

OPERATIONAL REVIEW

HOTEL

Malaysia Airports operates hotels in both Malaysia and Türkiye. In Malaysia, the hotels are operated by Malaysia Airports' wholly owned subsidiary, KL Airport Hotel Sdn Bhd, under the brand 'Sama-Sama Hotel'. There are three Sama-Sama Hotels – the five-star Sama-Sama Hotel KL International Airport (Sama-Sama Hotel KLIA) and two airside transit hotels – Sama-Sama Express KLIA Terminal 1 and Sama-Sama Express KLIA Terminal 2. In Türkiye, the hotel is known as 'Airport Hotel' and is located landside at SAW.

KL Airport Hotel Sdn Bhd also operates the Aero FastTrack service at KUL Terminal 1, a premium kerbside-to-gate service, alongside the Sky Suite Airport Lounges at KUL Terminal 1 and Terminal 2. In 2023, in addition to opening the Sky Suite Airport Lounge, KL Airport Hotel Sdn Bhd began managing Lanai Kijang, the hotel facility at Bank Negara Malaysia's learning and development centre, and the Asian School of Business Residence.



Drive hotel occupancy

The Group intensified its sales effort in the hotel segment to capture opportunities from the recovery of air traffic. Sales for 2023 were channelled primarily through direct bookings, online travel agents, wholesale and corporate sales.

In this regard, the hotel segment has seen its revenues from key customer segments growing up to 18% beyond 2019 pre-pandemic levels, in particular, the corporate, wholesale, government, and group business. However, the airline crew customer segment is still lagging 2019 levels due to the increase in turnaround flights by airlines and the revised staffing policies in reducing crew sets for certain airlines customers. Nevertheless, the Group has intensified its marketing efforts in other customer segments which more than make up for this shortfall.

In 2023, the Group managed 1,012 rooms, a substantial increase from 592 rooms in 2022. This was due its venture into the hotel property management business in early 2023 to manage the Lanai Kijang, the Malaysian Central Bank's hotel at its learning and development centre, and Asian Business School Residence in Kuala Lumpur. Through the management of Lanai Kijang, the Group increased its hotel revenues by RM2.6 million.

KEY PRIORITIES

- Drive hotel occupancy
- Increase average daily rate
- Boost Aero FastTrack and Sky Suite Airport Lounges

Increasing Demand For Services

The performance of the hotel business is dependent on several factors. Traditionally, passenger traffic at KUL and airline routes are key drivers of occupancy rates as transit passengers and airline crew layovers are key customer segments. In addition, the demand for meeting and event facilities is another key factor.

In 2023, revenues for the Group's hotel business continued to show strong growth of 45.8% YoY with a total of RM128.9 million. Revenues for operations in Malaysia grew by 45.6% YoY to RM105.3 million, while hotel revenues from operations in Türkiye grew 46.6% YoY to RM23.6 million.

For hotel operations in Malaysia, the average daily rate increased by 16.0% over 2022 while for hotel operations in Türkiye, the average daily rate increased by 35% YoY. Malaysia hotel operations have

geared up since the completion of the renovation and refurbishment works at Sama-Sama Hotel KLIA. Growing passenger numbers and the rising demand in the MICE (Meetings, Incentives, Conventions and Events) segment provided a boost for the hotel business in Malaysia in 2023.

In addition, the push to diversify the revenue streams for this segment through the Aero FastTrack and airport lounge services is gaining traction. With the opening of the Sky Suite Airport Lounge at KUL Terminal 2, revenues from the landside lounges have increased by 48.0% YoY to RM2.7 million, while lounge usage at the Sky Suite Airport Lounge at KUL Terminal 1 has increased by 26.0% YoY.

Increase average daily rate

The average daily rate increased by 16.0% YoY for 2023 to RM433.90. This was despite the increased competition from new hotels in the vicinity of KUL which placed pressure on the average daily rate. Guest satisfaction remained high at over 90% due to the improvement of the room ambience, upgrading of security features such as the hotel key card system and enhancement of F&B offerings which enabled Sama-Sama Hotels to continue to deliver a superior and refined product to guests.

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In addition, the hotel's efforts in community building programmes to benefit disadvantage persons around the vicinity of the hotels and humanitarian aid efforts resonated with guests. The Group's team building efforts to create a strong bond among hotel employees had also boosted employee morale and improved our delivery of services to guests.

In a benchmarking exercise, we are pleased that Sama-Sama Hotels maintained its second placing in a Revenue Generation Index amidst stiff competition from international brands operating in the vicinity of KUL as well as those with convenient transportation links to the airport.

Boost Aero FastTrack and Sky Suite Airport Lounges

In addition to the hotels, KL Airport Hotel Sdn Bhd operates the Aero FastTrack service at KUL, a premium kerbside-to-gate service that offers guests fast track lanes for check-in, customs and immigration, transportation services and buggy and concierge services. It also operates the Sky Suite Airport Lounges which are located on the airside at KUL Terminal 1 and landside at KUL Terminal 2.

In 2023, the Group efforts to boost usage of the Aero FastTrack and Sky Suit Airport Lounges gained traction among passengers. Aero FastTrack sales surged by 237.0% compared to 2022, as passengers sought private and exclusive options to the airside airport buses shuttling them between the Main Terminal Building and Satellite Building at KUL Terminal 1. Average spend per customer also increased by 104% for the service, indicating that passengers were opting for the end-to-end meet and greet service. The new premium airside bus service has also been well received by passengers.

The Group also boosted the use of the Sky Suite Airport Lounges with strategic partnerships with global airport lounge specialists such as Priority Pass, Dragon Pass and Dreamfolks. In addition, the Group also collaborated with major credit card issuing banks such as Bank Simpanan Nasional, CIMB Bank, HSBC and Maybank to offer the use of the lounges as a credit card perk.



Awards received in 2023

Sama-Sama Hotel KL International Airport

- **World Luxury Hotel Award**
Best Luxury Airport Hotel – Asia Region
Best Luxury Business Hotel in Malaysia
- **Haute Grandeur Award**
Best Airport Hotel Global
Best Culinary Experience in Malaysia
Best Conference Venue Hotel in Malaysia*
Most Unique Guest Experience in Malaysia*
- **HAPA Awards***
Best 5-Star Hotel
Best Service Experience Hospitality & Tourism – 5-Star Hotel
Best 30 All Day Dining Restaurant – Continents
Special Resilience Award
- **FAB Award***
Airport Hotel of the Year – APAC Region

Sama-Sama Express Hotel KLIA Terminal 1

- **World Luxury Hotel Award**
Best Luxury Concept Hotel in Malaysia*
Best Airport Transit Hotel in Asia
Best Luxury Eco Hotel – SEA

Expedia – 2023 Top Production on member Only Deals

Sama-Sama Express Hotel KLIA Terminal 2

- Best Airport Transit Hotel in SEA
Luxury Contemporary Hotel – SEA Region*
Best Luxury Eco Hotel in SEA

* new in 2023