

**Wet n' Wild**® *Hawaii*

 **CHIEF'S**  
**LUAAU**

BOMA Hawaii – June 9, 2021



## **STRENGTHS**

Local Market still supports year round  
Decent passholder base to rebuild upon  
Kapolei Ko'Olina Growth  
Vacant land for expansion growth  
Promo partnerships  
Annual Pass Value

Potential buyouts returning Bank of Hawaii, Kaiser, Teamsters  
Team adaptability  
In-park sales and Cabanas

## **OPPORTUNITIES**

Solar with community element  
Westbound future product mix  
Vacant land utilization

Luau combos and capture rates  
Leverage social media  
Master Plan retool  
Marketshare from more harshly affected businesses

## **WEAKNESSES**

Aging back of house equipment, pumps, slides, electrical  
Repeaters in market size  
Product mix with visitor market  
Competition for tourists time given free beach mountains ocean  
Social media maximization  
Overall park needs TLC

Pace and steadiness of tourism return  
Ride rotations in off season  
New capital in saturated mature year round market

## **CONCERNS**

Natural Disasters Covid resurgence unknowns  
Roadway frontage beautification  
Wage pressures after increases in post COVID labor market

Marketable Capital "15 seasons" supporting strong volume pass sale  
Operating days and hours balance  
Social Media proactive management and control  
5year capital plan to capture larger tour population  
Energy demands falling below solar thresholds (community)  
Media spends in off season  
Overall park feel and condition



## Operating Calendar – Oct 2020 vs. Current Calendar

- When we created our 2021 Budget in September of 2020 there were many unknowns
  - Vaccines
  - We were in the middle of our 2<sup>nd</sup> shutdown
  - UHERO reports on slow economic and travel recovery
  - Mediocre 2020 performance based on COVID hesitancy



# HPH Wet'n'Wild Hawaii

## 2021 Plan - Operating Calendar

Plan v.1

Attendance - Operating Days - Hours									
2021 Plan				2020 Fcst			2019 Act		
Attend		Park Operating		Attend	Park Operating		Attend	Park Operating	
Amount	% Total	Days	Hours	Amount	Days	Hours	Amount	Days	Hours

Comparative Variances - More (Less)							
Attend		Attend %		Days		Hours	
2021 Plan M (L)		2021 Plan M (L)		2021 Plan M (L)		2021 Plan M (L)	
2020	2019	2020	2019	2020	2019	2020	2019

### MONTHLY

<b>JAN</b>	5,527	3%	14	70.0	12,579	22	114.5	12,298	21	109.5	(7,052)	(6,771)	-128%	-123%	(8)	(7)	(44.5)	(39.5)
<b>FEB</b>	3,810	2%	9	47.5	7,386	16	83.5	4,329	16	79.0	(3,576)	(519)	-94%	-14%	(7)	(7)	(36.0)	(31.5)
<b>MAR</b>	12,815	8%	26	130.5	4,870	13	68.5	24,554	26	143.0	7,945	(11,739)	62%	-92%	13	0	62.0	(12.5)
<b>APR</b>	8,167	5%	16	78.0	0	0	0.0	17,132	20	106.0	8,167	(8,965)	100%	-110%	16	(4)	78.0	(28.0)
<b>MAY</b>	15,279	9%	16	84.5	0	0	0.0	19,955	20	108.0	15,279	(4,676)	100%	-31%	16	(4)	84.5	(23.5)
<b>JUN</b>	24,236	15%	30	170.0	25,470	30	175.5	45,093	35	232.5	(1,234)	(20,857)	-5%	-86%	0	(5)	(5.5)	(62.5)
<b>JUL</b>	28,844	17%	28	162.0	20,546	23	138.5	52,596	28	198.0	8,298	(23,752)	29%	-82%	5	0	23.5	(36.0)
<b>AUG</b>	18,014	11%	14	91.0	13,708	20	110.0	45,687	28	171.0	4,306	(27,673)	24%	-154%	(6)	(14)	(19.0)	(80.0)
<b>SEP</b>	14,166	9%	16	95.0	1,371	2	10.0	27,083	27	158.5	12,795	(12,917)	90%	-91%	14	(11)	85.0	(63.5)
<b>OCT</b>	9,701	6%	16	83.0	9,641	16	87.0	19,880	22	121.5	60	(10,180)	1%	-105%	0	(6)	(4.0)	(38.5)
<b>NOV</b>	8,883	5%	13	65.5	8,290	13	63.0	14,107	20	104.5	593	(5,224)	7%	-59%	0	(7)	2.5	(39.0)
<b>DEC</b>	15,559	9%	22	110.5	12,175	18	93.0	17,518	25	137.0	3,384	(1,960)	22%	-13%	4	(3)	17.5	(26.5)
<b>TOTAL</b>	<b>165,000</b>	<b>100%</b>	<b>220</b>	<b>1,187.5</b>	<b>116,036.0</b>	<b>173</b>	<b>943.5</b>	<b>300,232</b>	<b>288</b>	<b>1,668.5</b>	<b>48,964</b>	<b>(135,232)</b>	<b>30%</b>	<b>-82%</b>	<b>47</b>	<b>(68)</b>	<b>244.0</b>	<b>(481.0)</b>

