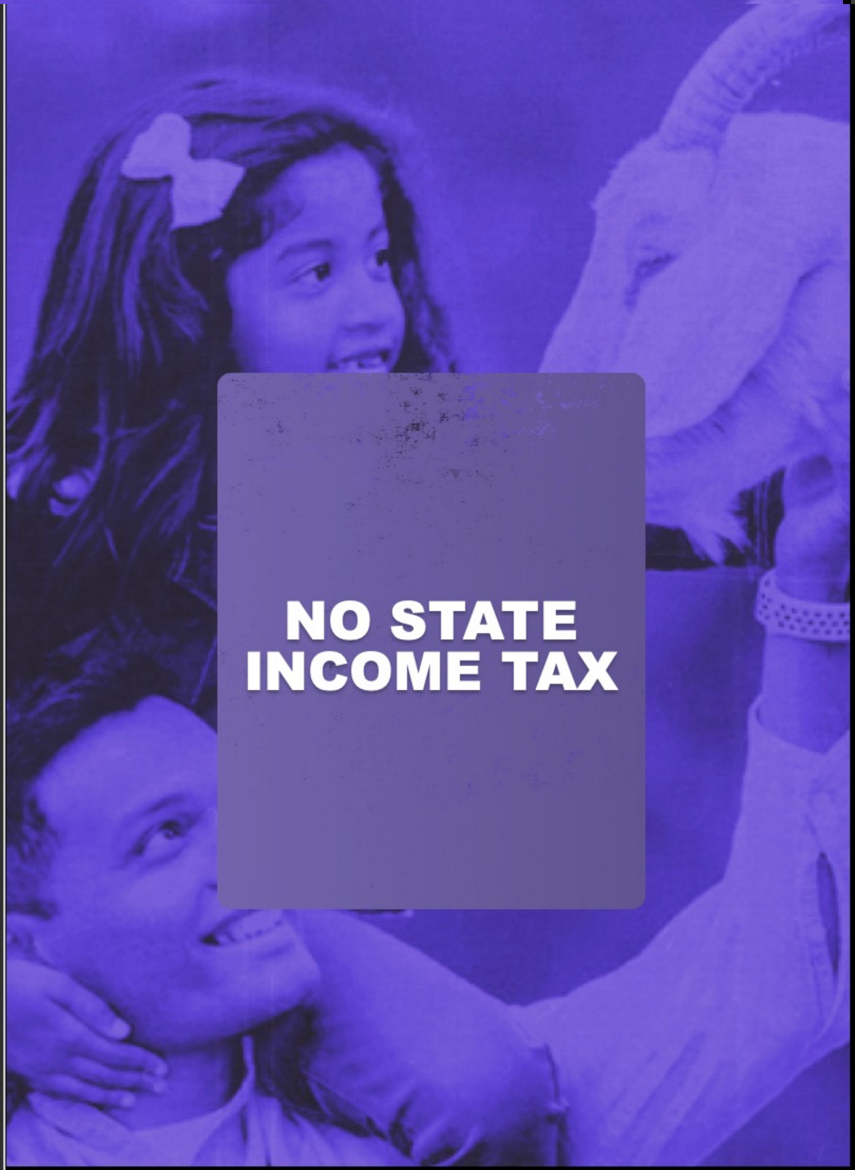
TENNESSEE

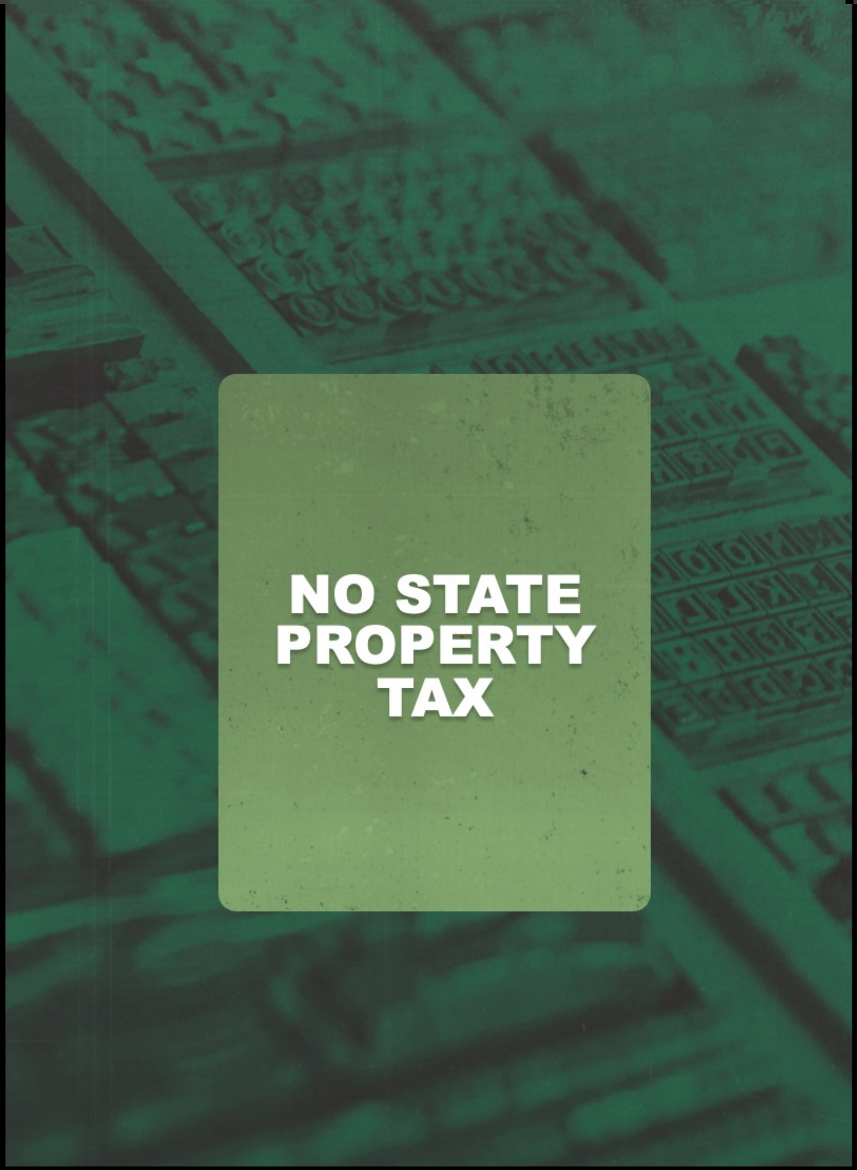
SOUNDS PERFECT

REAL VALUE, REAL RESULTS FOR TENNESSEE COMMUNITIES

Tennessee Department of Tourist Development

THE VALUE OF A
VISITOR





TENNESSEANS LOVE OUR LOW TAXES

SUCCESS OF ANY BUSINESS/ORGANIZATION

VOLUME

11th

HIGHEST VISITOR SPEND

RECORD-BREAKING

VISITOR SPEND

US Travel Association, 2022

TENNESSEE IS THE FASTEST GROWING TOP 40 STATE SINCE 2018 & THE ONLY STATE IN THE TOP 18 WITHOUT A BEACH OR CASINO

2016	#17
2017	#15
2018	#15
2019	#15
2020	#14
2021	#11
2022	#11

Note: 2023 ranking release Spring 2025

VOLUME

11th

HIGHEST VISITOR SPEND

RECORD-BREAKING

VISITOR SPEND

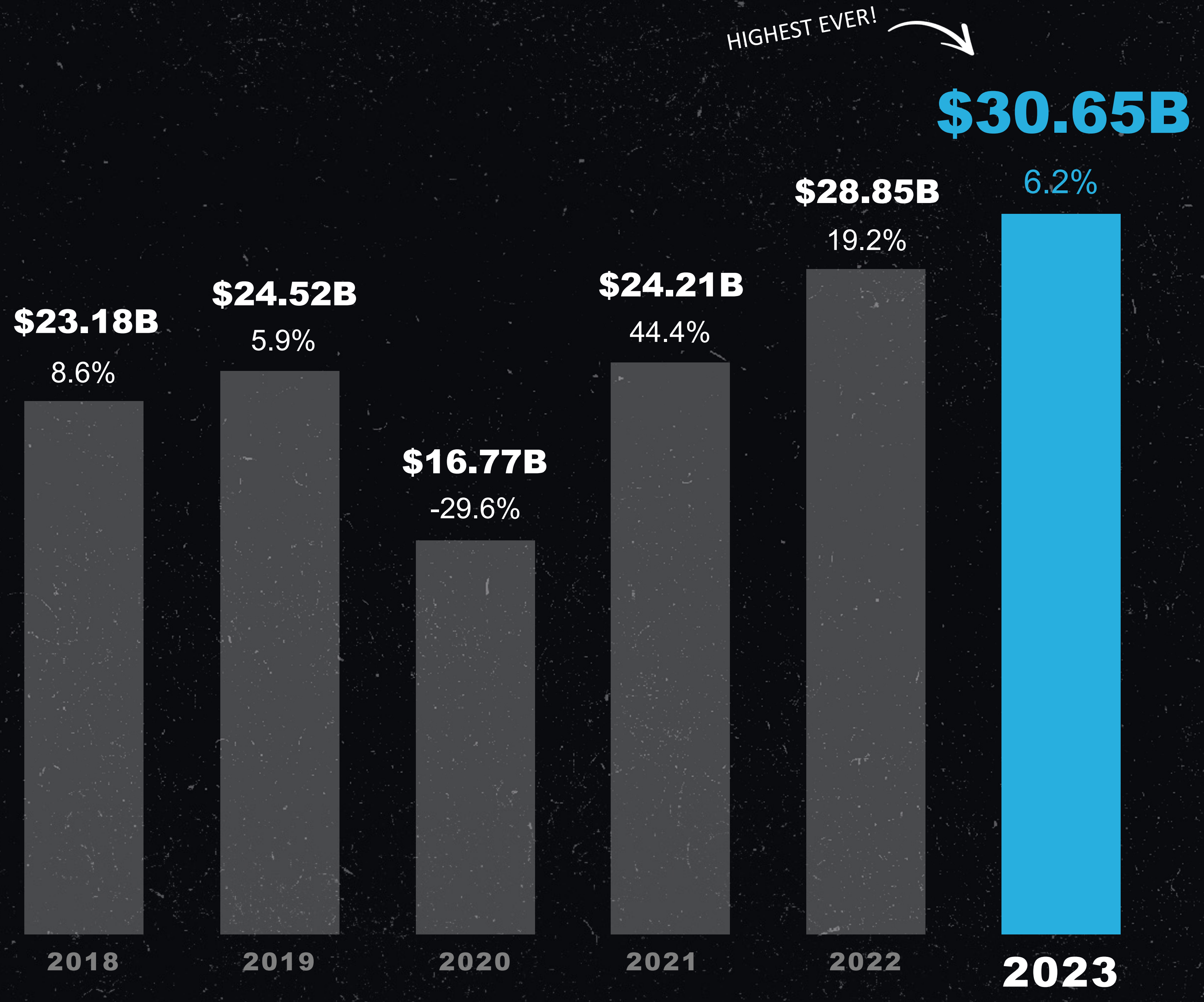
US Travel Association, 2022

TOP 18 STATES BY VISITOR SPENDING

CALIFORNIA
FLORIDA
NEW YORK
TEXAS
NEVADA
ILLINOIS
GEORGIA
NORTH CAROLINA
VIRGINIA
PENNSYLVANIA
TENNESSEE
HAWAII
NEW JERSEY
MASSACHUSETTS
MICHIGAN
COLORADO
OHIO
WASHINGTON

