



REPUBLIC OF CROATIA

# HOTELI MAKARSKA plc, Makarska

## TRANSACTION

The Republic of Croatia intends to sell its shares of Hoteli Makarska plc through a public tender, according to the Law on the Management and Disposal of Assets Owned by the Republic of Croatia (Official Gazette 94/13, 18/16) and the Regulation on the Sale of Shares and Business Interests (Official Gazette 129/13 and 66/14). The tender will be conducted in two rounds:

- The first round: determining investor interest in purchasing shares/business interests,
- The second round: investors who expressed interest by

submitting a Letter of Intent in the first round will be invited to submit a binding bid for the purchase of shares/ business interests.

After submitting a formal Letter of Intent, receiving a bid invitation, and signing an NDA, potential investors can participate in the due diligence procedure. Upon bid submission, the best bidder will be selected based on the tender criteria.

**There is currently no open tender for the sale of Hoteli Makarska plc shares.**

## COMPANY

Hoteli Makarska plc is a tourist-hospitality company, established in 1952, offering accommodation and hospitality services in its three hotels near the beach. The Company is located in the renowned tourist destination Makarska Riviera (in Central Dalmatia). With a diversified tourist offer the Company has established a prominent position on international markets (approximately 90% of guests are from abroad).

In addition to the existing offer, there is a great potential to develop the Rivijera Hotel into a modern sports and recreation complex. The Rivijera complex already includes the largest tennis centre in Makarska that has occasionally hosted international tennis tournaments. The Meteor Hotel has several convention facilities, which can improve its position in the M.I.C.E. segment with appropriate marketing efforts.

The location provides endless possibilities for active holidays (hiking/walking and cycling paths on Biokovo mountain); cultural and heritage sightseeing, catholic pilgrimage tourism (Medjugorje, Veprić), and is easily accessible (Zagreb-Split-Dubrovnik Highway, Split International Airport). There are several marinas in the wider Makarska area, as well as a small harbour in front of the Company's Dalmacija Hotel.



## SALE

Shares on sale: **513.270 (45,85% of share capital)**

Average price on stock market: **40.08 EUR (7.6.2017)**

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## FINANCIAL DATA (non-consolidated reports, in EUR:)

Year	2014	2015	2016
Operating revenues	8,917,065	9,195,392	9,645,945
Operating expenses	8,005,093	7,767,389	7,979,976
EBIT	911,972	1,764,375	1,701,167
EBITDA	2,022,260	2,588,989	2,924,040
Net income	569,938	1,023,523	1,240,194
Total assets	34,043,013	34,452,043	35,870,593
Total liabilities	4,311,397	3,600,138	3,438,496
Number of employees	155	144	150

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## REAL ESTATE PORTFOLIO

### HOTELS:

**Meteor Hotel (\*\*\*\*):** 11 levels, 277 accommodation units, size 23,391 m<sup>2</sup>, built in 1983, partly renovated 2006-2011,

**Dalmacija Hotel (\*\*\*)**: 11 levels, 190 accommodation units, size 13,423 m<sup>2</sup>, built in 1970, renovated in 2004/2005. A new underground garage with 90 parking slots was constructed in 2015.

### TOURIST RESORTS/COMPLEXES:

**Rivijera Hotel Complex (\*\*)**: 3 levels, consisting of nine pavilions, 258 accommodation units, size 13,997 m<sup>2</sup>, built in 1962, renovated and expanded several times.

### CONVENTION CENTRE:

Four conference halls in the Meteor Hotel and one in Dalmacija Hotel.

### SPORTS AND RECREATION FACILITIES:

Tennis centre, adjacent to the Rivijera complex, with 8 outdoor and 2 indoor tennis courts of total 7,808 m<sup>2</sup>, two outdoor swimming pools and wellness and fitness centers both in Meteor and Dalmacija hotels.

### AREA:

Total facility area: 52,007 m<sup>2</sup>,

Net land area: 95,368 m<sup>2</sup>.



## SPLIT-DALMATIA COUNTY

Population (2011): **454,798**

GDP per capita (2014): **7,808 EUR**

Unemployment rate (2016): **24.1%**

Average gross salary: **956 EUR**

Average gross salary in the sector (tourism): **905 EUR**

Split-Dalmatia County encompasses the territory of the historical region of Dalmatia, and is easily accessible via Zagreb-Split-Dubrovnik Highway and Split International Airport.

The most important economic activity is tourism. In 2016 the County achieved 2.7 million tourist arrivals (increase of 11% in comparison to the previous year) and 14.9 million overnight stays, which makes 17.6% of total overnight stays in Croatia in 2016. Traditionally, the most important markets are Germany, the Czech Republic and Poland.

There is a total of 140 hotels (4 five-star and 67 four-star hotels, while the remaining 69 are mostly three-star). In

addition to hotels, accommodation is provided in apart-hotels, tourist resorts, tourist apartments and auto camps.

According to the County's Tourist Board, the overall accommodation capacity provided accounts to 213,803 beds out of which 68.7% is in private accommodation. Total number of beds in hotels category is 66,959. There are 11 marinas with a total of 2,258 berths. The present international hotel chains in Split include the Le Meridien Lav and the Radisson Blu.

The County's tourist potential includes: a rich heritage and cultural offer, catholic pilgrimage destinations, active and sports holidays and health tourism. There are UNESCO heritage sites in Split (Diocletian Palace) and Trogir; pilgrimage destinations (Sinj, Vepric and vicinity to famous Međugorje); rafting on the River Cetina in Omiš area, and hiking, walking and cycling paths on mountains Marjan and Biokovo.

A large number of high schools offers education in the hospitality and catering sector, while the Split University provides undergraduate and graduate programs in tourism.

## CONTACTS

Restructuring and Sale Center (CERP), [www.cerp.hr](http://www.cerp.hr), e-mail: [info@cerp.hr](mailto:info@cerp.hr)

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