



VALAMAR  
All you can holiday

# VALAMAR RIVIERA

Mediterranean Tourism Gem  
October 2018

TUI Family Life Bellevue Resort 4\* - Rabac



# 1 Introduction

- 2 Overview of Valamar Riviera
- 3 Market Overview
- 4 Financial Overview
- 5 Share RIVP
- 6 Detailed Investments Overview

Leading tourism company in Croatia by revenues, capacities and number of destinations

Strongest Croatian hotel brand

12% of categorized capacities

Largest portfolio of camping in Croatia (15% of categorized camping in Croatia)

EUR 261-264mn (+10-11% yoy)  
E2018 total revenues

EUR 92-93mn (+14-16% yoy)  
E2018 EBITDA

35-36%  
E2018 EBITDA margin

10% revenue and 13%  
EBITDA 10y CAGR (2007-2017)



Capacity of:\*

≈ 58.000 guests  
> 21.000 units

≈ 6,2mn  
overnights  
≈ 1,0mn  
arrivals



EUR 557mn  
investments in the past 14 yoy (incl. acquisitions)

EUR 670mn  
balance sheet

2018 asset portfolio:  
47% Premium & Upscale  
34% Midscale

EUR 630mn  
Mcap (23/10/2018)

≈ 22.000  
shareholders

≈ 1.700 permanent employees  
≈ 6.600 employees in peak season

2,85x  
net debt/Adj. EBITDA

Attractive destinations: \*  
Poreč, Rabac, Krk, Baška,  
Rab, Makarska, Dubrovnik,  
Obertauern



34  
hotels and resorts\*

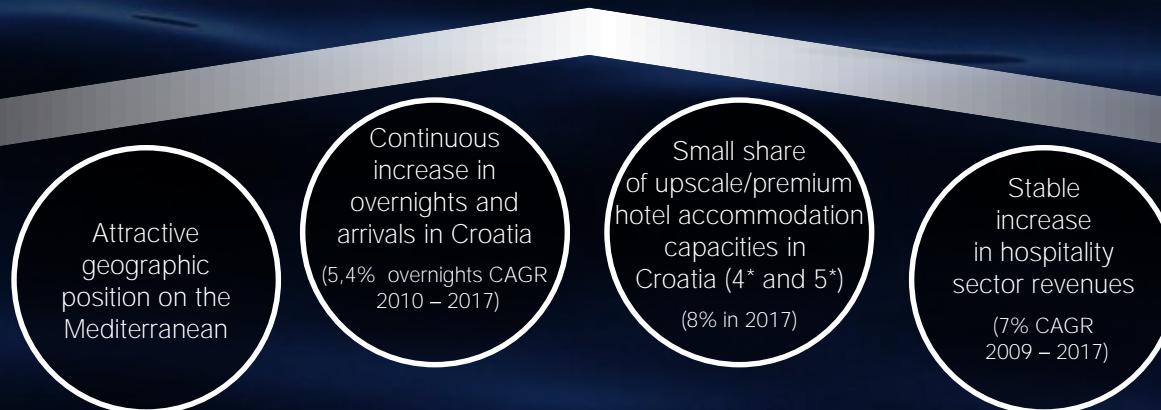
15  
camping resorts\*

\* incl. Hoteli Makarska Plc and Hotel Petersbühel

# Introduction



**VALAMAR RIVIERA IS THE LEADING TOURISM COMPANY IN CROATIA  
AND ONE OF THE MOST ATTRACTIVE SHARES ON THE  
CROATIAN CAPITAL MARKET**





1 Introduction

## 2 Overview of Valamar Riviera

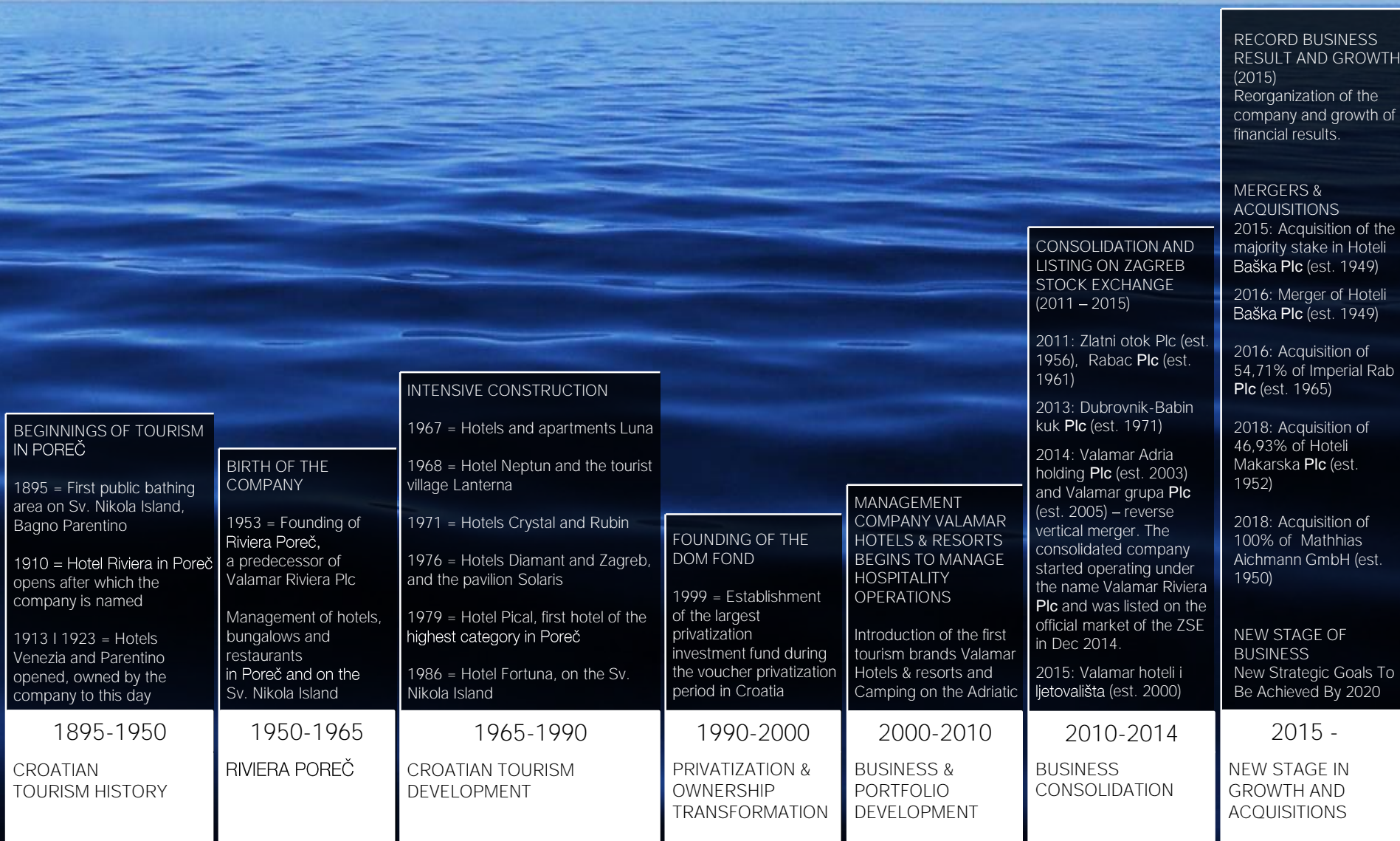
3 Market Overview

4 Financial Overview

5 Share RIVP

6 Detailed Investments Overview

# History of Valamar Riviera



# Our Mission, Vision and Core Values

## MISSION



To create unforgettable guest experiences by using innovative services in leisure tourism.

To develop a stimulating corporate culture where guests and employees come first.

To deliver new value for shareholders through corporate responsibility by promoting sustainable development and supporting local communities.

## VISION



To be the leader in leisure tourism and create authentic guest experiences in partnership with our destinations.



### WELCOMING

We make our guests feel very welcome and highly appreciated.



### PROUD

We take pride in our destinations and in being part of the Valamar family.



### INNOVATIVE

We engage in collaborative innovation to improve our performance, stay alert and always remain open to change.



### RESPONSIBLE

We are a responsible business partner, a caring employer, supportive towards the community and committed to preserving the environment.

### AMBITIOUS



We set challenging goals and strive for excellence in everything we do.



# Management of the Valamar Brand

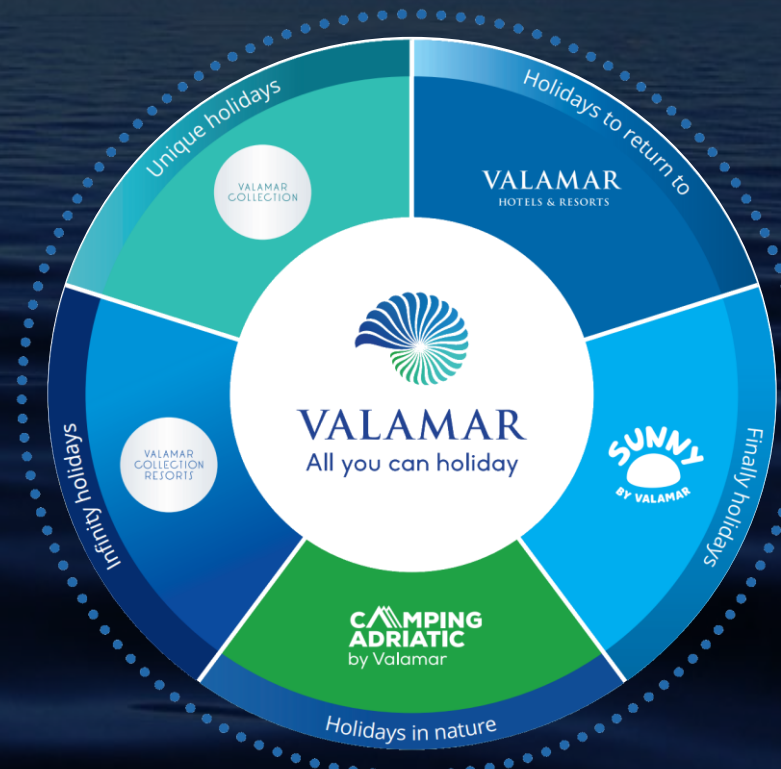
## First Internationally Recognized Brand in Modern Croatian Tourism

- The Valamar Hotels & Resorts brand was introduced in 2004 and very soon it became the first internationally recognized brand in modern Croatian tourism
- Camping Adriatic by Valamar was introduced two years later
- Over time, the brand architecture was supplemented and modified, adapting to the changes within the company, and in 2016, the process of redefining the existing brand strategy began

## 2018 Key Brand Changes

- The existing Valamar brand architecture has moved from a system with two main product brands to a system with five main product brands closely linked to Valamar's core culture and values
- Each property in the portfolio is linked to one of the product brands and has had specific positioning, USPs, target markets and sales channels defined specifically for it
- Valamar Collection and Valamar Collection Resorts are brands of strategic importance and are the closest to Valamar's core values; they include the best products in the portfolio
- Valamar Hotels & Resorts is a brand covering the largest portion of the company's capacities and includes both upscale and midscale properties; specific labels will be introduced through this brand, depending on the special characteristics of each product
- Sunny by Valamar is the economy brand that includes both midscale and economy portions of the portfolios
- Camping Adriatic by Valamar will be lifted to a higher level and be more strongly linked to the Valamar brand; additionally, it has been divided into three categories – Premium Resorts, Resorts and Sunny

## New Brand Identity



Valamar+Club

The Valamar loyalty program connects all the product brands in the system. It contributes to the distinctiveness of the umbrella brand and creates added value for returning guests.

# New Valamar Brand Portfolio



**VALAMAR**  
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## VALAMAR COLLECTION

Valamar Collection Imperial Hotel  
Valamar Collection Dubrovnik President Hotel

## VALAMAR COLLECTION RESORTS

Valamar Collection Isabella Island Resort  
Valamar Collection Girandella Resort

**STRATEGIC BRANDS**

**STRATEGIC BRANDS**

## VALAMAR HOTELS & RESORTS

Valamar Zagreb Hotel  
Valamar Diamant Hotel & Residence  
Valamar Crystal Hotel  
Valamar Riviera Hotel & Suites  
Valamar Tamaris Resort  
Valamar Sanfior Hotel & Casa  
Valamar Koralj Hotel  
Valamar Zvonimir Hotel  
Valamar Atrium Baška Residence  
Valamar Villa Adria  
Valamar Padova Hotel  
Valamar Carolina Hotel & Villas  
Valamar Lacroma Dubrovnik Hotel  
Valamar Argosy Hotel  
Valamar Club Dubrovnik Hotel  
Valamar Pinia Hotel

**CORE BRAND**

**CORE BRAND**



Rubin Sunny Hotel by Valamar  
Pical Sunny Hotel by Valamar  
Lanterna Sunny Resort by Valamar  
Pinia Sunny Residence by Valamar  
Miramar Sunny Hotel by Valamar  
Allegro Sunny Hotel by Valamar  
Marina Sunny Hotel by Valamar  
Corinthia Baška Sunny Hotel by Valamar  
San Marino Sunny Resort by Valamar  
Eva Sunny Hotel & Residence by Valamar  
Tirena Sunny Hotel by Valamar

**FIGHTER BRAND**

**FIGHTER BRAND**



Lanterna Premium Camping Resort by Valamar  
Krak Premium Camping Resort by Valamar  
Ježevac Premium Camping Resort by Valamar



Orsera Camping Resort by Valamar  
Marina Camping Resort by Valamar  
Solaris Camping Resort by Valamar  
Zablaće Camping Resort by Valamar  
Bunculuka Camping Resort by Valamar  
Padova Camping Resort by Valamar  
San Marino Camping Resort by Valamar



