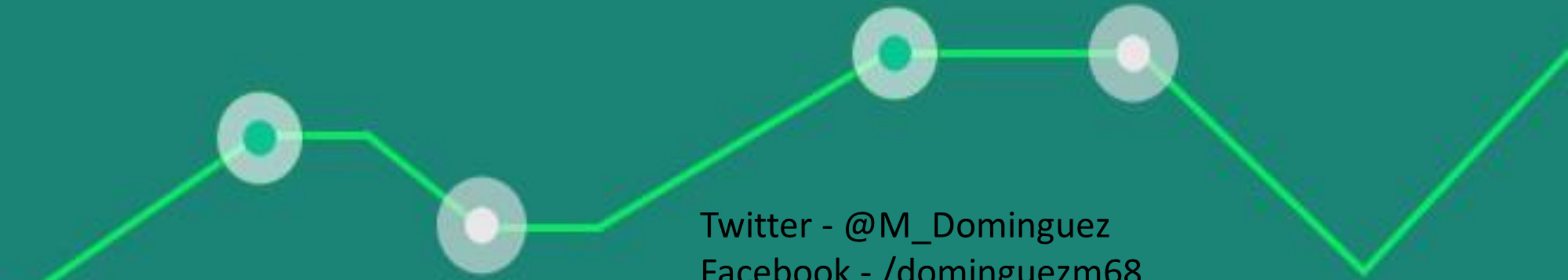


what's TRENDING?



Twitter - @M_Dominguez

Facebook - /dominguezm68

Linkedin – Michael Dominguez

Instagram – dominguezm68

mdominguez@mgmresorts.com



Speed is the
new currency of
business

Marc R. Benioff
Chairman and CEO, Salesforce



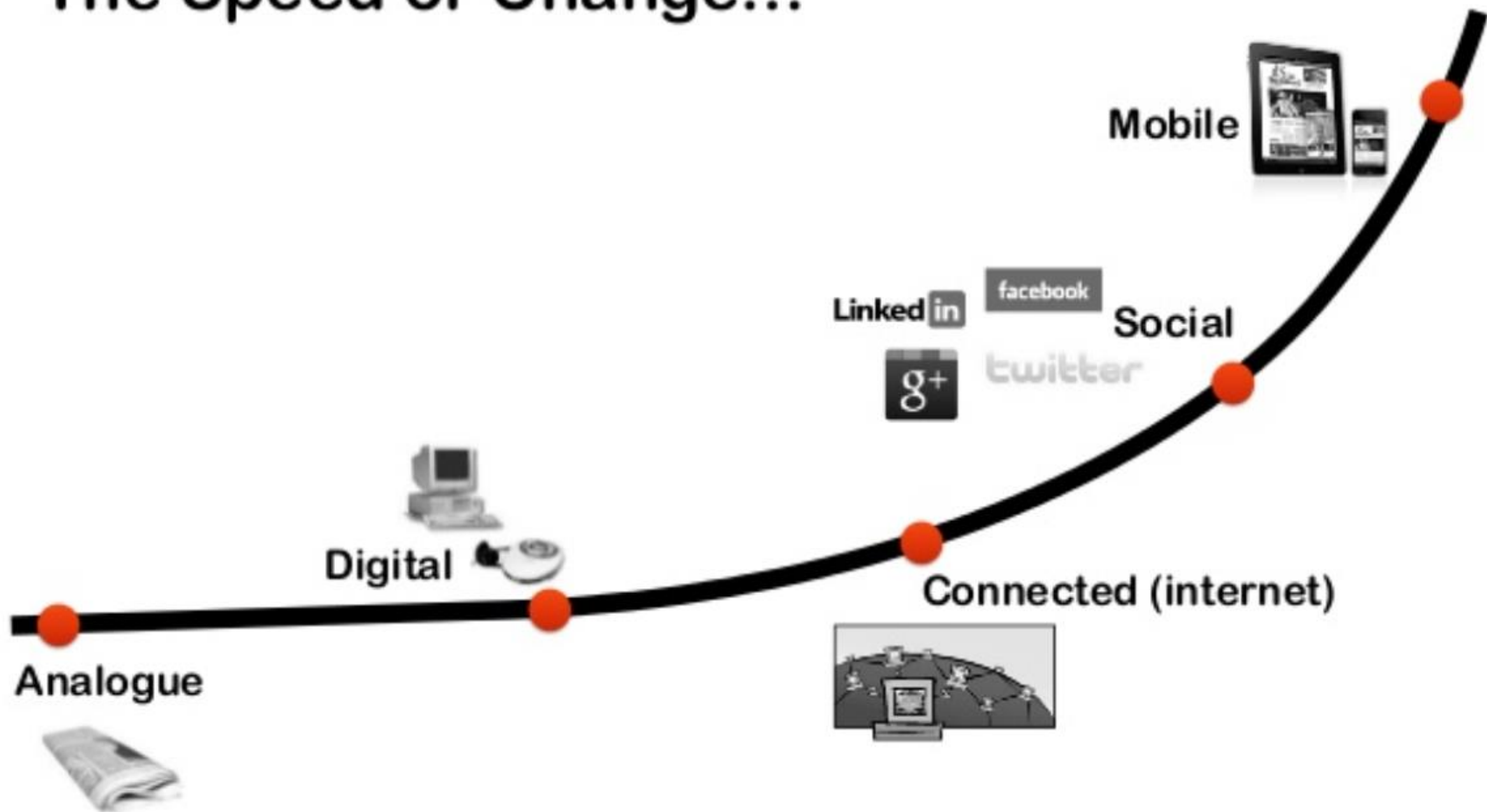
Thank You for Being Late

AN OPTIMIST'S GUIDE TO THRIVING
IN THE AGE OF ACCELERATIONS

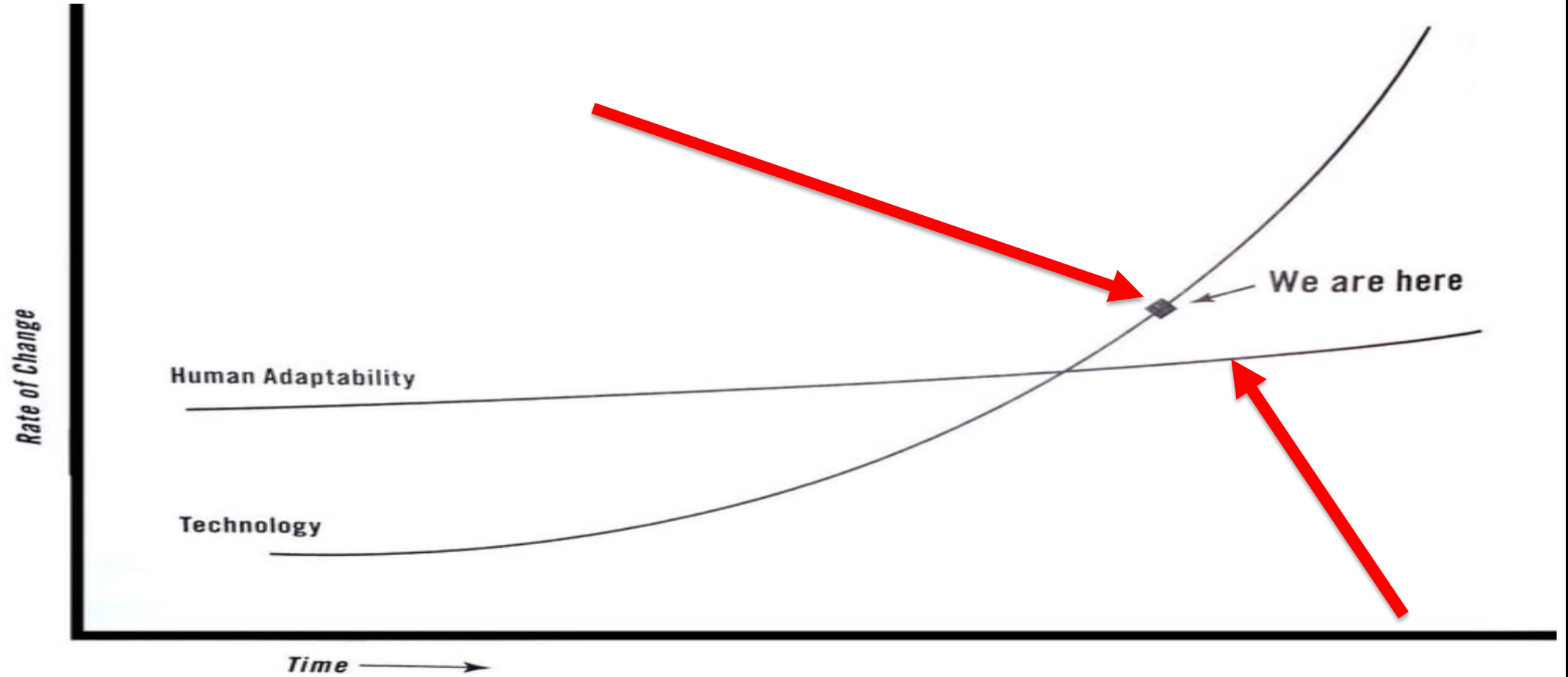
THOMAS L.
FRIEDMAN

AUTHOR OF THE WORLD IS FLAT

The Speed of Change...



