



TBC CAPITAL

TOURISM UPDATE

6M 2024

Ia Katsia

Senior Research Associate

Irina Kvakhadze

Vice-President, Research



TBC CAPITAL

2024 6M Top Trends



83%

INTERNATIONAL VISITOR
TRIPS RECOVERED BY
83% VS 6M 2019



130%

INTERNATIONAL TRAVEL
RECEIPTS RECOVERED BY
130% VS 6M 2019



52%

AVERAGE
OCCUPANCY RATE



\$127

ADR in large Hotels

Slower annual growth of international visitors in 6M 2024 compared to the start of the year

In 6M 2024, number of international visitor trips reached 2,529,517, with annual growth reaching 6.3%, which is lower compared to annual growth registered in Q1 2024 (8%). In terms of recovery to 2019 levels, visitor trips recovered by 83% in 6M 2024, whereas recovery in Q1 2024 was higher – 87%. Large scale social unrest and consequent demonstrations held in April and May are major reasons for the slow down.

There is a notable difference between the countries by recovery levels. Azerbaijan, Armenia, and Russia still lag behind their 2019 levels, with Azerbaijan being at the lowest point, 16% as land borders remain closed and impede travel between Georgia and Azerbaijan. Middle East and Israel have stayed on growth track, surpassing 2019 levels by 51% and 64% respectively. As for the EU&UK, the region has fully recovered to its 2019 level.

FIGURE 1 Recovery of international visits compared to 2019

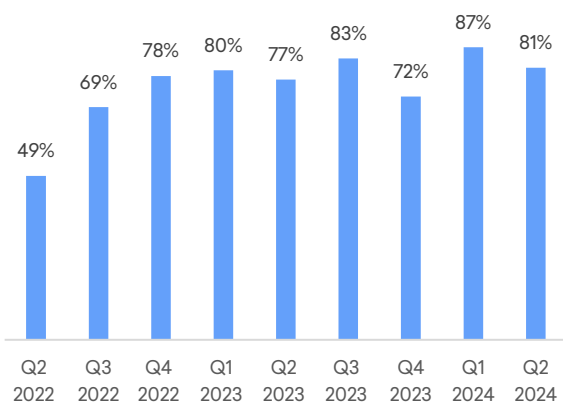


FIGURE 2 Recovery of international visits compared to 2019 level by countries, 6M, 2024

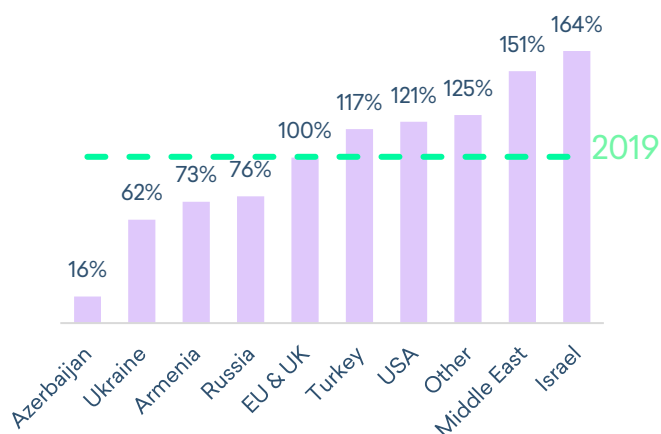
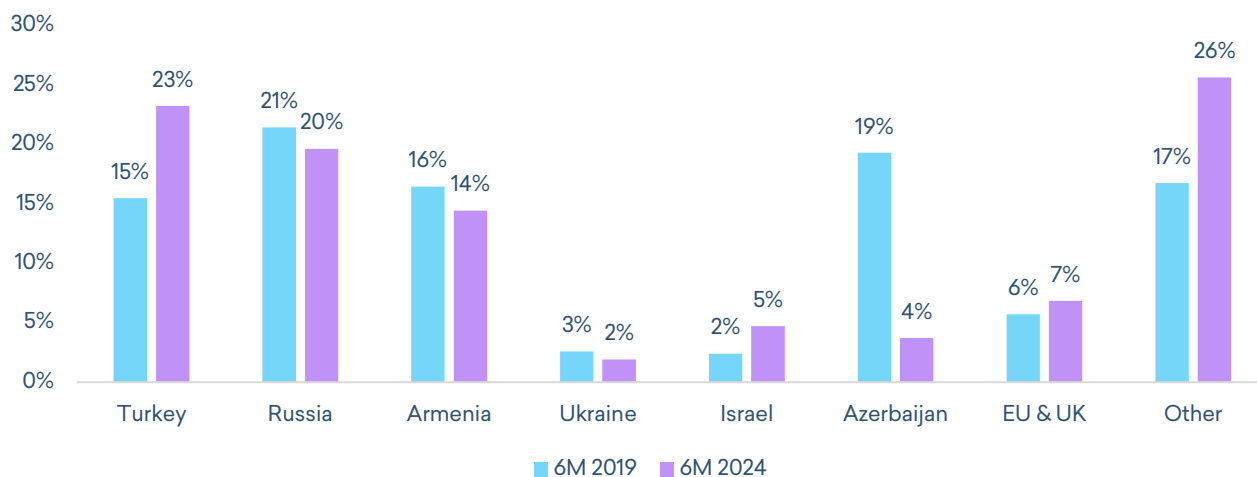