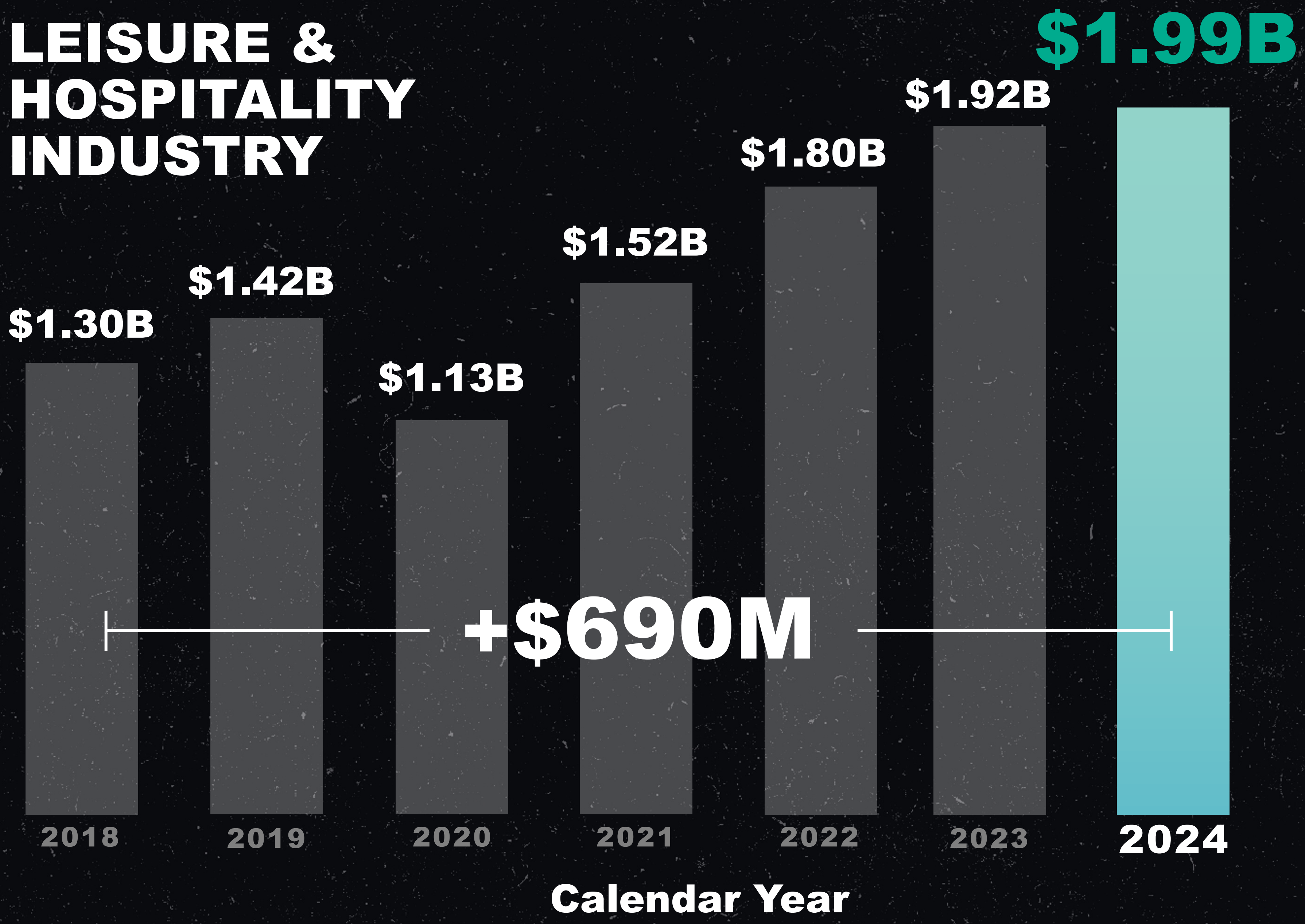
REAL
MONEY

DIRECT VISITOR SPENDING IN TENNESSEE



Source: Tourism Economics 2023

LEISURE & HOSPITALITY INDUSTRY



TN Department of Revenue

$1.99B

SALES & USE TAX COLLECTIONS

⬆ 3% YOY

Actual state sales & use tax collections by L&H industry

VOLUME

11th

HIGHEST VISITOR SPEND

US Travel Association, 2023

+

A VISITOR IS WORTH
MORE IN TN

MARGIN

9.55%

AVERAGE COMBINED SALES TAX RATE

TaxFoundation.org

$1,000

OF VISITOR SPENDING IS WORTH...

NC $70

FL $70

PA $63

TN $95

VA $58

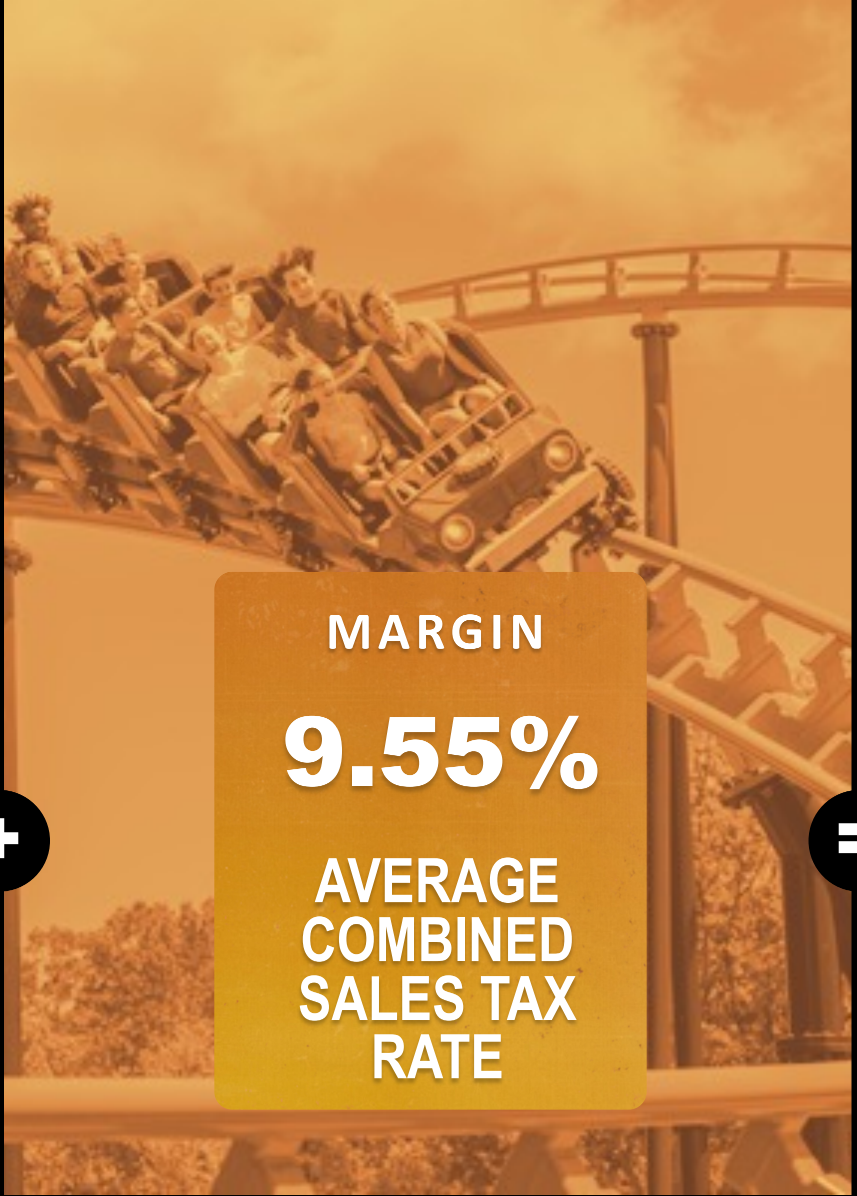
IN STATE & LOCAL SALES TAX COLLECTIONS

VOLUME

11th

HIGHEST VISITOR SPEND

+

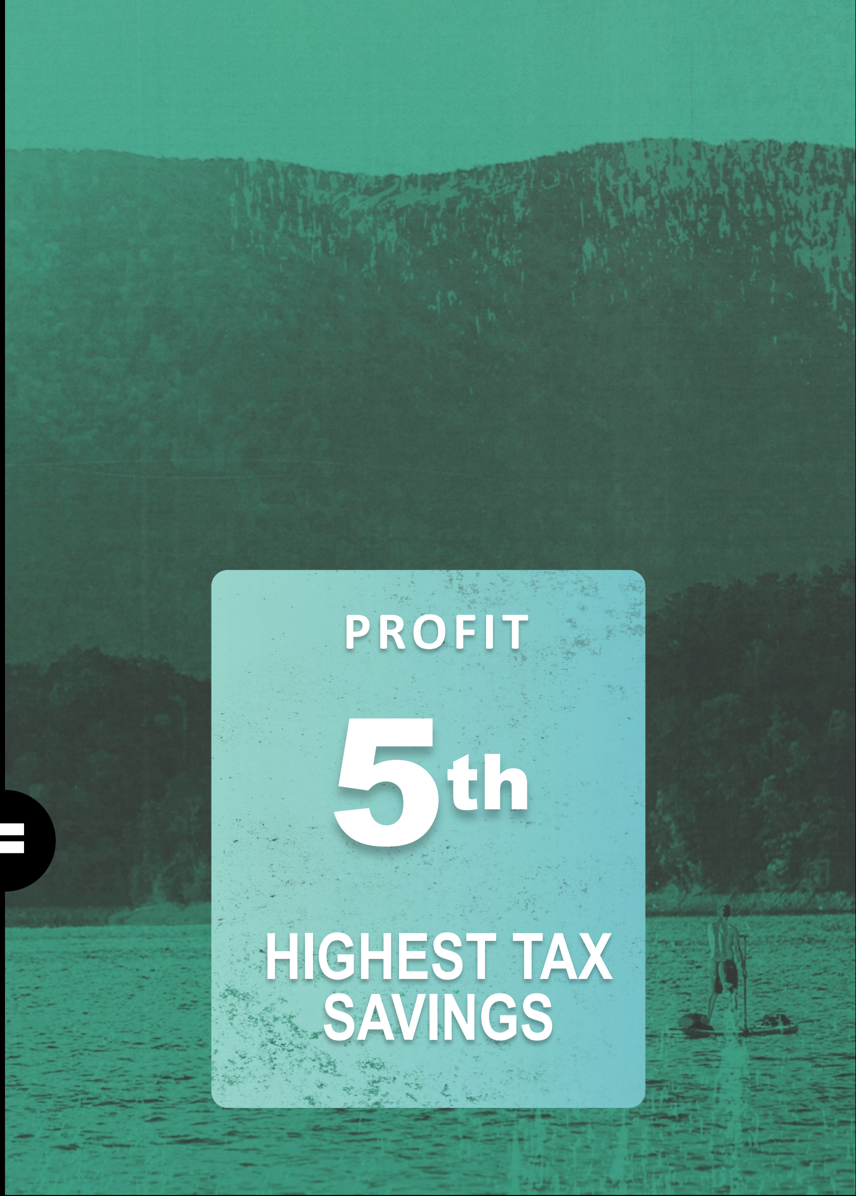


MARGIN

9.55%

AVERAGE COMBINED SALES TAX RATE

=



PROFIT

5th

HIGHEST TAX SAVINGS

TRANSLATES TO TAX BENEFITS FOR EVERY TENNESSEAN

TDTD calculations based on US Travel Association (2022 Data) & TaxFoundation.org

RETURN

5th

HIGHEST TAX SAVINGS

FOR RESIDENTS & HOUSEHOLDS

HAWAII

NEVADA

NEW YORK

NORTH DAKOTA

TENNESSEE

FLORIDA

70% ABOVE NATIONAL AVERAGE

Tennessee nearly doubled 2022 household savings national average.