Rate Of Change





COMPAQ

Woolworth



Everyone Is Vulnerable



Jeff Bezos to employees: 'One day, Amazon will fail' but our job is to delay it as long as possible

[illegible]



U.S. Industry Performance



U.S. Hotels 2016

Metric	No.	Status	Remarks
OCC	65.5%	▲0.1%	RECORD
ADR	\$124	▲3.1%	RECORD
REVPAR	\$81	▲3.2%	RECORD
AVAIL ROOMS	1.8B	▲1.6%	RECORD
OCC ROOMS	1.2B	▲1.7%	RECORD
ROOM REV	\$149B	▲4.8%	RECORD

2017: A Record Year!

YTD December 2017, Total US Results



		<u>% Change</u>
Room Supply		1.8%
Room Demand		2.7%
Occupancy	 65.9%	0.9%
ADR	 \$127	2.1%
RevPAR	 \$85	3.0%
Room Revenue		4.9%

YTD October 2018: Fundamentals Remain Strong



	Highest Ever?		% Change
Room Supply	<input checked="" type="checkbox"/>		2.0%
Room Demand	<input checked="" type="checkbox"/>		2.5%
Occupancy	<input checked="" type="checkbox"/>	67.9%	0.5%
ADR	<input checked="" type="checkbox"/>	\$131	2.6%
RevPAR	<input checked="" type="checkbox"/>	\$89	3.1%
Room Revenue	<input checked="" type="checkbox"/>		5.2%

Total US Results, October 2018 YTD



Total United States Performance

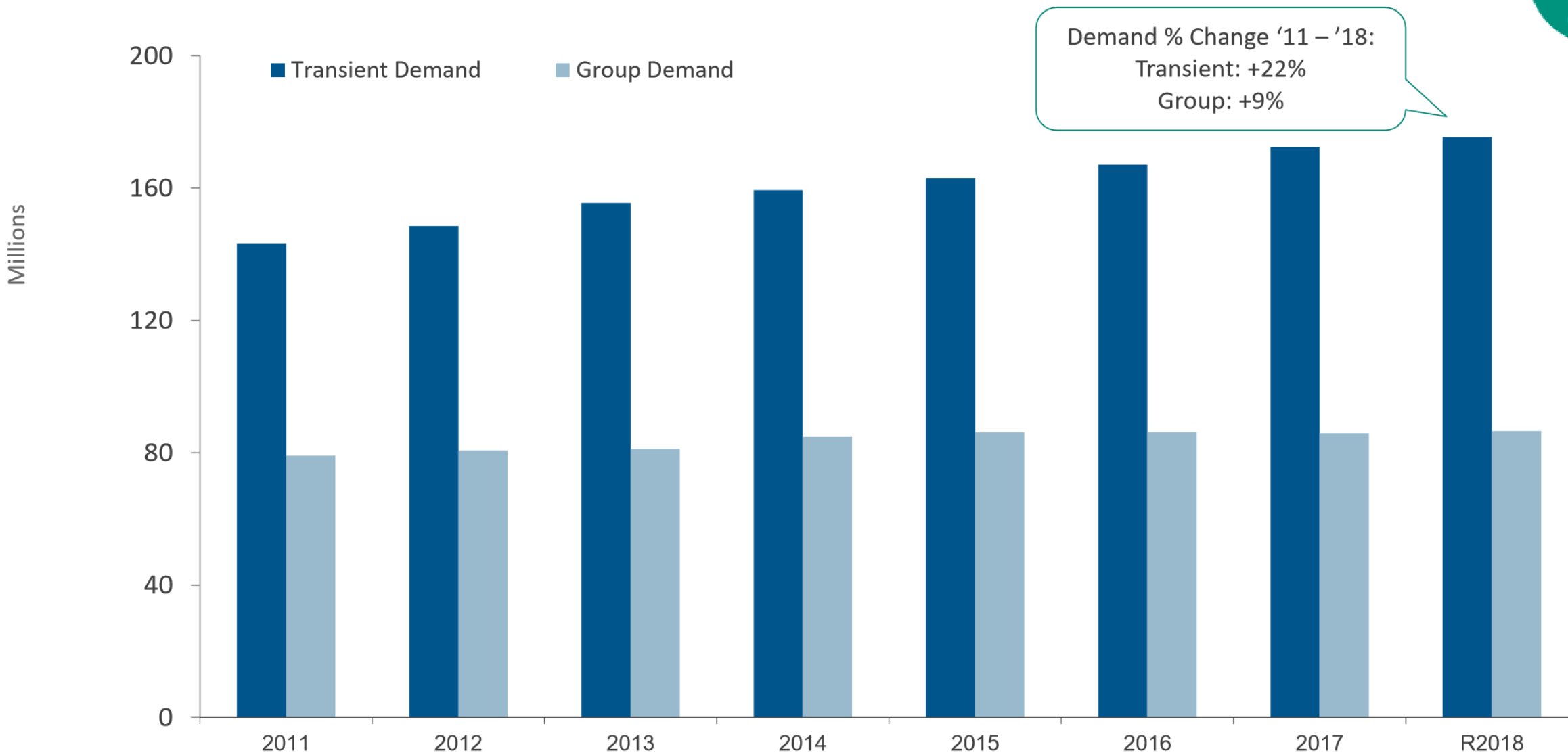


May 2019 YTD	Actual	(% chg)	Comment
Supply	794M	↑ 2.0%	Record
Demand	512M	↑ 2.5%	Record
Occupancy	64.4%	↑ 0.4%	Record
ADR	\$130	↑ 1.2%	Record
RevPAR	\$84	↑ 1.6%	Record