Tunarica Sunny Camping by Valamar  
Istra Sunny Camping by Valamar  
Brioni Sunny Camping by Valamar  
Škrila Sunny Camping by Valamar  
Solitudo Sunny Camping by Valamar

**BRAND  
PARTNERSHIPS**

TUI Family Life Bellevue Resort

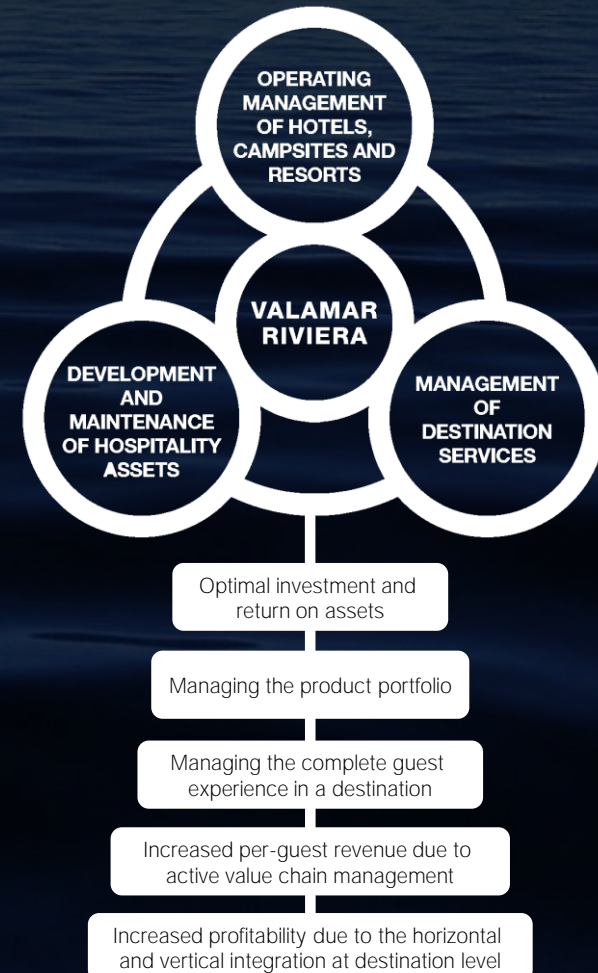
# Awards & Recognitions and Business model

## Awards & Recognitions

- On an annual basis, Valamar receives more than 50 international awards for quality, including most prestigious awards such as „World Travel Awards” as well as those given by Tripadvisor, ADAC, TUI, Zoover, Luxury Travel Guide and others



## Business Model: Asset, Hospitality and Destination Management Company



# 2016-2020 Strategic Goals and Strategic Initiatives



## OFFER ATTRACTIVE AND LONG-TERM SUSTAINABLE DIVIDENDS

- 2018: EUR 14,9mn; 2017: EUR 13,1mn; 2016: EUR 9,8mn; 2015: EUR 9,1mn; 2014: EUR 8,3mn



## CREATE NEW VALUE FOR SHAREHOLDERS

- Significantly increase our market capitalization (2017: +26%)



## STEER A SUSTAINABLE AND SOCIALLY RESPONSIBLE DEVELOPMENT OF DESTINATIONS

- Invest up to 2,5% of revenues



## GROW SIGNIFICANTLY

- double-digit EBITDA-CAGR growth (2015-2017: +20%)
- EBITDA margin 35%-38% (2017: 35%)



## HEAVY INVESTMENTS

- Invest 200-265mn (2017&P2018&P2019: 312mn)
- Premium returns while maintaining a solid balance sheet (2017: 670mn) and a sustainable net debt/EBITDA ratio (2017: 2,85x)



## STRENGTHEN DIRECT RELATIONSHIPS WITH GUESTS

- 50% of revenues from direct bookings (2016: 41%; 2017: 43%) and 30% of returning guests (2016: 24%; 2017: 24%)



## EXPAND STRATEGIC PARTNERSHIPS

- With well-known international companies and key partners (2016&2017: TUI, Rewe,...)



## BE RECOGNIZED AS THE MOST DESIRABLE EMPLOYER IN TOURISM

- 70% return rate of seasonal workers (2016: 63%; 2017: 56%) and develop >80% of our management internally (2016: 66%; 2017: 70%)

## KEY STRATEGIC INITIATIVES TO REALIZE THE STRATEGIC GOALS:

- Focus on the guest -
- Caring for our employees -
- Growth strategy -
- Innovation and digitization -
- Development of our destinations and responsibility to the local community -
- Commitment to environmental sustainability -

# Organizational and Ownership Structure

## Organizational Structure

### MANAGEMENT BOARD

DIVISION: Business Development, Quality and Corporate Affairs

DIVISION: Sales & Marketing

DIVISION: Asset Development, Maintenance & Technical service

DIVISION: Operations

Dubrovnik Region

SECTOR: Purchasing

SECTOR: IT & Application Support

SECTOR: Asset Management & General Affairs

SECTOR: Finance & Accounting

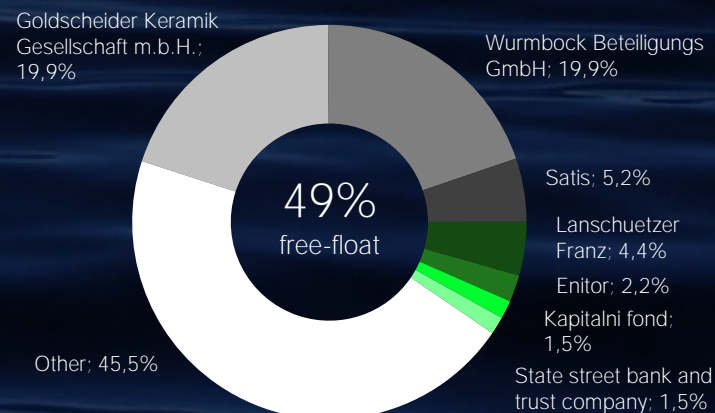
SECTOR: Strategic Planning & Controlling

SECTOR: Human Resources

## Corporate Governance

- 1.718 full time employees (30/9/2018)
- KPMG auditor from 2012 to 2016; Ernst&Young from 2017
- The Supervisory Board has 7 members, including 2 independent members
- The Supervisory Board has 3 operating committees – Presidium / Audit / Investment

## Ownership Structure (30/9/2018)



NB: free-float does not include treasury shares and shares in sole ownership over 4%

## Management Board



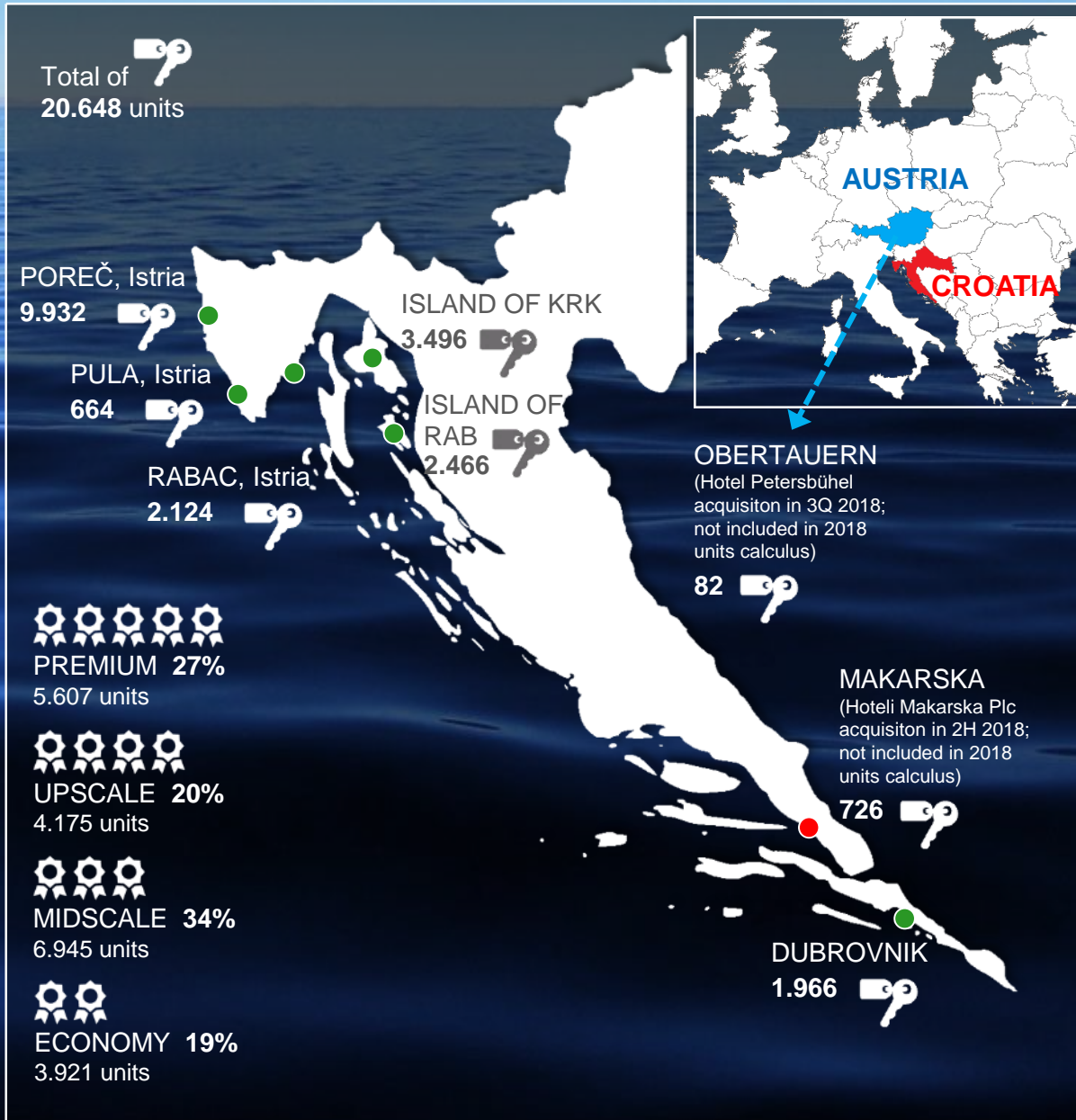
Željko Kukurin  
President / CEO



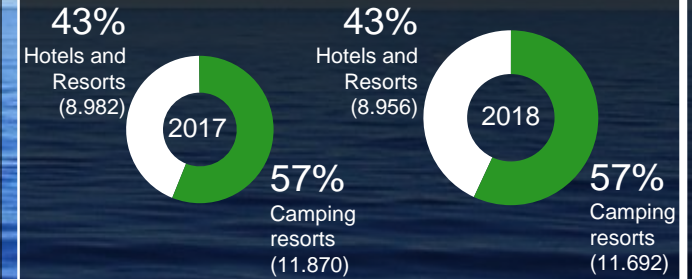
Marko Čižmek  
Member / CFO

# Asset Portfolio 2018 <sup>(1)</sup>

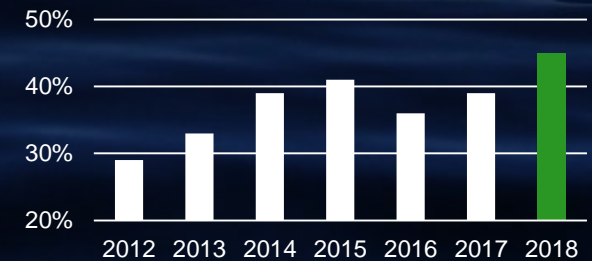
Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5



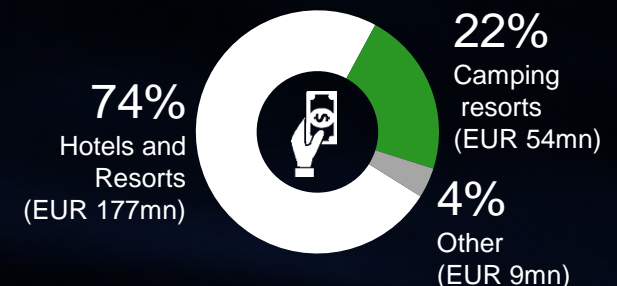
## Units per Categorization



## Share of Premium & Upscale Units











## Net Operating Revenues (2017)



# Asset Portfolio 2018 (2)








## PREMIUM (5.607 units; 27% of total capacities)

	Valamar Collection Dubrovnik President Hotel 5*	(292 units)
	Valamar Collection Isabella Island Resort 4* & 5*	(334 units)
	Valamar Lacroma Dubrovnik Hotel 4*	(401 units)
	Valamar Collection Girandella Resort 4* & 5*	(391 units)
	Valamar Collection Imperial Hotel 4*	(136 units)
	Krk Premium Camping Resort by Valamar 5*	(500 units)
	Ježevac Premium Camping Resort by Valamar 4*	(683 units)
	Lanterna Premium Camping Resort by Valamar 4*	(2.870 units)

## UPSCALE (4.175 units; 20% of total capacities)

	TUI Family Life Bellevue Resort 4*	(372 units)
	Valamar Tamaris Resort 4*	(507 units)
	Valamar Riviera Hotel & Suites 4*	(152 units)
	Valamar Zagreb Hotel 4*	(230 units)
	Valamar Sanfior Hotel & Casa 4*	(242 units)
	Valamar Argosy Hotel 4*	(308 units)
	Valamar Padova Hotel 4*	(175 units)
	Marina Camping Resort by Valamar 4*	(318 units)
	Bunculuka Camping Resort by Valamar 4*	(408 units)
	Zablaće Camping Resort by Valamar 4*	(654 units)
	San Marino Camping Resort by Valamar 4*	(809 units)