FIGURE 3 Share of countries in international visits



Source: Geostat

Travel receipts grew by 8% in Q2 2024 VS Q2 2023

In 6M 2024, the international travel receipts grew by 5.2% annually and reached USD 1,898 million, surpassing 2019 level by 24%.

Q2 2024 exhibited stronger growth in terms of revenues compared to Q1 2024. The countries that contributed to this growth were Israel and Saudi Arabia. It is notable that travel receipts from Armenia and EU&UK decreased in Q2 2024 compared to Q2 2023 by 12.7% and 3.2% respectively.

Turkey and Russia made up 35% of total international receipts in 6M 2024, Azerbaijan and Armenia make up a moderate 7%. As travel from Saudi Arabia and Israel continues to increase, so do travel receipts and their shares in total revenues from international visitors.

FIGURE 4 Recovery of Revenues from Travelers Relative to 2019

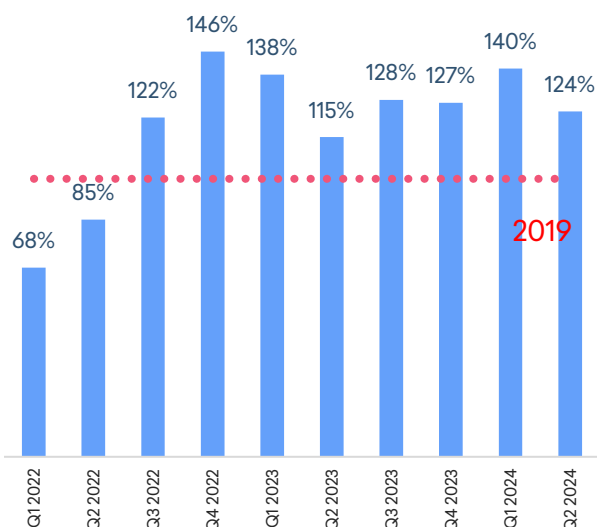


FIGURE 5 YoY growth, international travel receipts

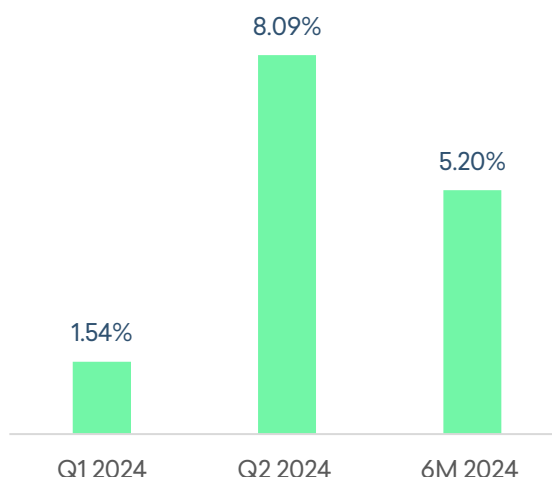
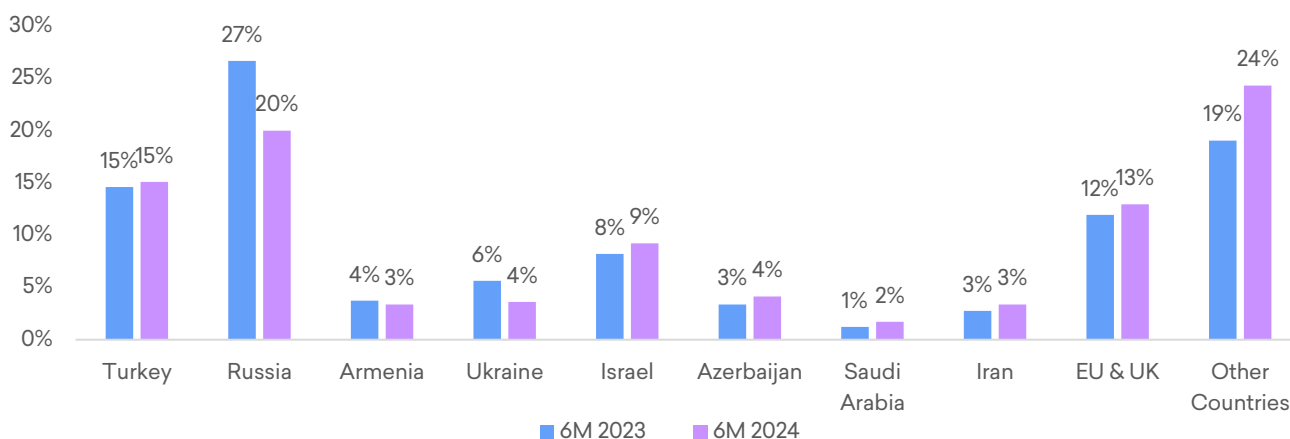


FIGURE 6 Share of Countries in Revenues Generated by International Travelers



Source:NBG

Hotels in Georgia



Average Occupancy*

52%

6M 2024



ADR in large* hotels

127\$

6M 2024

In June 2024, the ADR of high-budget hotels reached USD 148, a slight 4% increase compared to June 2023. At this price level, the occupancy

level in June 2024 increased significantly and reached 70% - a 11 pp jump compared to June 2023.