Rates
Continue To
Grow



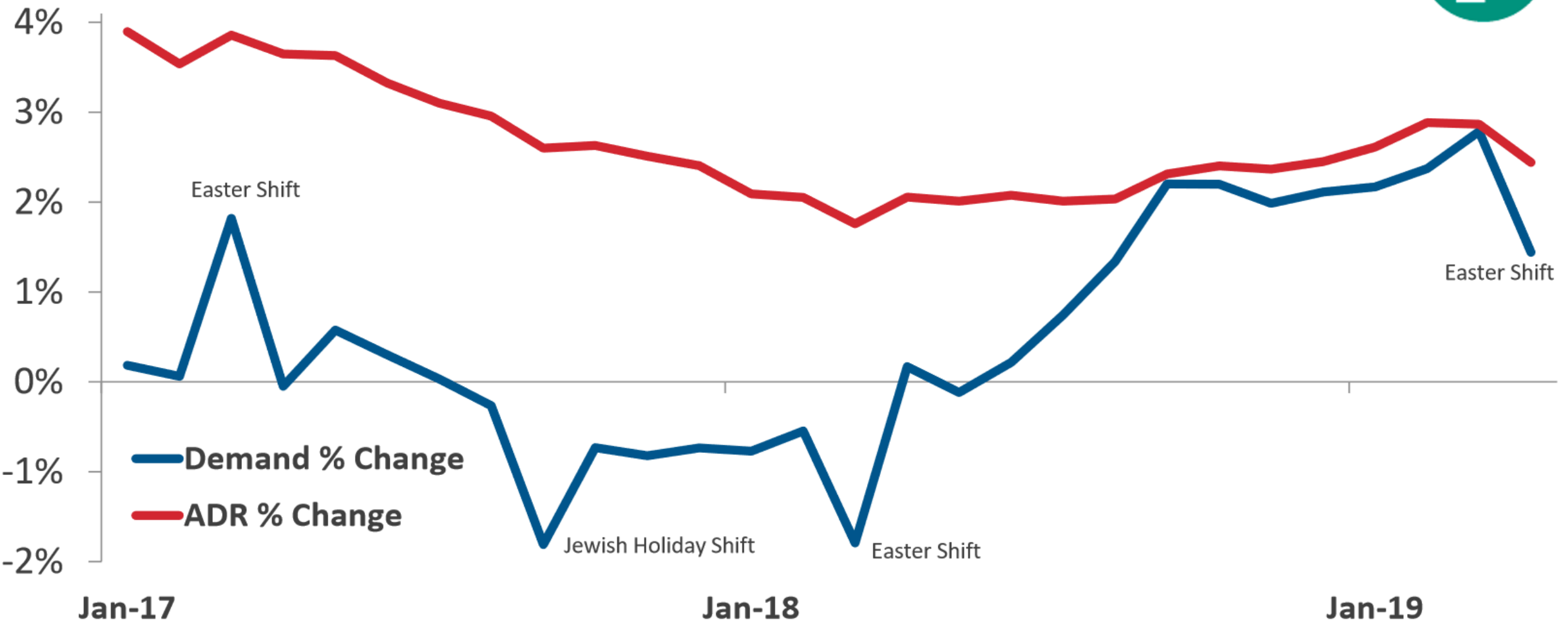
U.S. Demand Growth is Transient Driven



Total Number of Rooms Sold, Group and Transient - by year 2011 – 2017, and August 2018 12MMA

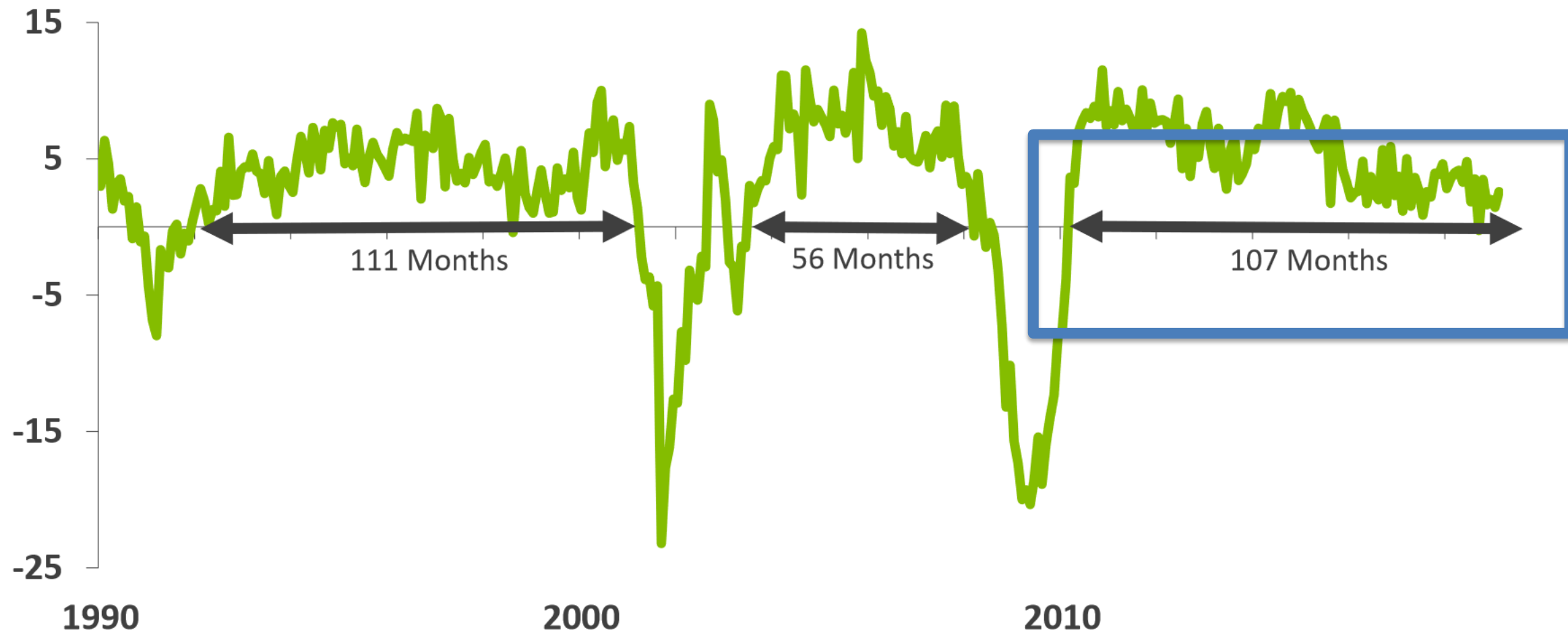
*Luxury and Upper Upscale Classes, Total U.S.

Group Performance: The Usual Easter Hiccup in Demand Growth



*Group Demand and ADR % Change, 12 MMA, 1/2017 – 04/2019

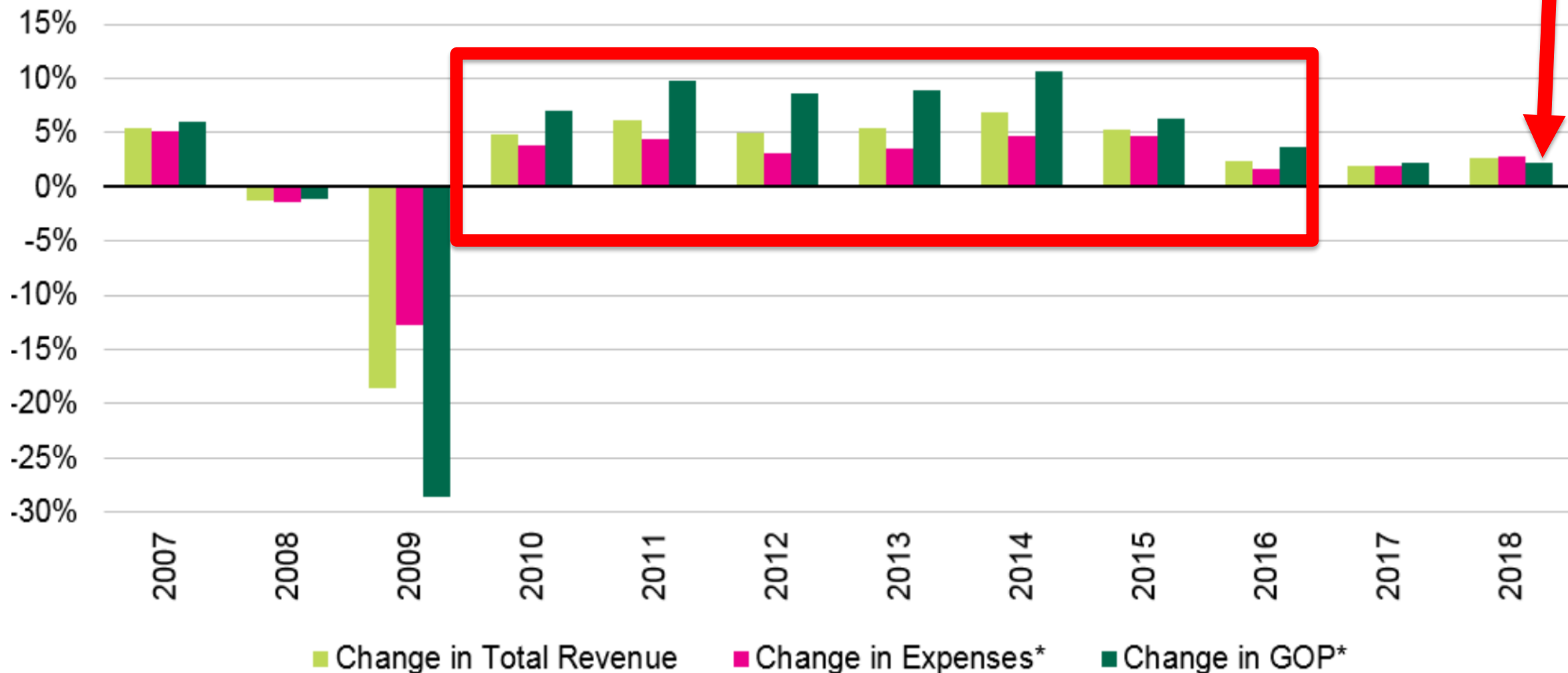
RevPAR Growth: Positive in 107 out of 108 last months



