



VALAMAR
All you can holiday

CAMPING
ADRIATIC
by Valamar

Investors Day

Poreč, 27/6/2019



Topics

- Trends in Tourism in Croatia
- Valamar Riviera – Leader in Leisure Tourism
- 10 business events that marked the year 2018
- Investments as Growth Drivers
- Financial Indicators
- Valamar Riviera Share
- Awards
- Valamar's Strategy and Goals up to 2022
- Pinea Valamar Collection Resort 5*
- Q&A

Trends in Tourism in Croatia

Demand on the Mediterranean



Labor Market



Interest Rates



Tourism Land



Business Environment

Investments In Tourism



Tourism year 2019



Valamar Riviera Today

6,5
million
overnights*
>58.000
beds*



HRK 2,0 bn
operating revenues*

HRK 703 mn
adjusted EBITDA*



Top
CROATIAN
SHARE
HRK 4,9 bn



QUALITY AND
PRODUCTS
88% satisfaction
5 brands



EMPLOYEES
≈7.000
Best employer
in tourism

7
DESTINATIONS
34 hotels and resorts
15 camping resorts



CSR



INVESTMENTS
HRK 5,8 bn
Leading
investor

* Related to 2018 business year.

10 business events that
marked the year
2018



1.

Strong growth and creation of added value



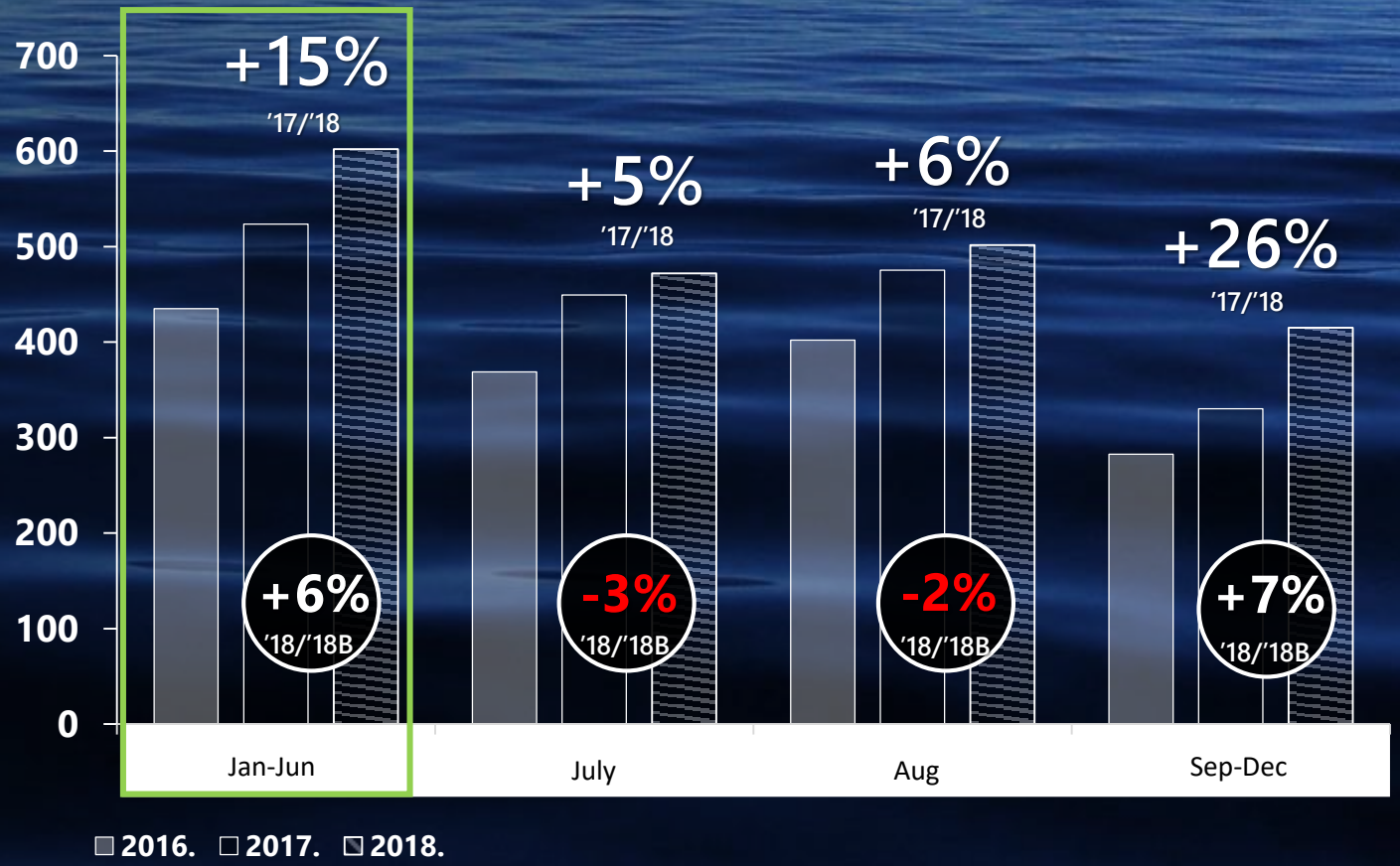
2. "Summer demand" slowdown and season prolongation

Sales revenues: **+206 mn**
 Overnights growth: **+4,6%**
 ADR growth: **+5,0%**

3rd consecutive year of remarkable growth in the first 6 months!

Full occupancy days
 2016: 126 days
 2017: 127 days
 2018: 132 days

Operating revenues 2018 /2017 (+HRK 213 mn)