### WEEKDAY

<b>MON</b>	9,567	6%	17	86.0	8,139	16	80.5	38,152	51	275.0	1,428	(28,585)	15%	-299%	1	(34)	5.5	(189.0)
<b>TUE</b>	5,880	4%	12	57.5	7,741	12	58.5	19,480	18	106.5	(1,861)	(13,600)	-32%	-231%	0	(6)	(1.0)	(49.0)
<b>WED</b>	6,599	4%	12	57.5	9,252	15	72.5	21,188	18	106.0	(2,653)	(14,589)	-40%	-221%	(3)	(6)	(15.0)	(48.5)
<b>THU</b>	13,707	8%	28	132.5	11,168	23	112.5	31,642	49	260.5	2,539	(17,935)	19%	-131%	5	(21)	20.0	(128.0)
<b>FRI</b>	24,855	15%	48	230.5	14,527	34	164.0	35,832	50	267.0	10,328	(10,977)	42%	-44%	14	(2)	66.5	(36.5)
<b>SAT</b>	57,222	35%	51	360.0	36,582	37	259.5	86,995	51	357.0	20,640	(29,774)	36%	-52%	14	0	100.5	3.0
<b>SUN</b>	47,170	29%	52	263.5	28,627	36	196.0	66,943	51	296.5	18,543	(19,773)	39%	-42%	16	1	67.5	(33.0)
<b>TOTAL</b>	<b>165,000</b>	<b>100%</b>	<b>220</b>	<b>1,187.5</b>	<b>116,036</b>	<b>173</b>	<b>943.5</b>	<b>300,232</b>	<b>288</b>	<b>1,668.5</b>	<b>48,964</b>	<b>(135,232)</b>	<b>30%</b>	<b>-82%</b>	<b>47</b>	<b>(68)</b>	<b>244.0</b>	<b>(481.0)</b>

# 2021 OPERATING CALENDAR

JANUARY							FEBRUARY							MARCH						
SU	M	T	W	TH	F	S	SU	M	T	W	TH	F	S	SU	M	T	W	TH	F	S
					1	2		1	2	3	4	5	6		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28							28	29	30	31			
31																				

APRIL							MAY							JUNE						
SU	M	T	W	TH	F	S	SU	M	T	W	TH	F	S	SU	M	T	W	TH	F	S
				1	2	3							1			1	2	3	4	5
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

JULY							AUGUST							SEPTEMBER						
SU	M	T	W	TH	F	S	SU	M	T	W	TH	F	S	SU	M	T	W	TH	F	S
				1	2	3	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28	29	30		

OCTOBER							NOVEMBER							DECEMBER						
SU	M	T	W	TH	F	S	SU	M	T	W	TH	F	S	SU	M	T	W	TH	F	S
					1	2		1	2	3	4	5	6				1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

10:30AM - 3:00PM	10:30AM - 3:30PM	10:30AM - 4:00PM
10:30AM - 5:00PM	SPECIAL EVENTS - CLOSED	10:30AM - 9:00PM DM NIGHTS
	PARK CLOSED	



## Operating Calendar – Oct 2020 vs. Current Calendar

- What we began to see as vaccines started rolling out
  - Strong desire for safe – outdoor activity
  - Guests were not as price sensitive as we had anticipated
  - Willing to pay for private – safe spaces – cabanas and reserved seating
  - Open and willing to wear masks throughout the park – except in the pools and slides
  - Social Media and our unique ability to flex and change hours on the fly
    - Add, delete, and change
    - More days, More movies/nights, weather, school calendar changes
    - ADAPTABILITY



## CORE BUSINESS – Season Pass

- Season Pass unit sales is a key metric for our annual business
- Both units and visits per unit are key to predicting and analyzing future months attendance and cash flows
- Began selling in October 2020 for a 15 month pass
  - Tier selling through first week of June, transition into 'Buy a Day and get the rest of the year free'
- Consumer price sensitivity was non-existent
  - Raised parking price for the first time in 10 years



		UNITS								
		2021 Act	2021 Plan	2020 Act	2019 Act	BUD B/(W)	PY B/(W)	2019 B/(W)	PY Index	2019 Index
TOTAL SEASON PASSES		26,905	14,488	14,848	22,946	12,417	12,057	3,959	181.2%	117.3%

YEAR TO DATE										
PRICE										
		2021 Act	2021 Plan	2020 Act	2019 Act	BUD B/(W)	PY B/(W)	2019 B/(W)	PY Index	2019 Index
		\$54.36	\$51.84	\$51.44	\$52.96	\$2.52	\$2.92	\$1.40	105.7%	102.7%

SALES \$\$										
		2021 Act	2021 Plan	2020 Act	2019 Act	BUD B/(W)	PY B/(W)	2019 B/(W)	PY Index	2019 Index
		\$ 1,462.7	\$ 751.1	\$ 763.8	\$ 1,215.2	\$ 711.6	\$ 698.8	\$ 247.4	191.5%	120.4%



# What did we learn from 2020 and transition into 2021?

- Flexibility and adaptability are critical
- Build confidence with your consumers
- Look deep into expenses – find opportunity - SOLAR
- TRY NEW THINGS
  - Neighbor island marketing spends
  - Digital Cabana Service
  - Drink only service lines
  - Online Season Pass processing
- There is strong demand for our product in the Local Market
- Cross training all employees, specifically year round employees
  - Employee growth
  - Company Flexibility
  - Everyone jumped in and embraced re-opening, new plans, safety, and procedures



1. 1.3 megawatts (MW)
2. 2,958 high-efficiency 440-watt solar panels,
3. Produce over 2,150,000 kWh (kilowatt hours) Year 1
4. equivalent to powering over 200 homes.

