

2023 Malaysia Hotel Industry Survey of Operations

2022 Calendar Year



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Foreword by Malaysia Association of Hotels

This year marks the 21st year of Horwath HTL's Malaysia Hotel Industry Survey of Operations. Without the continued support from the hospitality industry, especially those who have participated in this year's surveys, together with the facilitation by Horwath HTL Asia Pacific, this publication would not be possible. I am truly grateful for all your efforts and contribution.

With the continued opening of borders and resumption in travel in 2022, the hospitality industry is continuing its recovery from last year. While the domestic market continues to play a big part in the recovery, the opening of global borders has seen a steady growth from international markets, further assisting our industry's recovery.

Visibility in the hospitality market is key to planning our growth, and this annual report continues to be an important resource for hotel investors, owners, management companies and other industry players since its inception. This report is an important source of information for the industry, and provide insights as we remain cautiously optimistic about the industry.

On behalf of the Malaysian Association of Hotels, I would like to acknowledge and thank Horwath HTL Asia Pacific for compiling this report, and the contribution from all participants in this unprecedented challenging year. I look forward to continued collaboration and increasing support from hotels, for more reports to come, and looking forward to a recovery of the market soon.

Sincerely,

Datin Christina Toh
President
Malaysian Association of Hotels



Foreword by Horwath HTL Asia Pacific

On behalf of Horwath HTL Asia Pacific, it is with great pleasure to present to you the 2023 Malaysian Hotel Industry Survey of Operations (Calendar Year 2022). This year marks the 21st year of publication. We would like to extend our sincere thanks to the continued support from our partners and participating properties.

As the recovery and the rebound in our industry continues with the reopening of international borders, we highly appreciate the time and effort of the participants who have supported us in preparing this publication. We are especially honoured to have the continued support of local independent players in this year's survey.



Together with the support of our Honorary Advisory Board who have consolidated the participation of their properties in the Asia-Pacific region, this year's report sees 100 properties participating: an increase in participation, and a positive sign in our industry's recovery. We are most appreciative to the properties who have participated, especially the independent and local hotels. Your contribution has helped tremendously for coverage in this year's survey.














Our utmost gratitude and sincere thanks go to all properties that have taken part, and special mention to the Malaysian Association of Hotels for their support. We hope for all your continued support, participation and collaboration in the coming annual report.

Robert Hecker
Managing Director
Horwath HTL Asia Pacific

Annual Study Honorary Advisory Board

(in alphabetical order)

	<p>Garth Simmons Chief Executive Officer India, South & Southeast Asia, Japan & South Korea</p> <p>Sarah Derry Chief Executive Officer Pacific <i>Premium, Midscale & Economy</i></p>		<p>Alan Watts President, Asia Pacific</p>
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 <p>SIX SENSES HOTELS RESORTS SPAS</p>	<p>Neil Jacobs Chief Executive Officer</p>		

Explanation of Terms & Bases Used

Item	Description
Rooms Revenue	Revenues obtained from guests' accommodation rented on a part-day, full-day or longer period basis.
Food Revenue	Revenue derived from the sale of food and non-alcoholic beverages in restaurants, in-room dining, mini bar, banquets and/or catering.
Beverage Revenue	Revenue derived from the sale of alcoholic beverages.
Other Operated Departments Revenue	Revenues generated from laundry, health centre, swimming pool, valet and other operated department revenues not mentioned.
Miscellaneous Income	Revenues related to a third party or revenues that do not incur any direct operating expenses, including foreign currency transaction gains (losses), income from rental of stores and showcases, commissions, cancelation penalties, cash discounted earned, etc.
Cost of Food Sales	Includes cost of food and non-alcoholic beverages served to guests, together with transportation and delivery charges, at gross invoices price less trade discounts. The cost of employees' meals is charged to the appropriate department and does not constitute a part of the cost of food sold.
Cost of Beverage Sales	Represents the cost of alcoholic beverages served to guests or used in the preparation of mixed drinks, at gross invoice price less trade discounts, plus import duties, transportation and delivery charges. The cost of employees' beverages is charged to the appropriate department and does not constitute a part of the cost of beverage sold.
Cost of Other Operated Departments Sales	Represents the cost from laundry, health centre, swimming pool, valet and other operated department revenues not mentioned.
Payroll & Related Expenses	Comprises of expenses associated with salaries, wages and bonuses and payroll-related expenses for employees. Also included are the employee benefits such as social insurances, medical allowance, vacation and holiday pay, goods and services to employees free of charge or at markedly reduced price, employee' meals.
Rooms Other Expenses	Represents non-payroll expenses for the room department, including the expenses of cable/satellite, television, cleaning supplies, commissions, complementary services and gifts, guest supplies, linen, printing and stationery, royalty fees, equipment rentals, corporate office reimbursable, etc.
Food and Beverage Other Expenses	Represents non-payroll expenses for food and beverage department, including china and glassware, cleaning supplies, decorations, guest supplies, laundry, linen, music and entertainment, menus and beverage lists, silver and uniforms.
Other Operated Departments Other Expenses	Represents non-payroll expenses for all other operated departments, including laundry supplies, health centre and swimming pool supplies, etc.