## MIDSCALE (6.945 units; 34% of total capacities)

	Valamar Diamant Hotel & Residence 4*	(372 units)
	Valamar Crystal Hotel 4*	(223 units)
	Pinia Sunny Residence by Valamar 3*	(96 units)
	Rubin Sunny Hotel by Valamar 3*	(253 units)
	Valamar Pinia Hotel 3*	(170 units)
	Allegro Sunny Hotel by Valamar 3*	(180 units)
	Miramar Sunny Hotel by Valamar 3*	(178 units)





## MIDSCALE (continued)

	Corinthia Baška Sunny Hotel by Valamar 3*	(456 units)
	Valamar Zvonimir Hotel 4*	(85 units)
	Valamar Atrium Baška Residence 4* & 5*	(64 units)
	Valamar Villa Adria 4*	(28 units)
	Valamar Koralj Hotel 3*	(274 units)
	Valamar Club Dubrovnik Hotel 3*	(338 units)
	Valamar Carolina Hotel & Villas 4*	(152 units)
	San Marino Sunny Resort by Valamar 3*	(457 units)
	Orsera Camping Resort by Valamar 3*	(596 units)
	Škrila Sunny Camping by Valamar 3*	(344 units)
	Solitude Sunny Camping by Valamar 3*	(419 units)
	Padova Camping Resort by Valamar 3*	(453 units)
	Solaris Camping Resort by Valamar 3*	(1.807 units)

## ECONOMY (3.921 units; 19% of total capacities)

	Pical Sunny Hotel by Valamar 2*	(359 units)
	Tirena Sunny Hotel by Valamar 3*	(208 units)
	Lanterna Sunny Resort by Valamar 2*	(956 units)
	Eva Sunny Hotel & Residence by Valamar 2*	(284 units)
	Marina Hotel by Valamar 2*	(283 units)
	Istra Sunny Camping by Valamar 2*	(1.007 units)
	Brioni Sunny Camping by Valamar 2*	(664 units)
	Tunarica Sunny Camping by Valamar 2*	(160 units)

## 2018 ACQUISITIONS

	Hotel Meteor 4*	(278 units)
	Hotel Dalmacija 3*	(190 units)
	Hotel Rivijera 2*	(257 units)
	Hotel Petersbühel 4*	(82 units)

# Destinations and Asset Management

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5

## ISTRIA



- The most prominent tourist region in Croatia (30mn of overnights p.a.)
- Valamar's destinations: Poreč, Tar, Funtana, Vrsar, Pula-Brioni, Rabac
- 17 hotels and resorts and 7 camping resorts

## ISLAND OF KRK



- The biggest and most populated island in Croatia (1mn of overnights p.a.)
- The key advantage is a bridge connection with the mainland and international airport
- 3 hotels and resorts and 5 camping resorts

## ISLAND OF RAB



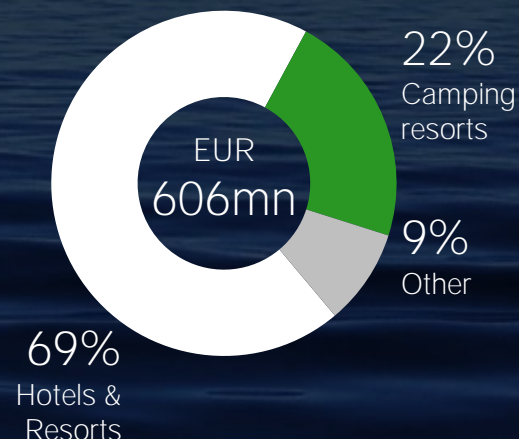
- 2mn of overnights, i.e. 230 thousand guests (50% of guests from GER and AUT)
- Imperial hospitality company has a dominant position in the island's hotel and campsite offer
- 5 hotels and resorts and 2 camping resorts

## DUBROVNIK



- Globally recognized tourist destination (6mn of overnights p.a.)
- 5 hotels and resorts and 1 camping resort

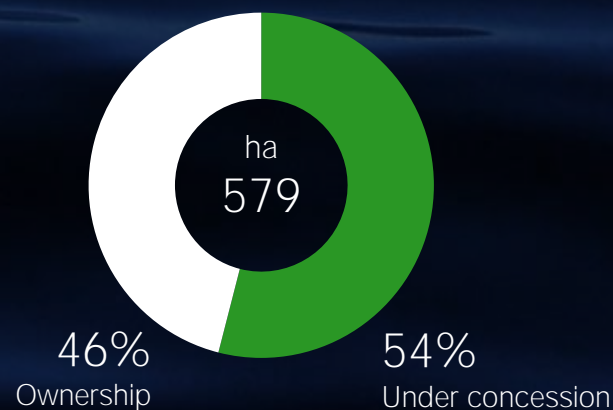
## LONG-TERM ASSET BOOK VALUE (2017)



## MARITIME DOMAIN (2017)



## LAND SURFACE (2017)



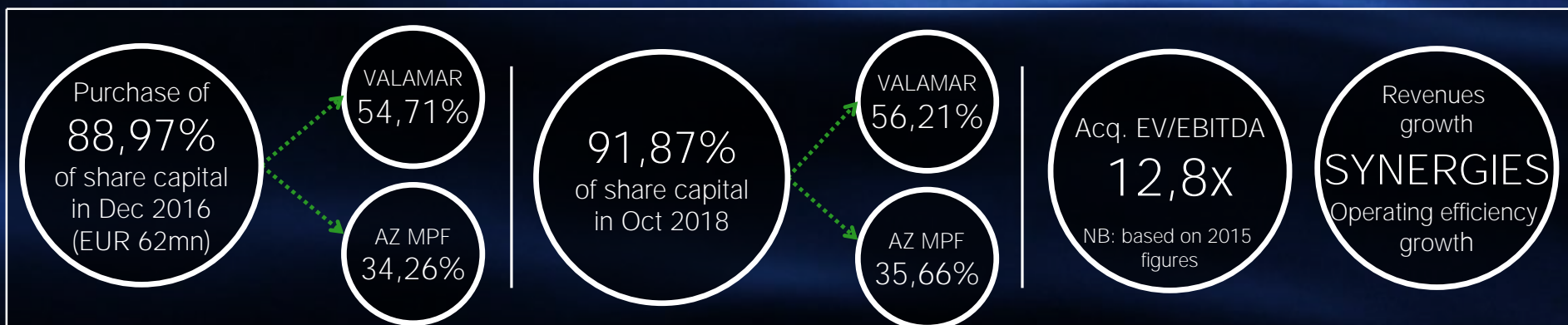
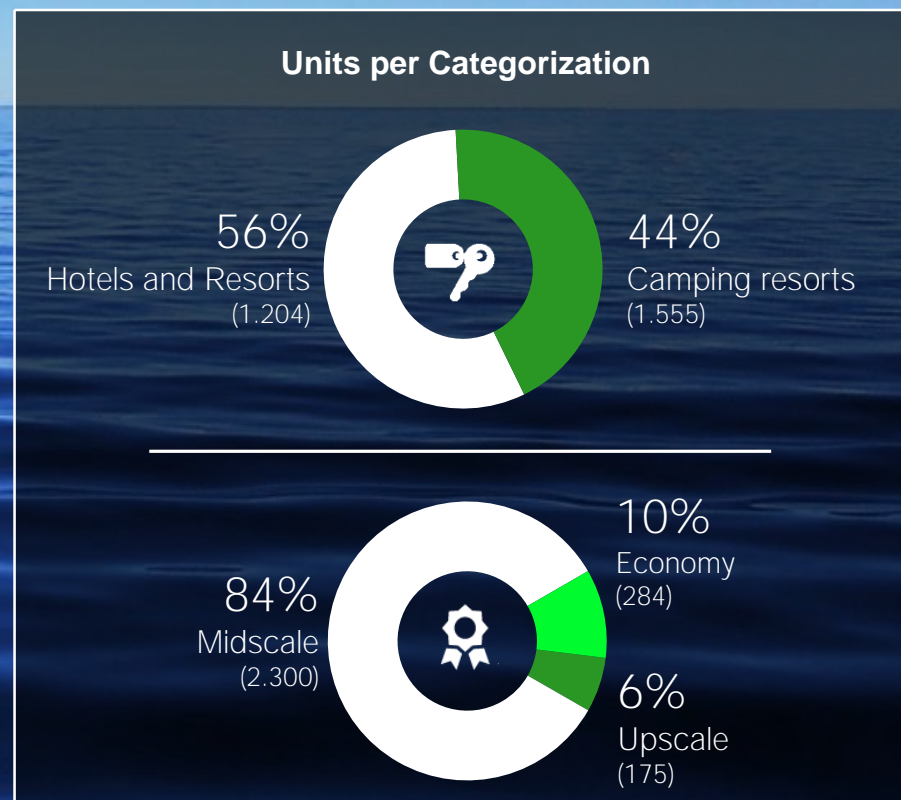
## INVESTMENT MAINTENANCE AND FF&E



5%  
of revenues

# Acquisition of Imperial Rab Plc 2017

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5



# Acquisition of Hoteli Makarska Plc 2018 (1)

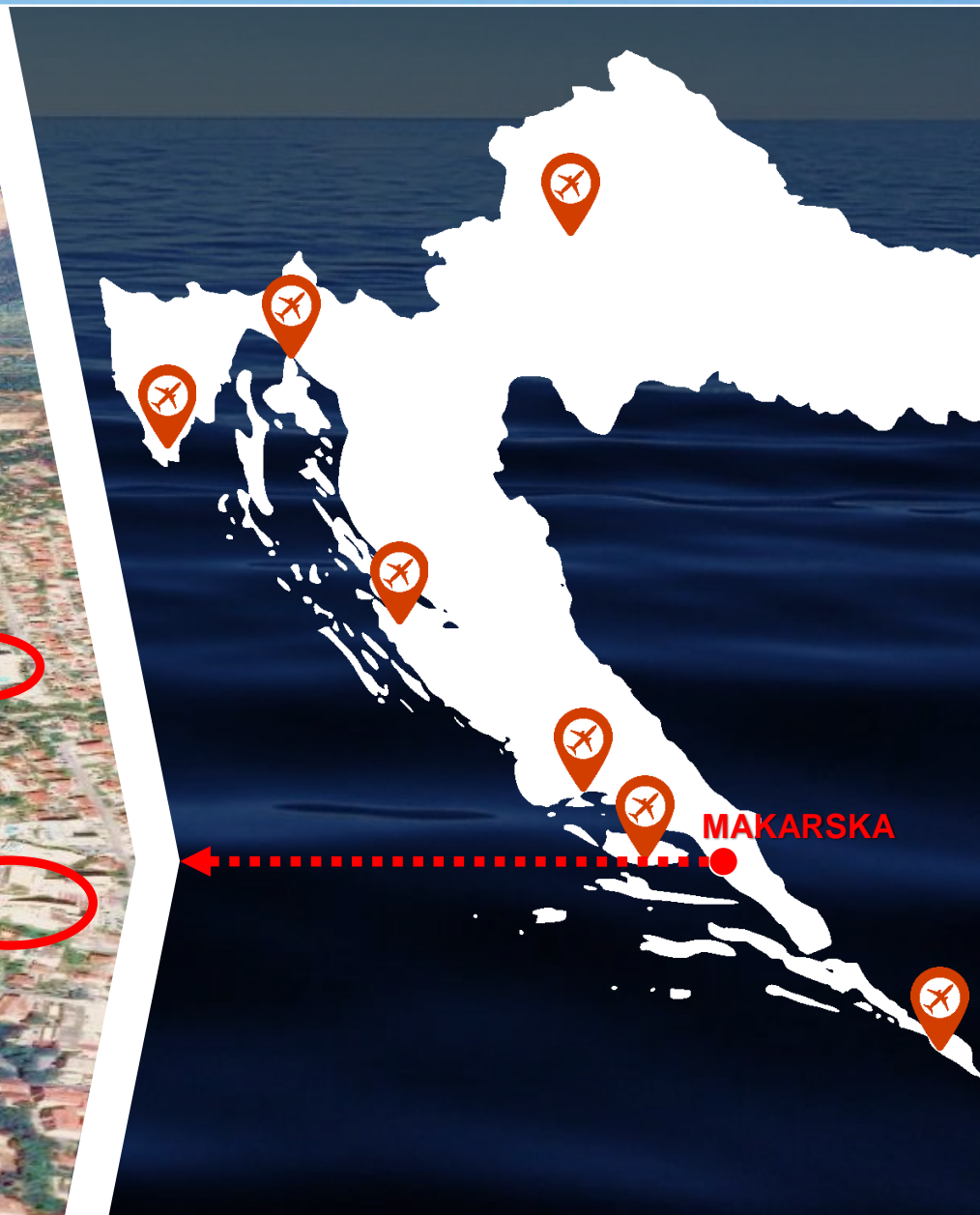
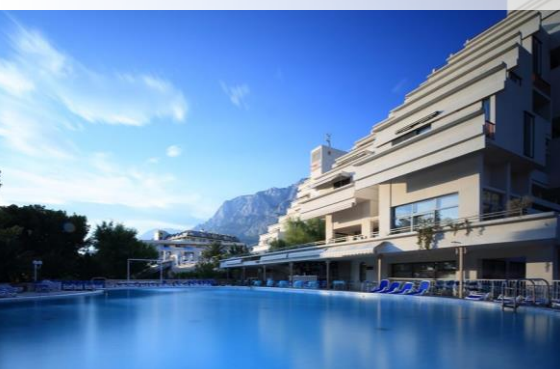
Hotel Rivijera 2\* (258 units)



Hotel Dalmacija 3\* (190 units)

