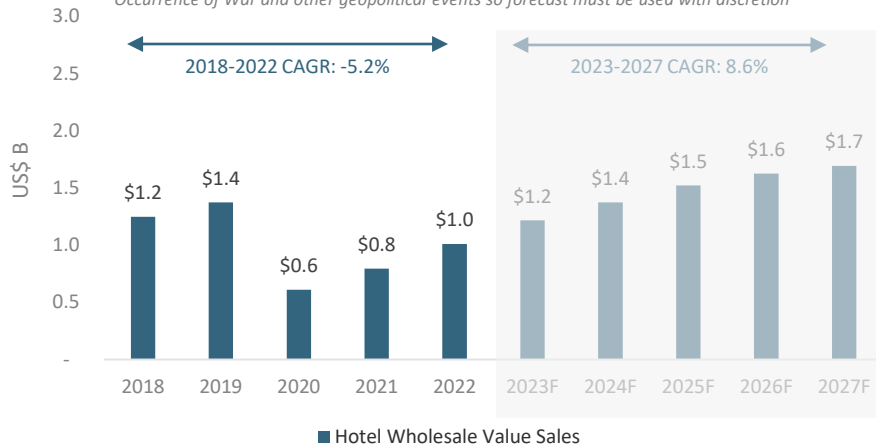


Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

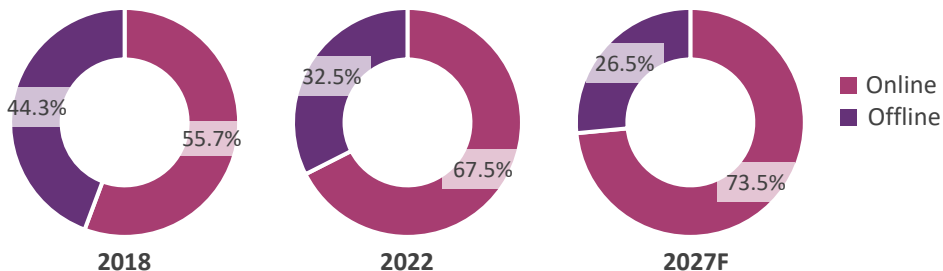
Instability due to war and rising tour operator costs limit the growth of hotel wholesalers in Eastern Europe

Hotel Wholesale Value Sales, Eastern Europe, 2018-2027F

Occurrence of War and other geopolitical events so forecast must be used with discretion



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices
MICE = Meetings, Incentives, Conventions and Exhibitions

Hotel Wholesale Overview

- **Poland, Czech and Croatia** are key travel destinations in Eastern Europe. Amidst rising **cost of living concerns**, lower priced accommodation is becoming **popular among travelers** and these smaller **boutique hotels** rely on **wholesalers** for **visibility** and **marketing support**. Also, **smaller tour agencies** typically **obtain rooms** from **hotel wholesalers** (due to **lack of direct contracting** capability).

Opportunities of the Hotel Wholesale Industry

- **Conventions and exhibitions market** drives tourism in Eastern Europe, particularly in **Poland and Hungary**, with over 24,000 business events hosted. This significantly increases visitor spending in the region, providing opportunities for wholesalers to **cater to MICE tourism**.
- Increasingly **after the pandemic**, **online intermediaries** are **offering early booking promotions** to attract travelers and wholesalers have the potential to serve **online travel intermediaries**.
- **Tour packages, airport transfers, and attractions** in the region would be the main drivers for travelers booking through **offline intermediaries**, which **hotel wholesalers could tap into**.

