



# **8<sup>th</sup> Snow and Mountain Tourism World Congress**

**9-10 April 2014, Andorra la Vella**



**We are here to revolutionize tourism in Central Europe!**

# TMR's Strategy



**Who We Are and What We Do**

# Our Potential

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## ► Long History of Tourism in the Tatras



## ► Cultural and Natural Heritage



# Challenges

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## ► The Mountain Resorts in 2005



# Who We Are Today

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# Business Model Overview

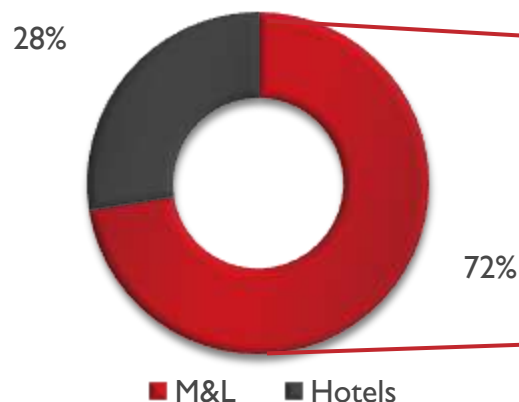
## Hotel Segment

- ▶ 12 owned and managed/leased hotels from 2 to 4-star
- ▶ 677 rooms
- ▶ 2,352 beds
- ▶ New luxurious wellness spa facilities
- ▶ Ongoing hotel upgrades, additions
- ▶ 17 new luxury apartments Grand Residences Tatranská Lomnica

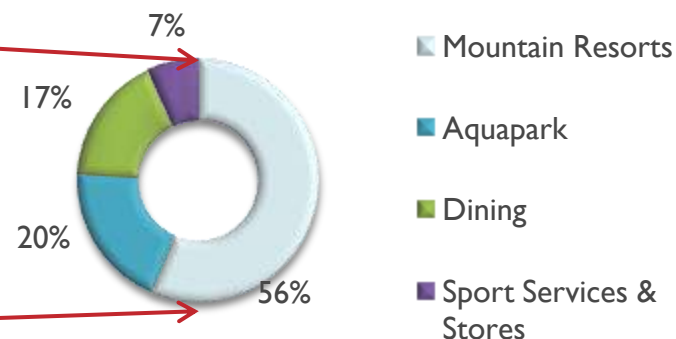
## Mountain & Leisure Segment

- ▶ **Mountain Resorts** – 4 resorts in the High and Low Tatras (SK), the Czech Rep. (co-mgt), and Poland – 115 km of ski trails
- ▶ **Aquapark** – Tatralandia in the Tatras' valley
  - ▶ 14 swimming pools and 28 toboggans
- ▶ **Dining** – 23 dining facilities on and off the slopes
  - ▶ Total chair capacity of 3,046
- ▶ **Sports Stores & Services** – Tatrý Motion
  - ▶ Ski schools, 1,577 m<sup>2</sup> of total retail space, 1,259 rental skis & snowboards

Revenues by Segments\*



M&L Segment Breakdown



# Mountain Resorts



## ▶ **Vysoké Tatry (High Tatras, SK)**

Tatranská Lomnica – Starý Smokovec – Štrbské Pleso

- ▶ 24 km of ski trails
- ▶ 20 cableways and lifts
- ▶ Max. transportation capacity of more than 21,365 persons/hour
- ▶ 20 km of ski trails with snowmaking
- ▶ Summit elevation: 2,625 m a.s.l.
- ▶ Base elevation: 805 m a.s.l.
- ▶ Vertical drop: 1,820 m
- ▶ 10 dining facilities
- ▶ Tatry Motion stores & services

## ▶ **Jasná Nízke Tatry (Low Tatras, SK)**

Chopok North – Chopok South

- ▶ More than 45 km of ski trails
- ▶ 30 cableways and lifts
- ▶ Max. transportation capacity of 32,704 persons/hour
- ▶ More than 29 km of ski trails with snowmaking
- ▶ Summit elevation: 2,004 m a.s.l.
- ▶ Base elevation: 880 m a.s.l.
- ▶ Vertical drop: 1,124 m
- ▶ 15 dining facilities
- ▶ Tatry Motion stores & services

# Mountain Resorts



## ► Špindlerův Mlýn (Krkonoše, CZ)

- Leased through JV
- 25 km of ski trails
- 16 cableways and lifts
- 3 snow parks
- Max. transportation capacity of 20,500 persons/hour.
- 21 km of ski trails with snowmaking
- Summit elevation: 1,235 m a.s.l.
- Base elevation: 702 m a.s.l.
- Vertical drop: 533 m

## ► Szczyrk (Beskids, PL)

- EUR 30m of investments planned
- 22.6 km of ski trails
- 13 cableways and lifts
- Max. transportation capacity of 9000 persons/hour.
- 18 km of ski trails with snowmaking
- Summit elevation: 1,211 m a.s.l.
- Base elevation: 460 m a.s.l.
- Vertical drop: 678 m

