



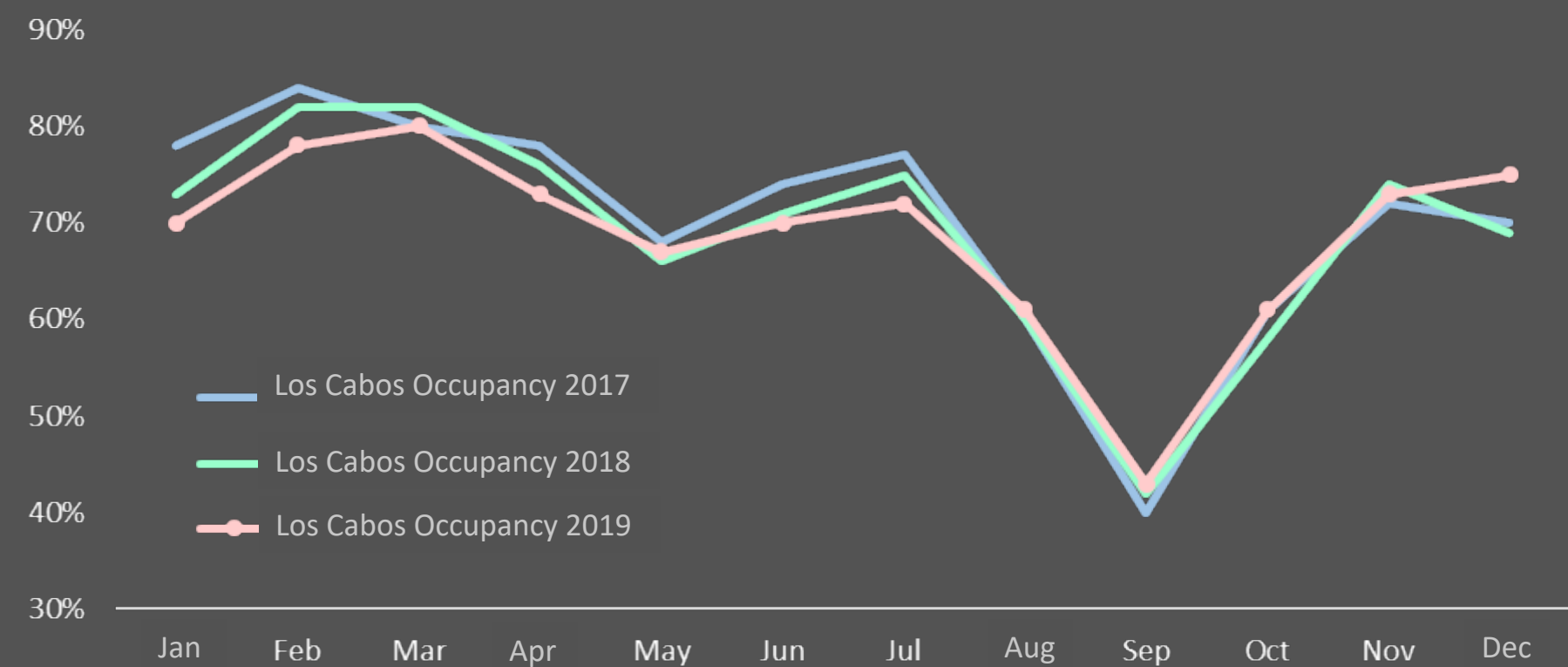
LOS CABOS TOURISM OBSERVATORY

KEY PERFORMANCE INDICATORS

JANUARY 2020

Leading Indicators - Summary

Hotel Performance



SOURCE: ASOCIACIÓN DE HOTELES DE LOS CABOS

Available Rooms
(Oct-2019):
17,374
+1.04%
(vs. Dec-2018)

SOURCE: AHLIC

Hotel Occupancy
(Dec-2019):
75%
+6pp
(vs. Dec-2018)

SOURCE: AHLIC

Room Nights
(Nov-2019):
1,082,689
+5%
(vs. Nov-2018)

SOURCE: DATATUR

Passenger Arrivals by Air

Total Passengers
(Dec-2019, thousands):
261.6
+9.2%
(vs. Dec-2018)

Domestic Passengers
(Dec-2019, thousands):
80.8
+10.8%
(vs. Dec-2018)

International Passengers
(Dec-2019, thousands):
180.9
8.5%
(vs. Dec-2018)

SOURCE: GAP

Total Group Business
RFPs (Jul-2019):
34
+15 RFPs
(vs. Jul-2018)

Tourist Surveys
Tourist satisfaction (more
than expected, Nov-
2019):
34.4%
+3.1pp
(vs. Nov-2018)

Cruise Passengers
(Nov-2019):
57,073
+62%
(vs Nov-2018)

Congresses and
Conventions Attendees
(Nov-2019):
1.3% of the
total
-0.9pp
(vs. Nov-2018)
SOURCE: TOURIST SURVEYS

Tourist Origin
(Nov-2019):
73.3% foreigners
+1.9pp
(vs. Nov-2018)

SOURCE: TOURIST SURVEYS

Cruise Ships
(Nov-2019):
21
+9 vessels
(vs. Nov-2018)

SOURCE: DATATUR



LOS CABOS TOURISM OBSERVATORY

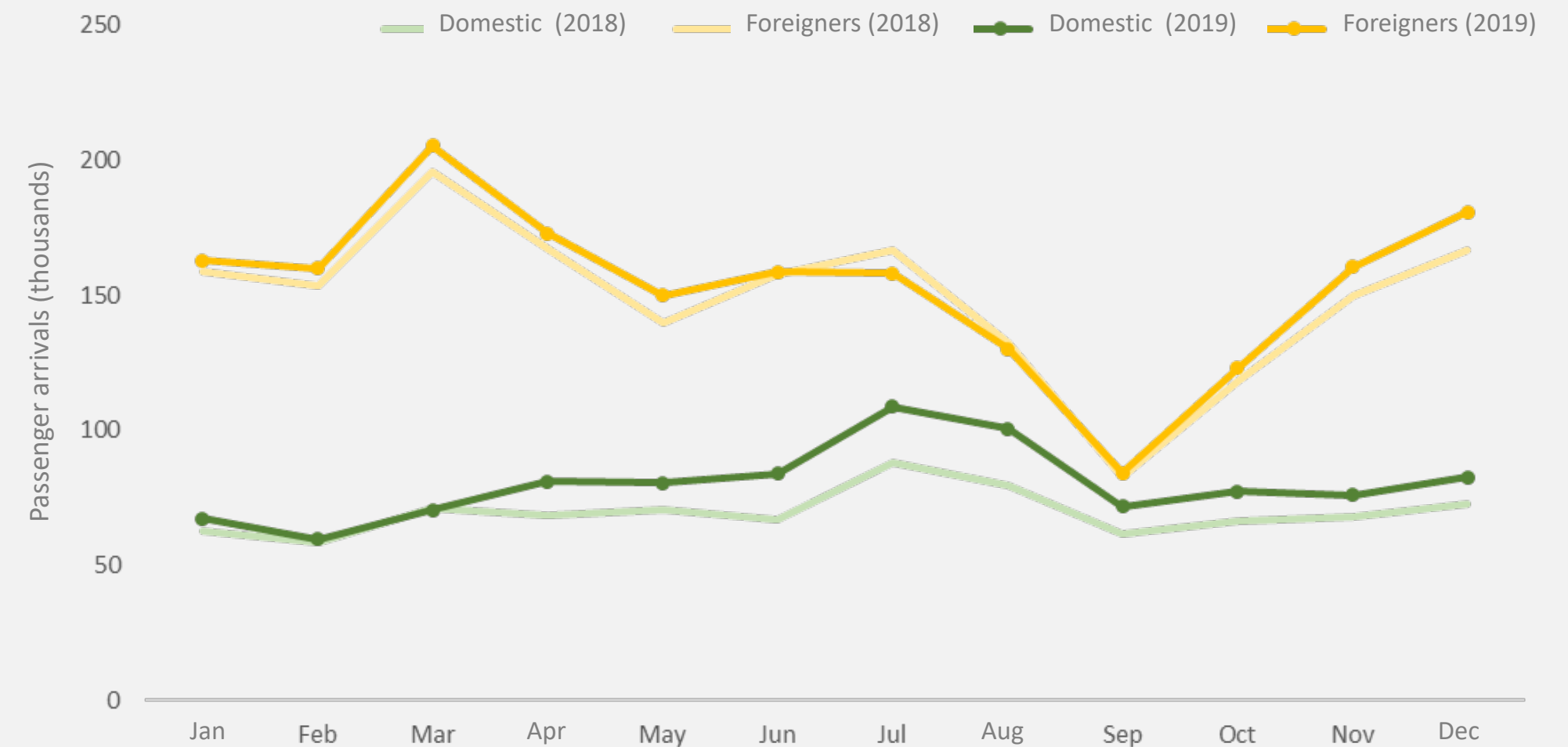
DEMAND INDICATORS
PASSENGERS AND TOURISTS

Passenger arrivals at Los Cabos Airport, 2018-2019

- In Dec-2019, the arrival of 261,600 passengers was registered at Los Cabos Airport, which shows an increase of 9.2% over the same period in 2018. Compared to the aggregate Jan-Dec-2019 vs. the previous year, an increase of 6.9% is observed.
 - Passengers on domestic flights (80,800) represent 30.9% of the total arrivals with an increase of 10.8% as compared to Dec-2018.
 - In the aggregate Jan-Dec-2019, there is an increase of 14.6%, going from 936,100 in 2018 to 957,900 passengers this year.
 - Passengers on international flights (180,900) represent 69.1%, reporting an increase of 8.5.
 - In the aggregate Jan-Dec-2019, there is an increase of 3.3%, going from 1,788,400 in 2018 to 1,846,600 passengers this year.