FIGURE 7 Average cost of a room in high-budget hotels, USD, including VAT

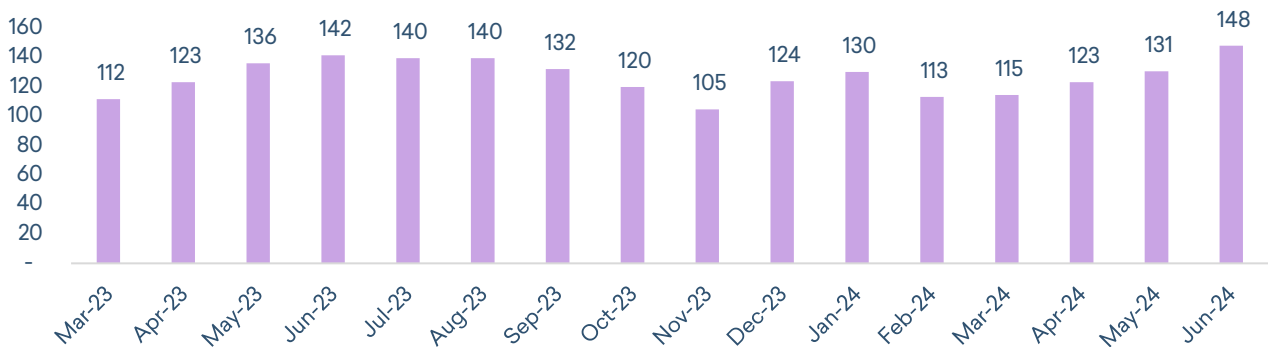
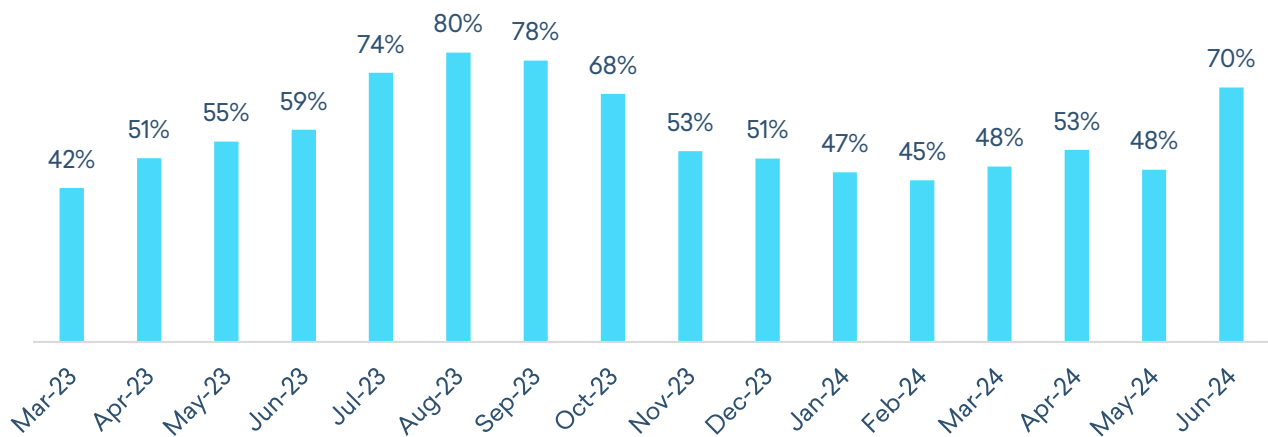


FIGURE 8 Average Hotel Occupancy in high-budget hotels



Source: TBC Capital

<p>INTERNATIONAL VISITOR TRIPS</p>	<p>International visitor is a non-resident traveler aged 15 or older taking a trip to Georgia outside of his/her usual environment, for less than a year. To define the “usual environment” in Georgia, travelers conducting eight or more trips are excluded from the data.</p>
<p>TOURIST TRIPS (OVERNIGHT)</p>	<p>A visitor is classified as a tourist (or overnight visitor) if his/her trip includes an overnight stay.</p>
<p>SAME DAY TRIPS</p>	<p>A visitor is classified as a same-day visitor (or excursionist) if his/her trip does not include an overnight stay.</p>
<p>GROSS VALUE ADDED OF TOURISM INDUSTRIES (GVATI)</p>	<p>Gross value added of tourism industries (GVATI) is the total gross value added of all establishments belonging to tourism industries, regardless of whether all their output is provided to visitors and the degree of specialization of their production process.</p>
<p>NUMBER OF JOBS IN TOURISM INDUSTRY</p>	<p>Tourism Industries provide services to both tourists and non-tourists. This fact complicates estimation of tourism related indicators without proper international methodology and availability of data. For this reason, proposed indicator focuses on the tourism industries relying almost entirely on tourism: Air Transport, Accommodation, Travel Agency.</p>
<p>OCCUPANCY RATE, ADR, REVPAR</p>	<p>Occupancy rate - the ratio of rented or used space to the total amount of available space.</p> <p>ADR – The average daily rate (ADR) measures the average rental revenue earned for an occupied room per day.</p> <p>RevPAR-Revenue per Available room measures the average rental revenue earned for an available room per day.</p>

LEGAL NOTICE

This publication (the “Publication”) has been prepared and distributed by TBC Capital LLC (“TBC Capital”) member of TBC Bank Group PLC (“Group”) for informational purposes only and independently of the respective companies mentioned herein.