Total U.S., RevPAR % Change, Jan 1990 – Feb 2019

2019 TRENDS® IN THE HOTEL INDUSTRY

Annual Change in Revenues, Expenses, and Profits* - \$PAR

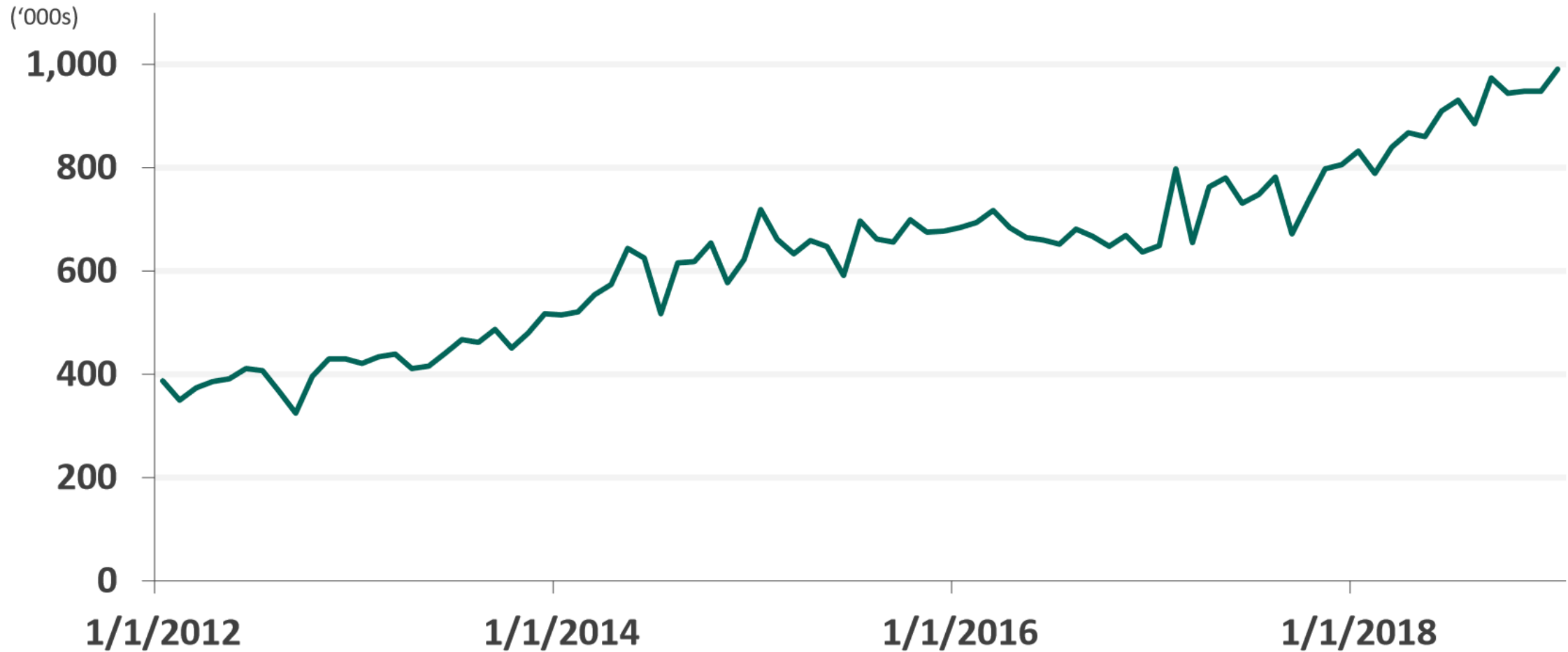


Note: * Before Management Fees and Non-Operating Income and Expenses

Source: CBRE, Trends® in the Hotel Industry

What Should Worry us?

~1 Million Open Positions in Accommodations /Food Service...



Total U.S., Accommodation and food services, Job openings, seasonally adjusted, <https://www.bls.gov/data/#employment>

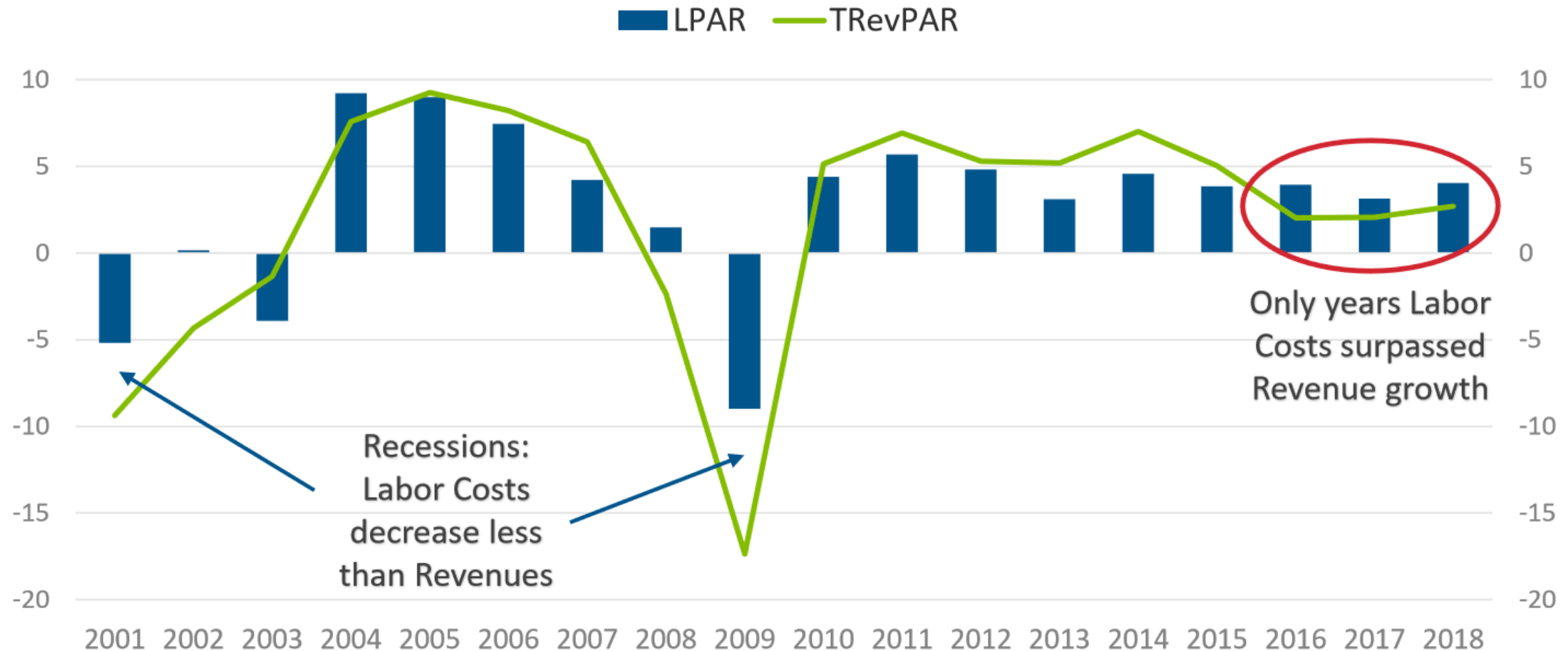
© 2019 STR. All Rights Reserved.