SOURCE: GAP

Passenger arrivals at San Jose del Cabo Airport, per month (2018-2019)



SOURCE: GAP

Foreign tourist arrivals by air

By origin (residence), 2018-2019

Regions	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Δ Nov-19 / Nov-18	Δ Jan-Nov-19/ Jan-Nov-18
USA	129,090	147,461	122,358	133,400	173,759	140,159	135,239	146,487	142,111	111,494	73,431	113,947	137,433	6.5%	1.3%
Canada	16,041	21,866	24,304	22,218	24,065	16,499	6,852	4,225	4,373	4,425	3,261	7,350	19,046	18.7%	15.6%
Europe	713	1,060	841	1,097	921	1,198	1,011	782	897	756	303	447	1,230	72.5%	39.9%
Central & South America	144	228	295	168	185	286	232	134	239	200	124	102	152	5.6%	0.1%
Rest of the World	654	1,303	1,053	699	1,161	1,030	955	765	852	774	604	784	796	21.7%	21.8%
Grand Total	146,642	171,918	148,851	157,582	200,091	159,172	144,289	152,393	148,472	117,649	77,723	122,630	158,657	8.2%	2.6%

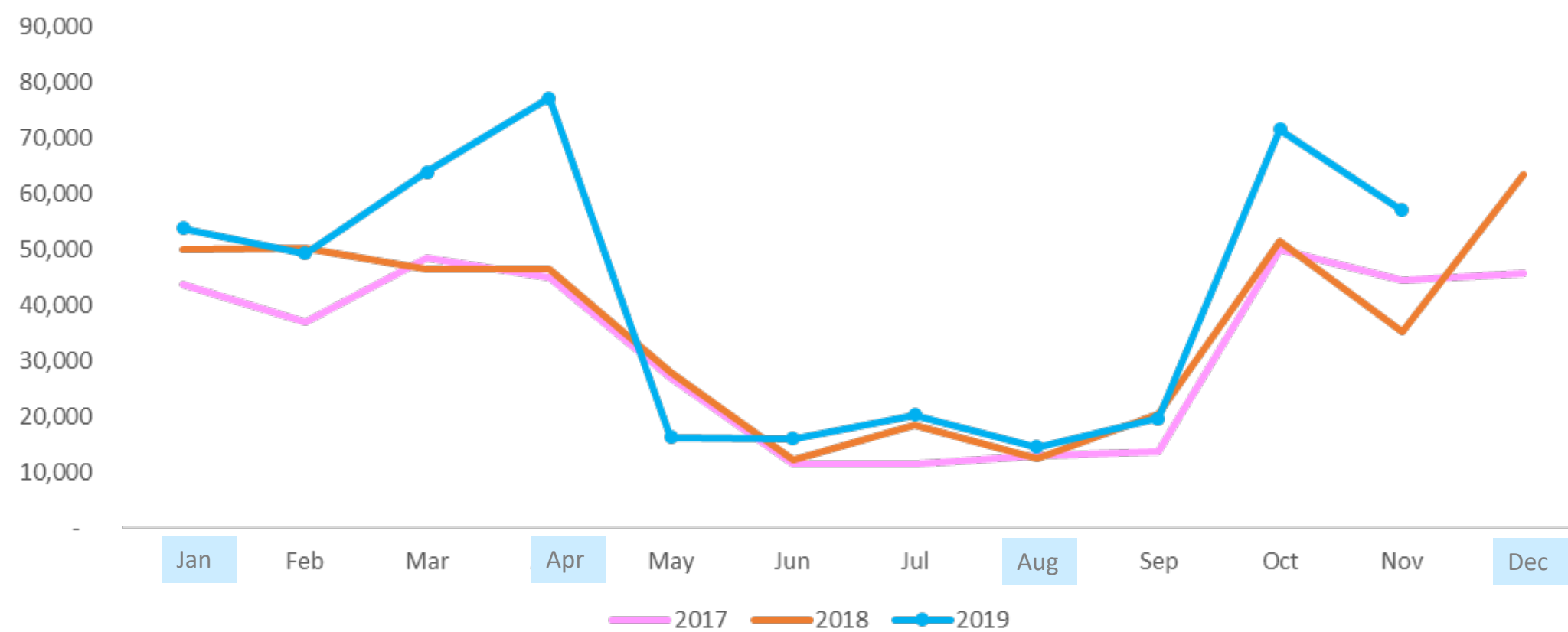
Key markets	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Δ Nov-19 / Nov-18	Δ Jan-Nov-19/ Jan-Nov-18
United Kingdom	218	326	236	259	272	336	131	94	184	219	73	155	827	279.4%	38.5%
Spain	36	61	34	38	45	38	24	16	29	76	44	35	26	-27.8%	-11.6%
Australia	189	461	488	177	274	388	352	347	336	256	201	346	268	41.8%	11.2%
South Korea	115	159	103	132	140	123	95	72	87	83	111	179	134	16.5%	34.1%
Total key markets	558	1,007	861	606	731	885	602	529	636	634	429	715	1,255	124.9%	21.1%

SOURCE: INM- SIOM

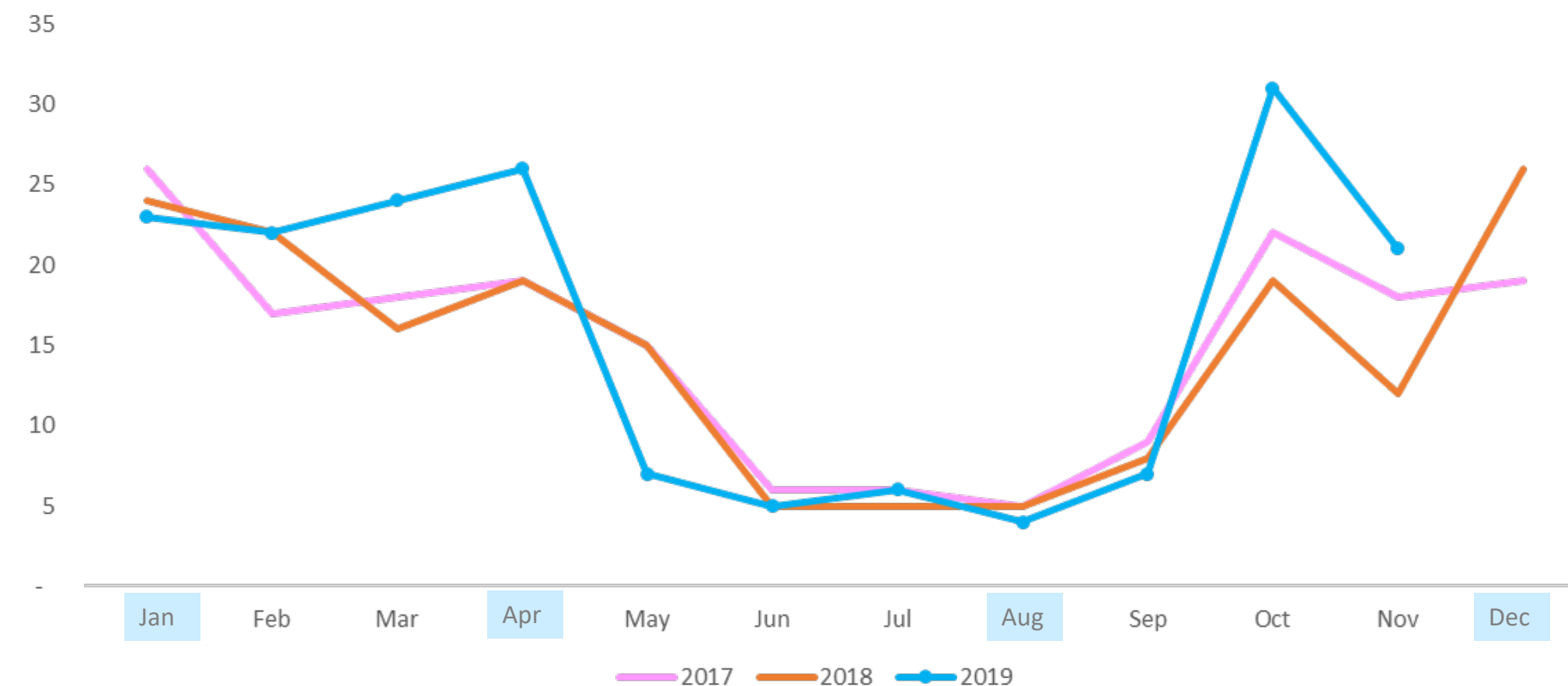
Cruise ship and vessel passenger arrivals (2017-2019)

- In Nov-2019, 57,073 cruise passenger arrivals were registered at the Cabo San Lucas Port.
 - It shows a 62% passenger volume increment as compared to Nov-2018.
 - Additionally, 21 cruise ship arrivals were registered: 9 more than the previous year.
 - Consisting of 2,717 average passengers per vessel.

Cruise passengers arriving at the Cabo San Lucas Port, monthly (2017-2019)