# Aquapark & Hotels



## ▶ **Tatralandia (Liptov, SK)**

- ▶ 9 year-around swimming pools
- ▶ 5 summer swimming pools
- ▶ 17 saunas
- ▶ 30 waterslides
- ▶ Tropical Paradise, Wellness Paradise, Funpark Tatralandia
- ▶ Hotel – Holiday Village Tatralandia
- ▶ 4 dining facilities

## ▶ **Hotels (High & Low Tatras)**

- ▶ Grandhotel Starý Smokovec\*\*\*\*
- ▶ Grandhotel Praha\*\*\*\*
- ▶ Wellness Hotel Grand Jasná\*\*\*\*
- ▶ Hotel FIS Štrbské pleso\*\*\*
- ▶ Chalets Jasná De Luxe\*\*\*\*
- ▶ Tri Studničky Hotel\*\*\*\*

- ▶ Holiday Village Tatralandia
- ▶ Hotel Srdiečko\*\*
- ▶ Million Star Hotel
- ▶ Hotel Slovakia
- ▶ Hotel Liptov,
- ▶ Hotel Ski & Fun Záhradky
- ▶ Chata Kosodrevina

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# NUMBERS AND FACTS

## Slovakia

### High and Low Tatras



**50** cable cars and ski lifts

**54,000** people / hour



from **903 m** above sea level  
to **2,192 m** above sea level



**70 km** ski slopes



**53%** ski slopes with man-made snow



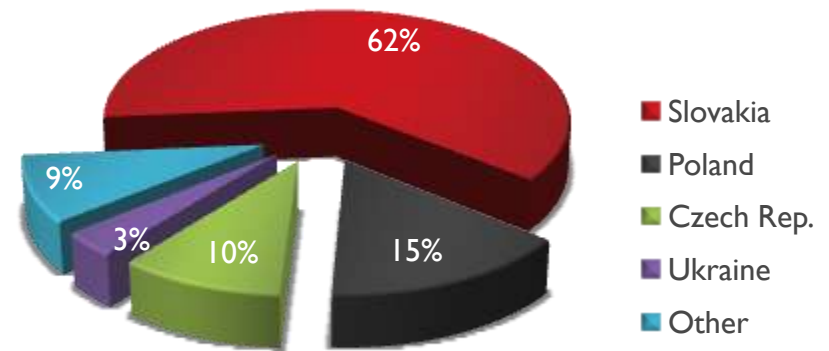
# Our Market

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## Potential

- ▶ “Natural monopoly” position (no other similar places in the region to provide the “Alpine resorts feel” except for the Tatras)
- ▶ No competition within 1000 km east of TMR resorts
- ▶ 7.5 million people living within 200 km
- ▶ Long tradition of visitors from CEE
- ▶ Easy access by plane
- ▶ More affordable than Alpine resorts
- ▶ Target Groups (through):
  - ▶ Slovak (massive marketing campaigns)
  - ▶ Polish (massive marketing campaigns)
  - ▶ Czech (still benefiting from the common past; no language barrier)
  - ▶ Russian-speaking & Baltic (driving distance unlike Alpine resorts)