... And The Fight For Talent Drives Up Hourly Wages



Past 3 years Labor costs have outpaced Revenue growth

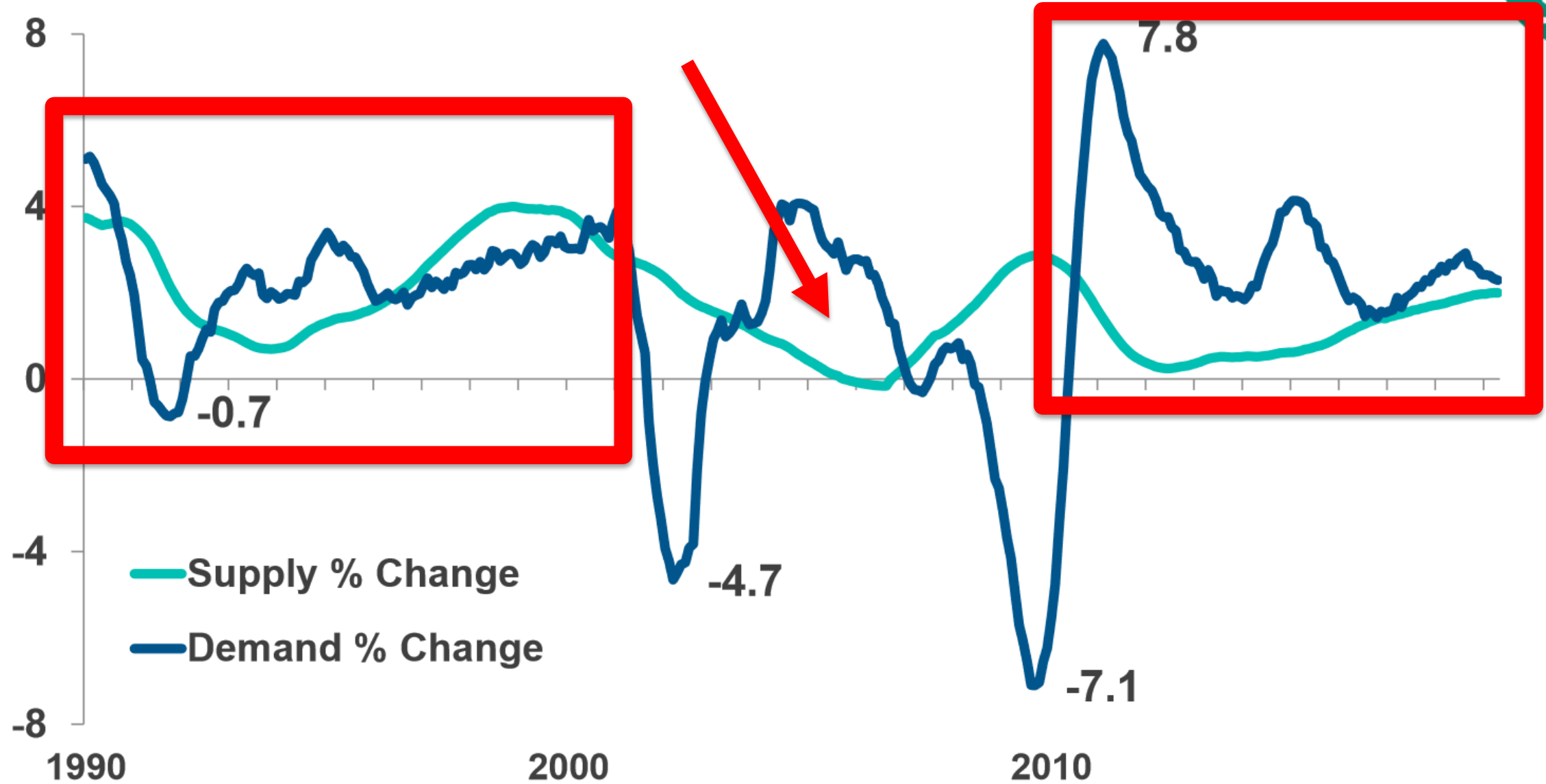
Labor and Revenues – Year-over-year percentage growth



The Relationship



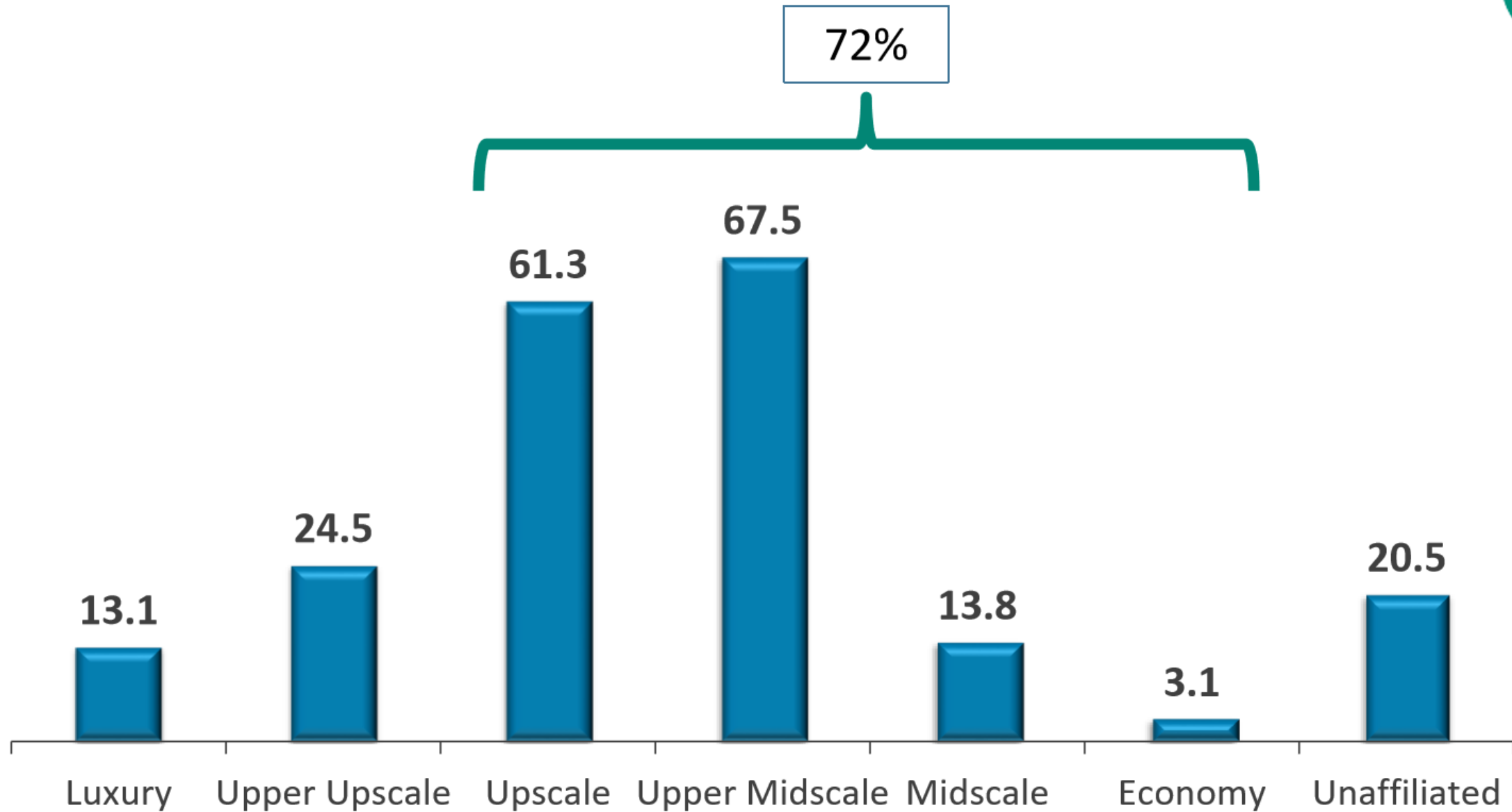
Demand Growth Trajectory Slows. Supply Growth Still At 2%