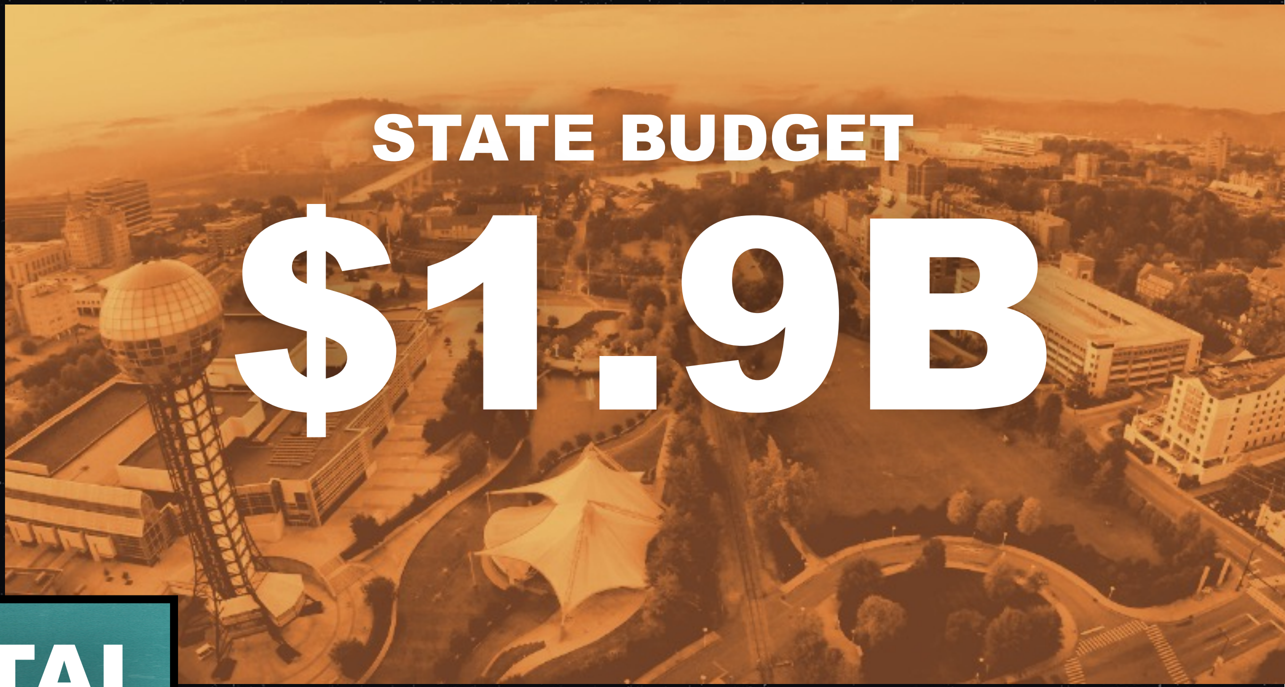
TAX BENEFITS FOR EVERY TENNESSEAN

TDTD calculations based on US Travel Association (2022 Data) & TaxFoundation.org

VISITOR-CONTRIBUTED TAXES

LOCAL BUDGETS

$1.25B



STATE BUDGET

$1.9B

TOTAL

$3.2B

Source: Tourism Economics, 2023

BRAND CAMPAIGN PILLARS

BRAND

TENNESSEE

CREATIVE FILTER

MUSIC & SOUND

PILLARS

KID FRIENDLY

OUTDOORS

HISTORY & CULTURE

LIVE ENTERTAINMENT

EAT & DRINK

BRAND NEW!

PLAYCATION + DOLLY (as WILLY WONKA) CAMPAIGN

Market Expansion and Reach

Market expansion since 2019 has grown our potential brand and advertising reach by an additional 87 million people

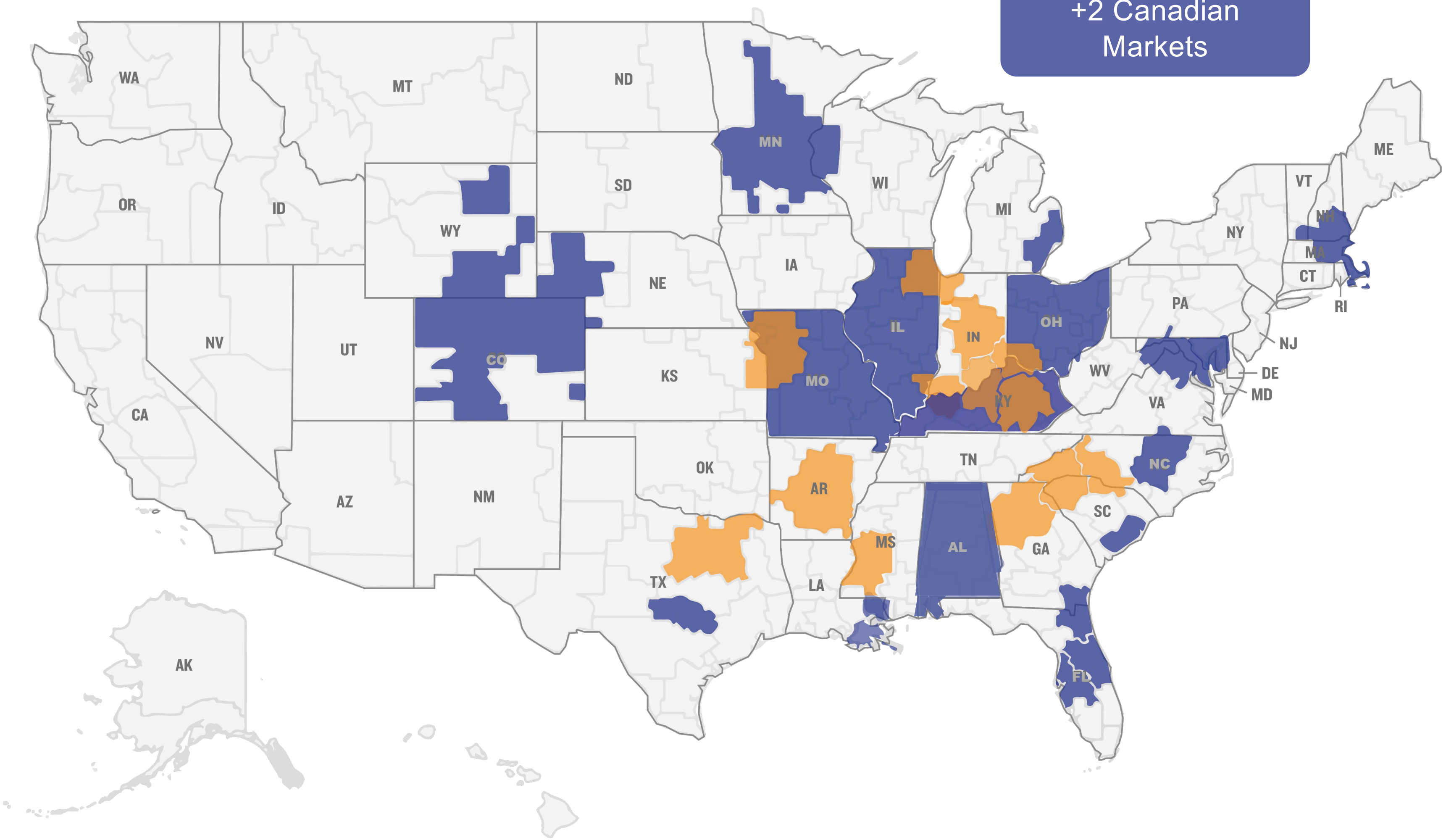
35M

Total Potential Reach
in 2019 (orange only)

112M

Total Potential Reach
in 2025 (orange + blue)

+2 Canadian Markets



Why this is so important...

TDTD Market Expansion by Year

2017
Atlanta
Chicago
Cincinnati
Dallas
Greenville
Indianapolis
Jackson
Little Rock
Louisville

2019
Charlotte

2021
Detroit
Huntsville
Lexington
Kansas City
New Orleans
Orlando
Raleigh
Tampa
Washington, D.C.
Kentucky Statewide
Missouri Statewide
Ohio Statewide

2022
Alabama Statewide
Toronto

2023
Austin
Baltimore
Boston
Charleston
Denver
Evansville
Jacksonville
Minneapolis
Illinois Statewide

2024
Edmondton
Hartford

Airline Seats

YOY Change (2018 - 2024)

How has plane seat supply changed since 2018?

38% Growth in seats from new advertising markets to TN airports

2.1M+ New seats that must be filled

Represents air service routes from 2021-2024 expanded markets (30 airports) to Nashville, Memphis, Knoxville, Tri-Cities, and Chattanooga thru Oct 2024

REAL
INVESTMENT

At least

$10.7B+

Completed Leisure & Hospitality developments (2018-2024)

Includes venues, hotels, restaurant, dining investments from top five counties.