TBC Capital is operating and performing its professional services on the territory of Georgia and is duly authorized to prepare and distribute this Publication on the territory of Georgia.

Nothing in this Publication shall constitute an offer or invitation to treat to solicit buying or selling or subscribing any assets and/ or securities and nothing herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Since distribution of this Publication may be restricted by law in certain jurisdictions, persons into whose possession this Publication comes are required by TBC Capital to inform themselves about and to observe any and all restrictions applicable to them.

As this Publication is not directed to or intended for distribution, directly or indirectly, to or use by any person or entity in any jurisdiction where such distribution, publication, availability or use would be contrary to the applicable law or which would require any registration or licensing within such jurisdiction, neither TBC Capital nor any member of the Group nor any of their respective director(s), partner(s), employee(s), affiliates, adviser(s) or agent(s) (“Representatives”) accept any direct or indirect liability to any person in relation to the publication, distribution or possession of this Publication in or from any jurisdiction.

This Publication is not intended to provide any investment, business, tax and/or legal advice, and credit or any other evaluation. Recipients of this Publication are strongly required to make their own independent investigation and detailed appraisal of the matters discussed herein. Any investment decision should be made at the investor’s sole discretion and consideration. Any and all information contained in this Publication is subject to change without notice, and neither TBC Capital nor any member of the Group nor any of their Representatives are under any obligation to update or keep information contained in this Publication.

Distribution of this Publication, at any time, does not imply that information herein is correct, accurate and/or complete as of any time after its preparation date or that there has been no change in business, financial condition, prospects, credit worthiness, status or affairs of the respective companies or anyone else since that date. Accordingly, this Publication should not be considered as a complete description of the markets, industries and/or companies referred to herein and no reliance should be placed on it. TBC Capital does not undertake to update this Publication or to correct any inaccuracies therein which may become apparent.

The Publication may include forward-looking statements, but not limited to, statements as to future operating results. Any “forward-looking statements”, which include all statements other than statements of historical facts, involve known and unknown risks, uncertainties and other important factors beyond TBC Capital’s control that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment operating in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. No assurances can be given that the forward-looking statements in this document will be realized. TBC Capital does not intend to update such forward-looking statements.

Opinions, forecasts, estimates and/or statements relating to expectations regarding future events or the possible future performance of investments represent TBC Capital’s own assessment and interpretation of information available to it currently from third party sources. Information obtained from the third party sources believed to be reliable, but that there is no guarantee of the accuracy and/or completeness of such information.

TBC Capital does and seeks to do and any member of the Group may or seek to do business with companies covered in this Publication. Thus, investors should be aware that TBC Capital may have a potential conflict of interest that could affect the objectivity of the information contained in this Publication.

This Publication may not be reproduced, redistributed or published, in whole or in part, in any form for any purpose, without the written permission of TBC Capital, and neither TBC Capital nor any member of the Group nor any of their Representatives accept any liability whatsoever for the actions of third parties in this respect.

TBC Capital makes no expressed or implied representation or warranty of usefulness in predicting the future performance or in estimating the current or future value of any security or asset, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this Publication.

Without limiting any of the foregoing and to the extent permitted by law, TBC Capital or any member of the Group or any of their Representatives expressly disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this Publication or its contents (including without limitation to the accuracy and/or completeness of information therein) or otherwise arising in connection with this Publication or for any act or failure to act by any party on the basis of this Publication.

7 Marjanishvili Str., Tbilisi 0102, Georgia
Tel: +995 322 272727 | +995 32 2 272733

Email: Research@tbccapital.ge
www.tbccapital.ge



TBC CAPITAL

www.tbccapital.ge