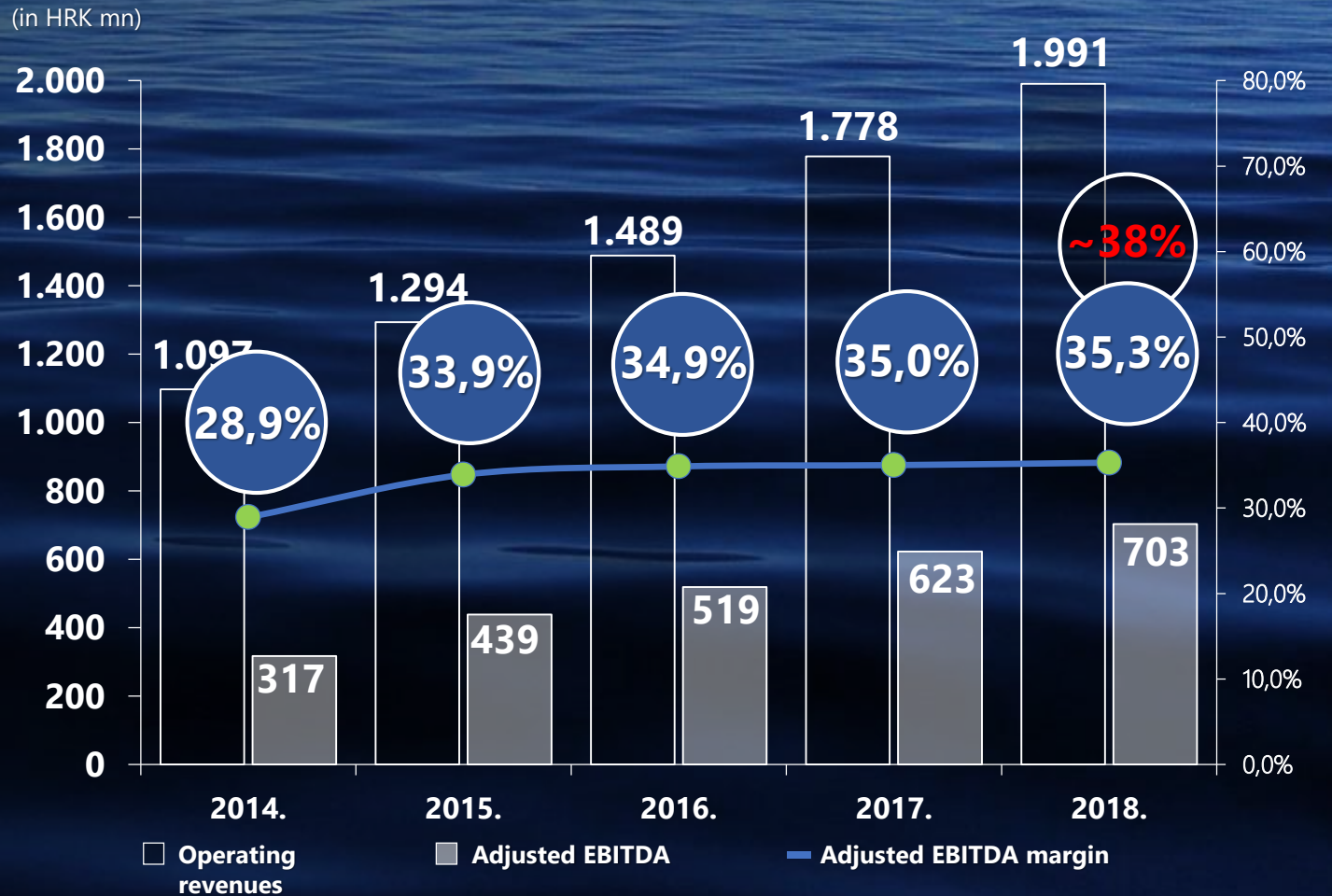
3. Increased operating efficiency and salaries

Double-digit growth in revenues and EBITDA

Operating efficiency growth balanced with increased salaries and share of salaries

Since 2015 the negative impact of the fiscal policy and macroeconomic environment estimated at **HRK 80-90 mn, representing a 2,5-3 p.p. decrease in EBITDA margin**

Revenues, EBITDA and EBITDA margin (HRK; %)



4. The most desirable employer in Croatian tourism

~7.000 employees in 2019

Research by Moj Posao website – TOP 20: „**Top Employer in Croatian Tourism**”

Salaries volume increase: **12%**

Valamar guarantee (HRK 5.000 – 7.500 HRK), 13th salary & seasonal work award(HRK 1.200 / 2.000)

600 new jobs in 2018 & 400 new jobs in 2019

HRK 80 -100 mn invested in “Valamar House” (Staff Resorts)



5. Acquisition of Makarska

Valamar expansion in Dalmatia

Continued partnership with AZ Fund

Management reorganization and corporate adjustments

Start of a new investment cycle and development 2018/2019



6. Business Internationalization

Valamar's first cross-border expansion

Valamar synergies:

- Employment
- Loyal guests
- Sales
- Branding and Marketing
- Management & hotel operations

Opportunity for further business development in Austria



7. Valamar – „All you can Holiday” branding

1. LEADER IN LEISURE
TOURISM

2. CREATING PERFECT
HOLIDAYS AND LASTING
MEMORIES

3. V SERVICE CULTURE &
ValamArtists



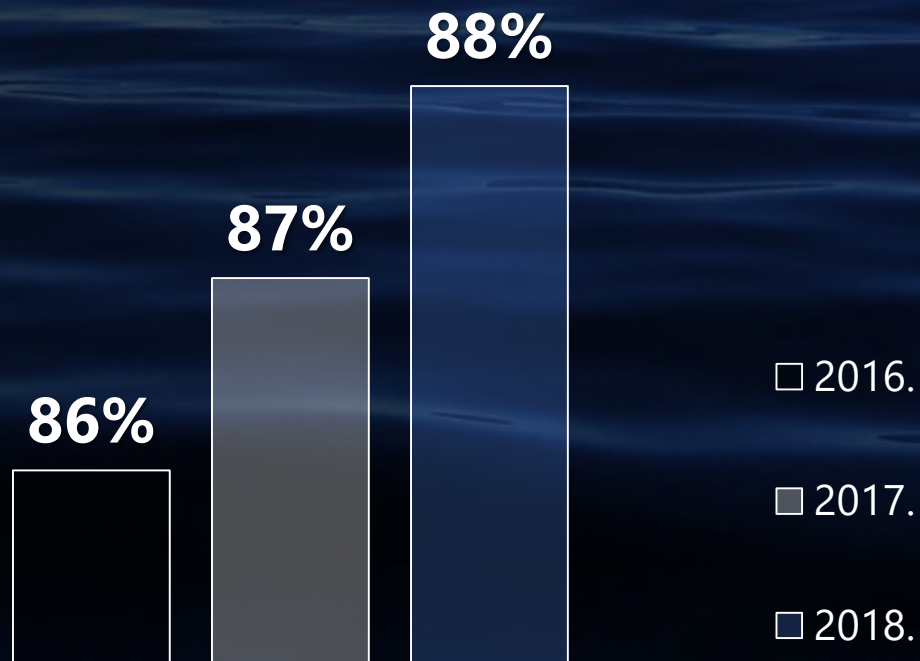
4. VALAMAR SIGNATURE
PROGRAMS AND CONCEPTS

