

Critical Access: The State of the Cruise Industry

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Access Cruise, Inc.

- Access. CRuice
- Access Cruise, Inc. is a sales and marketing company specializing in product and business development within the cruise industry
- Shannon McKee is the Founder and President of Access Cruise, Inc.
- Access Cruise, Inc. has worked with the Hawaii Tourism Authority over the last three years to develop cruise business and facilitate relationships

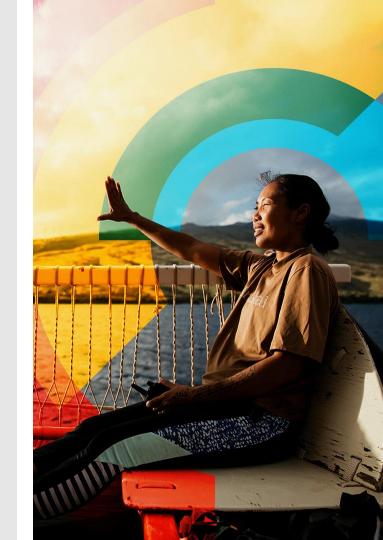




Cruise Industry Session Overview

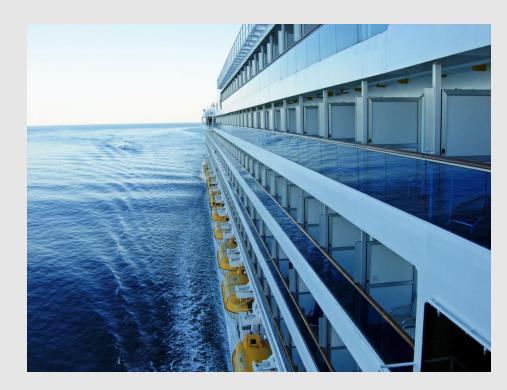
- State of the Cruise Industry
- Future Growth
- Cruise Industry Trends
- Cruising in Hawaii
- Hawaii Review
 - Highlights
 - Forecast
 - Hawaii Capacity by Brand
 - Benefits of Cruising





Cruise Industry at a Glance - 2018

- 77 cruise brands
- 386 ships
- 26.7 million passengers
- \$40 billion revenues
- 3000 global cruise ports



*Source Cruise Industry News

Cruise Industry at a Glance - 2018

- Top 5 Cruise Conglomerates
 - Carnival Corporation 105 ships
 - Carnival, Princess, Holland America, Costa, AIDA, P & O UK, P & O Australia, Seabourn, Cunard
 - Royal Caribbean 52 ships
 - Royal Caribbean, Celebrity, Azamara, Pullmantur, TUI, Silversea
 - Norwegian Cruise Line 26 ships
 - Norwegian Cruise Line, NCL America, Regent, Oceania
 - MSC Cruises 15 ships
 - Genting Hong Kong 9 ships
 - Dream Cruises, Star Cruises, Crystal Cruises



Cruise Industry Projected Growth

- Carnival Corp & RCCL are by far the largest of the cruise conglomerates
- Aggressive growth from others, most particularly MSC

Cruise Conglomerate	2018	2027	Growth
Carnival Corporation	11,110,718	15,775,112	42.0%
RCCL	6,213,174	8,430,244	35.7%
NCLH	2,519,718	3,531,768	40.2%
MSC	2,135,760	4,564,492	113.7%
Genting HK	1,221,383	2,000,979	63.8%
Others	3,484,206	5,273,119	51.3%
Totals	26,684,959	39,575,714	48.3%



Cruise Industry at a Glance - 2018

- Niche players also growing aggressively and new brands launching
 - Viking Ocean adding 12 vessels...11,160 lower berths (930 each)
 - Disney adding 3 vessels...7,500 lower berths (2,500 each)
 - Virgin Voyages launching with 3 newbuilds...8,580 lower berths (2,860 each)
 - Ritz-Carlton Yacht Collection launching with 3 newbuilds...894 lower berths (298 each)