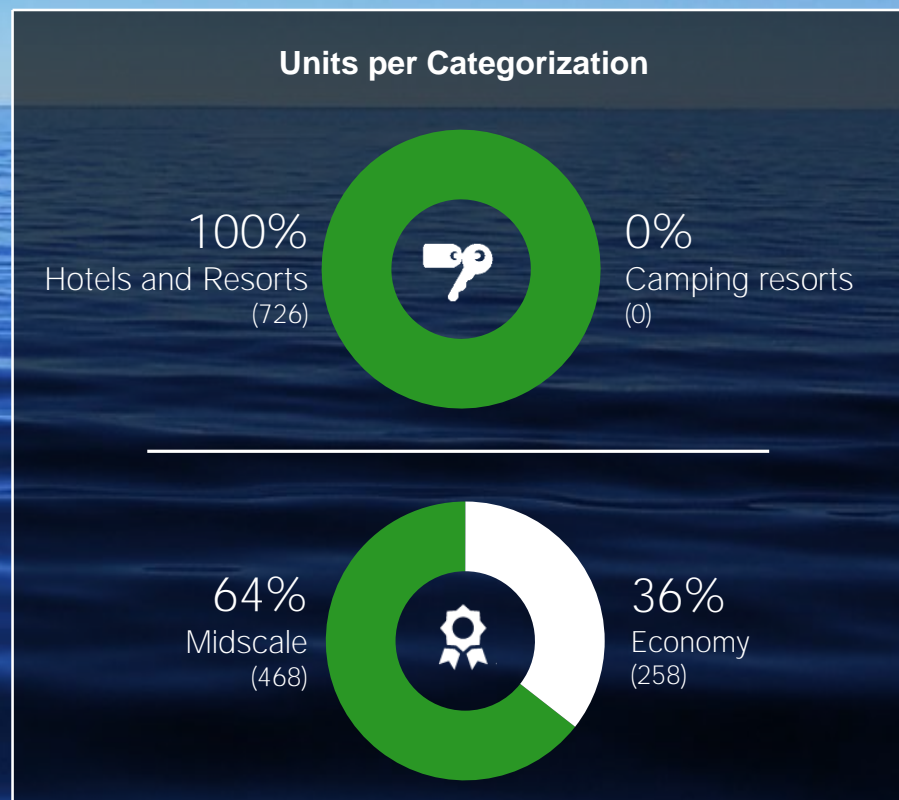


Hotel Meteor 4\* (278 units)



# Acquisition of Hoteli Makarska Plc 2018 (2)

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5



# Acquisition of Hotel Petersbühel (Obertauern) 2018

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17.069  
2017 Overnights

EUR  
0,5mn  
2017 EBITDA

EUR  
2,1mn  
2017 Operating  
income

Revenues  
growth  
**SYNERGIES**  
Operating  
efficiency

Hotel Petersbühel 4\* (82 units)

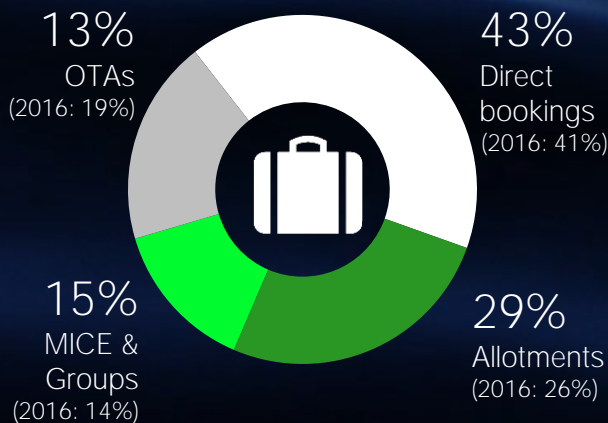


# Guests Structure 2017

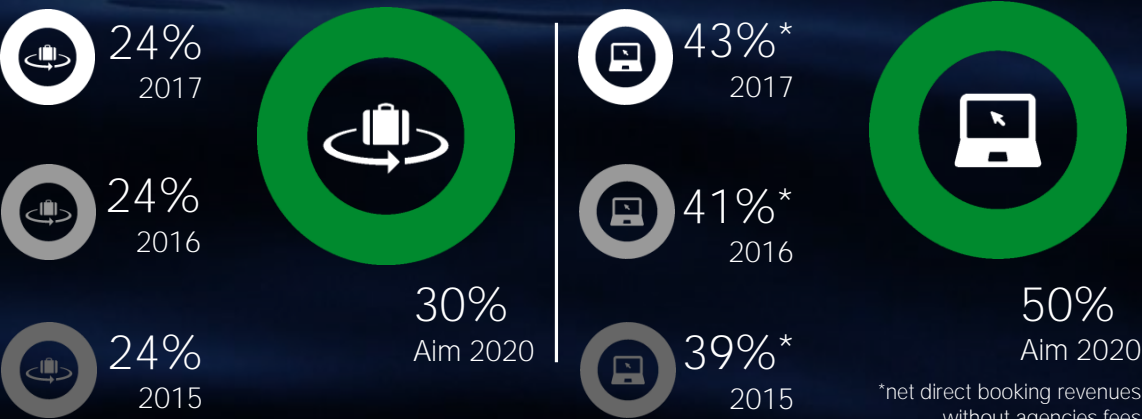
## Source Markets (by overnights)



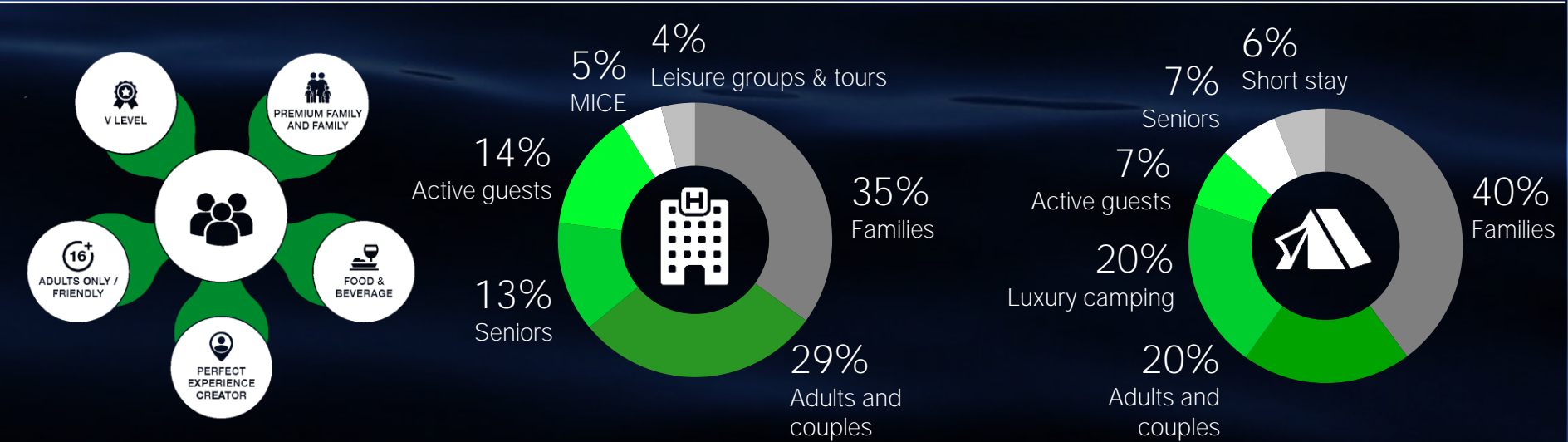
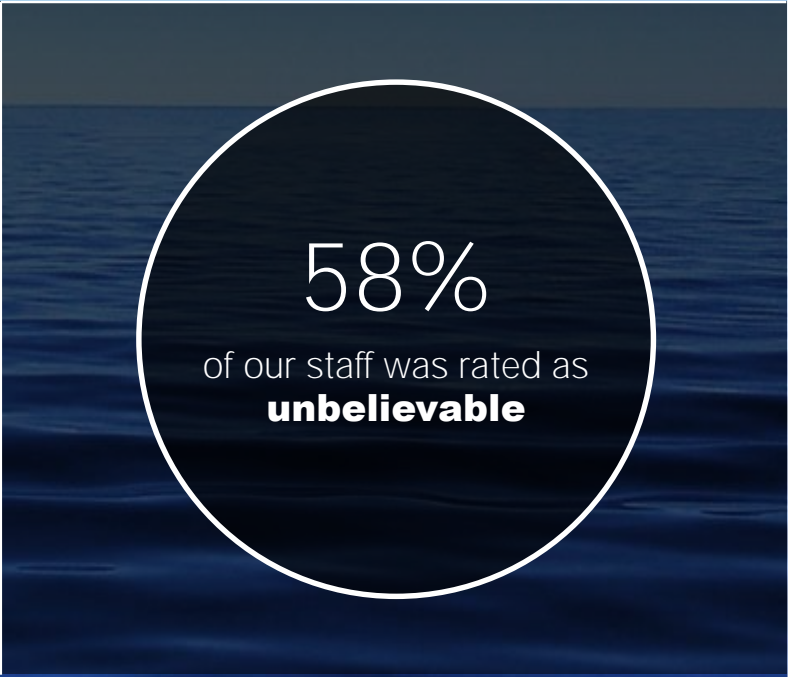
## Distribution Channels (by revenues)



## Share of Repeating Guests & Revenues from Direct Booking



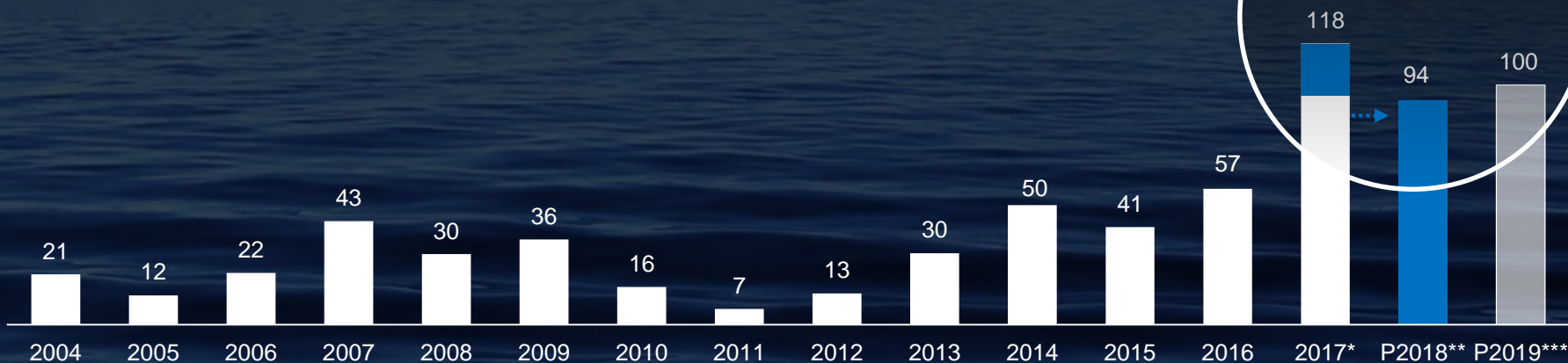
# Market Segments and Guest Satisfaction 2017



# Investments

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5

## Investment Cycle (EURmn)



\*EUR 23mn refers to investments under construction (marked in blue).

\*\*Valamar Riviera's 2017/18 investment cycle amounts to 84mn, while 10mn refers to Imperial investments.

\*\*\* EUR 82mn refers to Valamar Riviera's 2018/19 investment cycle, while EUR 18mn to Imperial's.

## Investments (2004 – 2017)



EUR 35mn



EUR 495mn

## Depreciation (2004 – 2017)



EUR 25mn



EUR 352mn

# Key Portfolio Investments 2018/19

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5.

## Investment Cycle 2018/19 (EUR)\*

82mn  
**Valamar Riviera**

- Istra Premium Camping Resort (II phase) •
- Valamar Collection Marea Suites 5\* •
- Staff Residence •
- Lanterna Premium Camping Resort by Valamar 4\* •
- Ježevac Premium Camping Resort by Valamar 4\* •
- Other smart projects •



18mn  
**Imperial Rab**

- Valamar Carolina Hotel & Residence 4\*
- Padova Camping Resort by Valamar 3\*
- Other smart projects

\* Valamar Riviera and Imperial Rab will ultimately decide on 2019 investments by the end of the year.

# Key Portfolio Investments 2017/18

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5

## Valamar Collection Girandella Maro Resort Hotel 5\*, Rabac



- EUR 15mn
- First Kinderhotel in Valamar's portfolio
- Family oriented hotel resort concept
- 149 new premium accommodation units

## Ježevac Premium Camping Resort by Valamar 4\*, Krk



- EUR 3mn
- Further development and finalization of Lungomare Premium village, expansion of the existing restaurant (Craft and Beer concept), new pools with waterslides, finalization of family beach, etc.

## Valamar Argosy Hotel 4\*, Dubrovnik



- EUR 8mn
- 308 units
- Repositioning to „adults friendly“
- Premium accommodation with new facilities and services

## Zablaće Camping Resort by Valamar 4\*, Krk



- EUR 3mn
- Upgrade to 4\* camping by installing new Premium mobile homes, building new sanitary unit and other facilities, further development of camping infrastructure, etc.