Hotel Growth

11% GROWTH IN AVAILABLE HOTEL ROOMS 2019-2024

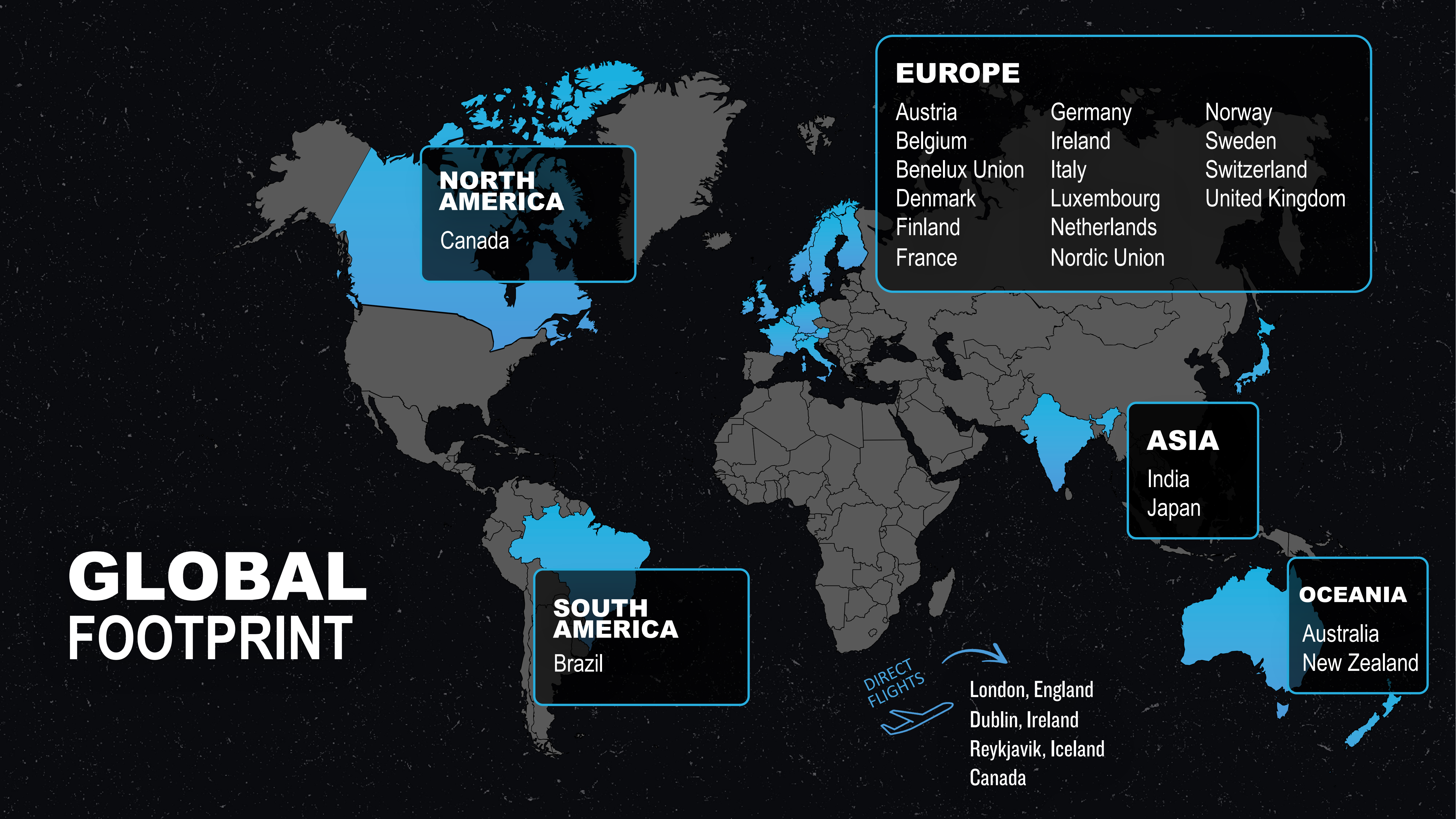
US AVERAGE: 4%

Source: CoStar

25% MORE HOTEL ROOMS EXPECTED BY 2028

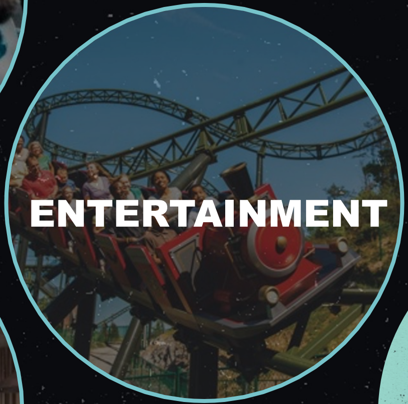
HIGHEST AMONG ALL 50 STATES

Source: CoStar


GLOBAL
FOOTPRINT
NORTH AMERICA
Canada
EUROPE
Austria
Belgium
Benelux Union
Denmark
Finland
France
Germany
Ireland
Italy
Luxembourg
Netherlands
Nordic Union
Norway
Sweden
Switzerland
United Kingdom
ASIA
India
Japan
SOUTH AMERICA
Brazil
OCEANIA
Australia
New Zealand
DIRECT FLIGHTS
London, England
Dublin, Ireland
Reykjavik, Iceland
Canada

WHEN
VISITORS
COME TO TN,

THEY BRING **MONEY** WITH THEM.



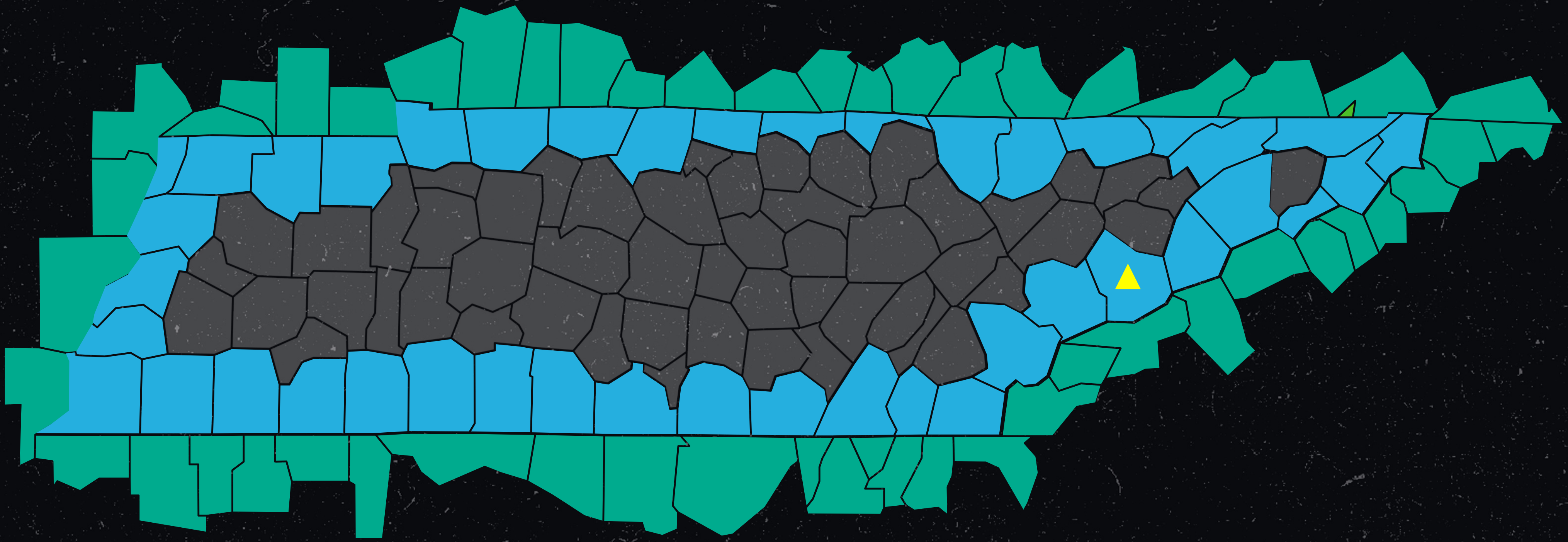
TAXES COLLECTED

There is a fight for visitor spending

$21.06B

OF VISITOR SPENDING
HAPPENS ALONG
TN BORDERS

TN captures 57% of contiguous border visitor spending market share



Source: CY23 data for all but Missouri (FY23). 7/9 states use Tourism Economics.

+186%

Source: Tourism Economics 2023

STATEWIDE AVERAGE VISITOR VALUE

	DAY VISITOR ($115 AVG TRIP SPEND)	OVERNIGHT VISITOR ($329 AVG TRIP SPEND)
SPENDING - LODGING	$0.00	$170.00
SPENDING - OTHER	$115.00	$159.00
STATE SALES TAX (7%)	$8.05	$23.03
LOCAL OPTIONS TAX (2.55% AVG)	$2.93	$8.39
LOCAL OCCUPANCY TAX (5% AVG)	$0.00	$8.50
TOTAL TAXES	**$10.98**	**$39.92**
	$2.93 FOR CITY/COUNTY	$16.89 FOR CITY/COUNTY

Data Overview

- **National**

Fundamentals are solid but some softening

"In the face of macro uncertainty, people are cautious and they're pulling back a little bit on travel, waiting to see what's going to transpire, whether it's tariffs or macroeconomic policy changes or just a little bit of the unsettledness of the market that we all see."

Delta earnings call (March 11, 2025, edited for brevity)

"For full year 2025, we expect global RevPAR growth of 2 to 4 percent."

Marriott earnings call (February 2025)

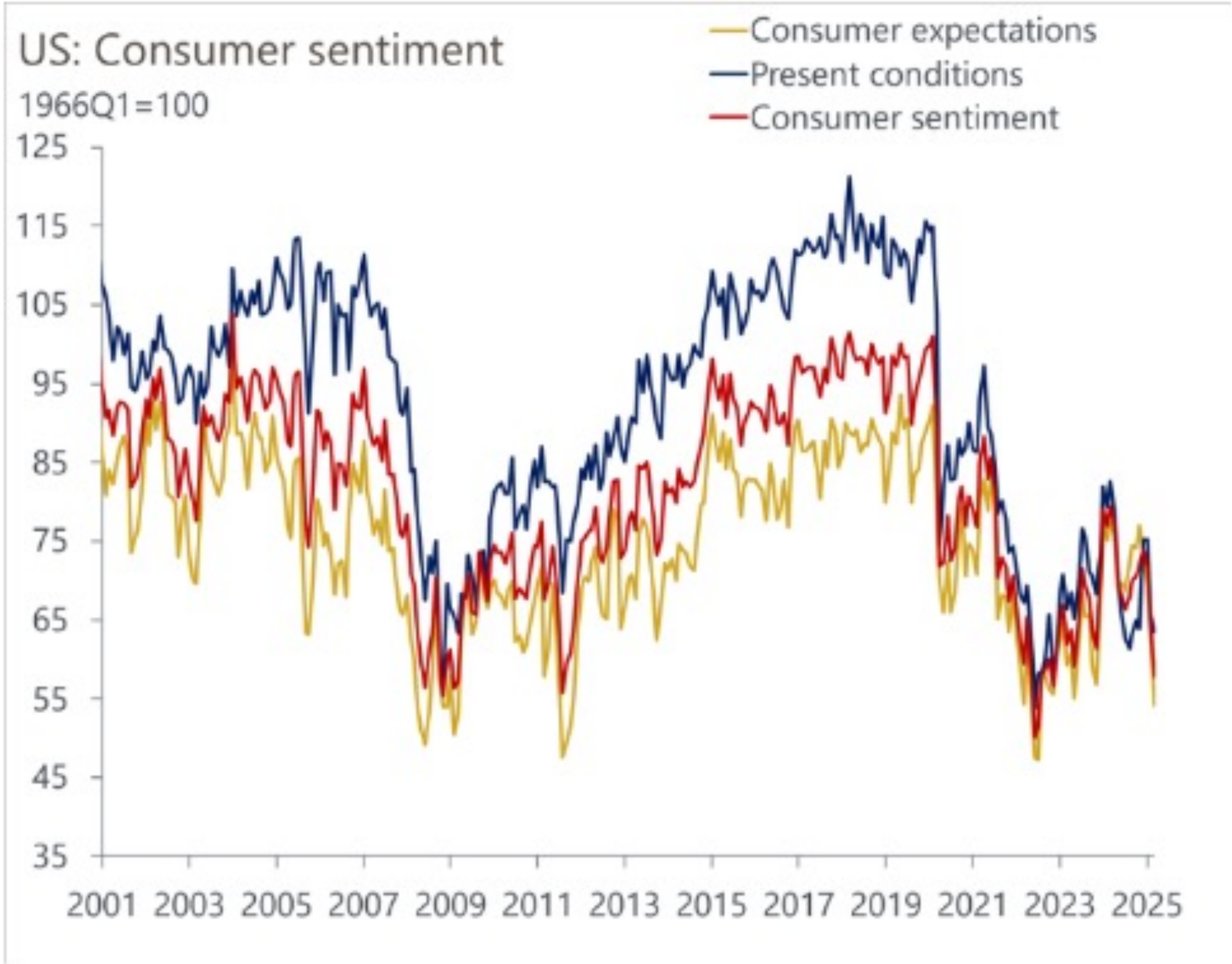
"We're seeing is kind of a broad softness in the macro economy that it's hard to attribute to any one thing [leading to] a modest softening through the rest of the year."