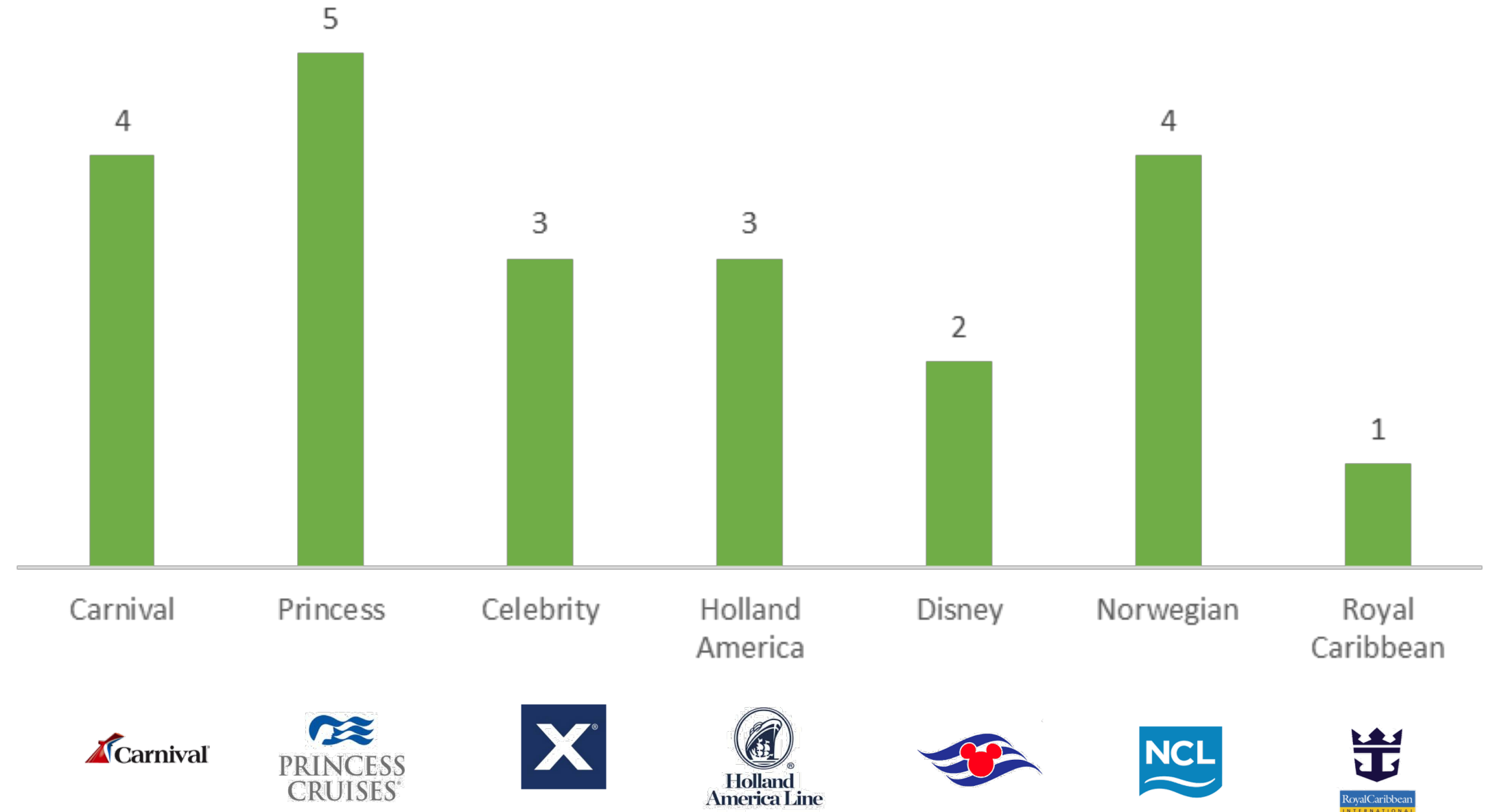
Cruise ships arriving at the Cabo San Lucas Port, monthly (2017-2019)



SOURCE: DATATUR - SCT

Cruise ship arrivals at Cabo San Lucas Port, Nov-2019

Date	Cruise Ship	Shipping Line	Max. Capacity
01-Nov-19	Norwegian Bliss	NCL	5,200
01-Nov-19	Vision Of The Seas	Royal Caribbean	2,514
04-Nov-19	Carnival Miracle	Carnival	2,680
04-Nov-19	ms Eurodam	Holland America	2,250
04-Nov-19	Royal Princess	Princess Cruises	3,600
05-Nov-19	Disney Wonder	Disney Cruise Line	2,400
05-Nov-19	Norwegian Bliss	NCL	5,200
07-Nov-19	Celebrity Infinity	Celebrity Cruises	2,449
10-Nov-19	Disney Wonder	Disney Cruise Line	2,400
11-Nov-19	Carnival Miracle	Carnival	2,680
11-Nov-19	Celebrity Infinity	Celebrity Cruises	2,449
11-Nov-19	ms Eurodam	Holland America	2,250
14-Nov-19	Coral Princess	Princess Cruises	2,491
18-Nov-19	Carnival Miracle	Carnival	2,680
18-Nov-19	Royal Princess	Princess Cruises	3,600
20-Nov-19	Coral Princess	Princess Cruises	2,491
22-Nov-19	Celebrity Eclipse	Celebrity Cruises	2,852
22-Nov-19	Norwegian Joy	NCL	3,883
25-Nov-19	Carnival Miracle	Carnival	2,680
25-Nov-19	ms Oosterdam	Holland America	2,250
25-Nov-19	Royal Princess	Princess Cruises	3,600
26-Nov-19	Norwegian Joy	NCL	3,883



The 21 cruise ship arrivals at Cabo San Lucas Port in Nov-2019 were operated by 7 main lines: Princess (5 vessels), Norwegian Cruise Line (4), and Carnival (4) representing a maximum capacity of 66,482 passengers.

SOURCE: CREW-CENTER.COM

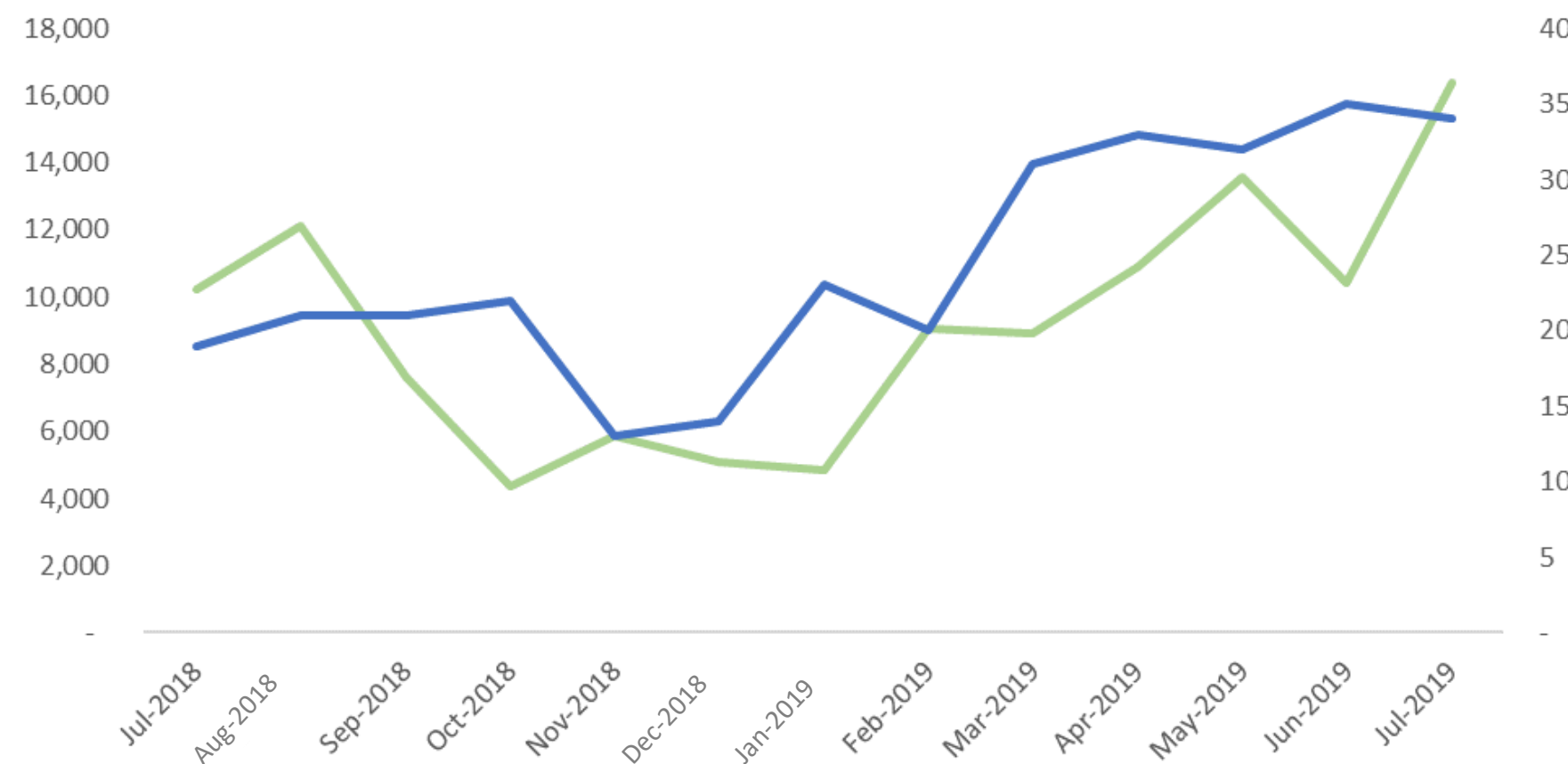


LOS CABOS TOURISM OBSERVATORY

DEMAND INDICATORS
TOURIST SURVEYS AND GROUP BUSINESS

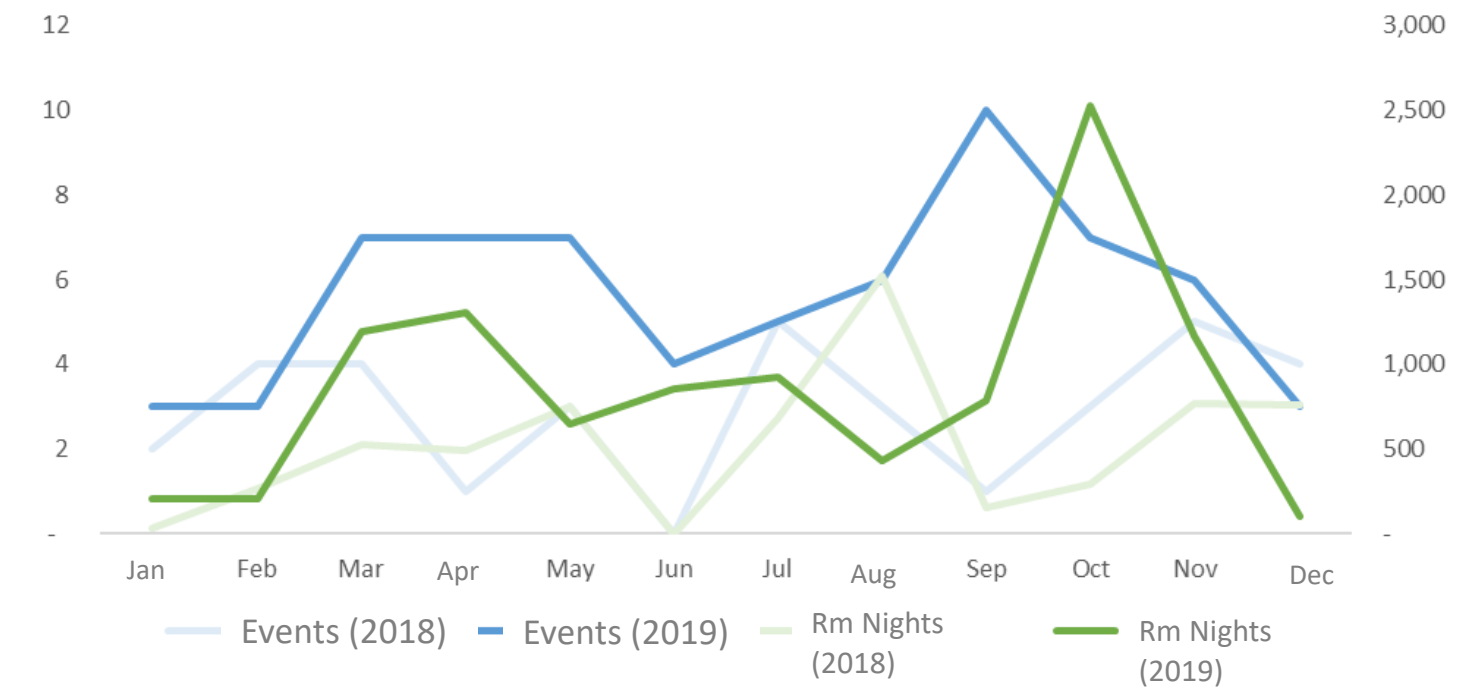
Demand Indicators: Group Business

Event RFPs and meetings and groups room nights, last 12 months (CVENT)