Total U.S., Supply & Demand % Change, 12 MMA 1/1990 – 04/2019



Limited Service Construction Is The Name Of The Game



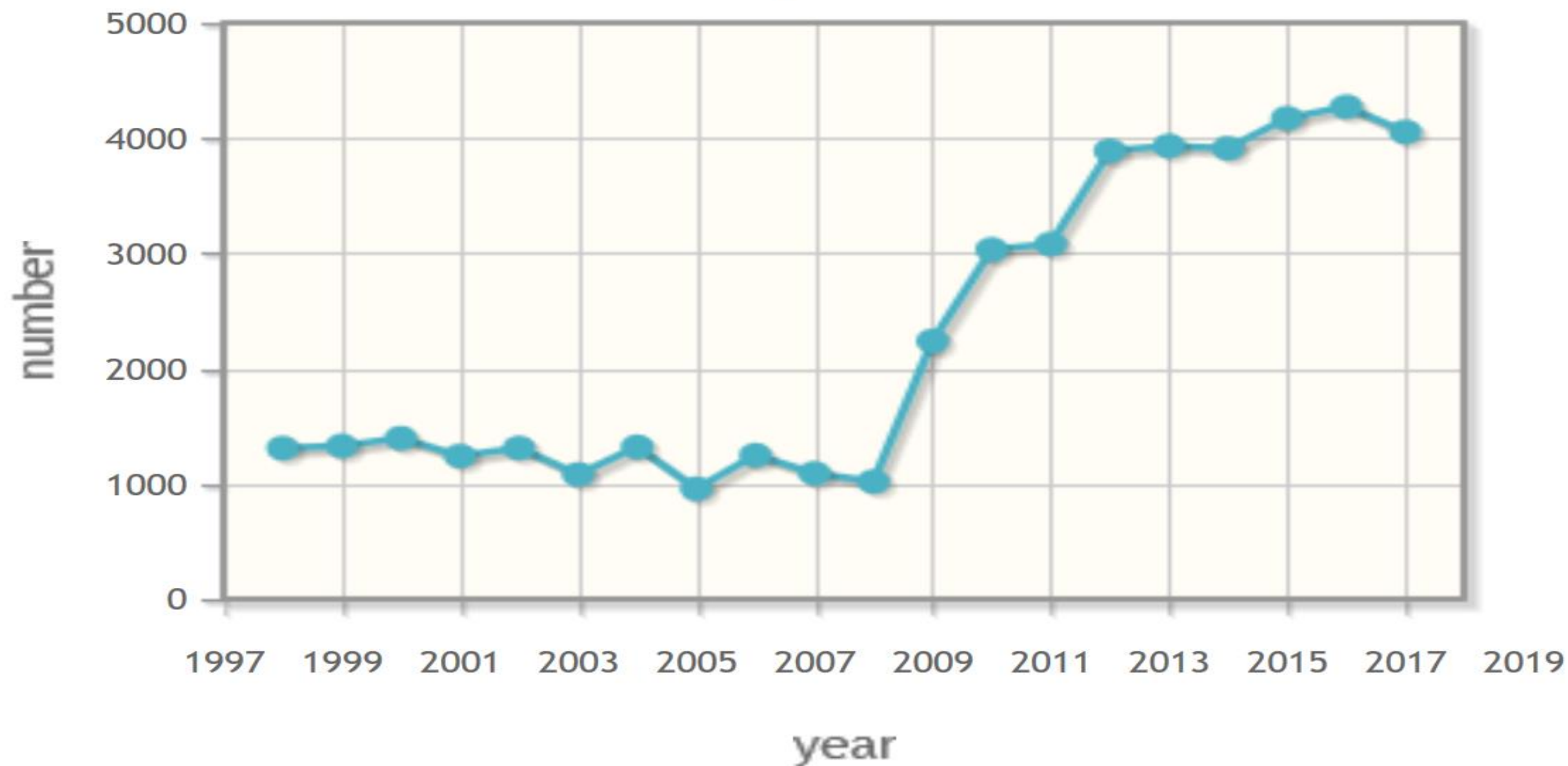
*US Pipeline, Rooms In Construction , '000s Rooms, by Scale, April 2019

F&B

100%

ORGANIC

Outbreaks per Year*



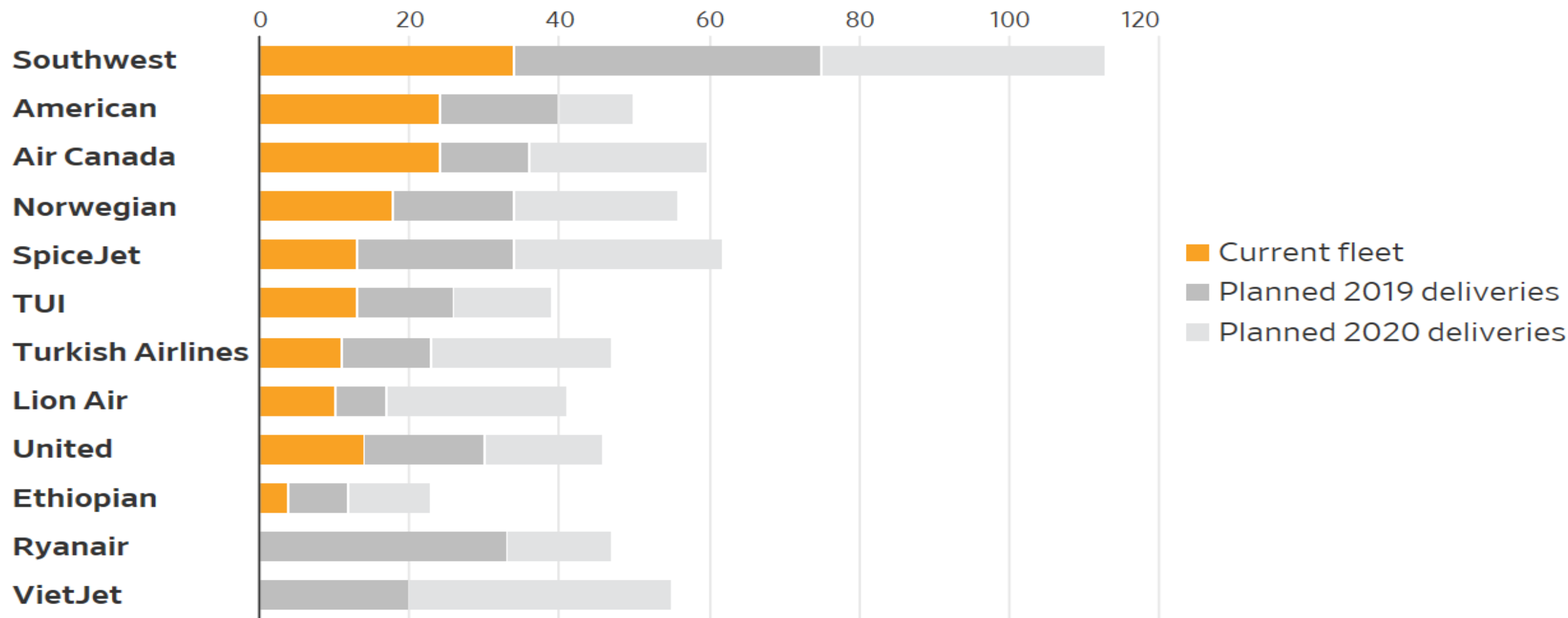
*0, if not available



Filling the Gap

The 737 MAX grounding and delivery freeze came just as dozens of carriers were planning to introduce or expand the plane in their fleet.