5. AUTHENTIC
DESTINATION EXPERIENCE

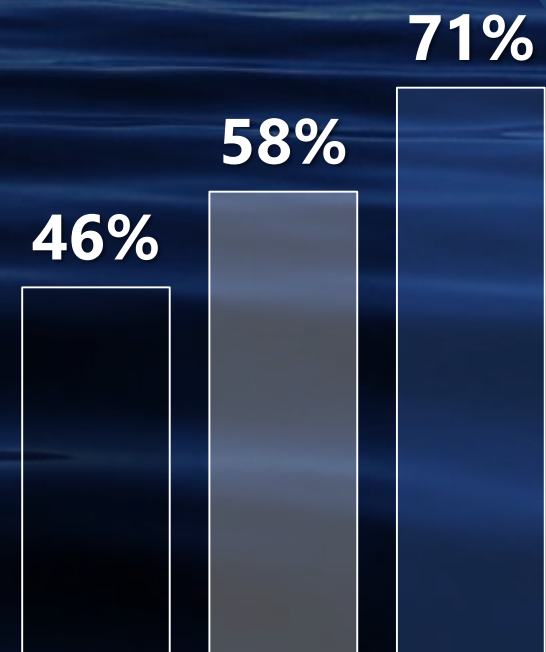
6. FROM IDEA TO PERFECT
HOLIDAY

8. Quality increase and Uplifting Service

Overall guest satisfaction



"Unbelievable" service level



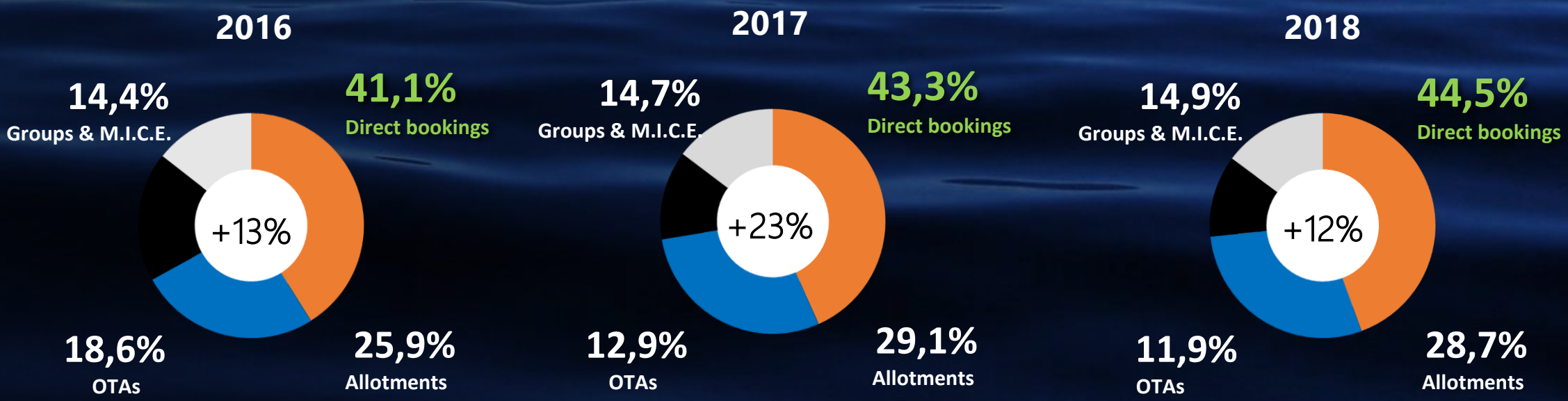
**UP!
Lifting**

9. Growth in sales and direct sales

+HRK 181 mn sales growth (board revenues) 2018/2017

- + 12% 2018/2017
- + 23% 2017/2016
- + 13% 2016/2015

Distribution channels



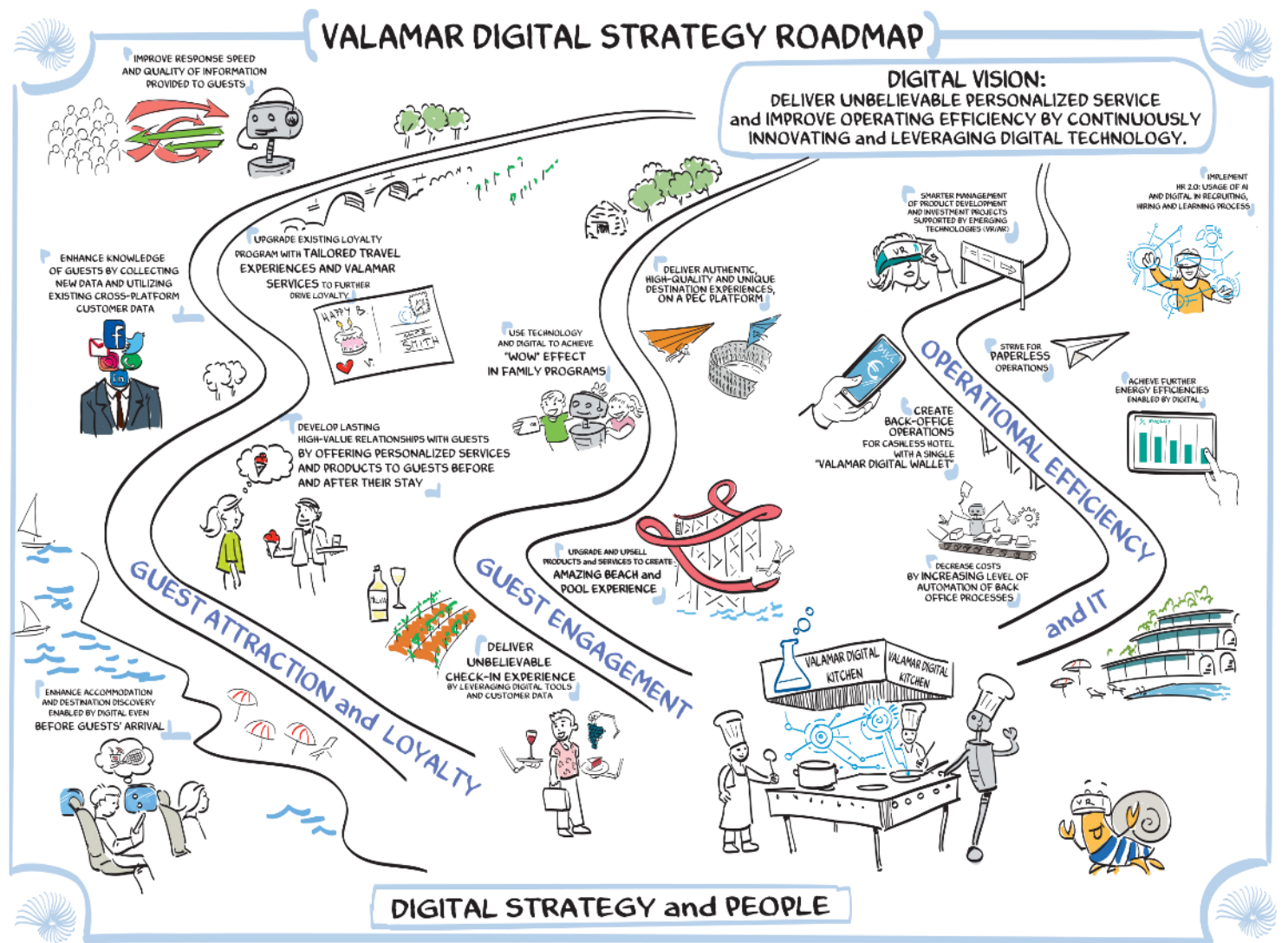
10. Innovation and digitalization

Attracting guests and their loyalty

Guests engagement

Business processes and IT

Employees: organization and culture



CAPEX 2019

Total CAPEX 2019: HRK 793 mn

Istra Premium
Camping Resort 5*
(2nd phase)