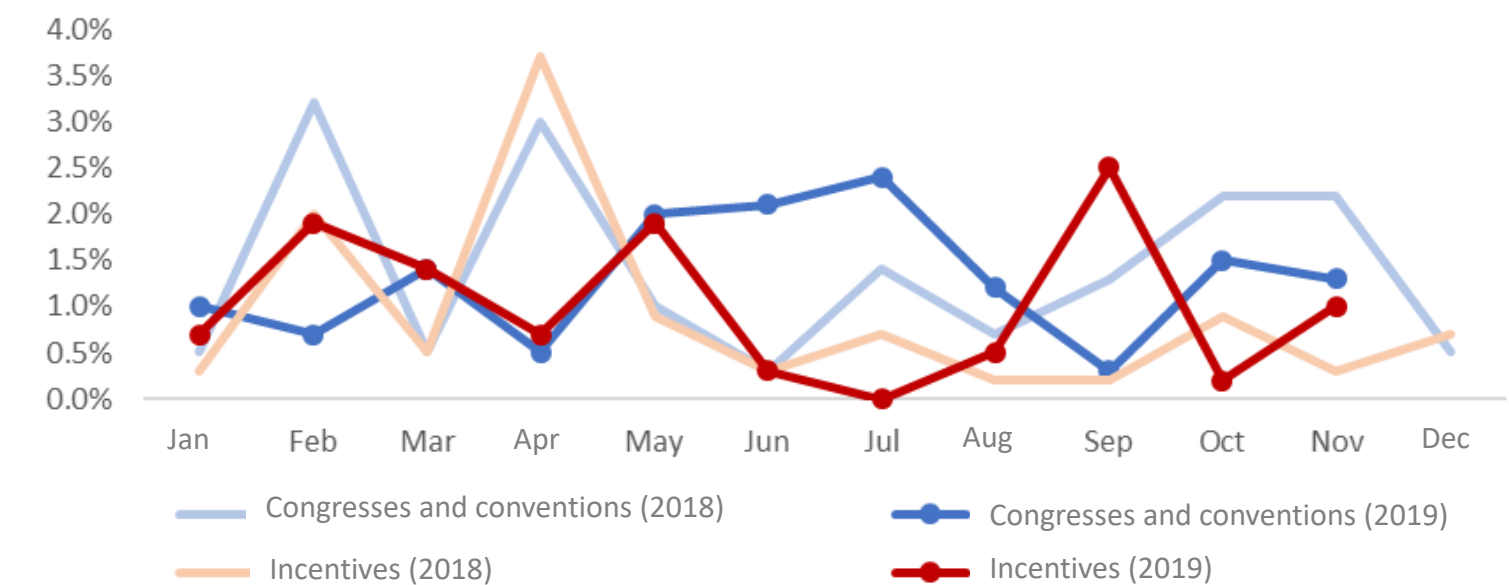
SOURCE: CVENT

Meetings and groups' confirmed events and room nights (Helms Briscoe)




SOURCE: Helms Briscoe

Congresses, conventions and incentive attendees (% of total tourists)



SOURCE: TOURIST SURVEYS

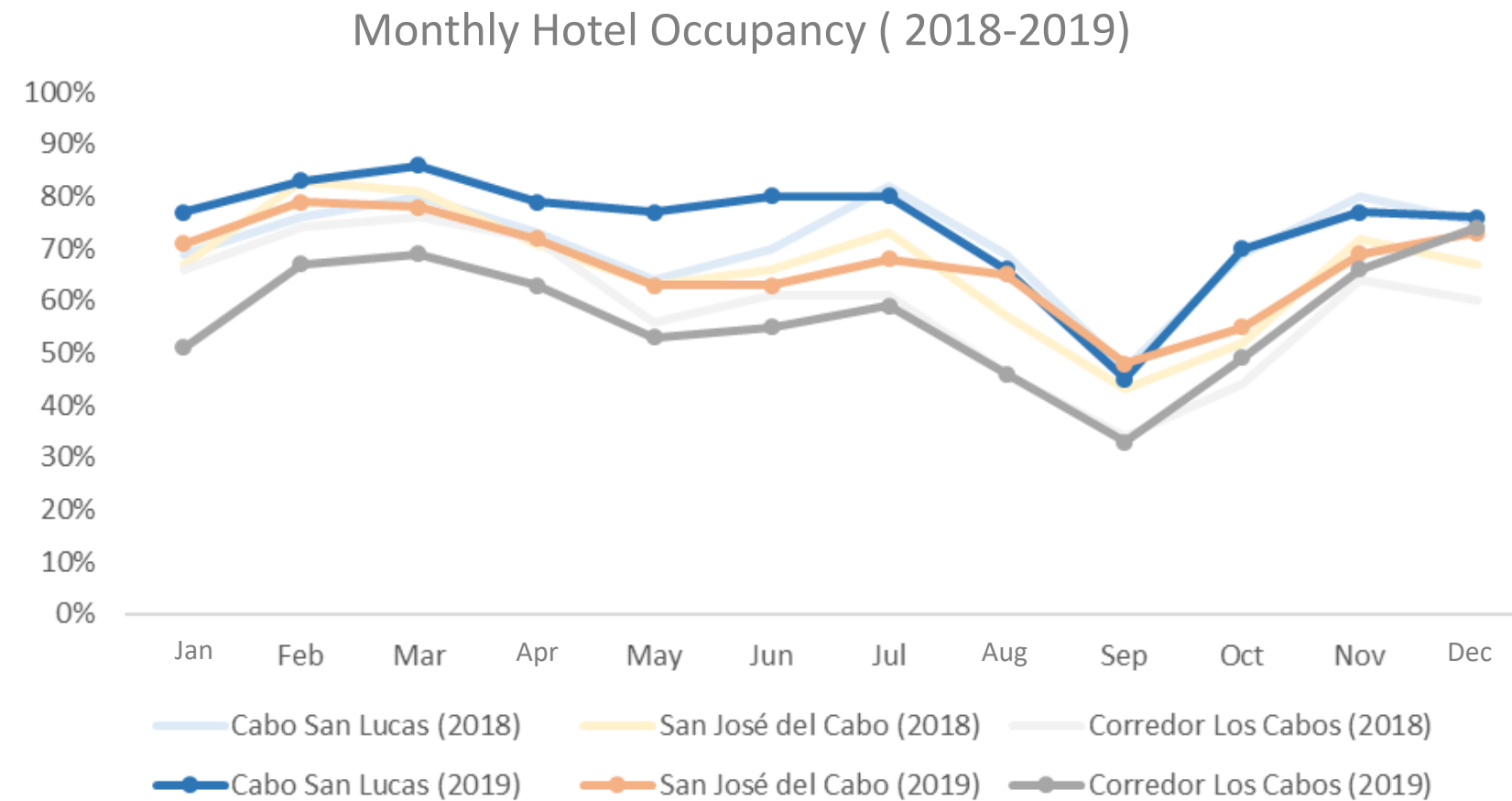
An aerial photograph of a clear, turquoise ocean. In the center, there is a large, light-colored rock. Below the rock, two small kayakers are visible, paddling in the water. The image is partially obscured by a large, curved white shape on the right side.