Disney Cruise Line



Viking Cruises



Virgin Voyages

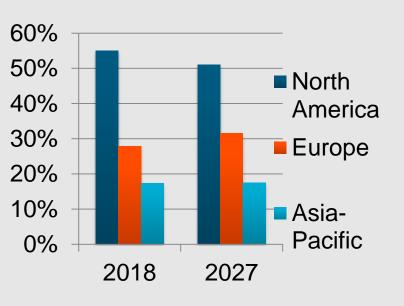


Ritz Carlton Yacht Collection



The Future of Cruising

Passenger Sourcing



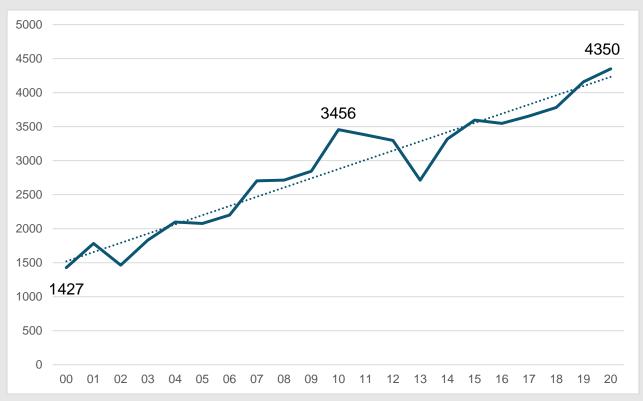
- Orderbook includes 106 new vessels...260,984 lower berths
 - 34 vessels 4,000+ PAX
 - 25 vessels 1000 4,000
 - 47 vessels under 1,000 PAX
 - Average orderbook capacity 2,462 PAX
- Annual industry passenger capacity will grow about 48% mostly due to cruise ships being larger in size
- Gross revenue will grow from \$40 billion in 2018 to \$59 billion in 2027

Average Vessel Size

Ships are getting bigger



*Excludes Expedition vessels
**Source B & A



Cruise Trends to Know

- China Downturn
 - Cutback due to excess supply, geopolitical issues and pricing and distribution challenges
- Caribbean and Alaska
 - Alaska cruise market back at record level in 2018
- Expedition Boom
 - 22 new expedition vessels
- New class of vessels
 - Innovation & technology
 - LNG (Liquified Natural Gas)
- Connectivity

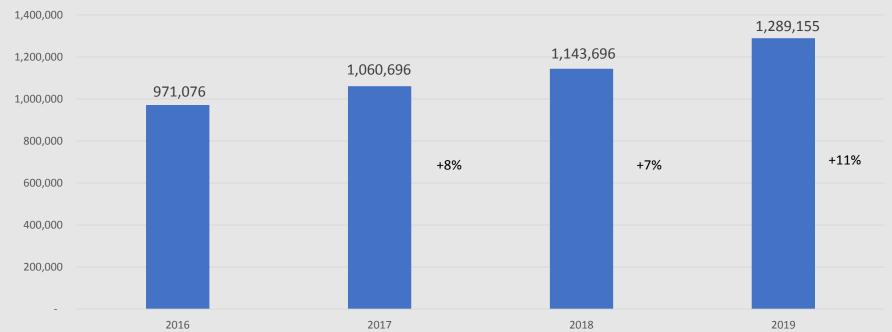


Hawaii Statistics Overview

- Hawaii Growth
 - Overall
 - Island
- Capacity by Cruise Brand
- Benefits of Cruising
- Future of Cruising