## Lanterna Premium Camping Resort by Valamar 4\*, Poreč



- EUR 9mn
- Further development of premium accommodation: mobile homes&glamping tents, a new thematic Premium Maro Village, enlargement of existing Premium Marbello Village and finalisation of glamping tents village

## Imperial investments



- Grand Hotel Imperial 4\* repositioning = EUR 3mn
- Camping Padova 3\* new MH zones = EUR 2mn
- San Marino Camping Resort 4\* MH zone finalization = EUR 2mn
- Other investments = EUR 3mn

## Istra Premium Camping Resort by Valamar (I phase), Poreč



- EUR 8mn
- I phase of Istra Camping Resort project: development of main infrastructure, new 117 plots, reconstruction of one sanitary unit and development of Family sandy beach (I phase)

## Other investments and maintenance and FF&E



- Staff residences and offices projects, beach improvements, digitalization, bike products, safety & parking, branding & signage, project management, energy savings projects, etc. = EUR 29mn
- Investments maintenance and FF&E = EUR 9mn

# Key Portfolio Investments 2016/17

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5

## Valamar Collection Girandella Resort 4\*, Rabac



- EUR 36mn
- 242 keys
- New service concepts: premium villas, „family-only” and „adult-only”
- Strategic partnership with DER Touristik Köln

## Ježevac Premium Camping Resort by Valamar 4\*, Krk



- EUR 4mn
- 683 units
- Upgrading to premium camping

## TUI Family Life Bellevue Resort 4\*, Rabac



- EUR 29mn
- 372 units
- Product specialized for families
- Strategic partnership with TUI Northern Europe Limited, TUI UK and TUI Nordic Holding AB

## Administration building in Poreč & Dubrovnik



- EUR 4mn
- Expansion of the corporate building in Poreč and the construction of a staff residence in Dubrovnik in order to meet the needs of additional workspace

## Lanterna Premium Camping Resort by Valamar 4\*, Poreč



- EUR 13mn
- 2.870 units
- Premium camping

## Small projects and other investments



- EUR 17mn
- Energy saving programs, investments in campings, investments in IT infrastructure, laundry, digitalization, beaches,...

## Zablaće Camping Resort by Valamar 4\*, Krk



- EUR 5mn
- 654 units
- Upgrading to upscale camping resort

## Maintenance



- EUR 9mn
- Investments in maintenance, furniture and equipment and IT infrastructure maintenance and equipment

# Key Portfolio Investments 2014 - 2016

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5

## Valamar Collection Isabella Island Resort 4\* & 5\*, Poreč (2014 - 2016)



- EUR 40mn
- 334 units
- New service concepts: 270 units at 4\* level and 64 units at 5\*

## Valamar Collection Dubrovnik President Hotel 5\*, Dubrovnik (2014/15)



- EUR 20mn
- 292 units
- First 5\* property in Valamar

## Lanterna Premium Camping Resort by Valamar 4\*, Poreč (2014 – 2016)



- EUR 17mn
- 2.8706 units
- Premium camping

## Valamar Zagreb Hotel 4\*, Poreč (2013/14)



- EUR 7mn
- 230 units
- Resort focused on families in high season

## Krk Premium Camping Resort by Valamar 5\*, Krk (2014 – 2016)



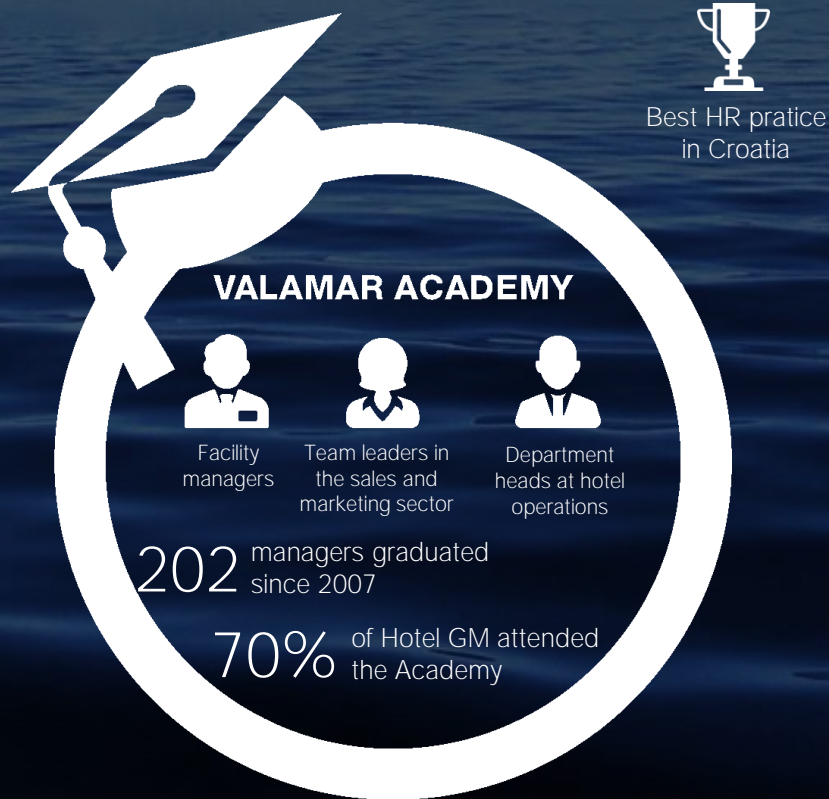
- EUR 7mn
- 500 units
- Premium camping
- First 5\* camping in Croatia

## Valamar Argosy Hotel 4\*, Dubrovnik (2013/14)



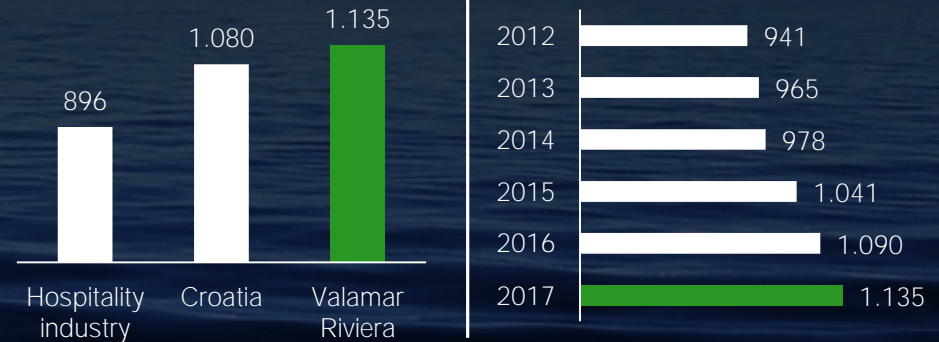
- EUR 5mn
- 308 units
- Mediterranean gardens around the resort and new outdoor infinity pool with sea view

## Valamar Academy



- Motto: Talents today, managers tomorrow!
- Standardized program of education that combines best practices in hospitality industry, internal expertise and professional experiences
- 83 thousand hours of education and training in 2017

## Average Gross Salary in 2017 (EUR)



21  
different programs of rewarding employees)

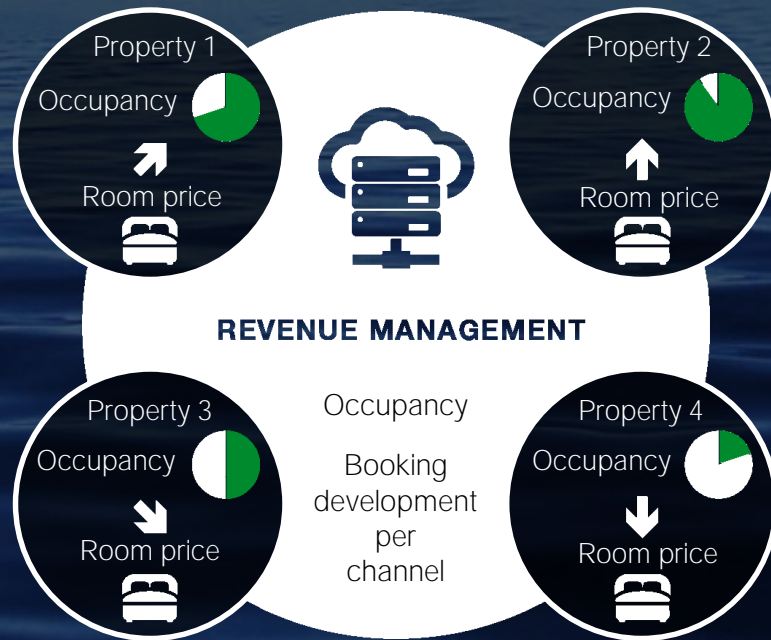


4.774  
employees took part in various awards and recognitions programs\*

\*management excluded (motivated through annual bonus programs)

- TOP 5 „Employer Partner” in Croatia
- More than 6.600 employees (≈1.700 permanent and ≈4.900 seasonal)
- Best HR Practice: Uplifting Service
- 56% return rate of seasonal workers (increase to 70% until 2020)
- High corporate culture ratings

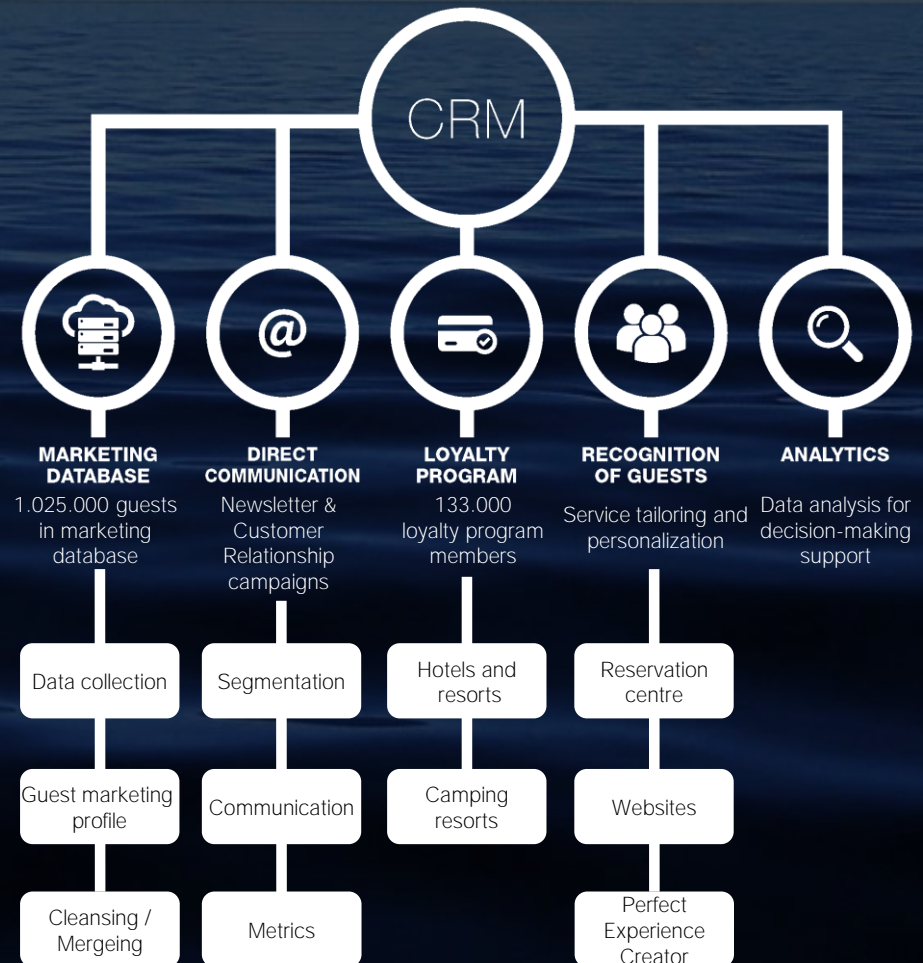
## Revenue Management



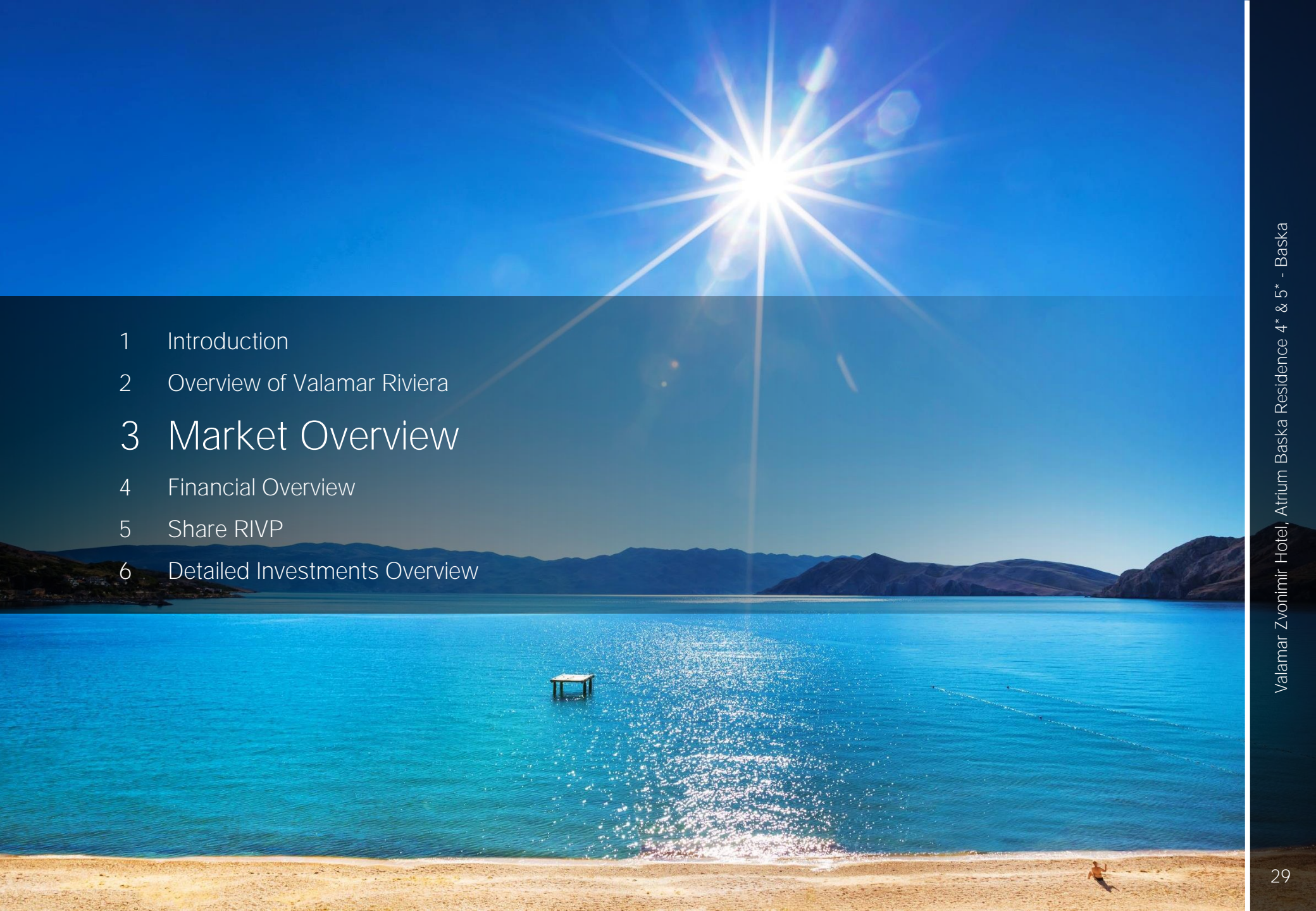
- Increase revenues by optimizing pricing, occupancy and distribution channels