Southwest earnings call (March 11, 2025, edited for brevity)

Leisure travel intentions remain strong among higher-income households

Source: MMGY Portrait of American Travelers; Tourism Economics Symphony

Consumer sentiment declined for third consecutive month

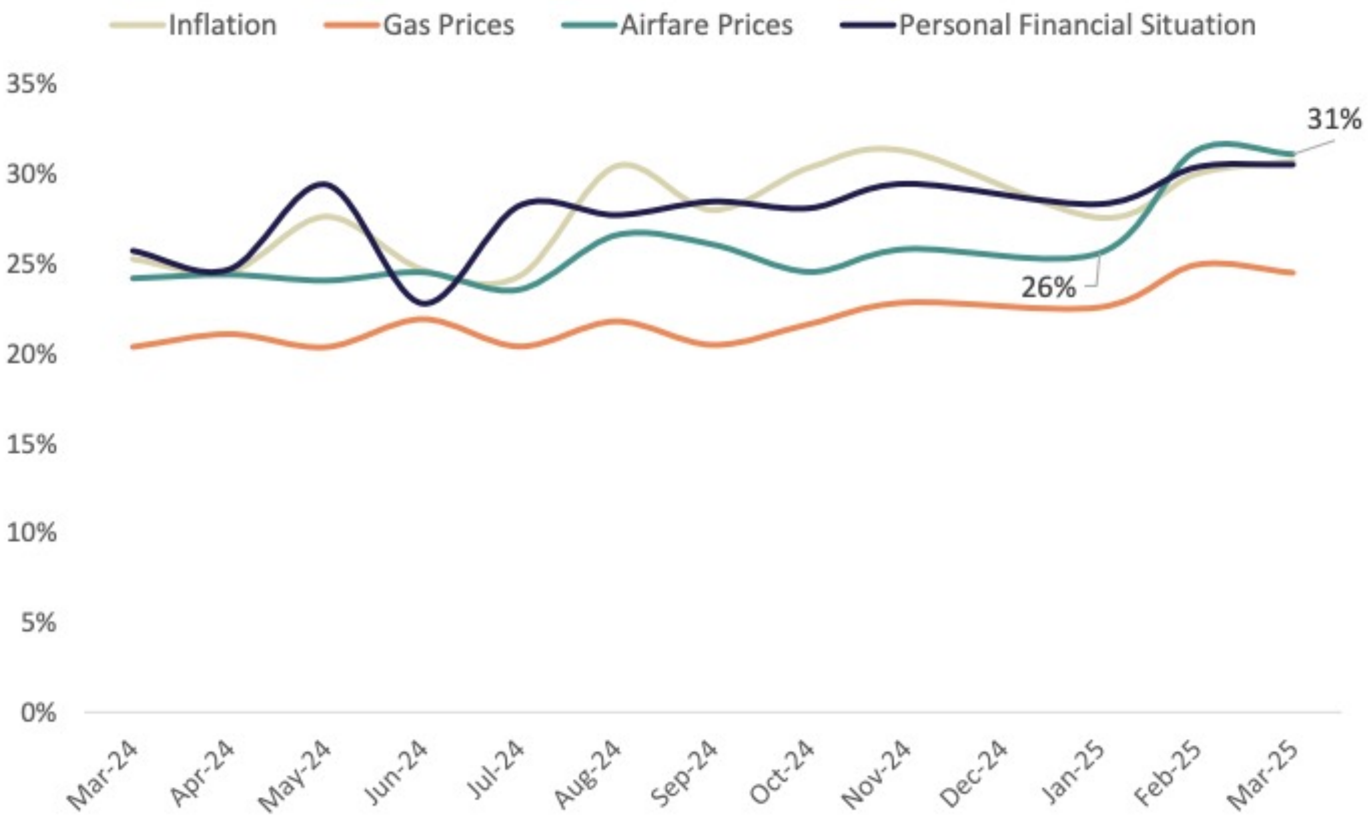


TOURISM ECONOMICS

Increased Impact of Airfare Prices on Travel Plans: January 2025 vs. March 2025

Trends in Factors with Great Impact on Travel Plans (Mar’24 – Mar’25)

The chart illustrates the monthly trends in the share of travelers indicating that Inflation, Gas Prices, and Airfare Prices have a **Great Impact** on their future travel plans.



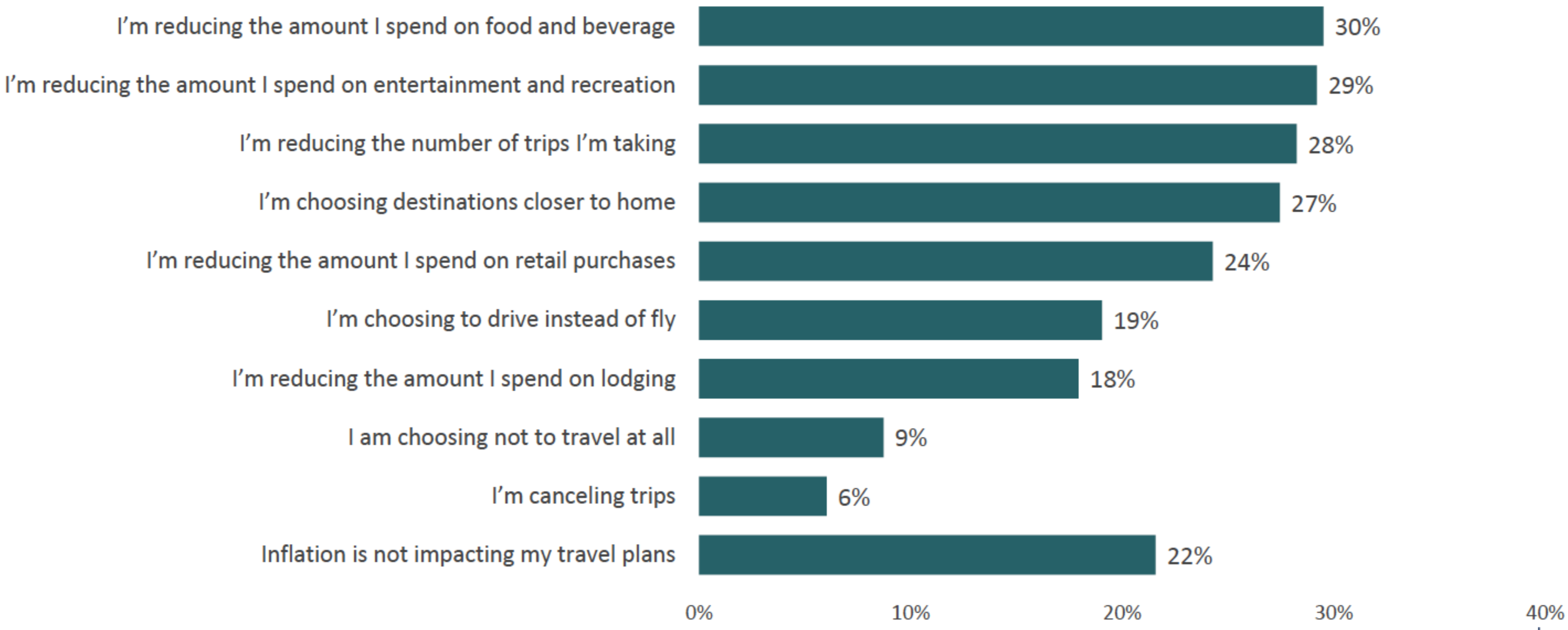
The impact of airfare prices on travel plans appears to continue to be a concern for travelers. In February and March, 31% of travelers indicated that airfare prices had a great impact on their future travel plans, an **increase from January where it was 26%**. Meanwhile, concerns about personal financial situations, inflation, and gas prices remained stable.

Source: Longwoods International ATS Wave 94
Percentages are based only on respondents who are confirmed travelers and intend on traveling in the next six months

Longwoods International | miles partnership

IMPACT ON TRAVEL PLANS

Impact of Inflation on Travel Plans



Data Overview

- National
- Sevier County

Sevier County Exceeds Benchmarks in Economic Key Performance Indicators

72%	**53%**	**74%**	**24%**
Share of Spend From Visitors	Visitor Spend at Local Businesses	Share of Restaurant Spend from Visitors	Share of Visits at Attractions
Benchmark: 40%	*Benchmark: 36%*	*Benchmark: 50%*	*Benchmark: 9%*

Benchmark looks at 8 counties and cities that display similar visitor patterns, tourism product and drivers as Sevier County.

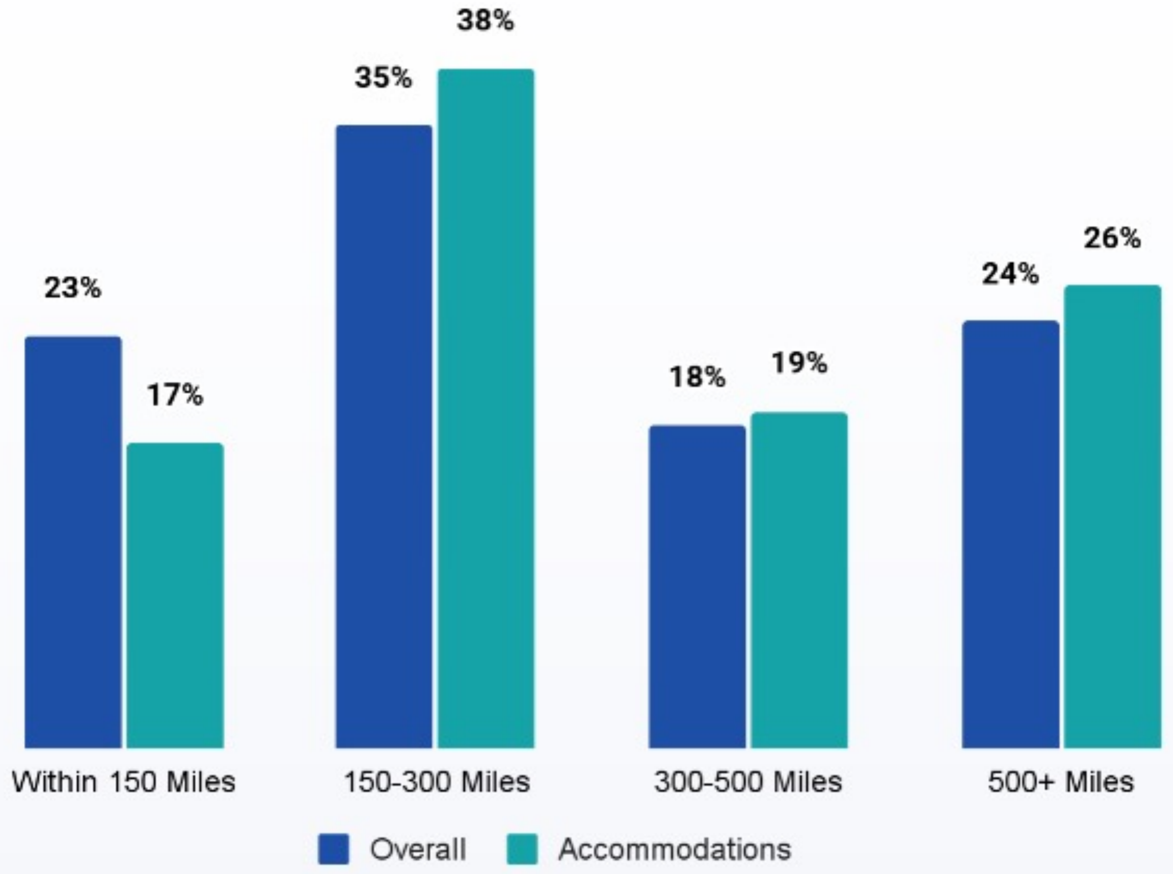
Source: Zartico Spend and Location Data

ZARTICO

Out of State Visitors Drive the Sevier County Tourism Economy

86% of visitors to Sevier County are from outside of Tennessee, exceeding the East region's average of 75%