Outlook of the Hotel Wholesale Market

Global Hotel Wholesale Industry

2022

2027F

2022 Global Hotel Room
Guest Bookings

US\$503.7 B

2022 Global Hotel Room
Guest Bookings via
Intermediaries

US\$272.9 B

2022 Global **Hotel**
Wholesale Value Sales

US\$58.6 B

Addressable Market

US\$825.4 B

US\$465.3 B

US\$97.0 B

2023F-2027F CAGR

↑ 8.3%

↑ 9.1%

↑ 7.7%

GROWTH DRIVERS

1

External factors

- Growing disposable income
- Reopening of China

2

Service Improvement

- Proprietary technology to reduce rate parity
- System optimization to improve business efficiency
- Automation

3

Segment Expansion

- Emerging customers
- Acquisition & Consolidation
- Powering intermediary partners

4

Product Extension

- Transformation into a one-stop travel service provider

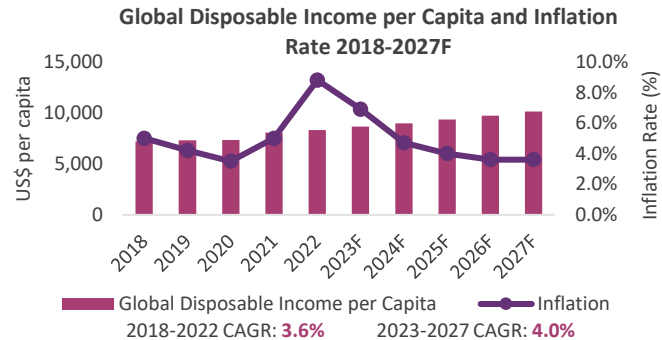
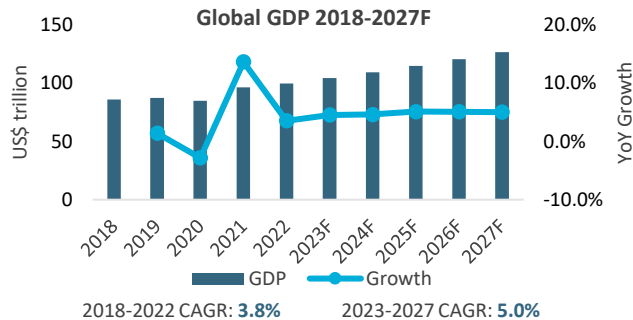
Travel is supported by macroeconomic growth

1 External factors

Improving Macroeconomy
Boosts travel recovery

Reopening of China
A strong source market to capitalize on

- **Asia Pacific (7.6%), Middle East and Africa (4.8%), and Australasia (4.2%)** have the **highest forecast GDP** from 2023-2027.
- **Global inflation** is expected to **continue falling** from 8.8% in 2022 to 6.9% in 2023 and 4.7% in 2024, gradually **easing the pressure on consumer spending power**. **Asia Pacific (7.1%) and Latin America (3.6%)** are the regions with the **fastest disposable income growth** over the forecast period. This indicates a **higher propensity for travel spend**.
- Historically **China** is a **key source market** for major destinations. Domestic **travel** is growing in popularity (e.g., ski and beach resorts)
- **Growing income of the middle class**, and **desire to explore** international travel and culture will propel travel demand. **Rebound of leisure and long-haul tour groups** is expected to be a key growth driver for wholesalers.



Technology and process improvement at the forefront

2 Service Improvement

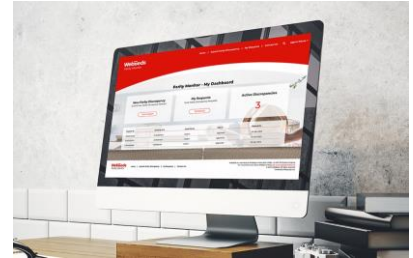
Technology

Proprietary technology to reduce rate parity and improve process



Note: BRG = Best Rate Guarantee

- **WebBeds Parity Monitor and Hotelbeds Parity+** aims to achieve **zero BRGⁱ discrepancies**, **improves speed** of resolving parity.
- **Webjet's Reconciler** process addresses mismatched data in **real time** and **increases efficiency**.
- **Expedia's Partner Solutions** enables travel agents to have **direct access** to Expedia's travel product database.