LOS CABOS TOURISM OBSERVATORY

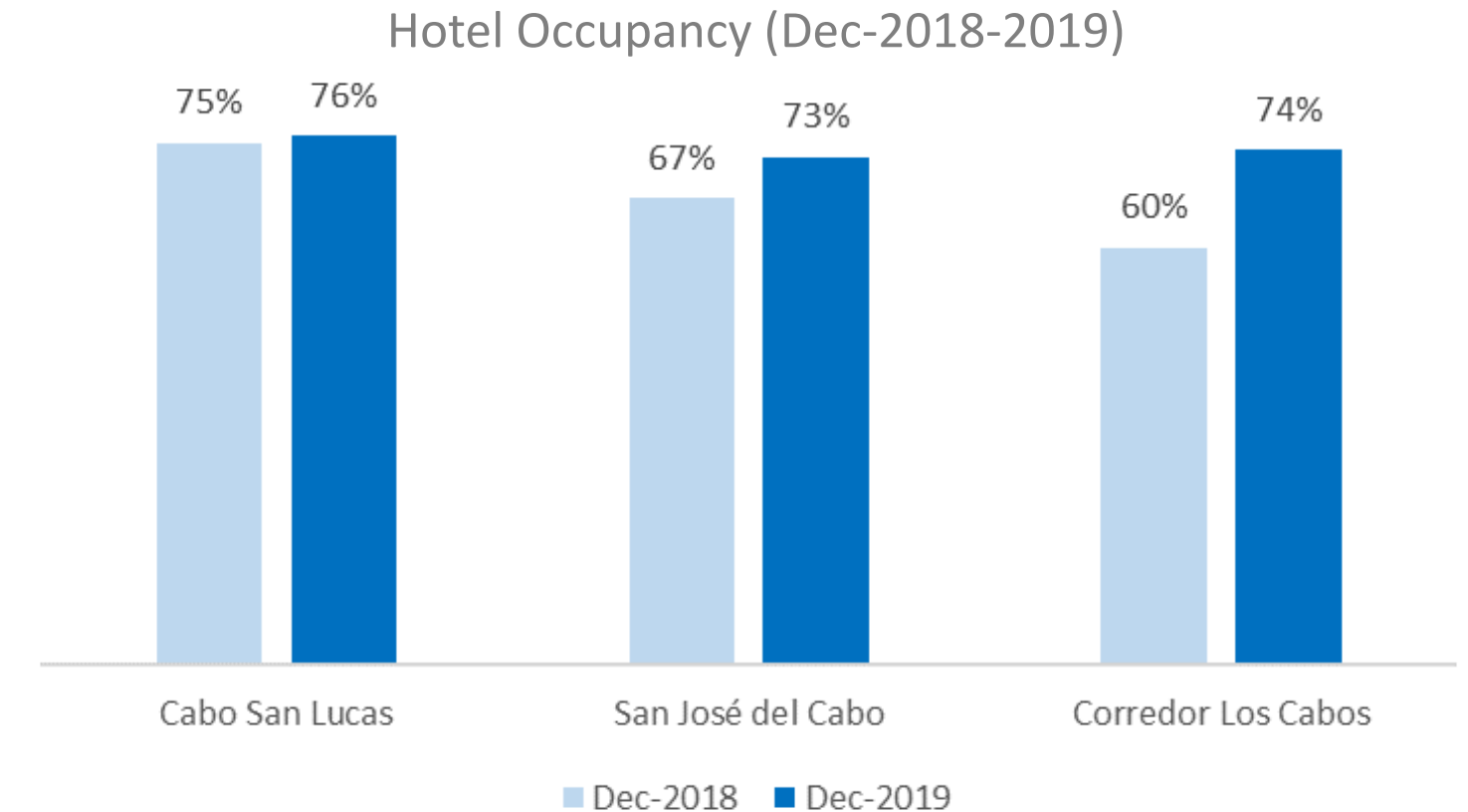
SUPPLY INDICATORS

HOTEL SUPPLY

Hotel supply evolution in Los Cabos and sub destinations



SOURCE: AHLC

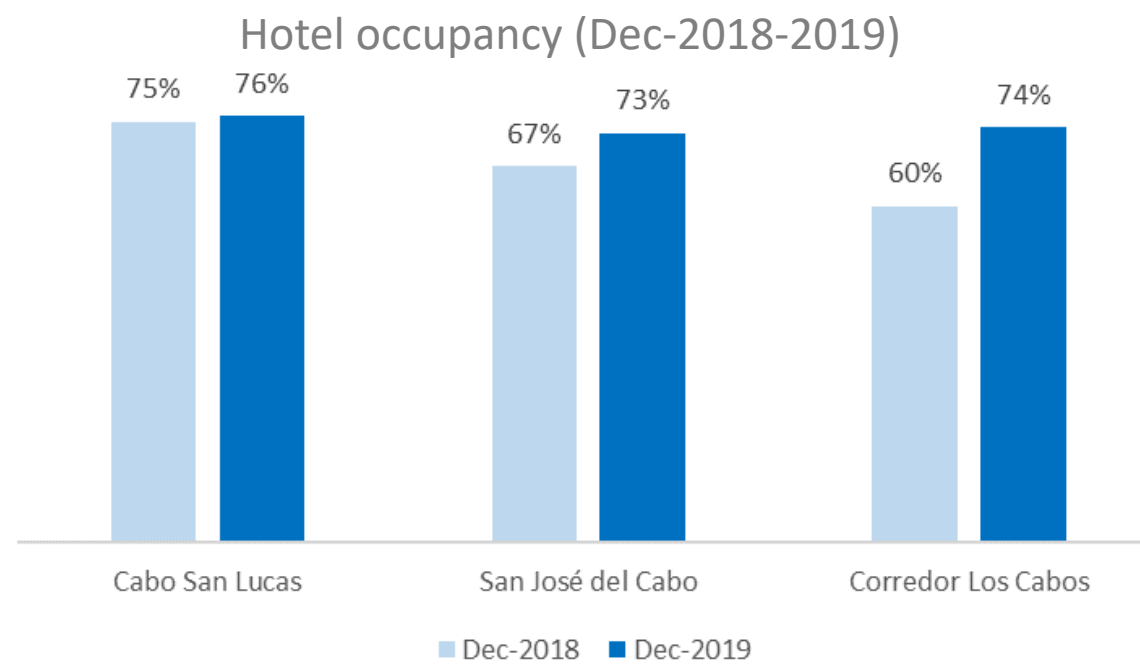


SOURCE: AHLC

- According to the Hotel Association of Los Cabos, hotel occupancy recorded 75% in Los Cabos, and increased by 6pp when comparing Dec-2018 with Dec-2019. At sub destination level, Cabo San Lucas had a 76% occupancy, increasing by 1pp if compared to the previous year. While San Jose del Cabo gained 6pp standing at 73% and Corredor Los Cabos increased by 14pp, registering 74%.
- In Nov-2019 tourists arriving at hotels in Los Cabos registered 234,000, decreasing 1.4% when compared to Nov-2018 (-3,200), and the average stay increased by 0.3 nights (from 4.4 in Nov-2018 to 4.7 in Nov-2019; based on DATATUR). However, domestic tourist's stay had a greater increase of 0.75 nights (+23%), registering 3.96.
 - International tourism in hotels dropped by 5% in this period, while domestic tourism increased by 9.5%.
 - In Nov-2019, international tourism represented 75% from the total, while domestic tourism represented 25%. On the previous year, a similar share was registered.

HOTEL SUPPLY

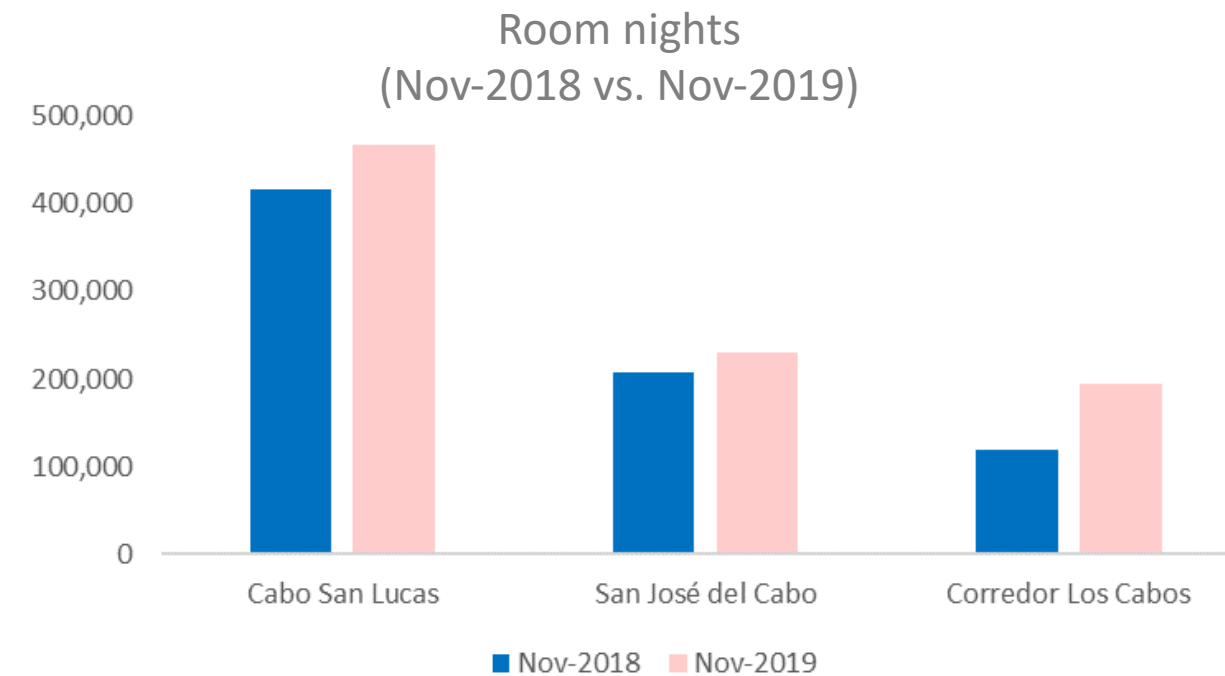
Hotel supply evolution in Los Cabos and sub destinations



SOURCE: AHLC

CABO SAN LUCAS

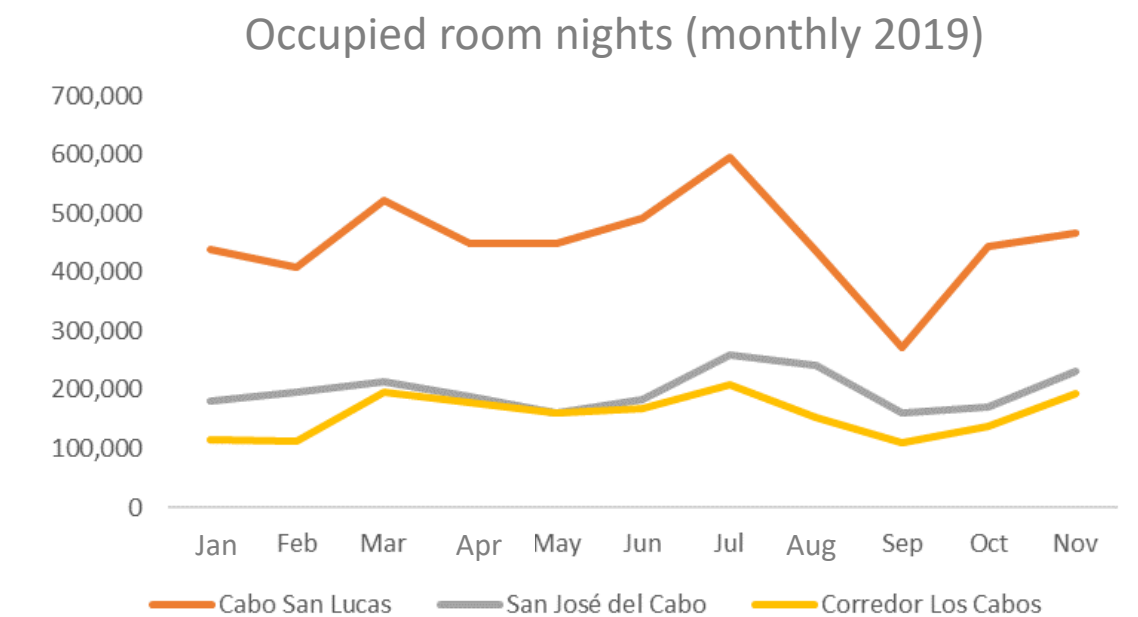
- Occupancy registers at 76%, which demonstrates an increment of 1pp (Dec-2019 vs. Dec-2018; AHLC).
- Supply increment: Hotel supply increased by 8.7% from Dec-2018 to Oct-2019, going from 8,000 to 8,700 (AHLC).
- Room nights increased by 12.3% between Nov-2018 and Nov-2019 (DATATUR).