HRK 212 mn

Valamar Collection
Marea Suites 5*



HRK 140 mn

Lanterna Premium
Camping Resort 4*



HRK 42 mn

Ježevac Premium
Camping Resort 4*



HRK 24 mn

Valamar Carolina
Hotel & Residence 4*
(TUI Sensimar)



HRK 85 mn

Padova Premium
Camping Resort 4*
(2nd phase)



HRK 22 mn

Valamar Padova
Hotel 4*



HRK 12 mn

Small projects

HRK 87 mn

Investment maintenance

HRK 80 mn

Beaches, destinations, digitalization, projects...

HRK 89 mn

Consolidated income account
















(in HRK mn)	2017	2018		2018/2017	
Total revenues	1.842	2.048	↑	+206	+11%
Sales revenues	1.755	1.961	↑	+206	+12%
Operating costs	1.145	1.264	↑	+119	+10%
EBITDA	606	694	↑	+88	+15%
Adjusted EBITDA	623	703	↑	+80	+13%
EBT	239	258	↑	+19	+8%
Net profit	245	239	↓	-6	-2%
Adjusted EBITDA margin	35,0%	35,3%	↑		+30bb

+12%
Sales growth

HRK
+80 mn
adjusted
EBITDA

+13%
adjusted
EBITDA

Consolidated cash flow

(in HRK mn)	2017	2018		2018/2017	
Net cash flow from operating activities:	603	641		38	6%
i) net profit	245	239		-6	-2%
ii) depreciation	346	411		65	19%
iii) working capital	4	-25		-29	-728%
iv) other	8	16		8	104%
Net cash flow from investment activities:	-894	-894		0	0%
i) investment in long term tangible and intangible assets	-895	-730		-165	-18%
ii) minority interest (Hoteli Makarska)	0	-170		-170	
iii) other	1	6		5	846%
Net cash flow from financial activities	304	228		-76	-25%
i) cash receipts from credit principals, loans and other borrowings	582	606		24	4%
ii) payments for the repayment of credit principals, loans and oth. borrowings	-180	-210		30	17%
iii) payments for dividends and disposal of treasury shares	-98	-163		65	66%
iv) other	0	-5		-5	
Cash and cash equivalents at the beginning of the period	275	288		13	5%
Cash and cash equivalents at the end of the period	288	262		-26	-9%