Current and ordered Boeing MAX planes



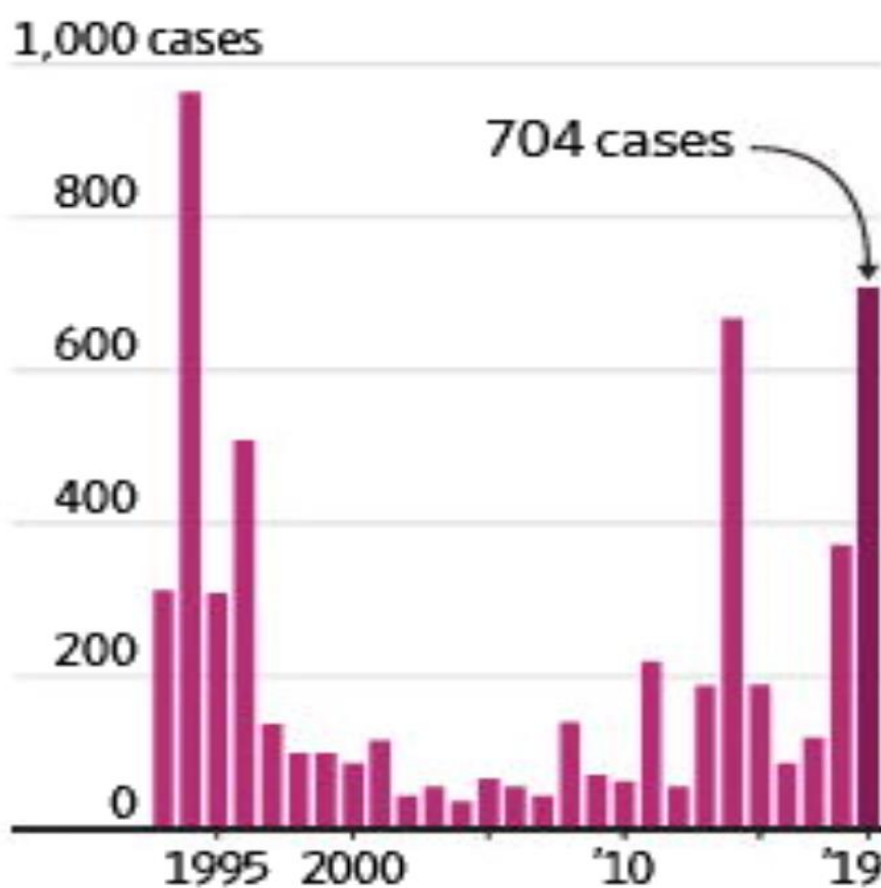
Source: Cowen & Co.



THREATS

New Heights

Measles cases in the U.S. have reached their highest level in 25 years.



Note: 2019 figure through April 26
Source: Centers for Disease Control and Prevention

A nighttime photograph of a city skyline, likely New York City, featuring several illuminated skyscrapers against a dark blue sky. The lights from the buildings and streetlights create a vibrant, urban atmosphere. The text is overlaid on a dark horizontal band across the middle of the image.