System Optimization

To improve business efficiency



- Traditional wholesalers are **adapting processes** to **optimize service operations**. They are adopting **API connectivity** and **payment gateways** to improve **business efficiency**.

Marketing Support

To support hoteliers



- Globally, the **top 20 hoteliers** (e.g., Hilton, Hyatt, IHG) represent **15.4%** in terms of brand share and the **top player** represent **less than 2%** in **2022 in retail value RSP terms** according to Euromonitor Passport.
- This indicates the **fragmented nature** of the **hotel industry** globally. So, hotel wholesalers play an **essential role** in being an extended **marketing arm** to **support hoteliers** with **marketing activities** while **hoteliers focus** on enhancing **guest experience**.

Penetrating new customer segments drives growth

3

Segment Expansion

Emerging Customers

To capture new revenue streams



- Wholesalers offer **preferential rates** for airlines, **loyalty programs, points redemption schemes, financial institutions.**
- Serve as an **accommodation provider** for **super-apps, social media apps**

WebBeds



hotelbeds

American Airlines 

Acquisition & Consolidation

in adjacent and same businesses



- Acquiring** other wholesalers for **scale and inorganic growth.** E.g., **WebBeds** acquiring **Destination of the World (DOTW)** to **complement** their **existing portfolio**, to enhance their **existing APAC and Americas businesses**, while **further expanding its presence** in **Europe** and the **Middle East** and Africa regions. **Hotelbeds** acquiring **GTA** to enhance **their footprint in APAC** and Middle East.
- Acquiring **complementary adjacent business** that can be bundled **with hotels.** E.g., **Webjet** acquiring **online car rental, cruise** and motorhome business, **GoSee** (formerly Online Republic) to **further expand its offering**; **Hotelbeds** acquiring **transfer specialist, HolidayTaxis** to strengthen their **ancillary business.**



Hotel wholesalers evolve to become a one-stop travel provider that sustains growth in the long term

3

Segment Expansion

Intermediary Partnership

To drive synergy



- Enables **wholesalers** to expand into **new consumer segments**. E.g., **WebBeds** partnering with **Hopper** (leading OTA and a disruptor providing price predictions) in **September 2023**. This partnership enables Hopper to source **diverse hotel inventory** for its travelers.



4

Product Extension

New Product Offerings

To strengthen value proposition



- Wholesalers are **diversifying beyond room bookings** to offer new products (e.g., transfers, activities, cruises, multi-day tours etc) that caters to their intermediaries' needs.
- To **enhance product offering** while strengthening **core business**.



Hotelbeds offering cruises, activities and transfers

The road ahead for hotel wholesale industry



Global travel is set for accelerated growth

- The return of **international large-scale events**, and leisure and business travel are driving **travel demand**.



Hotel wholesale market is expected to grow by 7.7% CAGR over next 5 years

GROWTH DRIVERS

- 1 **Service improvements:** **Technology** and **process improvements** will be at the **forefront** (i.e., technology and efficiencies).
- 2 **Segment expansion:** Hotel wholesalers are able to **penetrate emerging customers segments**, e.g. super apps, social media apps, financial institutions (i.e., global scale and strong partnerships).
- 3 **Product extension:** Hotel wholesalers are evolving to become a **one-stop travel provider** (i.e., scale and innovation).



Hotel wholesalers will continue to play a key role in the global hotel industry, now and in the future

- **Hotel wholesalers** provide **global reach** and **longer lead time** to hotels.
- Hotel wholesalers act as an **extended marketing arm** of hoteliers. They provide significant **market intelligence** and **marketing support**.
- They will further support hoteliers to **acquire more customers**, so **hoteliers can focus** on enhancing the **guest experience**.
- Hotel wholesalers serve as a **one-stop shop** for **hotel intermediaries**.
- The shift from **offline to online intermediaries** will benefit **global hotel wholesalers** with **good technology solutions/capabilities**.

Q&A

Thank you



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