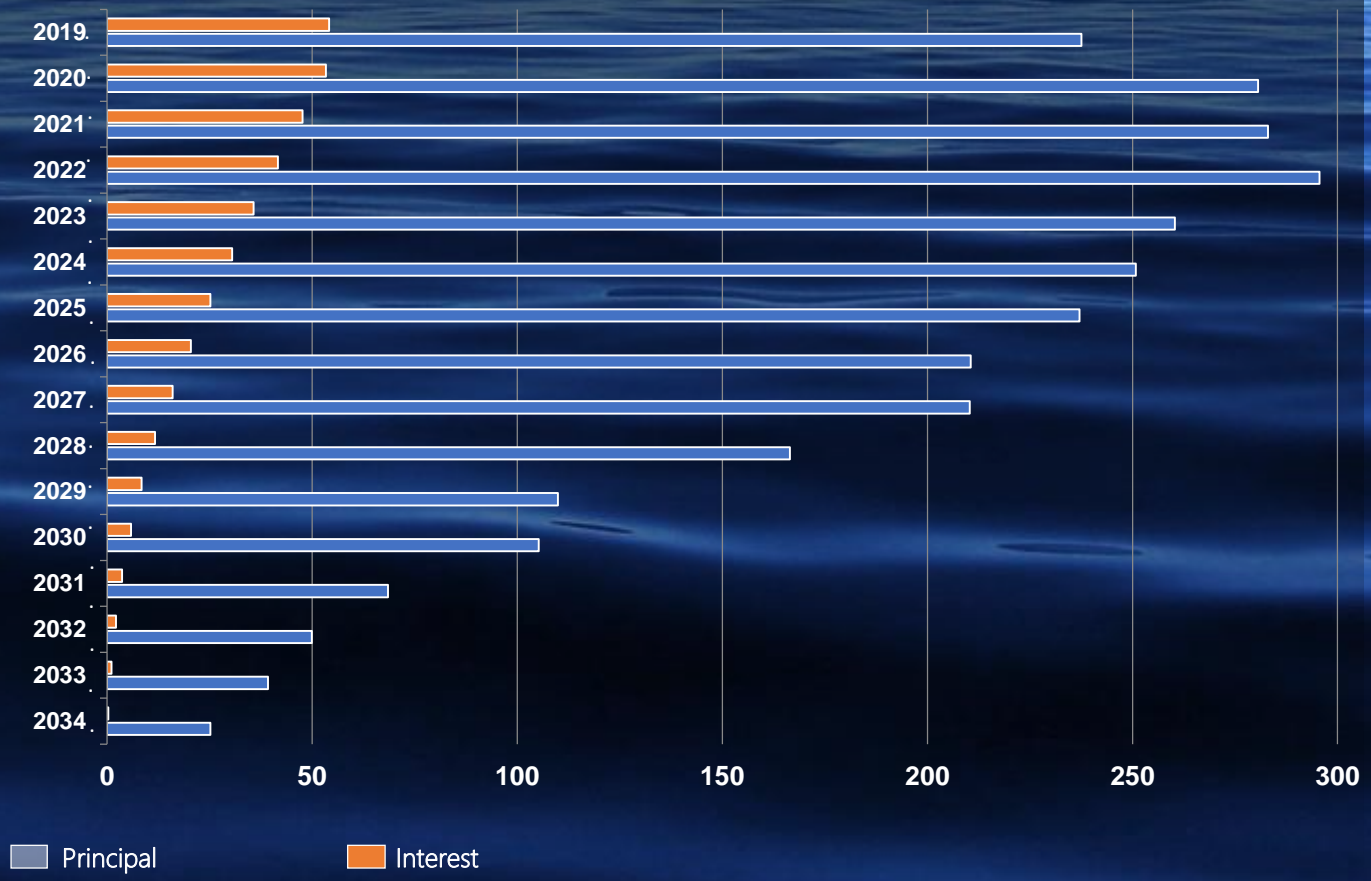
Consolidated assets

(in HRK mn)	2017	2018		2018/2017	
Non-current assets	4.632	5.311	↑	+679	+15%
Current assets	344	333	↓	-11	-3%
Prepayments and accrued income	20	25	↑	+5	+24%
Assets	4.997	5.669	↑	+672	+13%
Capital and reserves	2.516	2.759	↑	+243	+10%
Provisions	58	77	↑	+19	+32%
Non-current liabilities	1.916	2.284	↑	+368	+19%
Current liabilities	403	426	↑	+23	+6%
Accrued expenses and deferred income	104	123	↑	+19	+19%
Liabilities	4.997	5.669	↑	+672	+13%



Debt as at 31/3/2019 (1)

Principal and interest repayment projection (in HRK mn)



HRK
177 mn
Average annual principal repayment projection

HRK
22 mn
Average annual interest repayment projection

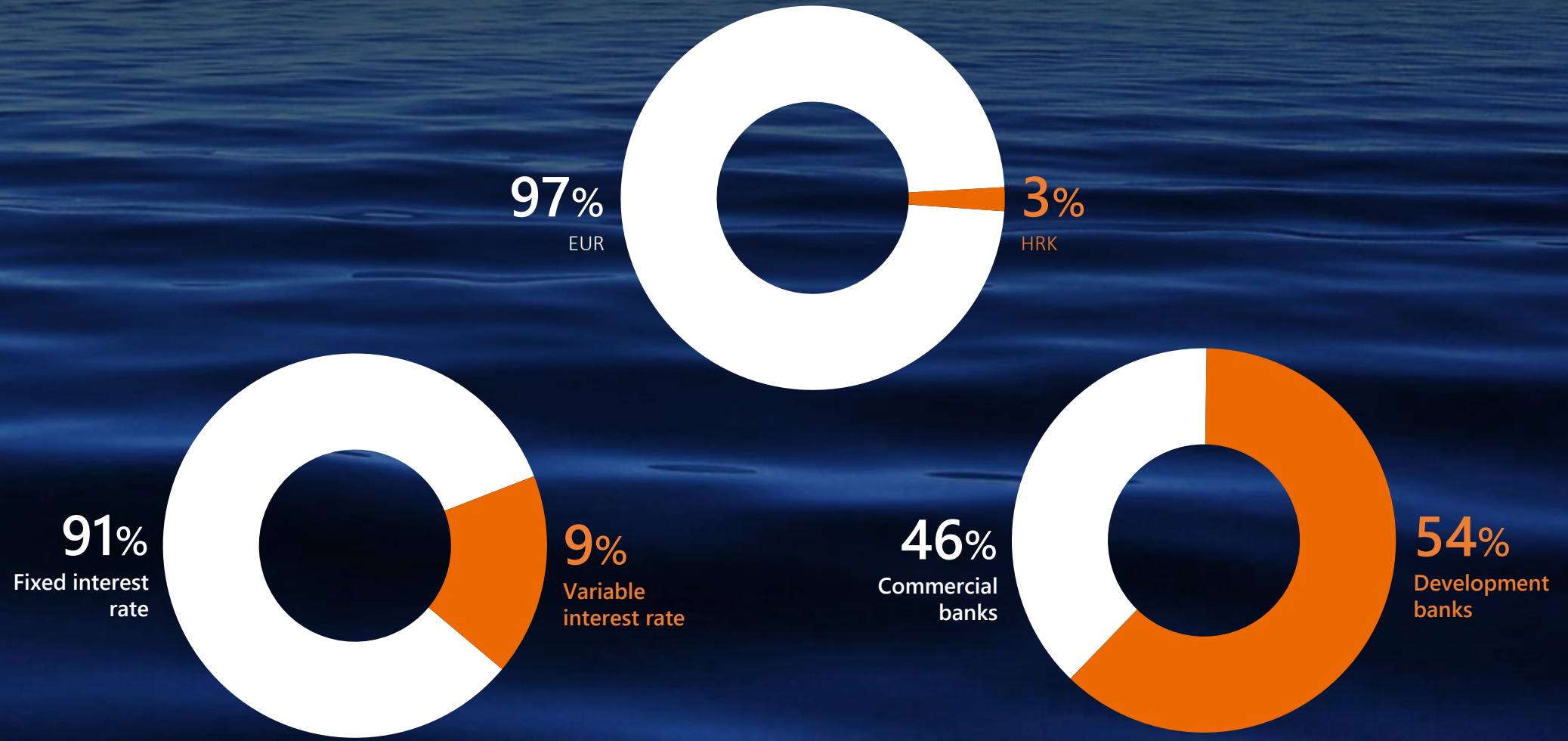
HRK
2,1%
Average debt cost before taxes

≈5,7y
Average debt duration

43%
Debt / assets

2,4 bn
HRK net debt
2,5 bn
HRK gross debt

Debt as at 31/3/2019 (2)