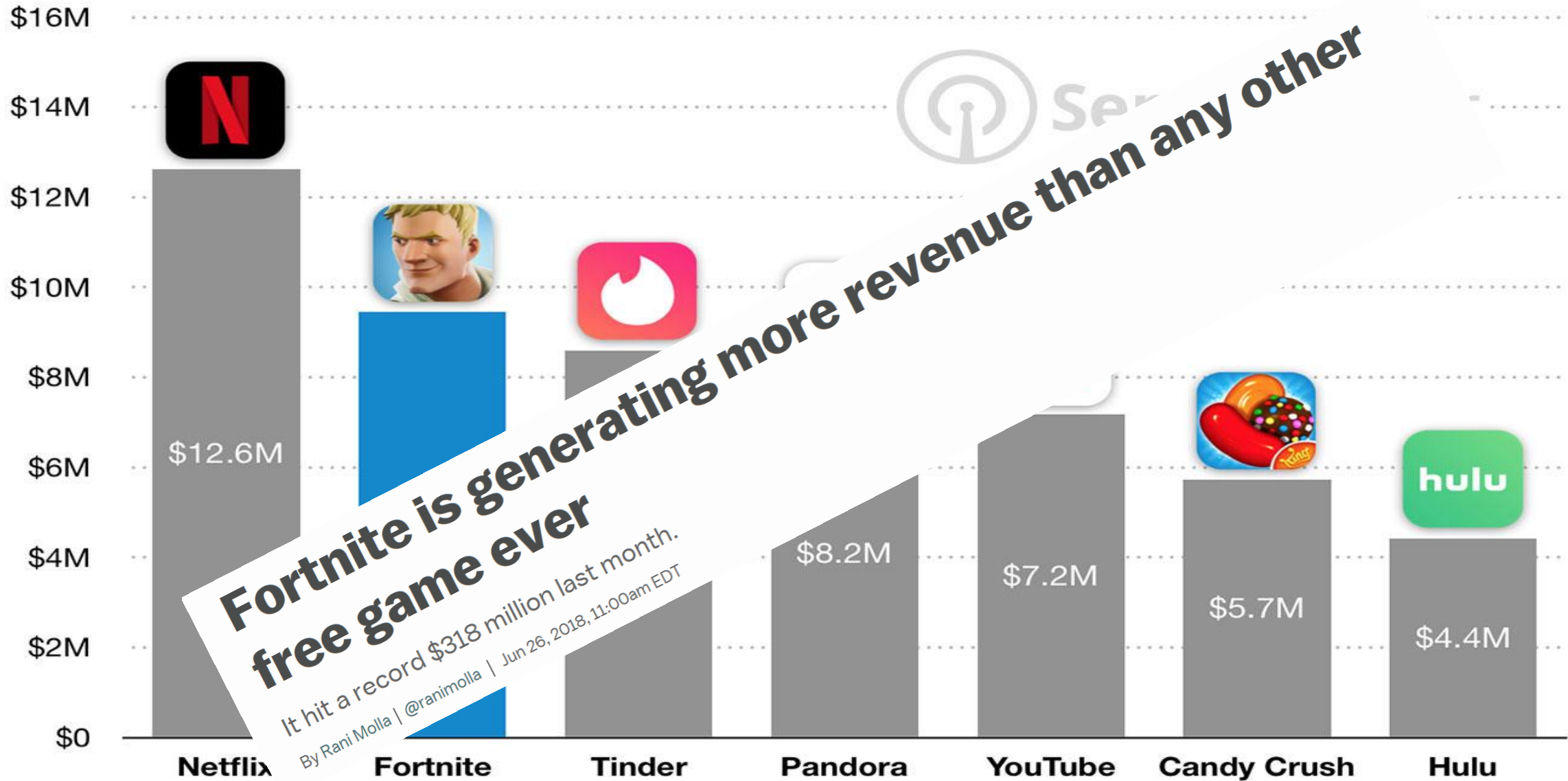
TIME TO CHANGE THE BUSINESS MODEL



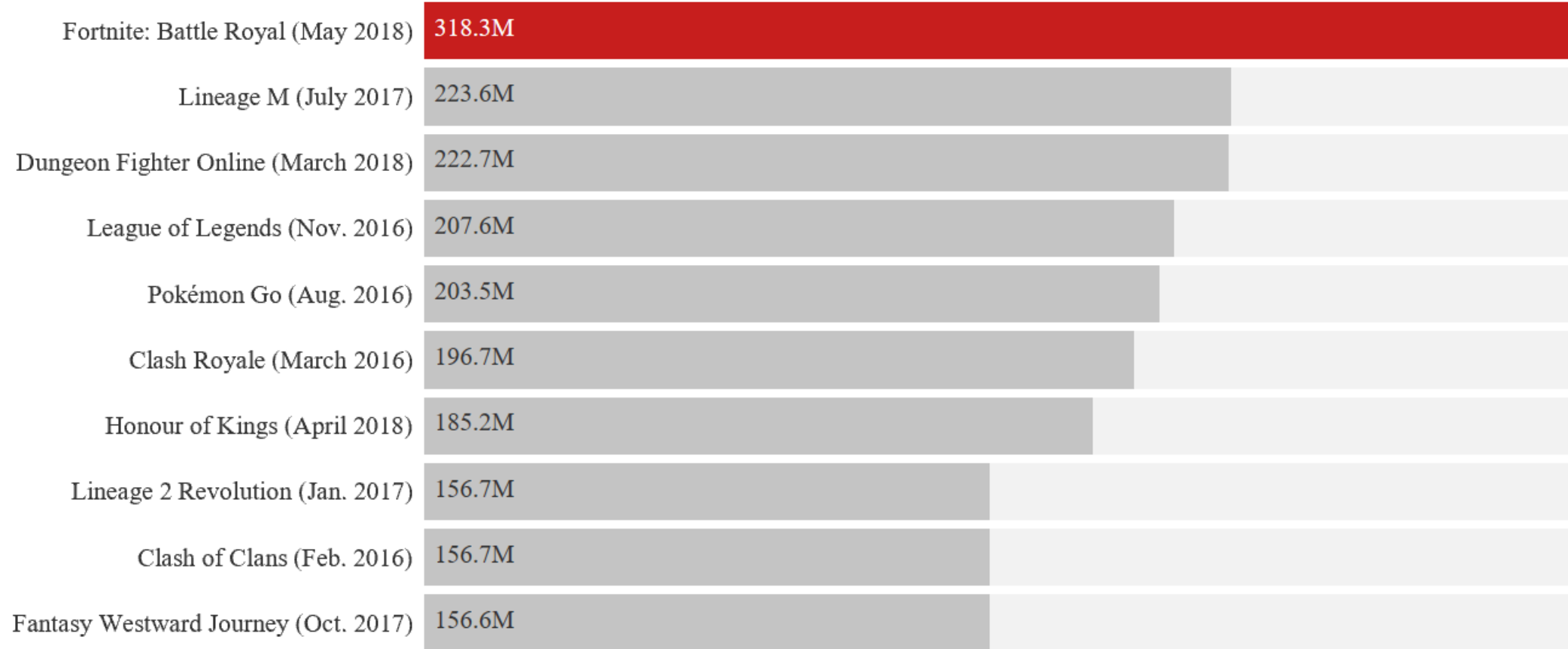
FORTNITE

E N D G A M E

Fortnite: iPhone Spending, April 1-15 (United States)




Top free-to-play games by highest one-month revenue



Source: SuperData

recode



A group of young adults are sitting on a grassy field, having a picnic. In the background, a city skyline with several tall skyscrapers is visible across a body of water. The scene is captured in a warm, golden-hour light. The text "WHO ARE MILLENIALS?" is overlaid in large, white, bold, sans-serif capital letters, centered horizontally and partially enclosed by two horizontal white lines.

WHO ARE MILLENIALS?

SORRY AIRBNB, BUT U.S. MILLENNIAL TRAVELERS PREFER HOTELS



January 11, 2018

Share:    

The demo that will spend \$200 billion in 2018 alone overwhelmingly prefers full-service hotels. It's just one of the surprises in our new ['Future of U.S. Millennial Travel' Report](#).

TRAVEL AGENT USER VS. NON TRAVEL AGENT USER DEMOGRAPHICS*

TRAVEL AGENT USER

Age: 39

Household Income: \$145,875

Married: 84%

Children in Household: 74%

Number of Vacations: 6.2

Amount Spent on Vacations: \$8,405

NON- TRAVEL AGENT USER

Age: 49

Household Income: \$112,125

Married: 71%

Children in Household: 34%

Number of Vacations: 2.9

Amount Spent on Vacations: \$4,111

FUTURE USE OF TRADITIONAL TRAVEL AGENTS BY GENERATION

Source: 2018 Portrait of American Travelers – MMGY Global

	MILLENNIALS	XERS	BOOMERS	MATURES
Vacation/Package Tour	85%	78%	77%	IRC
Accommodations	74%	78%	77%	IRC
Airline	76%	58%	62%	IRC
Cruise Line	75%	47%	40%	IRC
To Choose a Destination	70%	47%	40%	IRC
Rental Car	68%	43%	34%	IRC
LIKELY TO USE A TRADITIONAL TRAVEL AGENT TO BOOK THE FOLLOWING SERVICES*				

*Among travelers who used a traditional travel agent to plan at least one vacation during the next two years



Demographics

Age / Gender

Race

Location

Employment Status

Psychographics

Personality

Values

Attitudes

Interests

Lifestyles



Our children will never know the link
between the two



Behavioral Science
Is Now The Core



Stay Well is transcending hospitality by innovating and elevating the indoor environment to provide guests with a healthier travel experience.

SERVICES > PROGRAMS

STAY WELL™

WELL Building Standard™

Stay Well™

Wellness by Delos

STAY  WELL

relax™

cozy soft white light
Bedroom • Living Room • Entryway

Luz blanca suave y acogedora
dormitorio • sala de estar • entrada

refresh™

refreshing daylight light
Office • Laundry • Playroom

Luz de día refrescante
oficina • lavandería • sala de juegos





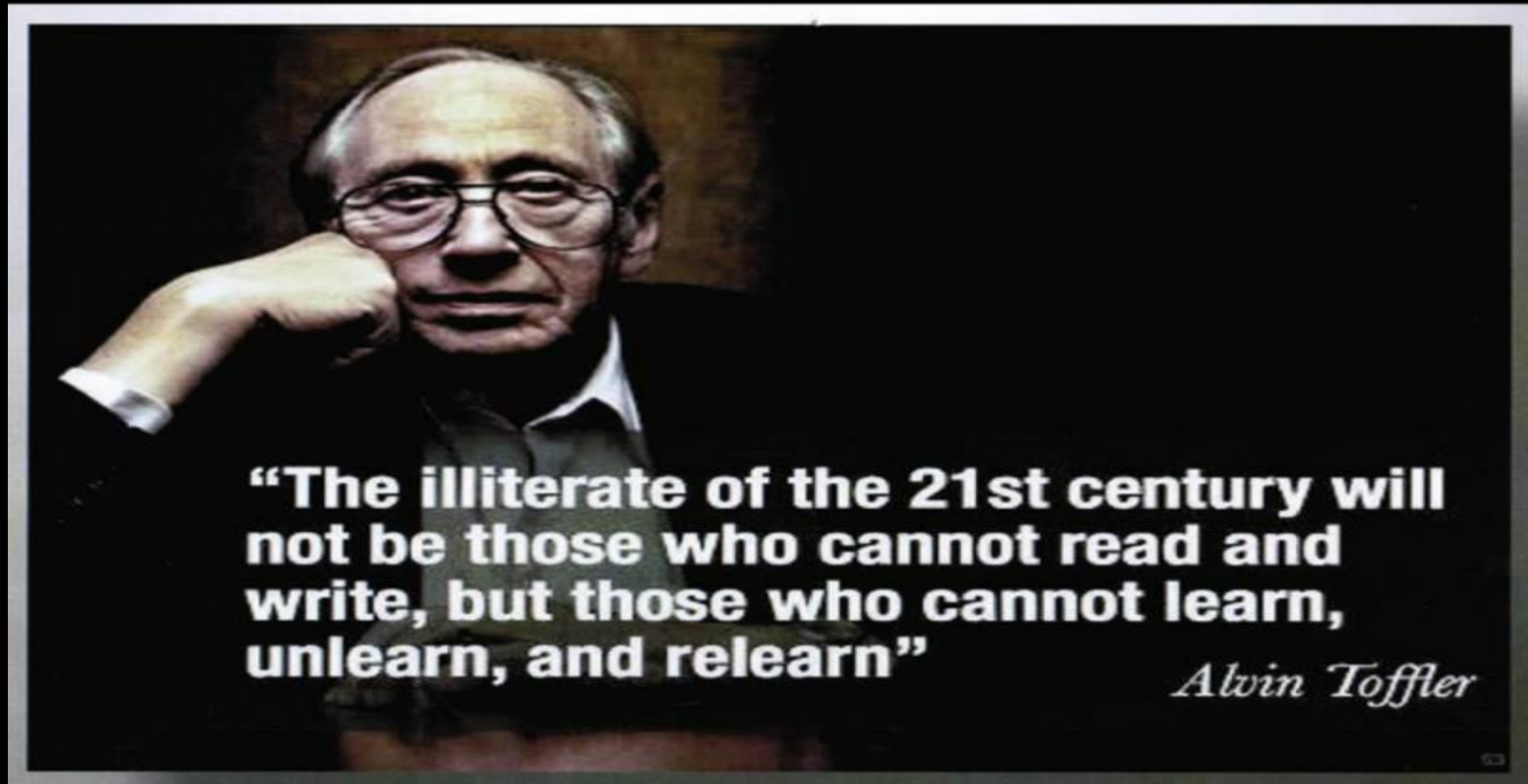
Leaders Respect – But Grow Tradition



tradition



Trend – Disrupt or be Disrupted



THANK YOU!

MDOMINGUEZ@MGMRESORTS.COM

Twitter – M_Dominguez

Facebook - /dominguezm68