Over Half the Visitors Come From Within 300 Miles of Sevier County



- Accommodation visitors do tend to be from further away, however over half of accommodation visitors are still from within 300 miles of the county
- Top markets remain the same, with Atlanta, Nashville, Greenville and Charlotte accounting for the largest share of visitation

Data Overview

- **National**
- **Sevier County**
- **Pigeon Forge**

Lodging Summary

February 2025

Pigeon Forge Data

TENNESSEE

Aggregate Lodging

	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
	51.2%	$154	$79	5.3M	2.7M	$414.5M
vs. Previous Year	▼ -5.5%	▲ 0.3%	▼ -5.3%	▲ 3.2%	▼ -2.5%	▼ -2.2%
YTD Calendar Year	47.1%	$152	$71	11.2M	5.3M	$801.2M
YTD vs. Previous Year	▼ -4.9%	▲ 1.9%	▼ -3.1%	▲ 3.5%	▼ -1.5%	▲ 0.3%

Hotels: Tennessee

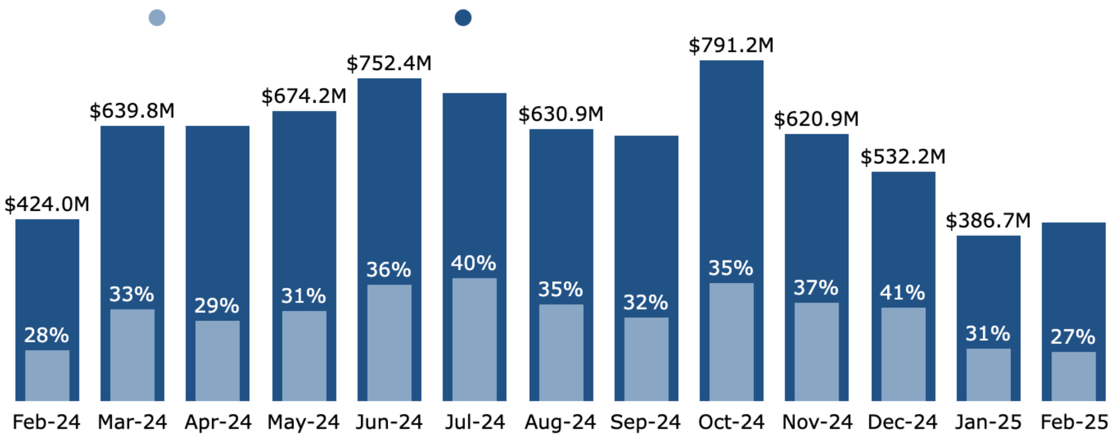
	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
	53.2%	$131	$70	4.3M	2.3M	$300.7M
vs. Previous Year	▼ -5.2%	▲ 0.7%	▼ -4.5%	▲ 3.1%	▼ -2.3%	▼ -1.6%
YTD Calendar Year	49.3%	$127	$62	9.1M	4.5M	$566.5M
YTD vs. Previous Year	▼ -4.9%	▲ 1.6%	▼ -3.4%	▲ 3.1%	▼ -1.9%	▼ -0.3%

Short Term Rentals: Tennessee

	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
	41.7%	$289	$121	941.8K	393.0K	$113.7M
vs. Previous Year	▼ -7.1%	▼ -0.2%	▼ -7.3%	▲ 3.6%	▼ -3.7%	▼ -3.9%
YTD Calendar Year	37.9%	$290	$110	2.1M	808.6K	$234.7M
YTD vs. Previous Year	▼ -4.5%	▲ 1.5%	▼ -3.1%	▲ 5.2%	▲ 0.5%	▲ 2.0%

Lodging Revenue & Contribution

Aggregate of Tennessee (Hotels) and Tennessee (Short Term Rentals)



- **Supply is presently outpacing demand**
- **Pigeon Forge Hotel ADR is up 1.4% YTD**
- **Pigeon Forge Hotel Revenue is up 1.2% YTD**
- **STR market is seeing more significantly reduced activity YoY**