Consolidated indicators 2018

43%

Debt / Assets

9,6x

EV / EBITDA

5,7

EBIT / paid interest

2,7

DSCR

3,1

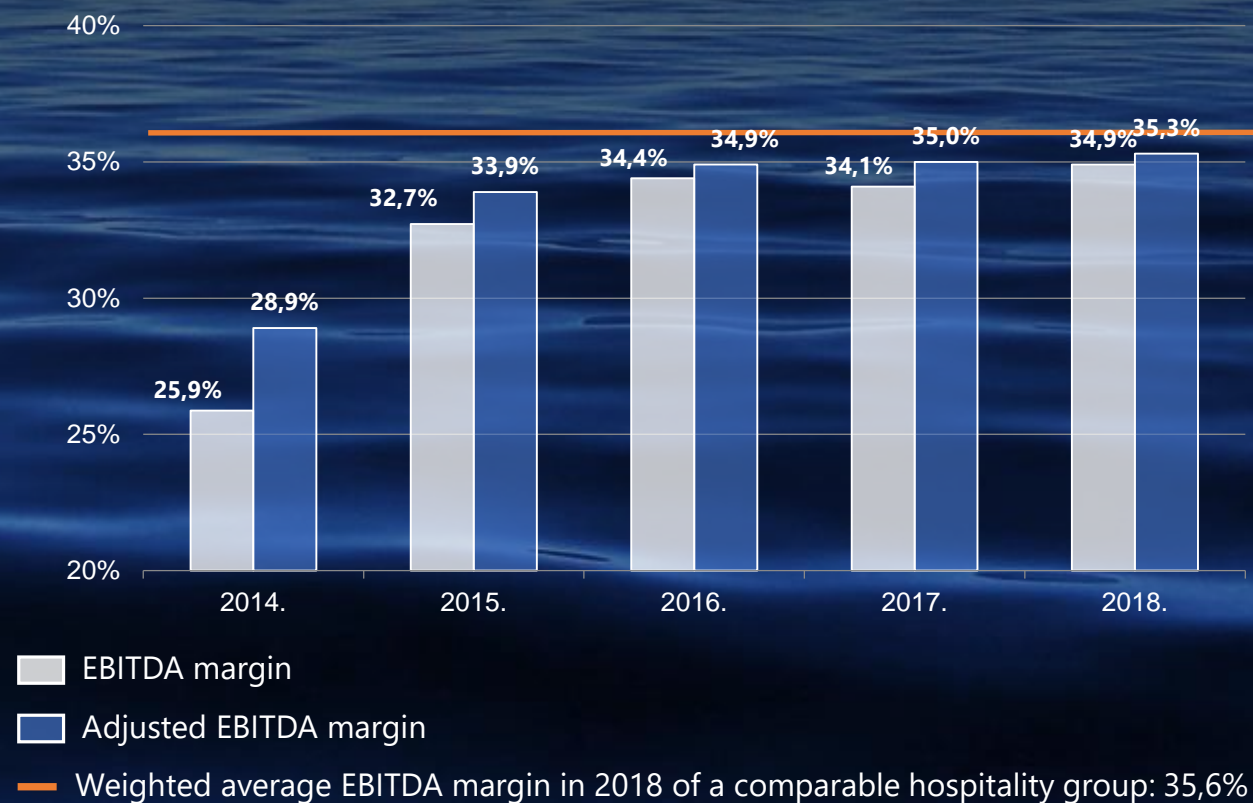
Net debt / EBITDA

55%

Debt / mcap

EBITDA margin and investments

EBITDA margin



Investments and amortization (HRK; 2004 – E2019)

Average investments

324 mn

Total investments

5,2 bn

Average amortization

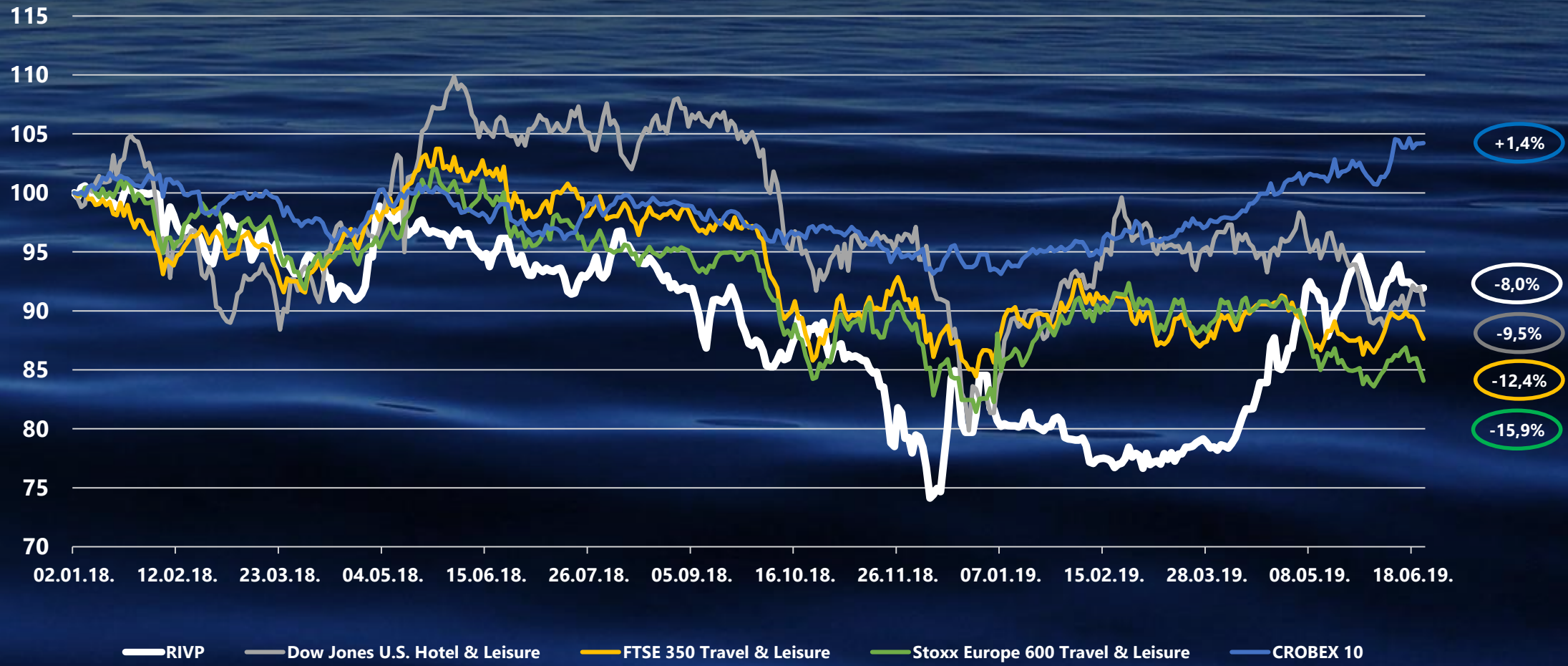
221 mn

Total amortization

3,5 bn

RIVP performance

Performance of RIVP and domestic and foreign indices during 2018 and 2019



Dividend and share buy-back (SBB)



Dividend Yield



Awards and recognitions in 2018



Golden Key
Valamar Riviera d.d.



Share of the Year by public vote
Valamar Riviera d.d.



Top Turnover Share
Valamar Riviera d.d.



HACCP & ISO certificates



Employer Partner Certificate
Valamar Riviera d.d.



Best campsite:
Lanterna Premium Camping Resort,
Krk Premium Camping Resort,
Solaris Camping Resort



Leading European Campsites:
Lanterna Premium Camping Resort,
Krk Premium Camping Resort,



Poslovna inicijativa za afirmaciju društvene odgovornosti i održivog razvoja

M.E.P and Ministry of Economy

Affirmation of social values and
fruitful business collaboration
Valamar Riviera d.d.