SOURCE: DATATUR

SAN JOSE DEL CABO

- Occupancy increased by 6pp when comparing Dec-2018 with Dec-2019 (AHLC): 73%
- Hotel supply increased by 1.7% between Dec-2018 and Oct-2019, registering 4,300 rooms (AHLC).
- Room nights increased by 11.5% between Nov-2018 and Nov-2019 (DATATUR).



SOURCE: DATATUR

CORREDOR LOS CABOS

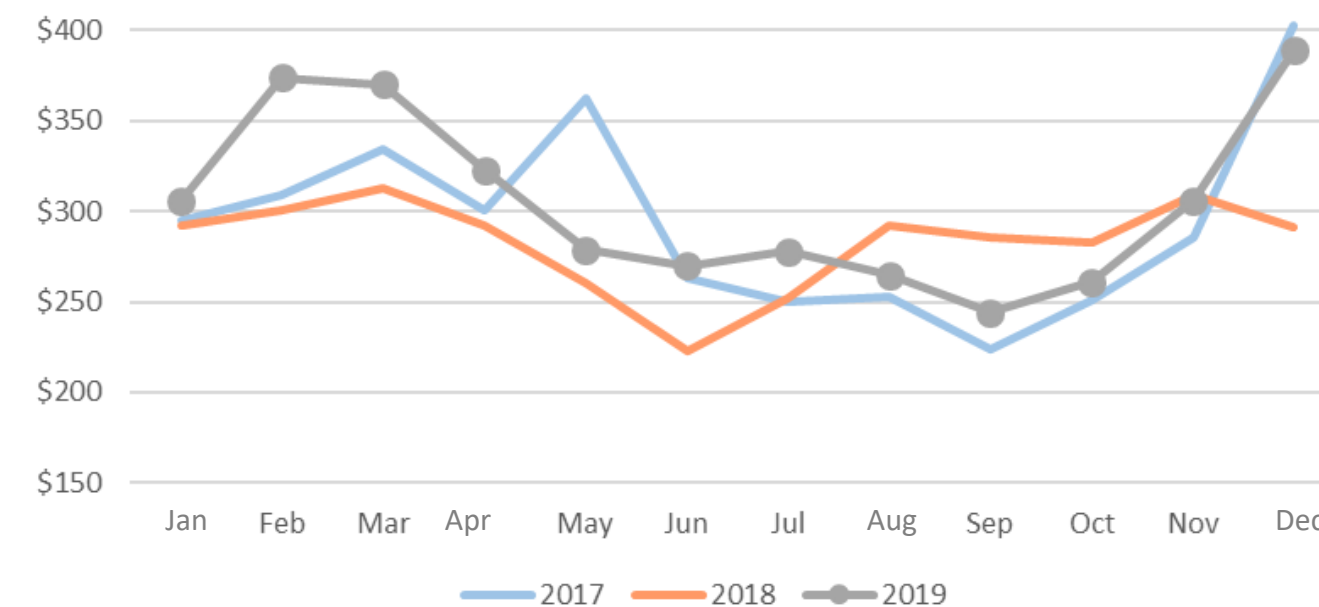
- Highest occupancy growth of all sub destinations between Dec-2018 and Dec-2019: +14pp, going from 60% to 74% (AHLC).
- Hotel supply decreased 2.4% between Dec-2018 and Oct-2019, registering 4,100 rooms (AHLC).
- It has the highest room night increment of all the sub destinations: 63% between Nov-2018 and Nov-2019 (DATATUR).

HOTEL SUPPLY

Average Rate and RevPAR evolution in Los Cabos and sub destinations

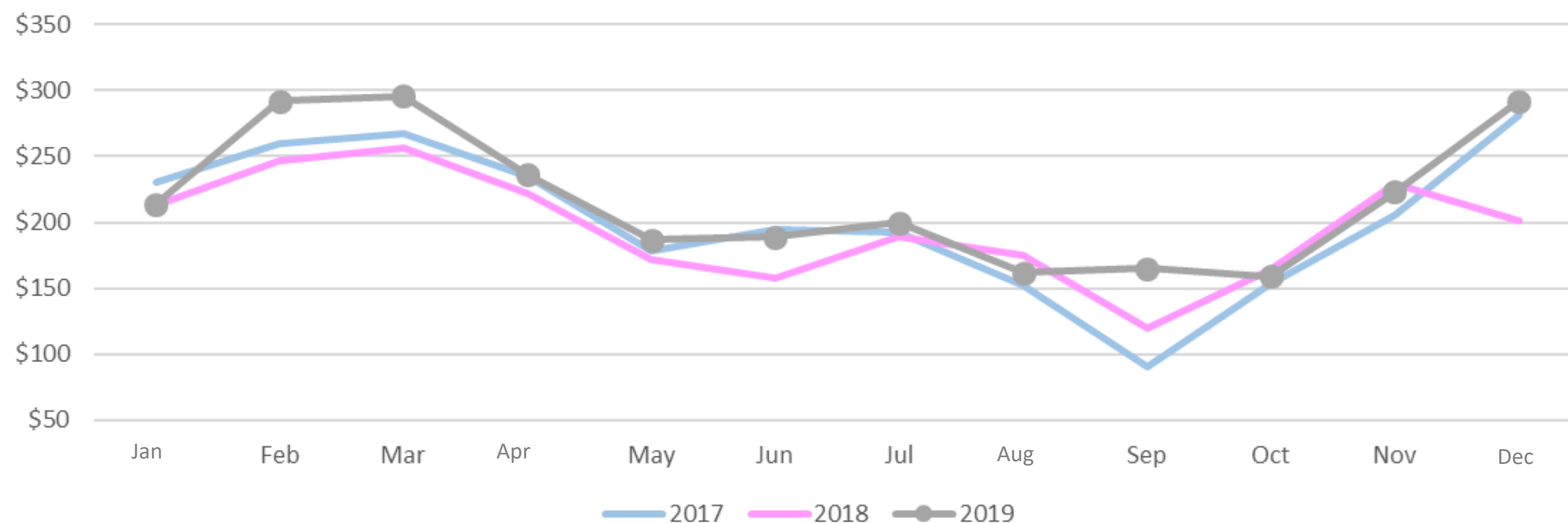
- Los Cabos average rate in Dec-2019 was \$389 USD; 92 dollars above the last 12 months' average; and 92 dollars below Dec-2018. RevPar was of \$210 USD; 82 above the last 12 months' average (9 dollars above Dec-2018).
- Corredor Los Cabos had the highest rate, standing at \$363 USD, although it had a 65 USD decrease compared to Dec-2018 (-15%).
- For the fourth consecutive time in one year, San Jose del Cabo presents decreases compared to the previous year, breaking a constant growth trend and reducing its average rate by \$67 dollars (-28%) to stand at \$172.
- Cabo San Lucas decreased its average rate by 3 USD (-1%), to stand at \$306 dollars.

Los Cabos Average Rate (USD, 2018 - 2019)

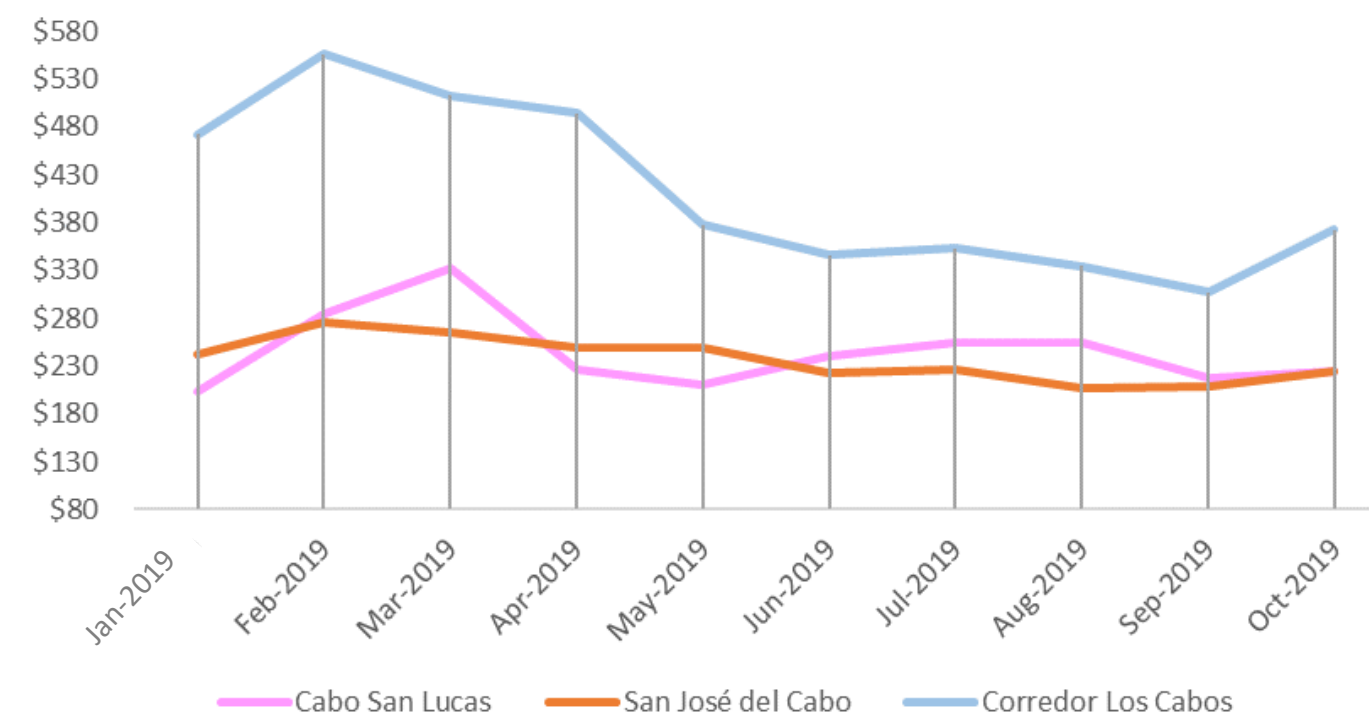


Los Cabos RevPAR (USD, 2018 - 2019)