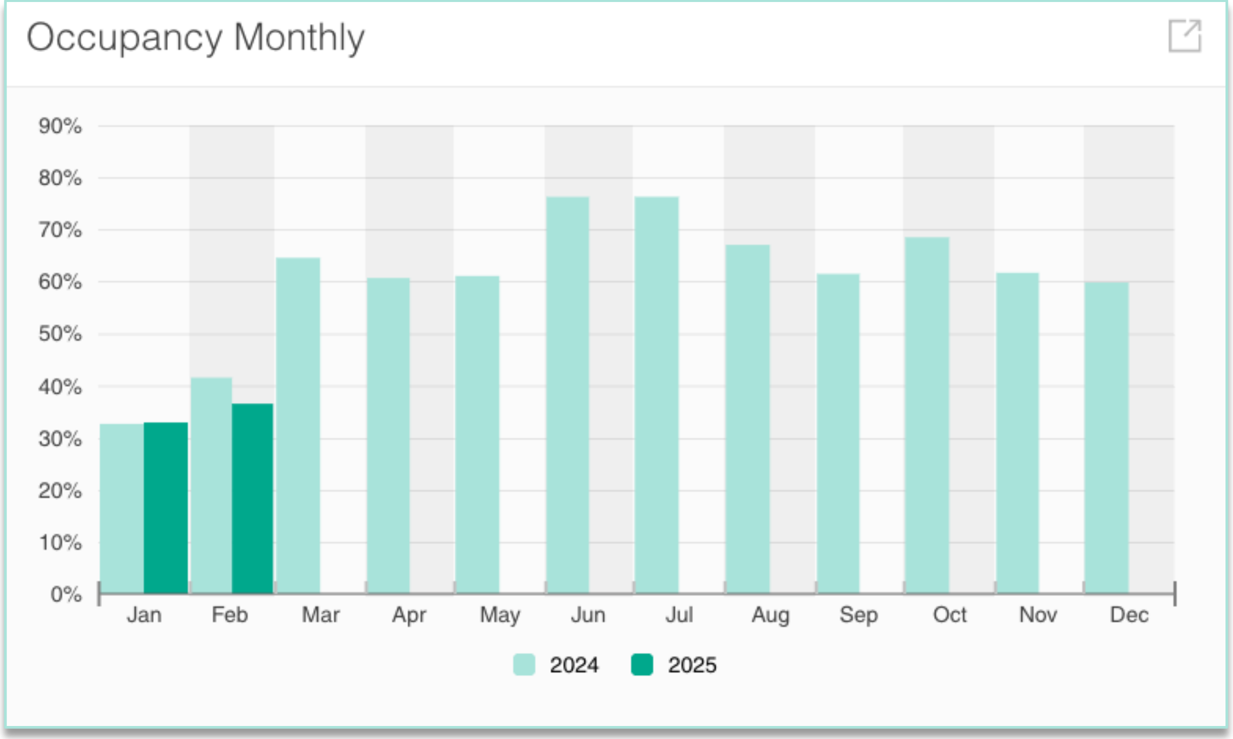
Source: STR, AirDNA

SYMPHONY | TOURISM ECONOMICS

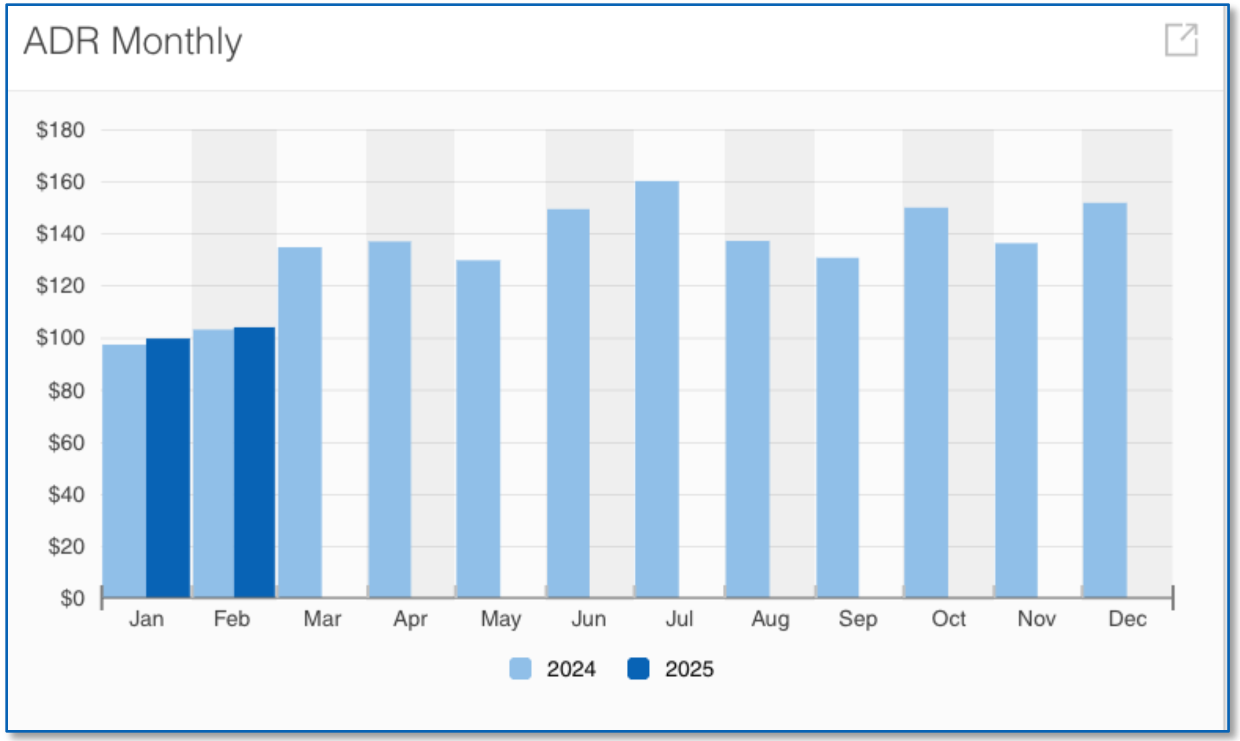
Pigeon Forge Hotels – YoY Trends

Source: CoStar

Occupancy



ADR

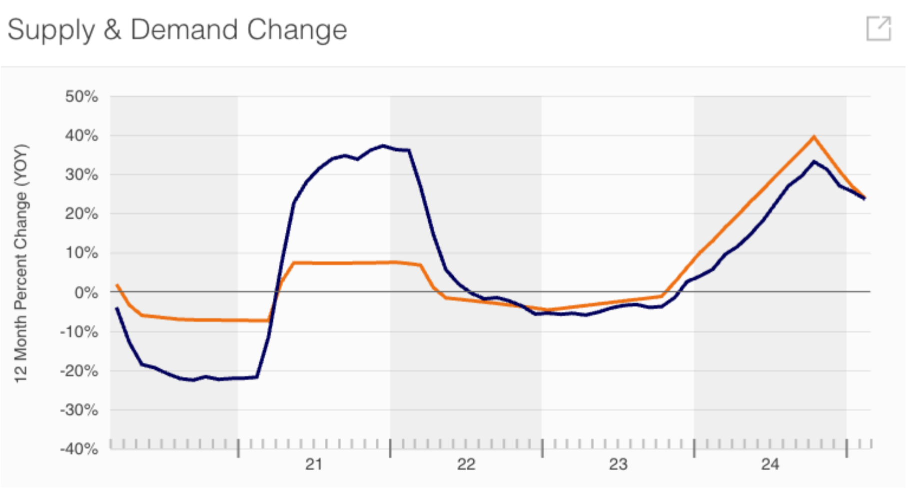


Pigeon Forge has trended closely with 2024, especially in modeled ADR

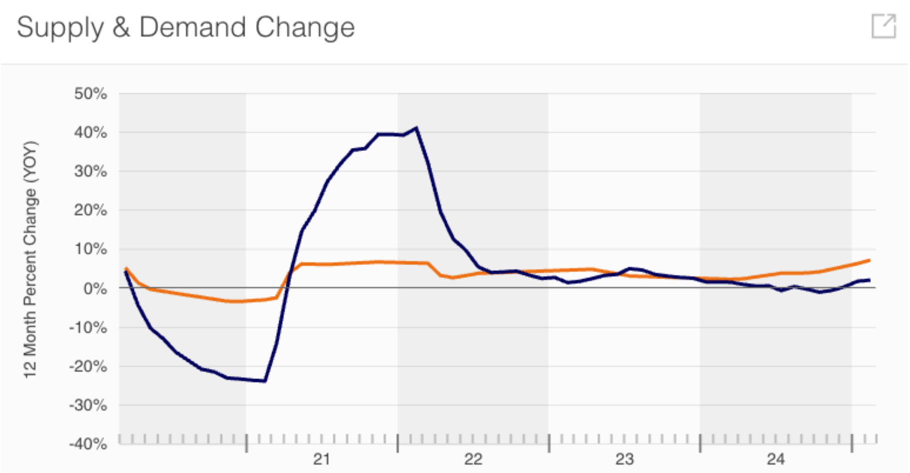
Pigeon Forge Hotels

12-Month % Change (Source: CoStar)

Luxury/Upper Upscale



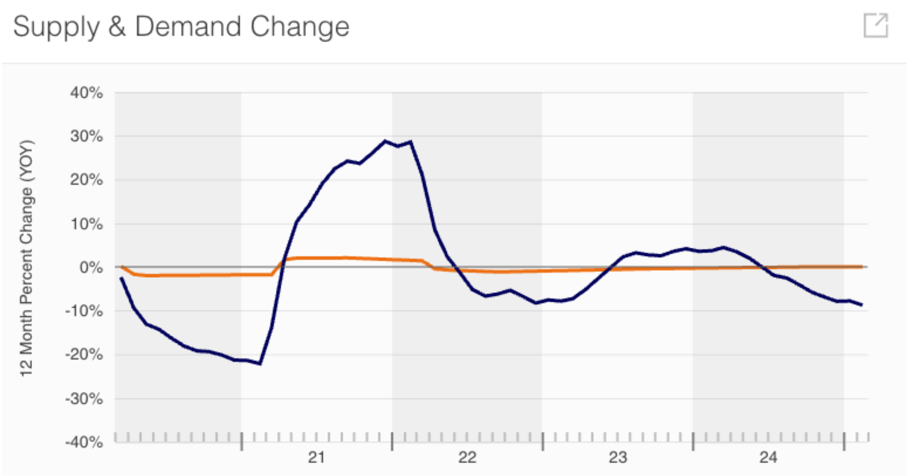
Upscale/Upper Midscale



Supply
Demand

- You are successfully diversifying to capture higher spend visitors
- The more price sensitive the client, the more demand has flattened or reduced.
- Midscale and Economy hotels (existing and open) in Pigeon Forge represent:
  - 56.9% of properties
  - 47.7% of rooms

Midscale/Economy



Mosaic Methodology

Demographics | Socio-economics | Location | Finances | Property Characteristics

A — Power Elite
The wealthiest households in the US, living in the most exclusive neighborhoods, and enjoying all that life has to offer

B — Flourishing Families
Affluent, middle-aged families and couples earning prosperous incomes and living very comfortable, active lifestyles

C — Booming with Confidence
Prosperous, established couples in their peak earning years living in suburban homes

D — Suburban Style
Middle-aged, ethnically-mixed suburban families and couples earning upscale incomes

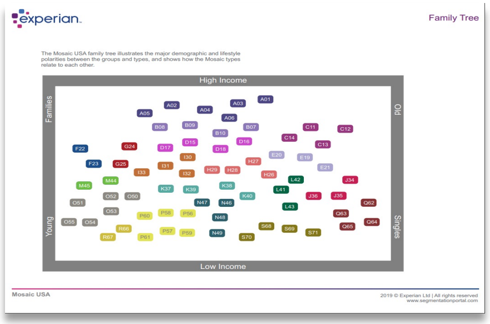
E — Thriving Boomers
Upper-middle-class baby boomer-age couples living comfortable lifestyles settled in suburban homes

F — Promising Families
Young couples with children in starter homes, living child-centered lifestyles

G — Young City Solos
Younger and middle-aged singles living active and energetic lifestyles in metropolitan areas

H — Bourgeois Melting Pot
Middle-aged, established couples living in suburban homes

I — Family Union
Middle income, middle-aged families living in homes supported by solid blue-collar occupations

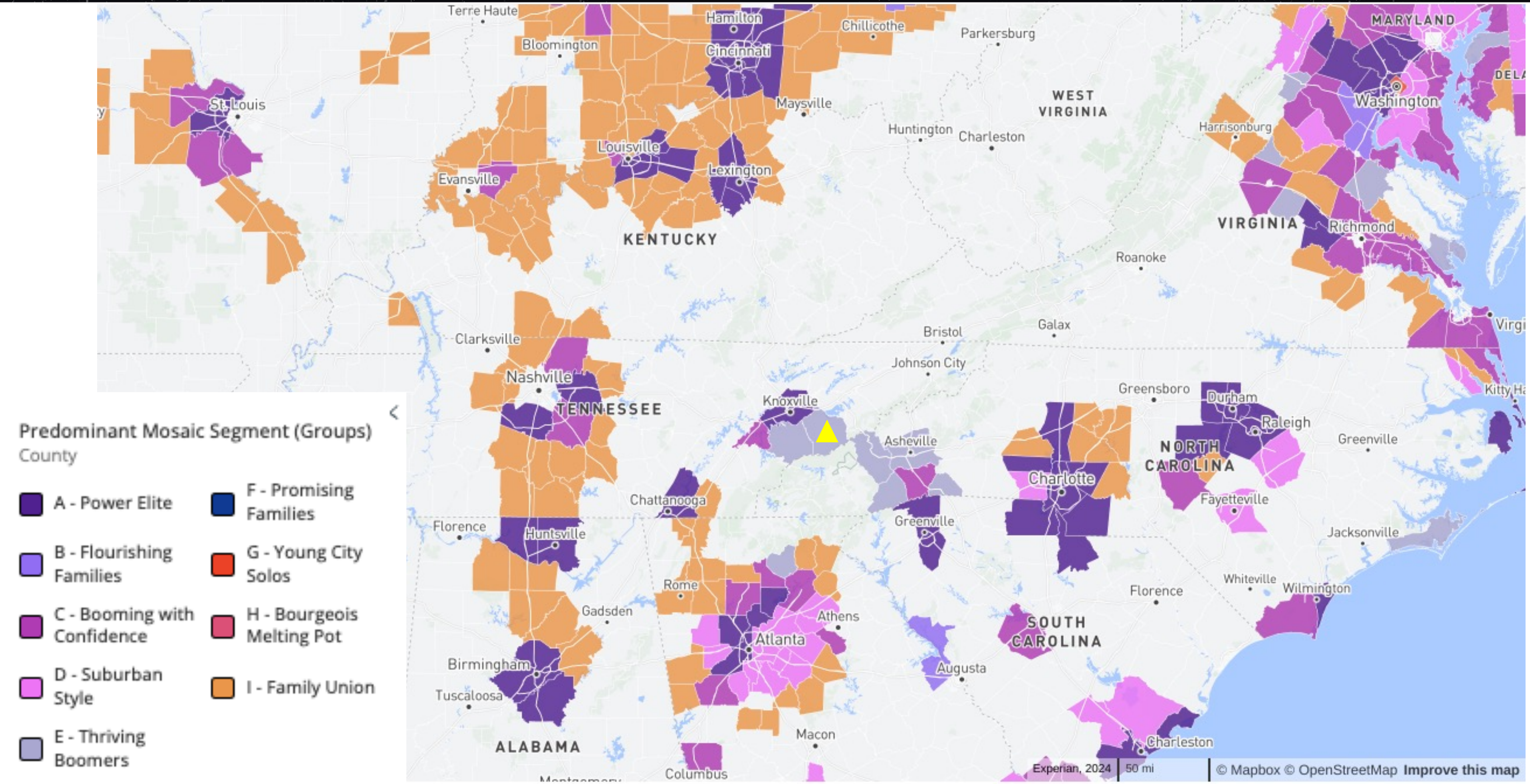


https://assets.cengage.com/gale/help/dnow/DataMethodology/MosaicUSA_Handbook.pdf

See matrix in appendix for details

Target Audience

Based on Top 9 Mosaic Profiles



Apr 1, 2024 - Mar 31, 2025

Data provided by Placer Labs Inc. (www.placer.ai)

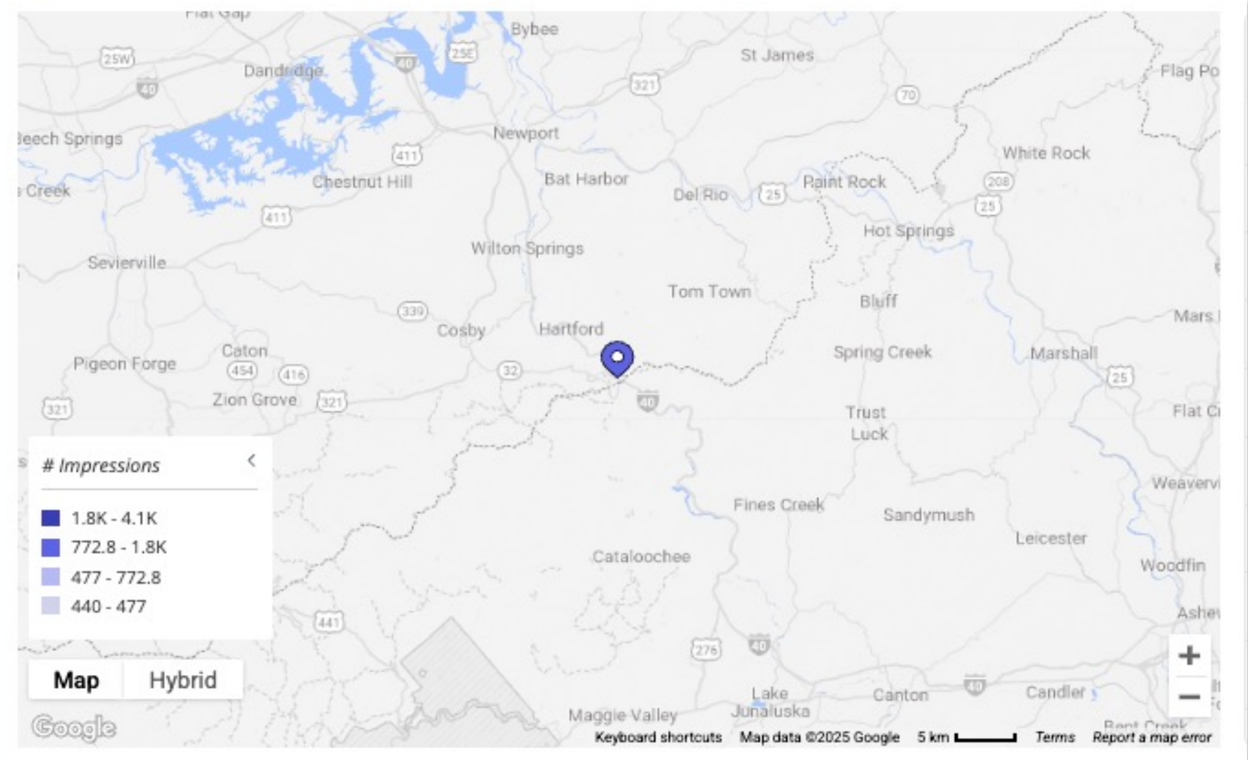
Placer.ai

I-40 @ Hartford Re-Opened

- Good News for Pigeon Forge

Placer.AI traffic pin data Jan 2024 thru Mar 2025

I-40 @ Hartford Re-Opened



Placer.AI traffic pin data for Mar 2025

City	Impressions
Glenwood, NC ★	4.1K (1.2%)
Taylors, SC ★	2.8K (0.8%)
Easley, SC ★	2.5K (0.7%)
Knoxville, TN	2.4K (0.7%)
Tigerville, SC ★	2.3K (0.7%)
Greer, SC ★	2K (0.6%)
Greenville, SC ★	2K (0.6%)