Leading Croatian Business Hotel
Valamar Lacroma Dubrovnik



Gault&Millau 2018.
Restaurants Spinnaker & Miramare



Best Campsite:
Lanterna Premium Camping Resort



Luxury Hotel Group
Valamar All you can holiday



Best Croatian Luxury Island Resort
Valamar Isabella island Resort



Leading Croatian Hotel
Valamar Collection Dubrovnik President



Golden Goat
Terra Magica Adventure
Mini Golf



Leading Croatian Boutique Hotel
Valamar Riviera Hotel



Leading Croatian Resort
Valamar Collection Girandella Resort



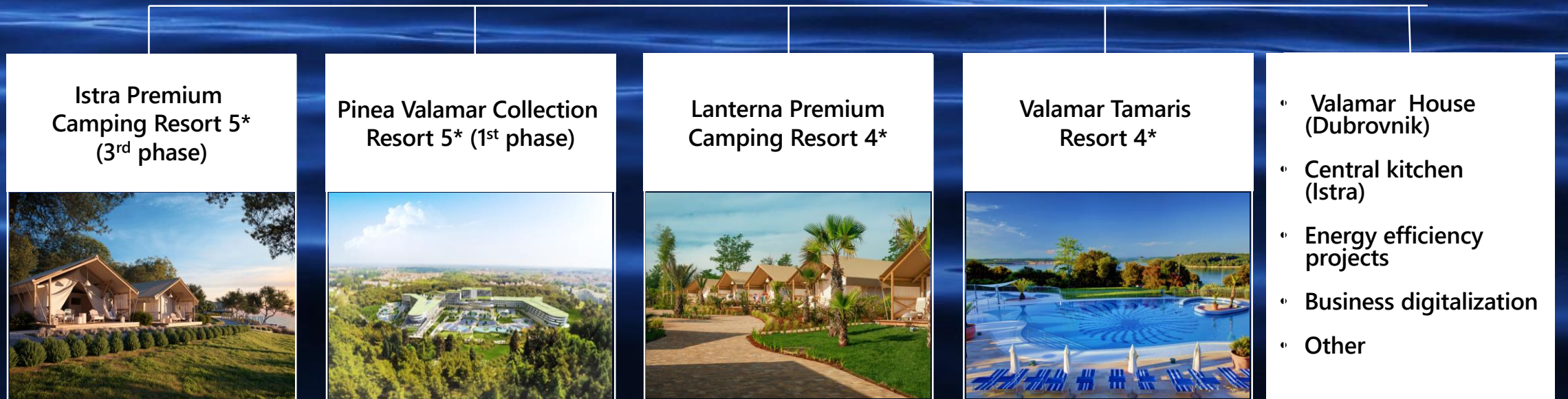
Best Croatian Luxury Resort
Valamar Dubrovnik President



Kult Plave kamenice
Six most important national f&b
festivals
Istra & Craft Beer Festival

Investment estimation for the year 2020

Investment Estimation for Valamar Riviera in the year 2020:
HRK 599 mn*



* The investment plan is for Valamar Riviera only. Imperial Riviera's investment plan is currently being prepared.

- Valamar's Strategy and Goals up to 2022

VALAMAR FORMULA





VALAMAR
COLLECTION
RESORTS
★ ★ ★ ★ ★
PINEA
Resort

Luxury beachfront resort for family, couples and luxury holidays



Product overview

Pinea Valamar Collection Resort will boast a premium beachfront location perfect for couples, families and bleisure travelers who like luxury holidays.

- Works will commence in **September 2019** and the project area will be **90 ha**
- The planned opening date is **June 2021**
- The investment in hotel accommodation with accompanying amenities will amount to around **HRK 790 mn**
- **Premium beachfront resort** with full range of accommodation options
- Extraordinary beach experience on 20.000 m² with **Sundance Beach Club**
- 2.200 m² of **outdoor and indoor pools**
- Wide choice of **restaurants, bars and beach club** with **dine around service**
- **Maro Holiday** – signature family facilities and programmes
- **Extensive active leisure and sport facilities** for all ages
- **Balance Mediterranean Spa by Valamar**
- **V Level** – exclusive privileges and personalized service
- **Leading Croatian M.I.C.E. centre** with the capacity of up to 1.200 delegates



Resort location



**PINEA VALAMAR COLLECTION
RESORT**

POREČ OLD TOWN



Poreč

**VALAMAR
COLLECTION
MAREA SUITES**



**VALAMAR
ZAGREB
HOTEL**



Accommodation



Pinea Valamar Collection Resort will offer a **wide and varied choice of accommodation**, but all rooms and suites will come well-appointed, with balcony or terrace and a beautiful views of the coastline, the picturesque old town or the park.

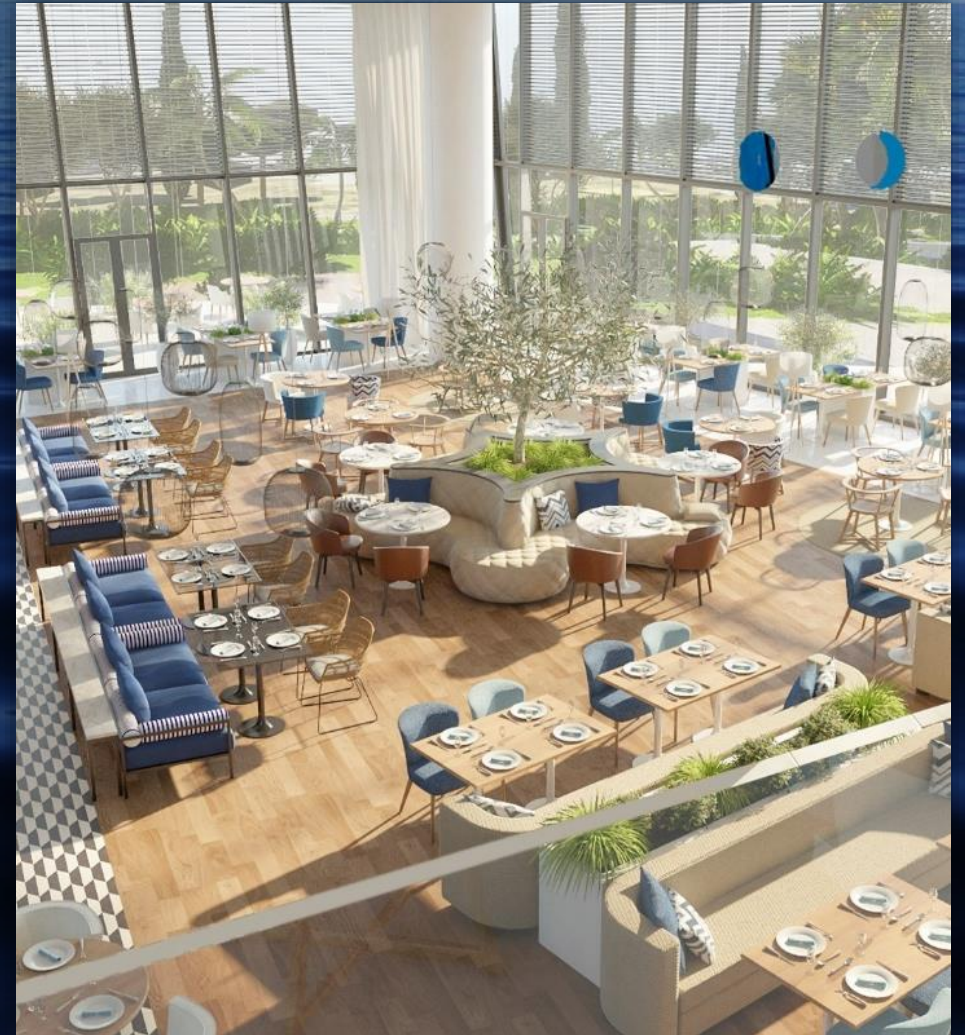
- Total resorts capacity - **514 accommodation units**
- **Pinea Hotel** - 208 Junior suites with balcony, 8 V Level Rooftop junior suites, 1 Rooftop V Level suite & 1 Presidential V Level suite
- **Pinea Family Suites** - 146 Superior family suites, 29 Junior family suites, 8 Premium family suites
- **Pinea V Level Miramare** - 65 Luxury junior suites, 33 Superior suites, 11 Superior swim-up suites, 4 Premium panoramic suites