The environmental impact will eliminate the equivalent annual CO<sub>2</sub> emissions of:

- 1,612,492 pounds of coal burned
- Greenhouse gas emissions from driving 3,621,608 miles in a car
- Carbon sequestered by 1,430 acres of U.S. forest for one year





# What do we anticipate for the balance of 2021?

- We are forecasting slightly down to 2019 to end the year – we do feel there is upside but with June and July being our key months – its to early to project the final finish
- Large Groups have begun to rebook for late summer and early Fall
- Birthday Parties have become one of our strongest segments
- Strong summer with high single low to mid double digit % attendance increases over 2019
- From late summer into fall/winter we anticipate a leveling off to 2019 levels
- Full return to in person learning in the fall will impact attendance and operating hours
  - Overall impacted is mitigated by our ability to pullback hours and expenses
- We are forecasting a soft August based on Japan and other international markets which for us have historically helped.
  - As kids return to school the international markets help sustain key shoulder months like April and August



# CHIEF'S LUAU

- Tiers 1 & 2: Where we came from
  - **Extra expenses to be Covid compliant**
    - Masks had to provide if anyone showed up without
    - Temperature check devices
    - Sanitizing stations
    - To keep all parties separated by 6 ft, we could only operate at 1/3 capacity
    - Luaus were under restaurant rules. No more self-service buffet, table service was required
    - More staff was required for check-in and dinner service
    - Lower attendance increased expenses for items normally purchased in larger quantities, e.g. catering, leis.
    - Cost of leis were impacted by flights from Thailand now going through LAX instead of direct to Honolulu.
    - Weekly attempts to project visitor arrivals on Oahu in order to plan how many luaus to have each week







## •Changes to Luau Experience

- No motor coach transportation from Waikiki, all drive or Uber/Lyft, increased cost for guest
- Social distancing at check-in
  - Moved customer check-in station from ticket window (inside) to two separate stations outside
  - Plexiglass separating staff from customers
  - Temperature check all staff and all customers
- We let our office staff and cast members make many of the decisions regarding how they wanted to keep themselves safe in case our set up didn't meet their comfort level.
- To minimize parties crowding into each other, we let customers into luau upon arrival rather than having them hang out in a small area until it was time to open floodgates.
- Seating could no longer be first come first serve but pre-assigned seating for all parties.
- Could no longer do pre-dinner interactive activities with cast members. Activities were done while people were sitting at their table.
- Masks had to be worn at all times by office staff, catering staff, and cast members
- Customers had to wear masks when not seated at table, encouraged to wear at table but not mandatory.
- Minimal audience participation with guests during luau show

# CHIEF'S LUAAU

## •Tier 3: Where We Are

- Operating at full pre-pandemic schedule
- Masks are still required, but guests seem to be taking it less seriously
- Maximum party size per table increased from 5 to 10 allowing for a slight increase to overall capacity
- Changed from table service for dinner to staff-served buffet
- Motor coach transportation has resumed, although buses can only operate at 50% capacity; means higher prices and greater burden on guests.
- No more staff temperature checks, still checking guest temperature.



# CHIEF'S LUAAU



## Tier 4: Where We Think We Are Going

- No more masks for guests or staff
- No more social distancing between parties, which will allow us to return to full pre-pandemic capacity
- Return to normal check-in procedures, pre-dinner interactive activities, self-service buffet, and audience interaction with guests on stage during show.
- Full motor coach services, lower trans prices



## Projections

- Anticipating that all Covid restrictions will be eliminated by mid-July and all will be back to normal
- Projecting we will be operating at full capacity from mid-July through Labor Day.
- Projecting minor slow down in September through early December (normally major slow down)
- Customer mentality seems to have permanently shifted from post-arrival activity planning to pre-arrival planning.
  - Before Covid, post-arrival bookings accounted for about 3/4 of all activity business on Oahu; this generally means a high percentage of bookings came through Waikiki agencies (high sales commission) vs. low percentage of direct bookings (zero sales commission)
  - Post-Covid, we anticipate more direct bookings, less agency bookings, and agency commissions may be lower.

## Lessons

- Emergencies require an all-hands-on-deck mentality from all employees, all must be bought in, no grumbling.
- Disasters create opportunities for repositioning when the dust settles
- Helps to rethink prices, expenses, and the role of agencies in the marketplace.

# CHIEF'S LUAAU