★ Traffic coming into Tennessee

I-40 @ Hartford Re-Opened

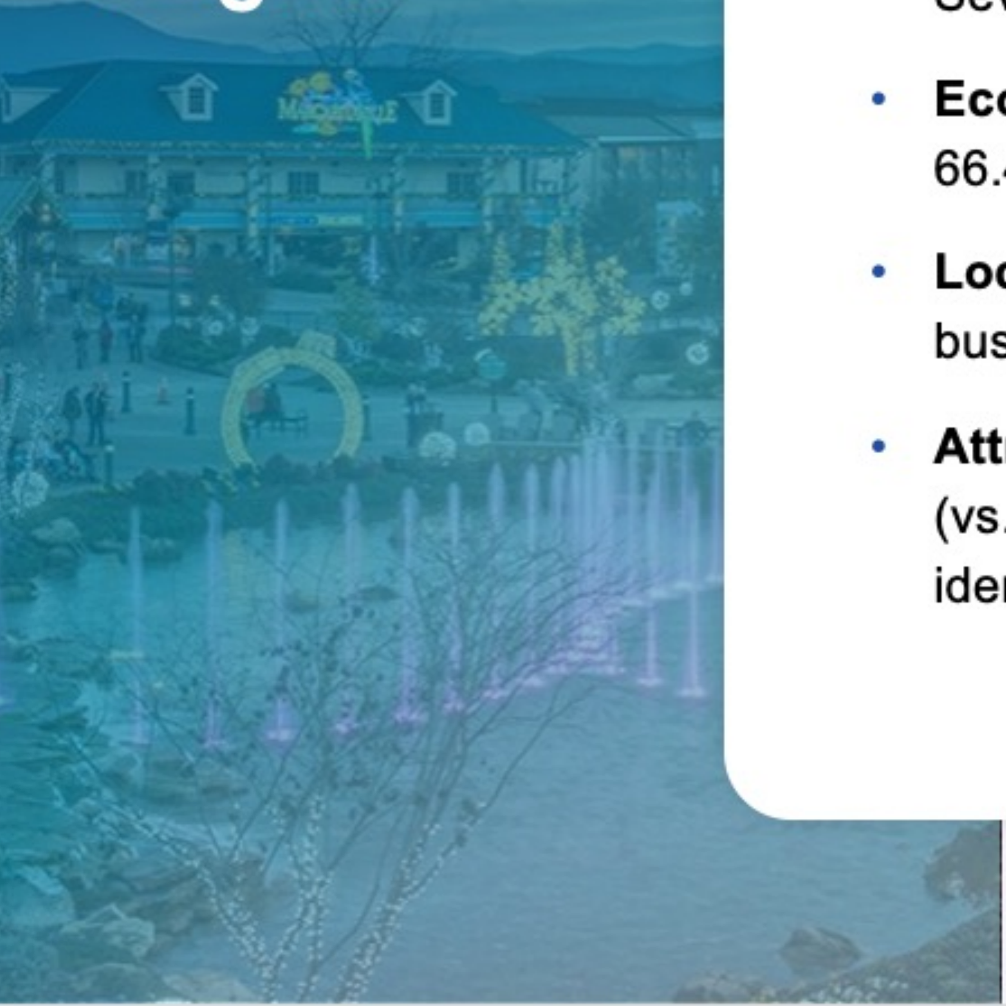
Good News for Pigeon Forge

Location	Visitors
Buc-ee's	51K (18%)
Tanger Outlets	40.5K (14.3%)
The Island in Pigeon Forge ★	40.2K (14.1)
Dollywood ★	26.5K (9.3%)
Walmart	23.2K (8.2%)
Tower Shops ★	21.3K (7.5%)
Buc-ee's (Richmond, KY)	20K (7%)
Haywood Mall (Greenville, SC)	15.1K (5.3%)
Harrah's Cherokee Casino (Cherokee, NC)	13.6K (4.8%

Placer.AI traffic pin data for Mar 2025

★ Pigeon Forge locations

Pigeon Forge Top Level Insights



- **Tourism Leader:** 69.2% of all devices belong to visitors (vs. 65.4% Sevier County, 27.6% TN)
- **Economic Engine:** Visitors generate 83.0% of all spending (vs. 66.4% Sevier County, 20.1% TN)
- **Local Business Champion**: 62% of visitor spending flows to local businesses (vs. 52% Sevier County, 40% TN)
- **Attraction-First Destination:** 35.1% of visitors prioritize attractions (vs. 22.0% in Sevier County) — creating a distinctive experience identity and opportunity

Takeaways

We can weather the storm together.

Stay the course on marketing.

Promote value over discount.

Target quality visitors, fill demand.

What can we learn from the business world?

Harvard Business Review, March 2010

- Harvard analyzed strategy selection and corporate performance of 4,700 public companies

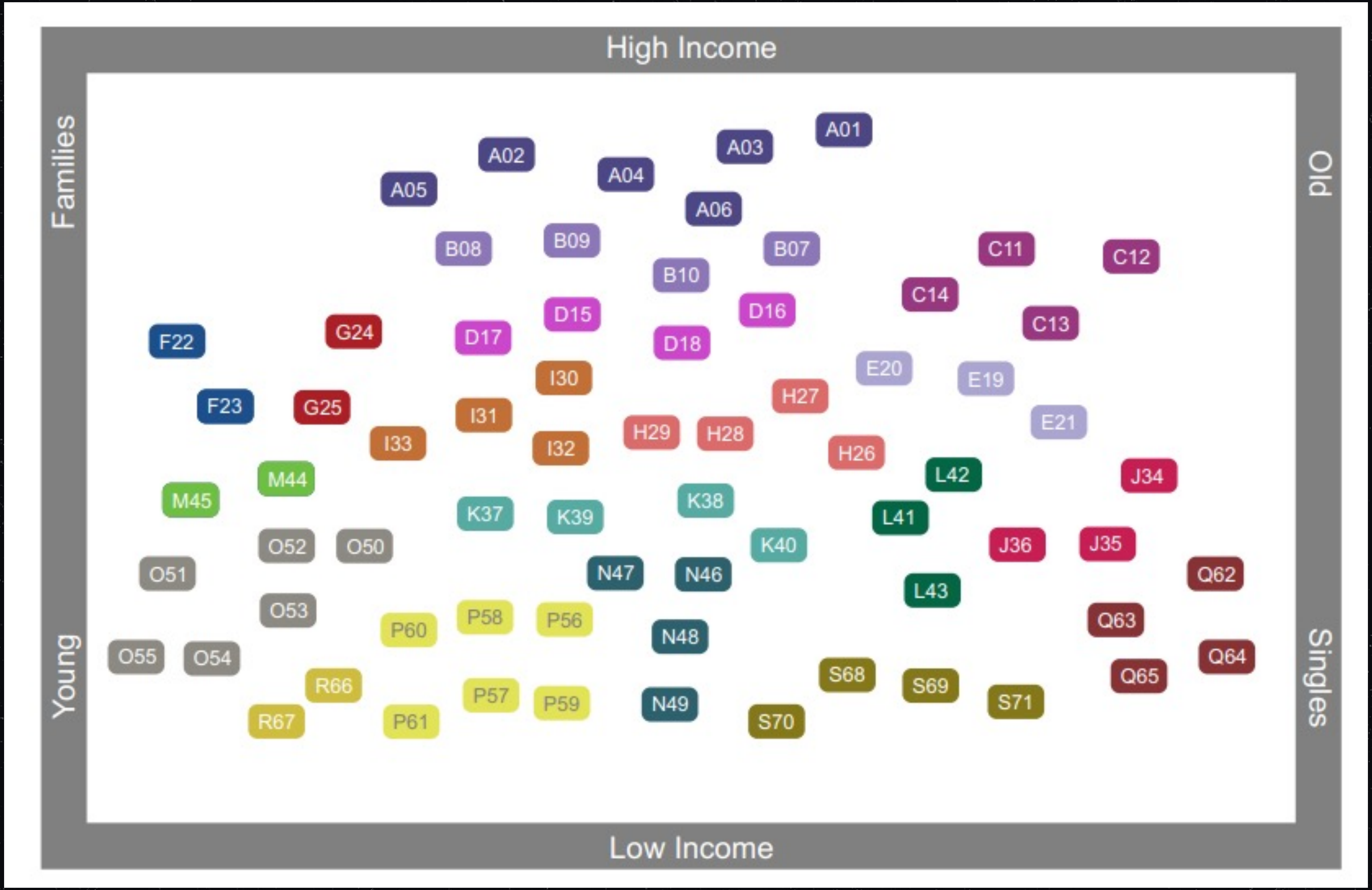
- Focused on three global downturns: **1980, 1990, and 2000**

PREVENTION-FOCUSED MOVES	PROMOTION-FOCUSED MOVES: MARKET DEVELOPMENT	ASSET INVESTMENT	BOTH
EMPLOYEE REDUCTION	GOOD SALES 4.6% EBITDA 6.6%	BAD SALES 3.9% EBITDA 3.3%	WORST SALES 3.3% EBITDA -5.2%
OPERATIONAL EFFICIENCY	GOOD SALES 7.1% EBITDA 4.2%	GOOD SALES 8.4% EBITDA 8.4%	BEST SALES 13.0% EBITDA 12.2%
BOTH	BAD SALES 5.2% EBITDA 2.1%	BAD SALES 5.2% EBITDA -0.5%	GOOD SALES 9.2% EBITDA 4.6%

Major finding: Those companies that do well…"reduce costs selectively by focusing more on operational efficiency than their rivals do, even as they invest relatively comprehensively in the future by spending on marketing, R&D, and new assets."


Thanks!
TENNESSEE
SOUNDS PERFECT

Appendix


High Income
Low Income
Families
Young
Old
Singles
A01
A02
A03
A04
A05
A06
B07
B08
B09
B10
C11
C12
C13
C14
D15
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