Restaurants and bars

Guests will have a choice of numerous restaurants, various bars, beach club and dine around service.

- **Momenti Restaurant** - premium restaurant for V Level
- **Blu Restaurant** - show-cooking buffet restaurant
- **4 Terre Restaurant** - with kids' corner and mini buffet
- **Miramare Restaurant** - fine dining a la carte restaurant
- **Sundance Beach Club** - beach-chic vibe that blends culinary pleasures with the beach fun
- **Mezzino Restaurant** - fresh and informal dining experience
- **Trattoria La Pentola** - attractive trattoria style ambience
- Various bars with different theme and styles: **Vero bar**, **Splash pool bar**, **Family Lobby bar**, **Vetri bar** and **Splash beach bar**



Beaches and Sundance Beach Club

At Pinea Valamar Collection Resort the guests will enjoy in clear Adriatic sea with it's scenic strips of sand, white rocks, pebbles, fragrant shades of pine forest and relaxing grassy lawns.

- **20.000 m2 of beach area**
- **Theme beaches** for all holiday types with Val V Level Sandy Beach, Val Parentino Family Beach, Active Beach
- **Sundance Beach Club** will be the resort's beachfront fun & leisure centrepiece with all day entertainment program and DJs, a remarkable selection of cocktails, a la carte restaurant and two outdoor pools
- **Maro Park** theme edutainment park with Istrian Fantasy forest, zip line, Parenzana train ride, theme playgrounds & trampolines
- **Aquapark**
- Wide offer of **water sport activities** like SUP, windsurf, kayak, pedal boats, sail boats, parasailing and much more...



Pools

At Pinea Valamar Collection Resort numerous pools provide a playful range of attractions with heaps of water thrills or relaxing poolside lounge havens.

- **2.200 m2 of total pool area** with 11 indoor and outdoor pools
- Large **5 lane indoor swimming pool** designed for sport & recreational swimmers
- **Activity pool** with slides, water massage, waterfalls and infinity edge
- **Kids and baby pools** with attractions
- Exclusive area with **V level pools**
- Sundance beach club **Adults Only pool**
- **Tidal pool**



Maro family programme



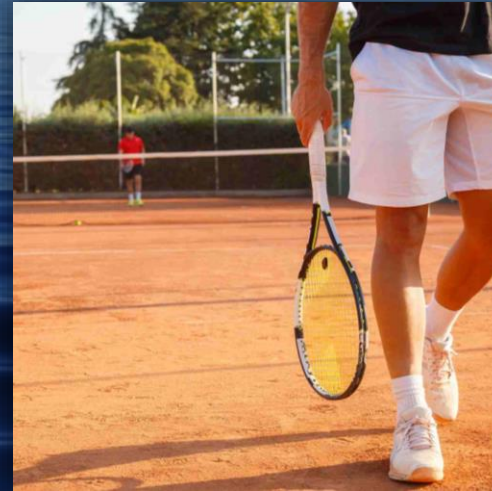
Pinea Valamar Collection Resort will have the recipe for a family holiday with all the right ingredients for all ages and travel styles.

- Fully equipped children's playrooms based on the **Super Maro programme** for different age groups
- **Teen Hangout** – specially designed area for teenagers
- **Entertainment facilities** for the entire family - cinema, theatre, family playroom, soft play room, playgrounds, outdoor fitness facilities for all ages, family pools and beaches
- Entertainment programmes for children every evening: **Maro Disco, Maro Party, Maro Garden**, etc.
- **Maro park** - Fun Educational Park on 4,800 m² with train ride (Parenzana), Istrian fantasy park, Legend of villas, Mini area for small children
- **Maro Concierge Pinea**

Activ leisure & sport

At Pinea Valamar Collection Resort, workout, fun and sport options will be aplenty.

- **Fitness centre**
- **Stay Fit** signature programme with aqua, outdoor, fitness, spiritual workout and sport tournaments
- **Bike centre** with excursions, bike shop, bike school, bike rental, pump track for training, kids bike track
- **V Sport point** on the beach
- **Terra Magica** adventure mini golf
- **Pinea tennis centre** with 15 tennis courts
- **Beach volleyball** courts
- **Water sports:** jet ski safari, paddle boats, boat rental



Wellness

Balance Mediterranean Spa by Valamar will offer a unique signature spa experience with authentic cosmetics & treatments based on local ingredients and lifestyle.

- Saunas and bio family sauna
- Massage rooms with signature Balance treatments
- Beauty treatments with premium cosmetics
- Outdoor massage zone
- Relax zone with fireplace
- Mediterranean garden relax zone



Leading Croatian M.I.C.E. centre

Special attention will be devoted to the construction of the leading Croatian M.I.C.E. center, Pinea Valamar Collection Resort.

- Interchangeable meeting rooms for **up to 1.200 delegates**
- 2.300 max capacity for events
- Premium meeting facilities with natural light
- Full event organisation support



Presentation video



**LUXURY
BEACHFRONT
RESORT FOR
FAMILY, COUPLE
AND LUXURY
HOLIDAYS**

Q&A



Internet link for Q&A app: <https://www.menti.com> (new event number: 85 59 44)



Thank you!

Željko Kukurin
Management Board President

Marko Čižmek
Management Board Member

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