- Leverage our market leadership for strategic partnerships with other markets and knowledge leaders along the entire value-chain
- Prolong the season by introducing new programs and defining tailored actions in a joint effort with destinations and partners
- Brand recognition
- Proactive distribution strategy favouring own channels
- High and growing proportion of online and direct sales

## Customer Relationship Management



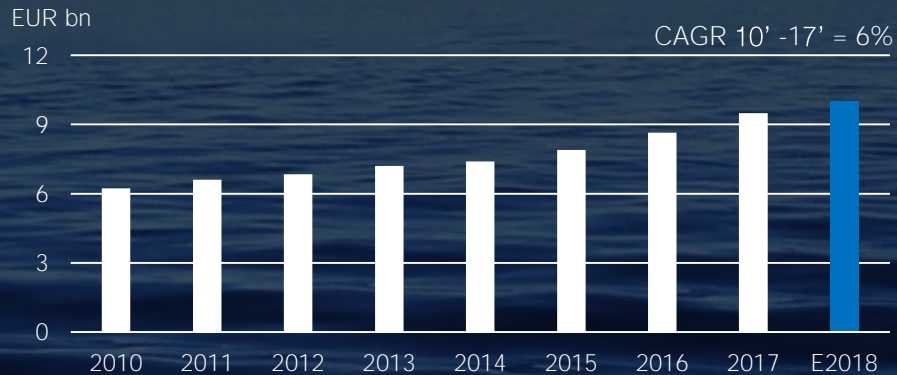
- Gain exceptional guest knowledge and establish individual contact points throughout the year to increase guest loyalty and satisfaction

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# Overview of Croatian Tourism Market 2017 (1)

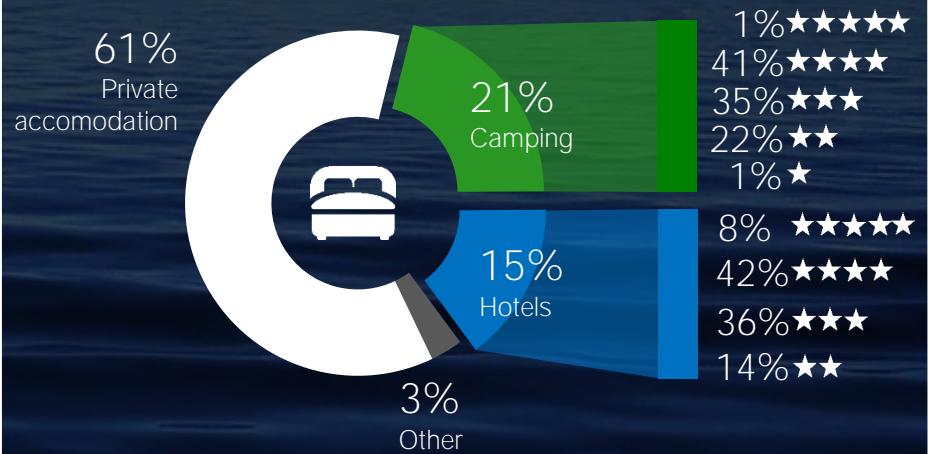
Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5. Sources: National Bureau of Statistics, Eurostat, Ministry of Tourism.

## Tourism Revenues

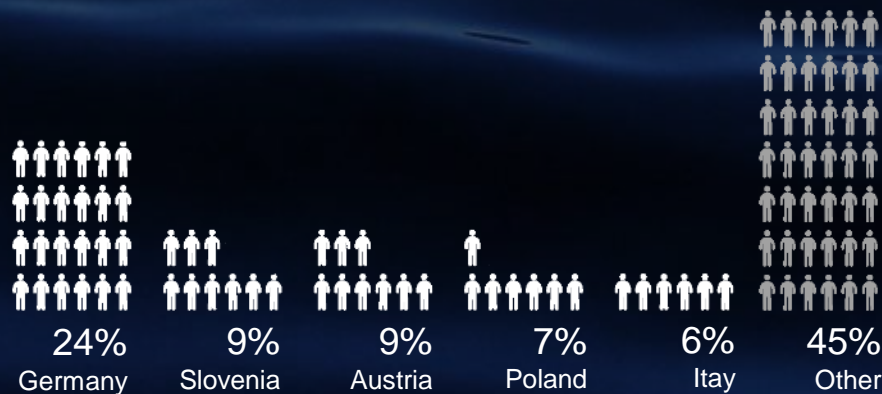


- Unlike other sectors of the local economy, tourism has shown growth over the last 6 years and is returning to pre-crisis levels

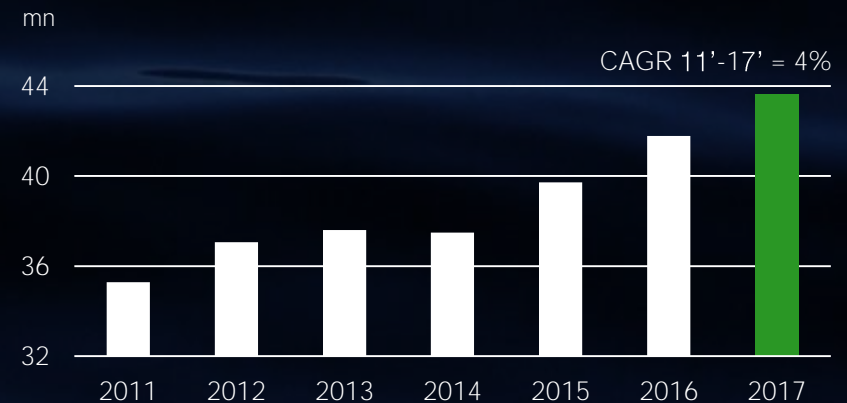
## Structure of Beds in Croatia



## Guest Structure per Overnights



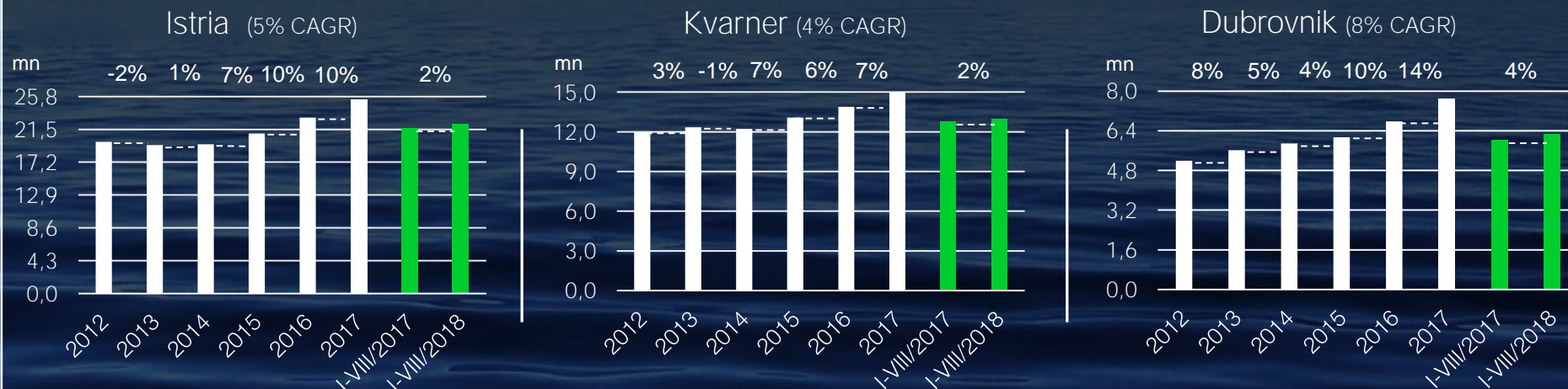
## Overnights in Hotels & Camping Resorts



# Overview of Croatian Tourism Market 2017 (2)

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5. Sources: National Bureau of Statistics, Eurostat, Ministry of Tourism.

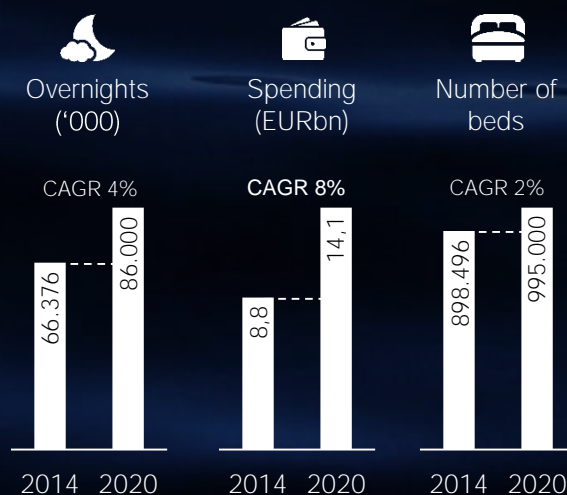
## Level and Growth of Overnight Stays in Valamar's Regions



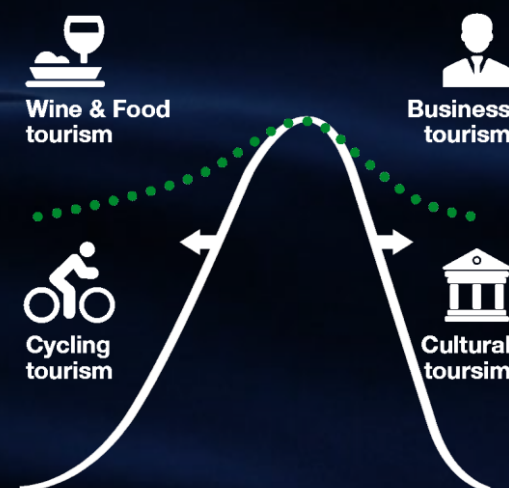
## Overnights CAGR (10'-17')

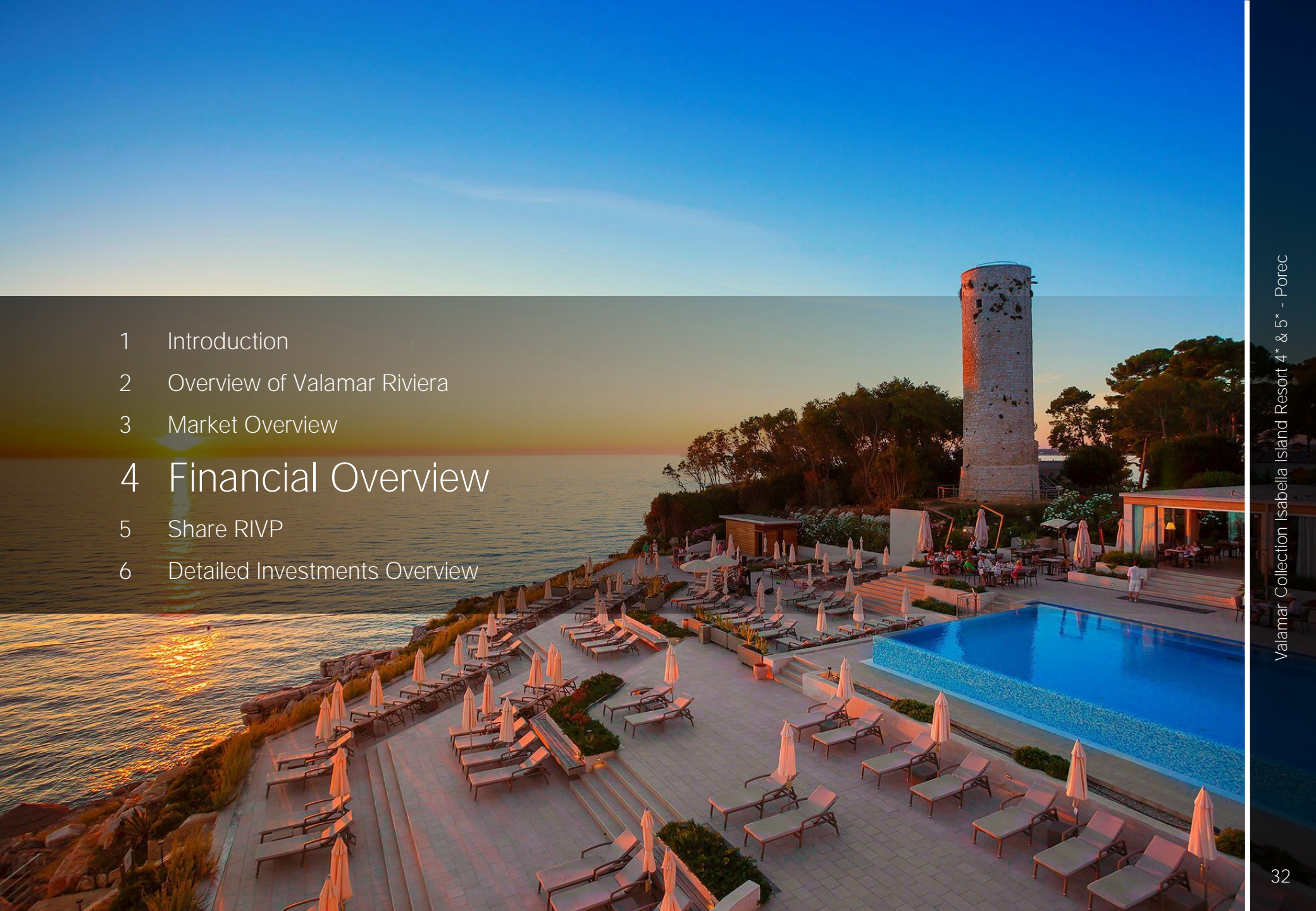


## Croatian Tourism Outlook



## Season Prolongation Initiatives



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# 2017 Growth Drivers

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5



VERY GOOD 2017  
BUSINESS RESULTS



EUR 83mn  
Adjusted EBIDTA

# 9M 2018 Growth Drivers

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5.