SOURCE: AHLC



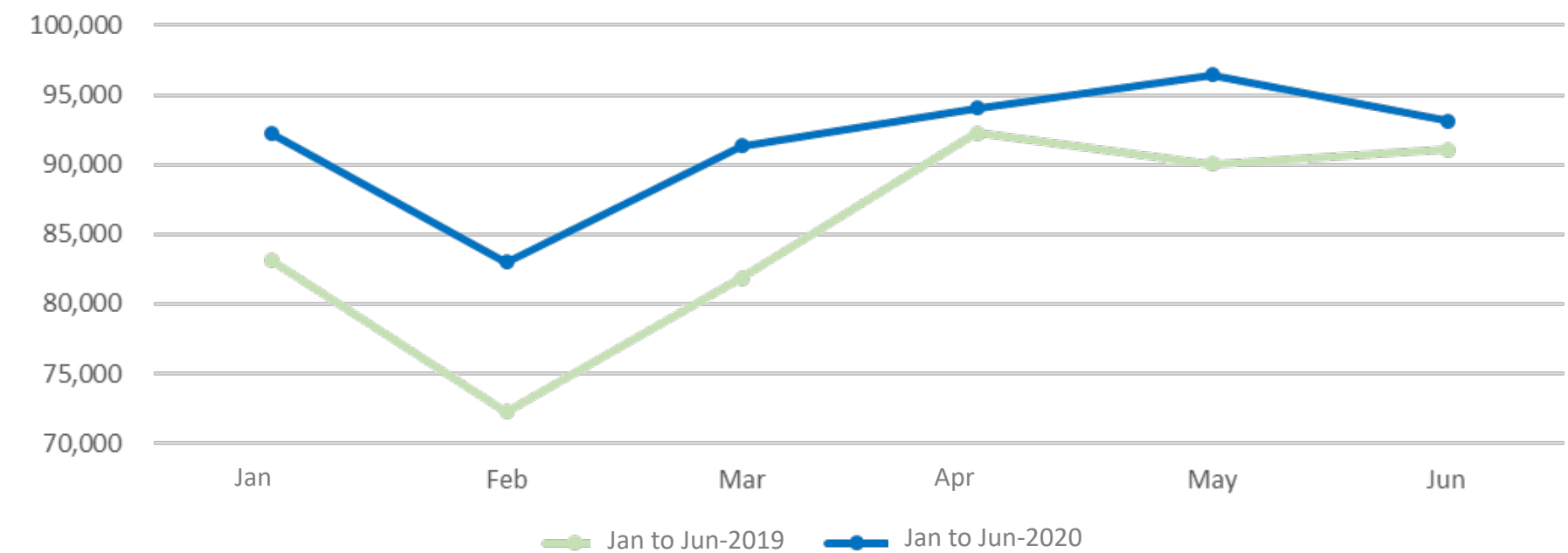
Sub Destination Average Rate (USD, monthly, last 12 months)



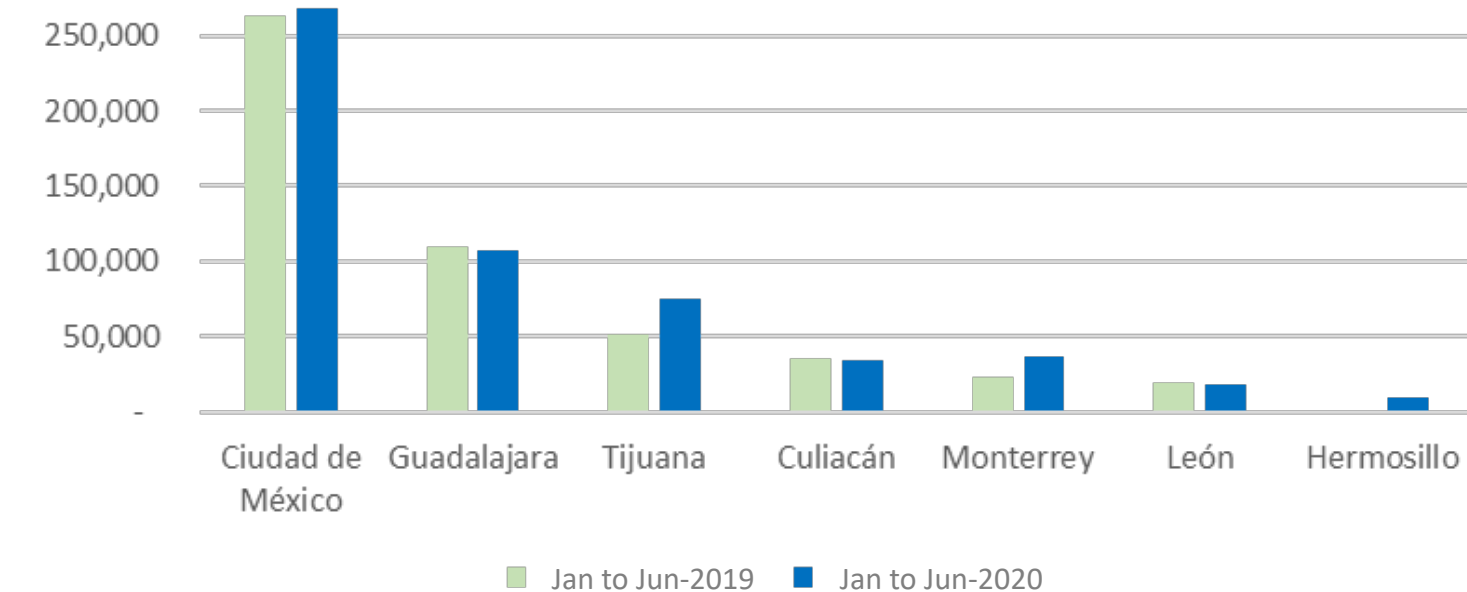
SCHEDULED SEATS FOR JAN-JUN-2020

- In Jan-2020, 11% more available seats are expected than those scheduled in Jan-2019.
- For the next 6 months (Jan-Jun-2020) 7.8% more available seats have been scheduled than in the same period in the previous year. It should be noted that Viva Aerobus shows a 60% growth, reversing the negative effect caused by Interjet's scheduling decrease (-17.3% fewer seats scheduled for the next 6 months).
 - Mexico City and Guadalajara are the most relevant issuing markets with 49% and 19% of the total seats available Jan-Jun-2020. Followed by Tijuana (14%), Monterrey (7%), Culiacan (6%), Leon (3%), and Hermosillo (2%).
- In Jan-Jun-2020, 41% of available seats will be offered by Volaris, followed by Viva Aerobus with 29% (10pp increment). Interjet will offer 18% and Aeroméxico 12%.
- Seats from CDMX will increase by 2%, and those from TIJ and MTY will increase by 45% and 55%, respectively. While GDL will drop by 3.2%.
 - GDL's participation also dropped by 3pp, going from 22% to 19% in this period. In contrast, TIJ increased its participation from 10 to 14%.
- Load factors of domestic airlines for Oct-2019 were: Volaris (77%), Aeroméxico (72%), Interjet (73%), and Viva Aerobus (76%).
 - When comparing Oct-2018, Interjet's occupancy increased by 7pp going from 66% to 73% (attributable to the decrease in its supply). In contrast, Aeromexico decreased its occupancy 6pp from 78% to 72%.

Seat scheduling to San Jose del Cabo
(Jan to Jun-2020)



Seat scheduling by origin
(Jan to Jun-2020)





LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations, articles, and reach (Dec-2019)