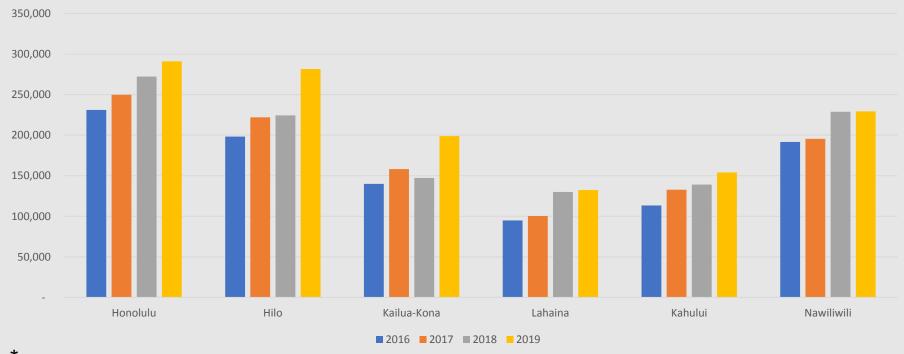
Hawaii Cruise Passenger Days



^{*}Source Data from HawaiiPortCall.com

^{*}Days cruise guest spent on all islands

Cruise Capacity by Island



^{*}Source data from HawaiiPortCall

Passenger Count by Island

2018				
Port	Total			
Honolulu	268,331			
Kauai	211,419			
Kahului	127,680			
Lahaina	141,809			
Maui Total	269,489			
Hilo	220,153			
Kona	138,246			
Island of Hawaii Total	358,399			

2019				
Port	Total			
Honolulu	291,080			
Kauai	229,321			
Kahului	154,024			
Lahaina	132,335			
Maui Total	286,359			
Hilo	281,539			
Kona	199,537			
Island of Hawaii Total	481,076			

Cruise Capacity Growth by Island

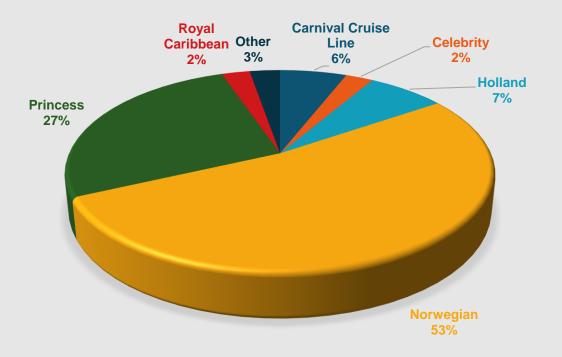
YOY % Growth

	2017	2018	2019
Honolulu	8%	8%	6%
Hilo	11%	1%	20%
Kailua-Kona	12%	-7%	26%
Lahaina	5%	23%	2%
Kahului	15%	4%	10%
Nawiliwili	2%	15%	0%

- Hilo & Kona growth numbers are exaggerated due to the cancellation of cruise calls in 2018 due to Kilauea Volcano & Hurricane Lane
- Nawiliwili is flat YOY, but saw significant growth in 2018

^{*}Source data from HawaiiPortCall

Cruise Capacity by Brand - 2018



- Norwegian dominates the Hawaii cruise marketplace with 53%
 - Norwegian is a domestic carried which allows for inter-island cruising
- Princess Cruises is second with 27% of the marketplace
- Evenly split between domestic and international cruising

Benefits of Cruise in Hawaii

- Introduction to Hawaii through sampling
- Sustainability
- Cruise promotion of Hawaii
- Cruise ships leave a small imprint
 - 30-60% guests on organized tours
- Cruise ship high season is during Hawaii's shoulder season





Benefits of Cruising in Hawaii

- Cruise lines are ambassadors for Hawaii
- Cruise lines help educate
 - Hire locals for onboard cultural programs
- Voluntourism
- Supports entrepreneurship & local providers
- Distribute guests within the Hawaiian Islands



Future of Cruise in Hawaii

- Work within current Hawaii infrastructure
 - Natural sustainability
- Moderate & sustainable growth
 - West Coast cruising benefit in shoulder seasons
 - New premium & luxury brands
 - Niche cruising
 - Expedition cruising



Mahalo

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