STRONG 9M 2018  
BUSINESS RESULTS

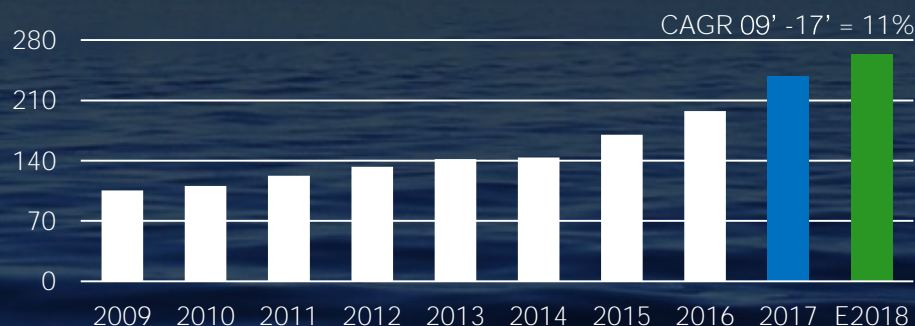


46%  
EBITDA margin

# Revenues and EBITDA

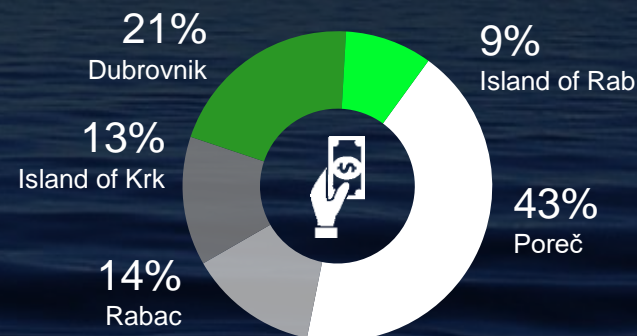
Note: Financial information until 2014 refers to Valamar Grupa's consolidated statements; thereafter refers to Valamar Riviera's consolidated statements. All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5.

## Revenues Trend (EURmn)

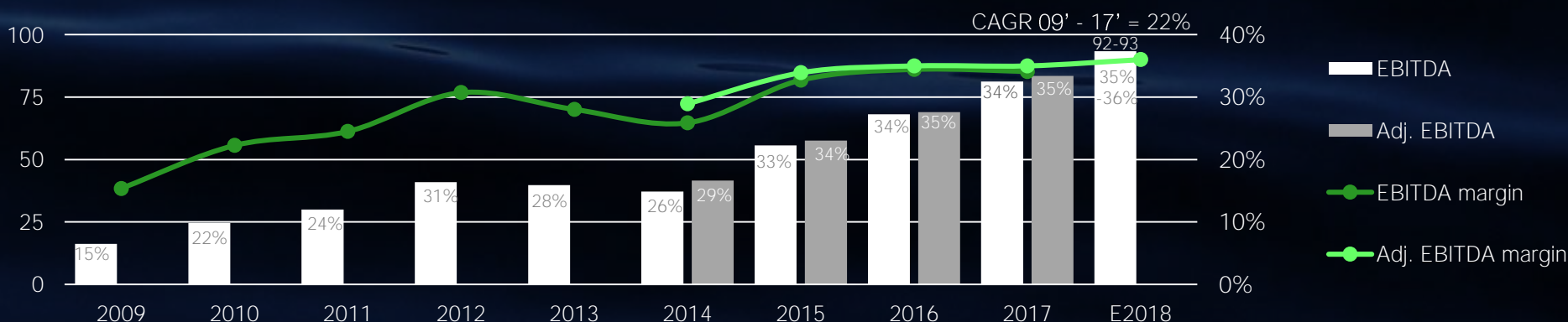


- Continuous top line growth due to premium locations, intense targeted investment in portfolio, revenue management, acquisitions and overall growth of tourist arrivals in Croatia

## Revenue Structure per Location



## EBITDA and EBITDA Margin Trend (EURmn; %)

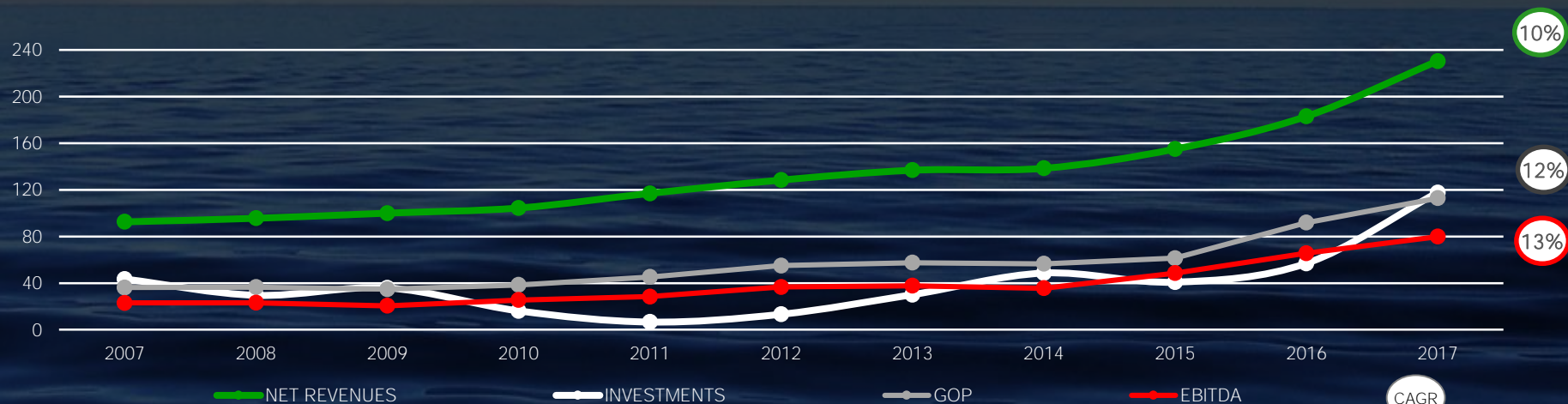


- Additional EBITDA growth came as a result of positive returns from investment cycle, realized cost savings and business efficiency and acquisition of hospitality companies

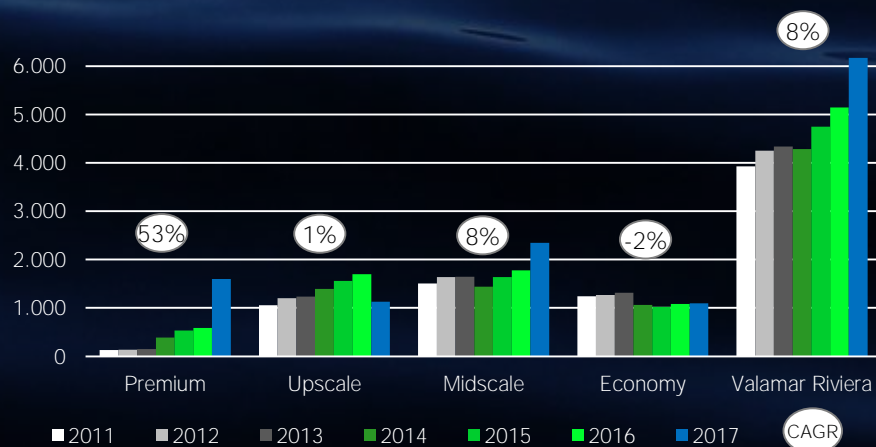
# Key Operational Indicators

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5

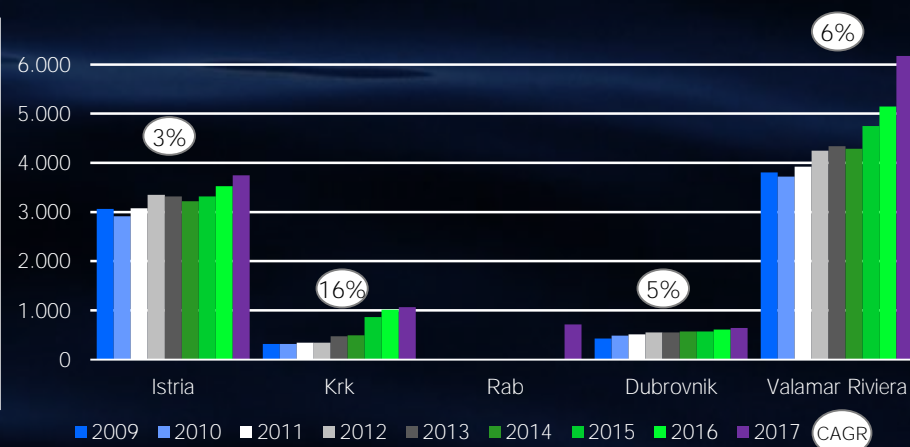
## Trend Analysis of Key Business Indicators (EURmn)



## Overnights per Product (thousands)



## Overnights per Destination (thousands)



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# Overview

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5

No.  
2

Most active traded  
share on ZSE

EUR  
630mn

Market  
capitalization

EUR  
310mn

Free float

IN TOP  
10

Shares with the  
largest mcap

**VALAMAR RIVIERA IS THE ONLY PUBLICLY LISTED COMPANY IN CROATIA  
OFFERING INVESTORS SIGNIFICANT EXPOSURE TO AN ATTRACTIVE AND  
GROWING ACCOMODATION SEGMENT OF THE CROATIAN TOURISM MARKET**



**ZAGREBAČKA BURZA**  
THE ZAGREB STOCK EXCHANGE  
**Poslovni dnevnik**

AWARD: Best Investor  
Relations in  
2015, 2017%  
2018



**ZAGREBAČKA BURZA**  
THE ZAGREB STOCK EXCHANGE

AWARD: Share of the  
year in 2017 for the  
sixth consecutive  
year



**ZAGREBAČKA BURZA**  
THE ZAGREB STOCK EXCHANGE

AWARD: Most liquid  
share on ZSE  
in 2017



**ZAGREBAČKA BURZA**  
THE ZAGREB STOCK EXCHANGE

AWARD: Share with the  
highest volume  
increase on ZSE  
in 2015

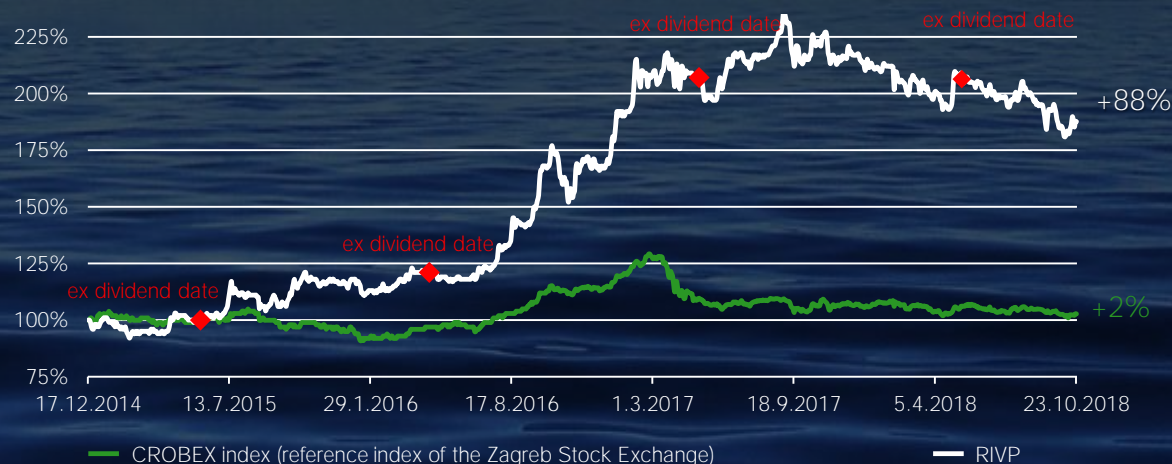


AWARD: Best managed  
company in the leisure  
sector in CEE  
region

# Performance on the Croatian Capital Market

Note: All values have been converted from HRK to EUR according to the average yearly FX, while for 2018 and further have been converted @ FX EUR/HRK = 7,5

## Share Price Performance



## Average Daily Turnover (EURk)

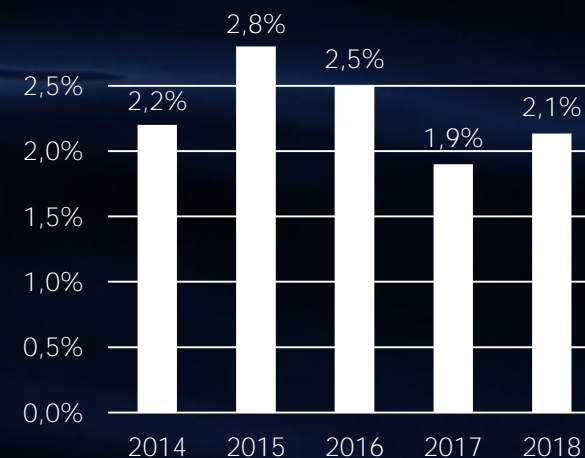
1) Hrvatski telekom (HT)	125
2) Valamar Riviera (RIVP)	109
3) Adris (ADRS & ADRS2)	89
4) Podravka (PODR)	52
5) Zagrebačka banka (ZABA)	38
6) Atlantic grupa (ATGR)	33
7) Viktor Lenac (VLEN)	31
8) Arena Hospitality Group (ARNT)	29

NB: Period: Jan 2018 – Sep 2018  
Block transactions (over EUR 265k) are not included.