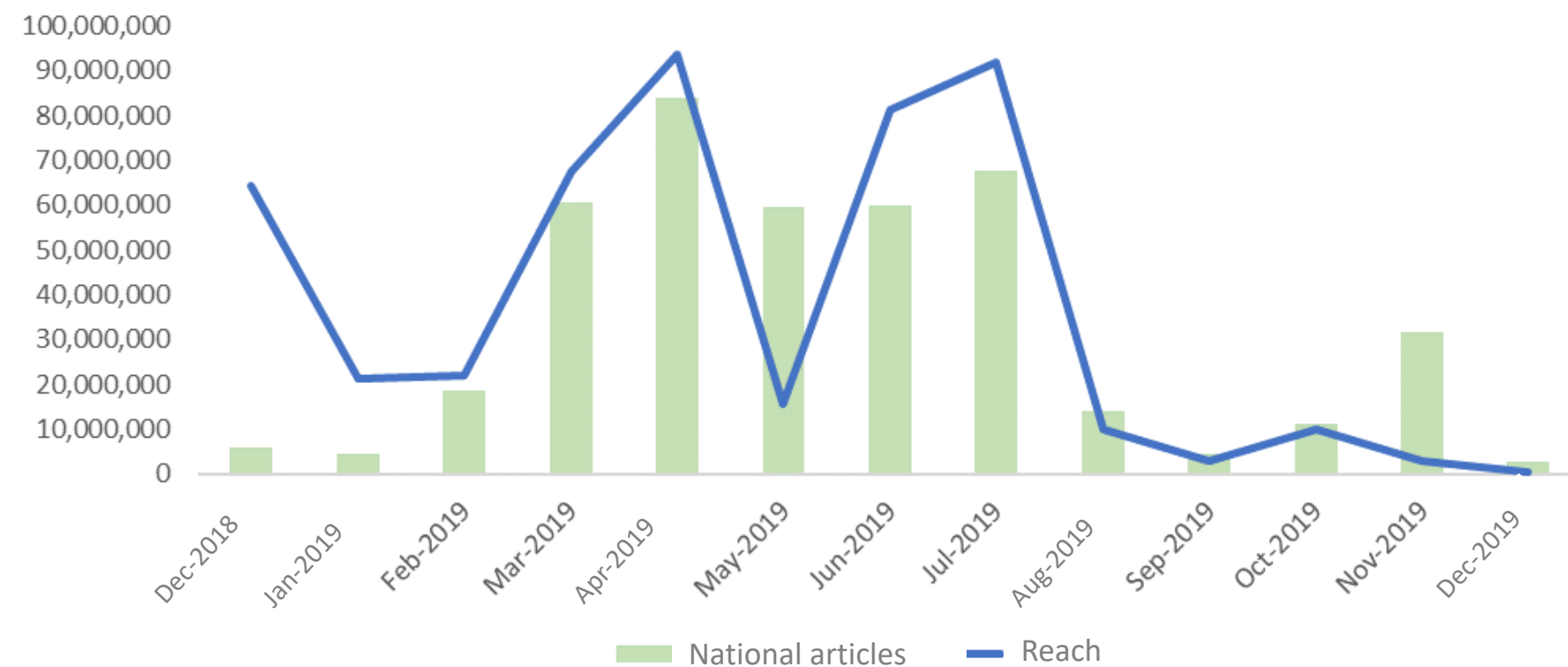
- In the domestic market:

- In the period from Jan-Dec-2019 (the last 12 months) there were 5,096 articles in the national press (on average 392 per month), generating a reach of 483 million impressions (on average 35 million per month). During Dec-2019, 33 articles were published, achieving 547,000 impressions.

- In the international market:

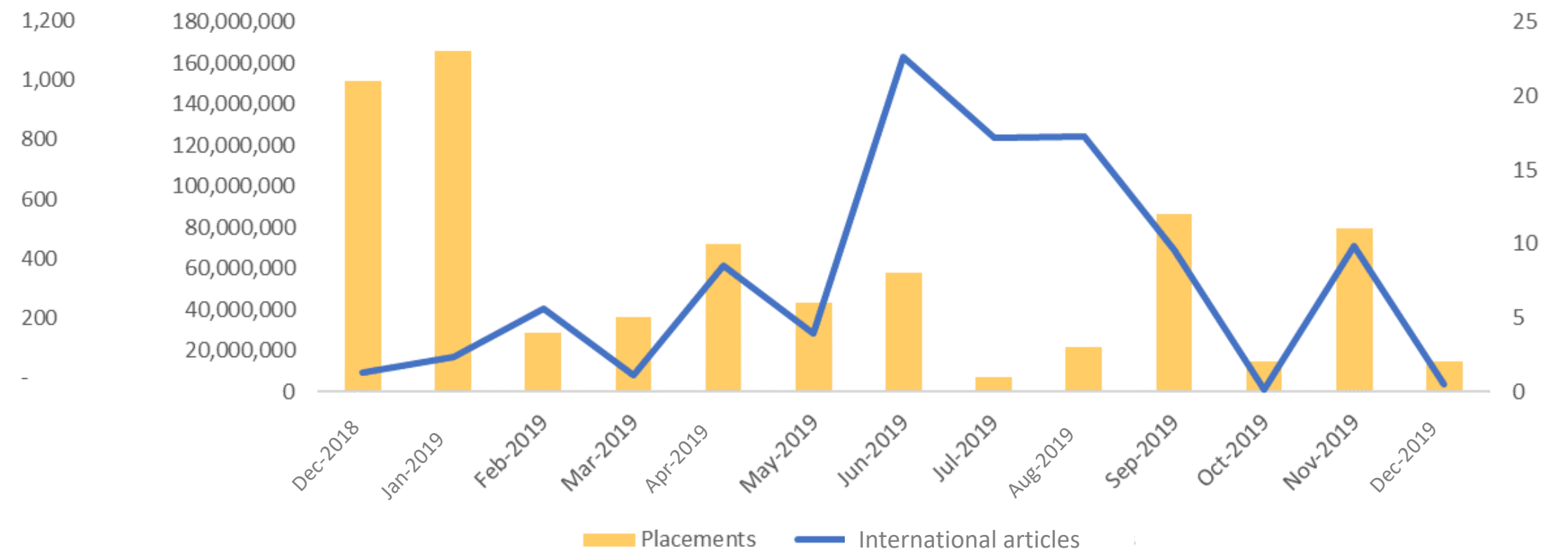
- In the period from Jan-Dec-2019 there were 87 articles in the international press (on average 7 per month), generating a reach of 710 million impressions (on average 59 million per month). During Dec-2019, 2 articles were published, achieving 3.2 million impressions.

TOTAL NATIONAL ARTICLES AND REACH (DEC-2019)



SOURCE: GAUDELLI (Feb-18 to Jan-19), LLORENTE Y CUENCA (Feb-Nov-19)

TOTAL NATIONAL ARTICLES AND REACH (DEC-2019)



SOURCE: NJF (Feb-18 to Jan-19), OGILVY (Feb-Nov-19)

DEFINITIONS

- **Congress.** Non-business-oriented meetings in which large groups of individuals gather, generally to discuss and exchange points of view about a topic of interest (professional, cultural, religious, social, sports, governmental or academic, among others). They usually last several days with simultaneous sessions, as well as a predetermined multiannual or annual frequency.
- **Convention.** Guild or business meetings normally sponsored by a corporation, in which the participants represent the same company, corporate group or customer or supplier relationship. Sometimes participation is mandatory, thus, travel expenses are borne by the corporation. It includes general and formal meetings of a legislative, social or economic body, in order to give information, deliberate or establish consensus or discuss policies by the participants, as well as discuss business issues around a market, product or brand. They may contain a secondary component of exposure.
- **Available rooms.** It is the number of rooms that are in service. It doesn't count the rooms that are out of service due to repair or some other reason.
- **Tourist destination.** The main destination of a tourist trip is the place to be visited which is essential for the decision to make the trip. See also main reason for a tourist trip.
- **Seasonality.** It means that tourist flows or currents tend to concentrate around certain times of the year, repeating this process annually.
- **Stay.** It results from dividing the total tourist nights by the number of tourist arrivals per month. The result obtained expresses the number of days of stay of the tourist.
- **Events or incentive trips.** An incentive trip is a modern management strategy focused on recognizing people who reached or exceeded objectives commonly related to sales or productivity, aimed at participants who demonstrate better performance in their work with an extraordinary travelling experience.
- **Room Nights.** It is obtained from the daily registry with the number of tourists occupying rooms at an establishment, by their length of stay (number of nights they spend at the establishment) and is classified according to their place of origin, by residents and non-residents.
- **Inflation.** Continuous and generalized growth in the prices of goods and services that are sold in an economy. It is the average growth from one period to another of the prices of a basket of goods and services.
- **Underlying inflation.** It is the increment of prices of a subset of the NCPI (National Consumer Price Index), which contains generics with less volatile quotes. It measures the inflation trend in the medium term. The 283 generic concepts that integrate the basket of goods and services of the NCPI are classified or grouped into subsets that respond to particular analysis needs, amongst the most well-known classifications are those of object of expenditure, which refers to the sector of origin of the goods and services and of durability of the goods and underlying inflation.
- **Passenger arrivals.** Passengers transported in airline aircrafts with established routes and itineraries.
- **Tourist arrivals.** Corresponds to the number of tourists registered by the lodging establishment during the month.

DEFINITIONS

- **Visitor's nationality.** That of the country which grants a passport or another identity document to the visitor, even if they usually reside in another country.
- **Non-resident.** A person whose habitual environment is outside the Mexican territory and who visits the latter for a period of less than twelve months for any reason (businesses, vacations, and other). Excludes received remuneration for activities carried out in the visited place.
- **Hotel occupancy.** The occupancy rate of accommodation is a concept based on the supply. It is an important indicator for many purposes. It provides information on the differences in use between the different types of lodging establishments and if presented in monthly data it also indicates the seasonal pattern of the use of tourist accommodations.
- **RevPAR.** The RevPAR is the most important metric used in the hotel industry to assess the financial performance of an establishment or chain. It is an abbreviation of Revenue Per Available Room, income per available room. It always refers to a certain period (weekly, monthly, annual, etc.). One way to calculate the RevPAR is through the formula: $\text{RevPAR} = \text{It} / \Sigma \text{Ht}$, where It is equal to the total income generated by the rooms in a period t. and ΣHt is equal to the total number of rooms available in a period t. That is, the rooms of the establishment or chain multiplied by the number of nights of period t minus rooms not available.
- **Resident.** Individual whose habitual environment is in the territory of the Mexican United States.
- **Residence.** It is the place/country in which the traveler has remained during most of the previous year (12 months) or has stayed for a shorter period and expects to return within the 12 months to live in that country.
- **Average daily rate.** The average daily rate (commonly known as ADR) is a statistical unit that represents the average income per occupied room, paid in a given period of time. The ADR along with the occupancy of the property are the basis for the financial performance of the property. The ADR is calculated by dividing the income of the rooms, by the number of rooms sold. Rooms of house guests (known as "House use") and free rooms (known as complimentary) must be excluded from the denominator.
- **Tourist.** Any person who travels outside of their usual location for a period of less than 12 months for any reason, except for people who engage in activities that will generate income at the travel destination; refugees or migrant workers; diplomats; seasonal or border workers, or travel employees.
- **Visitor.** Any person who travels outside of their usual location for a period of less than 12 months for any reason, with the exception of people who participate in activities that will generate them income at the travel destination; refugees or migrant workers; diplomats; seasonal or border workers, or tourism employees, or people searching for a job or to establish new residence.

LOS CABOS TOURISM OBSERVATORY

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Prepared by STA Consultores S.C.
www.staconsultores.com
info@staconsultores.com