<p>Undistributed Expenses</p>	<p>This classification is used for (1) administrative and general expenses, (2) sales and marketing expenses, (3) information and telecommunications systems expenses, (4) utilities costs, and (5) property operation and maintenance expenses. Each of these can be considered as an individual entity. The explanations of each category expense are as follows:</p> <ul style="list-style-type: none"> • Administrative and general expenses include cash overages or shortages, commissions on credit cards, collection charges, executive office expenses, general insurance, postal charges, legal expenses, trade association dues, travelling expenses, accounts and consultants' fees. • Sales and marketing expenses include advertising, sales, promotion, merchandising, public relations and research, plus applicable travel and entertainment expenses and supplies. • Information and telecommunications systems expenses include cost of phone calls, internet services, software licenses and maintenance, software as a service fee, hosting storage fees and technical support fees. • Utilities expenses which include the cost of electrical power, fuel, steam and water. • Property operation and maintenance expenses include the cost of repairing buildings, electrical and mechanical equipment and fixtures, floor coverings, furniture, grounds and landscaping plus the cost of electric bulbs, mechanical supplies and removal of waste matter.
<p>Three levels of profit in this study</p>	<ul style="list-style-type: none"> • First level is the Departmental Profit/Loss. • Second level is the Gross Operating Profit (sum of department profits less undistributed operating expenses). • Third level is the Earnings before Interest, Taxes, Depreciation and Amortization (Gross Operating Profit less management fees and non-operating income and expenses).

About Horwath HTL Asia Pacific

Horwath HTL Asia Pacific (HHTL) is the regional arm of Crowe Global's Hotel, Tourism and Leisure Consulting Group. Since its establishment in 1987, HHTL has been involved with thousands of projects throughout the region in all phases of the property lifecycle for clients ranging from individually held businesses to the world's most prominent hotel companies, developers, lenders, investors and industrial corporations. HHTL currently operates out of offices in Singapore, Hong Kong, Beijing, Shanghai, Jakarta, Kuala Lumpur, Sydney, Mumbai, Tokyo, Auckland and Bangkok.

By combining resources from our offices in key cities throughout the Asia Pacific region, we ensure that clients receive a multi-skilled international perspective for their projects and benefit from our wide-reaching industry contacts. We are also supported by the Horwath HTL database, the largest and most complete hotel and tourism related database in the world. HHTL offers a wide range of services at all stages of the property lifecycle. Grouped under three broad areas, our services include the following:

Planning & Development Services

- Strategic Planning
- Market Entry Strategy
- Market Research
- Macro Tourism Analysis
- Tourism, Project and Destination Master-planning
- Site Analysis
- Highest and Best Use
- Product Conceptualization
- Facilities Recommendation
- Market and Financial Feasibility
- Residual Land Valuation
- Hotel Management Company Selection
- Management Contract Negotiation

Asset Management Services

- Owner Representation
- Accountability Review
- Operational Review
- Benchmarking
- Best Practice Analysis
- Capital Expenditure Cost/Benefit Analysis
- Reposition Strategy and Analysis
- Property Tax Appeals
- Litigation Support

Transaction/Lender Services

- Investment/Divestment Strategy
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- Valuation/Appraisal
- Vendor Due Diligence;
- Insolvency/Receivership;
- Loan Work-out

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