## Dividend and Share Buy-Back (SBB)



## Dividend Yield



## Valamar Riviera Share

Ticker	Zagreb Stock Exchange = RIVP Bloomberg = RIVPRA CZ Reuters = RIVP.PAp
ISIN code:	HRRIVPRA0000
Number of issued shares:	126.027.542
PPS (on 23 Oct 2018)	EUR 5,1
Date of listing (ZSE):	15 December 2014 (126.027.542 shares)
Zagreb Stock Exchange indices in which Valamar Riviera's share is included:	CROBEX (portion 9,8%) CROBEXtr (portion 9,8%) CROBEX10 (portion 15,5%) CROBEXplus CROBEXturst
Vienna Stock Exchange indices in which Valamar Riviera's share is included:	SETX (portion 5,6%) CROX (portion 19,6%)
MSCI indicex:	MSCI Frontier Markets Indexes

## Analyst Coverage (1y target price)

InterCapital Securities	EUR 6,4 (Jul 2018)
ERSTE Group „A trip worth taking”	EUR 6,0 (Apr 2018)
ALTA invest	EUR 6,3 (Mar 2018)
Raiffeisenbank Austria „Strong figures boost our optimism for high season”	EUR 6,1 (Feb 2018)
FIMA Securities	EUR 6,4 (Dec 2017)
Pekao Investment Banking (UniCredit) „Focus on intensive investment cycle”	EUR 6,4 (February 2017)

- Valamar Riviera will, in line with the ZSE rules, publish financial results on a quarterly basis, but presentations for investors, road shows and conference calls will be held at the end of the third quarter of each year due to the Company's dependency on peak season
- The management has committed to a minimum of EUR 0,066 per share annual dividend

High  
corporate  
governance  
standards

High  
transparency  
standards

High  
investors  
relations  
standards

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# Investments in 2017/18 (1)

## Valamar Girandella Maro Resort 5\* (149 units) EUR 15mn

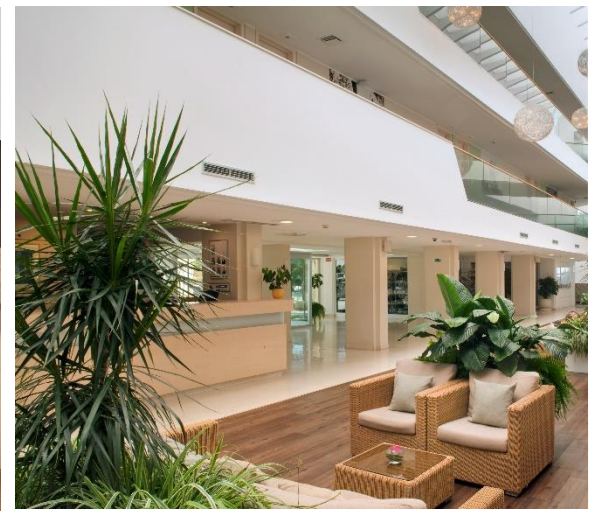
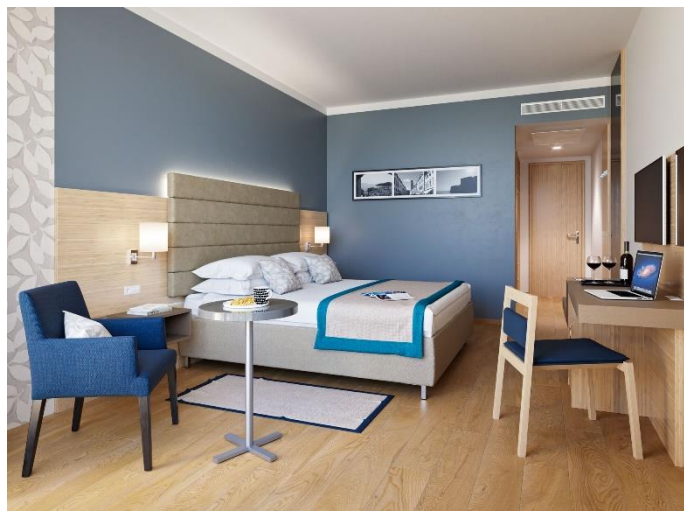
- First Kinderhotel in Valamar's portfolio; Kinderhotels Europa is a marketing association that brings together high-quality premium family hotels under the Austrian "Kinderhotels" brand
- Valamar Girandella Maro Resort Hotel 5\* is a premium hotel offering 149 keys, with services and design tailored according to the needs of families with children of various age groups
- The concept of the lobby, restaurant and pool complex as well as the interior design of hotel accommodation is centered around the idea of family holidays



## Investments in 2017/18 (2)

### Valamar Argosy Hotel 4\* (308 units) EUR 8mn

- Investments are earmarked to improve the quality of accommodation and develop new facilities and services for an “adult friendly” premium product
- Investments will include complete renovation of rooms and bathrooms; enlargement of outdoor pool and sunbathing area; other improvements of the product (main restaurant and kitchen, lobby & reception, lounge and library area, horticulture and other)



# Investments in 2017/18 (3)

## Camping Lanterna Resort 4\* (2.870 units) EUR 9mn

- The resort will feature a new premium mobile home zone designed according to the “Maro” brand standards and two new swimming pools
- “Maro” is a Valamar brand that is family-oriented and includes child-friendly services and facilities
- The glamping zone will be completed, the sports zone will be renovated and will feature new facilities and services.



# Investments in 2017/18 (4)

## Camping Ježevac 4\* (683 units) EUR 3mn

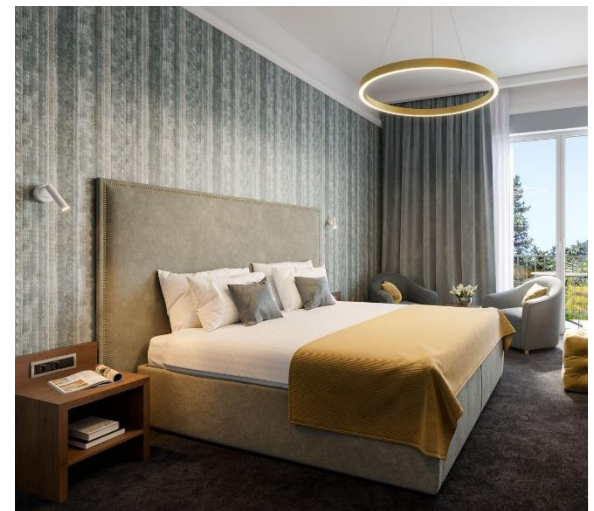
- Investments are focused on improving services and upgrading the campsite from 3\* to 4\* with new high-quality mobile homes, further development and finalisation of Lungomare Premium village, new pools with waterslides, finalisation of family beach, expanding the offer by enlarging existing restaurant, infrastructure and other technical requirements



# Investments in 2017/18 (5)

## Grand Hotel Imperial 4\* (136 units) EUR 3mn

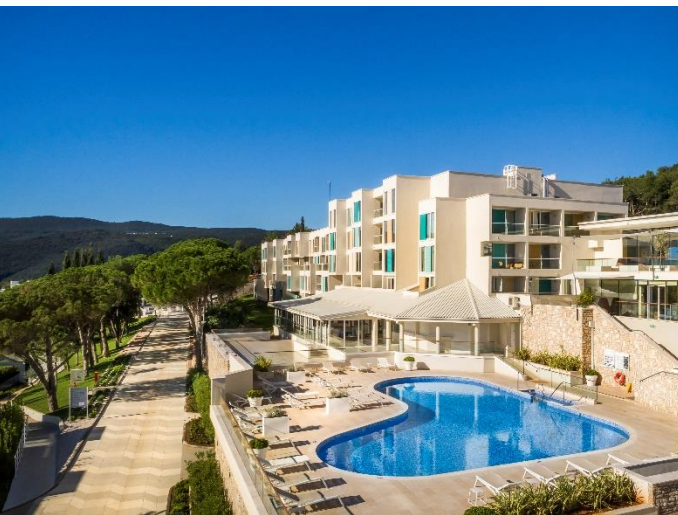
- Renovation and repositioning of Grand hotel Imperial 4\* as “adults only” accommodation
- Guests will be welcomed by modernly decorated double rooms, a premium restaurant and many other enhanced facilities



# Investments in 2016/17 <sup>(1)</sup>

## Bellevue Family Life Resort 4\* <sup>(372 units)</sup> EUR 29mn

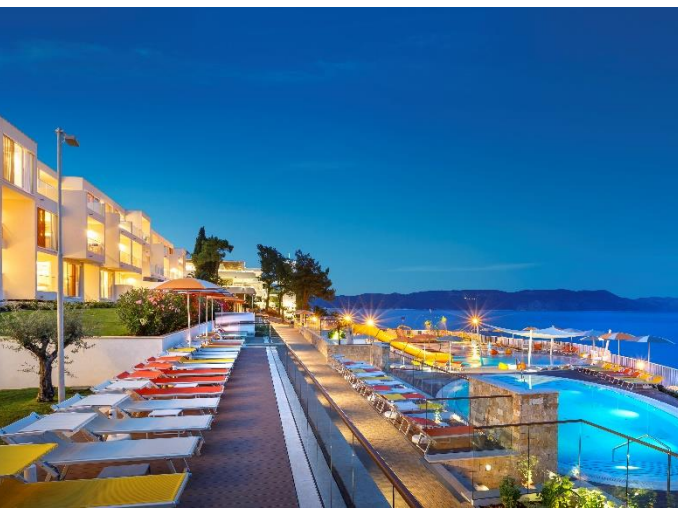
- Strategic partnership with TUI Northern Europe Limited, TUI UK and TUI Nordic Holding AB for a three-year period (seasons: 2017, 2018 and 2019 with occupancy guarantee)
- With a 154 day flight program and through new source markets, TUI plans 76.000 arrivals in the next three years
- Product specialized for families



## Investments in 2016/17 <sup>(2)</sup>

### Valamar Girandella Resort 4\* <sup>(242 units)</sup> EUR 36mn

- New service concepts:
  - premium villas with personalized service
  - „family-only” part
  - „adult-only” part
- Part of the strategic development plan of repositioning the Rabac destination as a 4\* holiday destination



# Investments in 2016/17 <sup>(3)</sup>

## Other investments EUR 52mn

- Almost 25% of the total amount will be invested in improving the quality of campsites: Krk 5\*, Lanterna 4\*, Ježevac 4\*, Marina 4\*, Zablaće 3\* and Škrila 3\* (237 new mobile homes in total)
- A range of other projects to create new facilities and amenities, improve the existing ones and considerably increase the experience quality for all the destinations

Campsite Lanterna 4\*



Campsite Zablaće 3\*



Campsite Ježevac 4\*



Campsite Krk 5\*

# Key Portfolio Investments in 2014 - 2016 <sup>(1)</sup>

## Valamar Isabella Island Resort 4\* & 5\* <sup>(334 units)</sup> EUR 40mn

- The largest single investment of Valamar Riviera
- New service concepts (64 units at 5\* level and 270 units at 4\* level;  
„V level” personalised service for 5\* guests)
- First ★★★★★ Valamar Riviera's property in Istria

years  
2015-  
2016



# Key Portfolio Investments in 2014 - 2016 <sup>(2)</sup>

## Camping Lanterna 4\* EUR 17mn

- The largest single investment in the camping segment
- No.1 EBITDA in Valamar Riviera (EUR 7,3mn)
- Premium campsite resort (755 mobile homes in total, o/w 195 premium ones with personalized service; 25% of campsite area is covered by mobile homes)

years  
2014-  
2016



# Key Portfolio Investments in 2014 - 2016 <sup>(3)</sup>

## Camping Krk 5\* EUR 7mn

- No. 1 RevPAR in Valamar Riviera's camping resorts (EUR 6k)
- Premium campsite resort with personalized service for guests (124 mobile homes in total, o/w 63 premium ones with personalized service; 30% of campsite area is covered by mobile homes)

years  
2014-  
2016



# Key Portfolio Investments in 2014 - 2016 <sup>(4)</sup>

## Valamar Dubrovnik President 5\* <sup>(292 units)</sup> EUR 20mn

- Upgrade from ★★★★★ to ★★★★★ hotel resort
- First ★★★★★ property in Valamar Riviera
- Premium Valamar service concepts
- Indulging experience

year  
2014



# Key Portfolio Investments in 2014 - 2016 <sup>(5)</sup>

## Valamar Zagreb Hotel 4\* <sup>(230 units)</sup> EUR 7mn

- Upgrade from ★★★ to ★★★★★ hotel resort
- Resort focused on families in high season
- Additional value to the portfolio by increasing service quality and financial performance

year  
2014



# Key Portfolio Investments in 2014 - 2016 <sup>(6)</sup>

## Valamar Argosy Hotel 4\* <sup>(308 units)</sup> EUR 5mn

- Upgrade from ★★★ to ★★★★★ hotel resort
- Mediterranean gardens around the resort and new outdoor infinity pool with sea view
- Attractive beach Cava

year  
2014



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# Notes (1)

## Notes

## Notes (2)

## Notes