**Visitors in the High Tatras During Winter 2012/13**

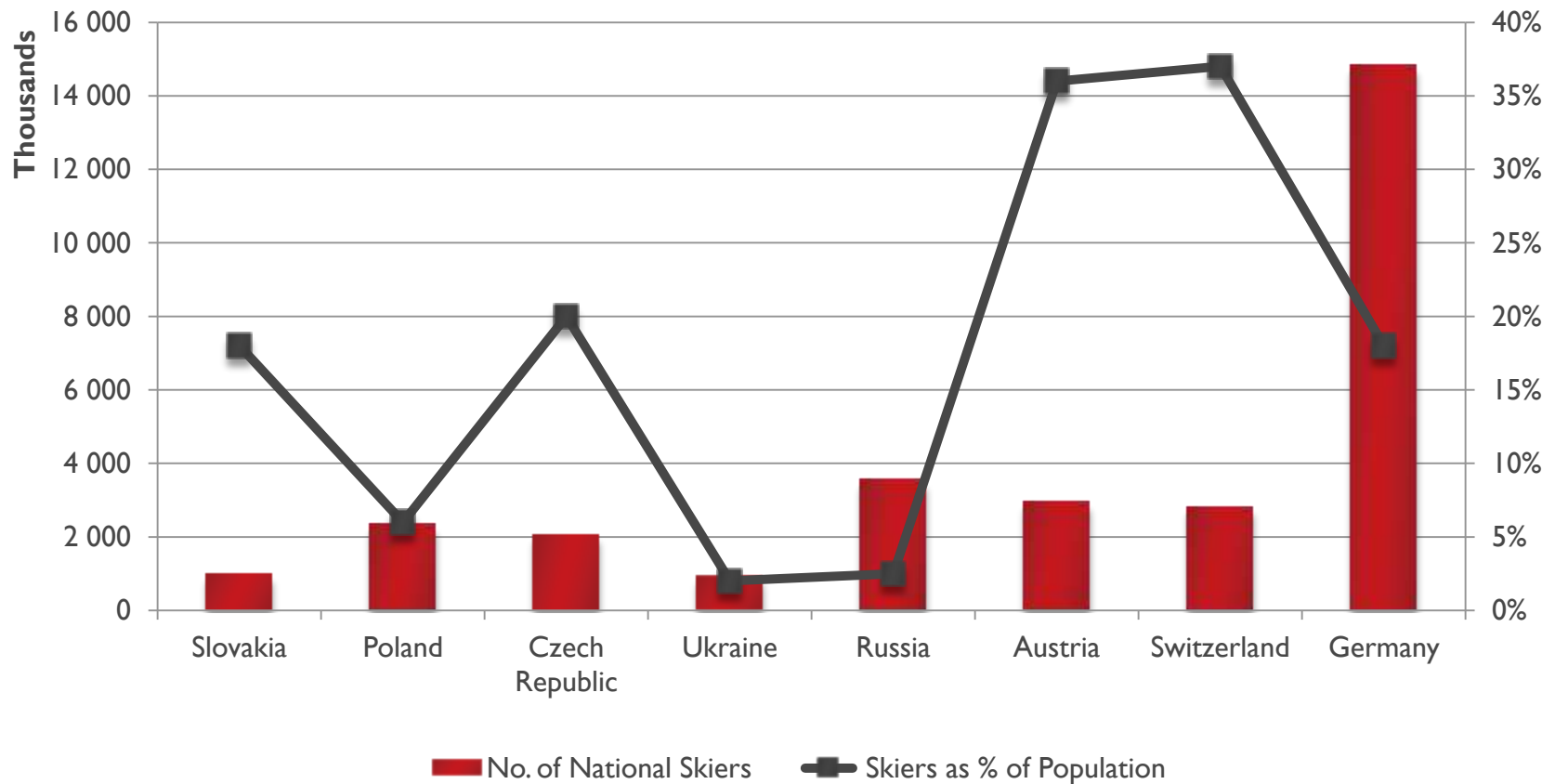


## Segmentation

- ▶ Affluent clientele
  - ▶ Luxury and prestige of the hotels in the High Tatras
- ▶ Mainstream
  - ▶ Jasná, Nízke Tatry tailored to the young, families, and sports enthusiasts

# Great Potential in Regional Mountain Tourism

Skiers by Country



# Our Strategy Based on 3 Pillars



## Increasing quality with investments

- EUR 190 million over 7 years (incl. EUR 45 million in 2013)
- New modern cableways
- Renovating hotels
- Expanding resorts
- Capitalizing on completed investments

## Strategic acquisitions and expansion of operation in CEE

- Aquapark Tatrallandia 2011
- Špindlerův mlýn ski resort, Czech Republic
- Korona Ziemi (JV in PL)
- Szczyrk, PL
- Potential acquisitions in Czech Republic, Poland

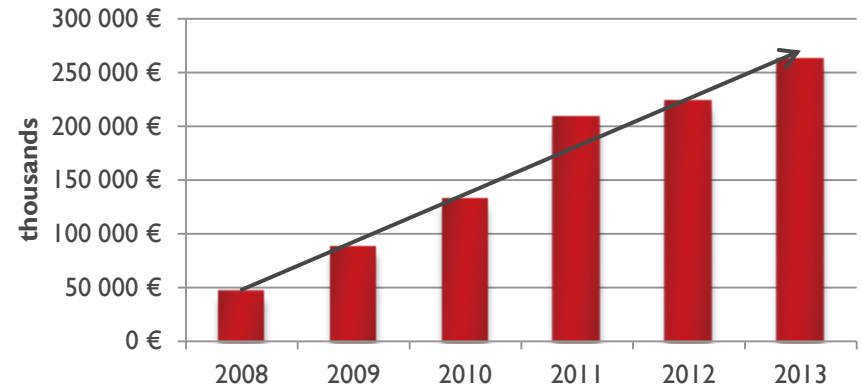
## Constant operations & services enhancement

- Enhancing customer experience through synergies
- Focus on affluent clientele
- Trendsetter in the region
- Quality management

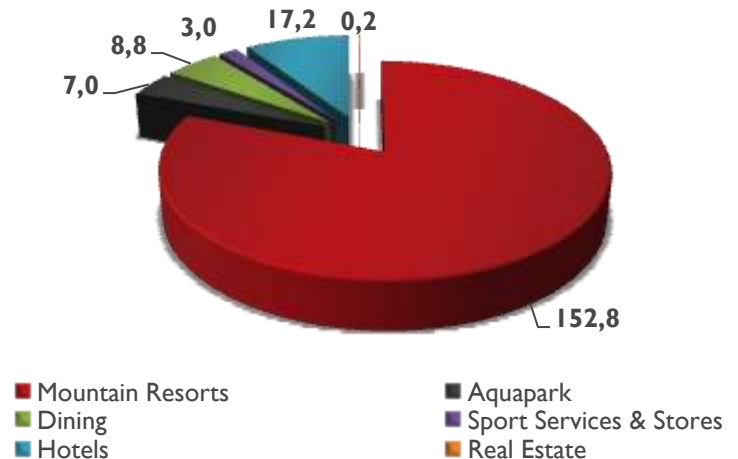
# Our Assets Grow through Capital Investments

- ▶ Total of EUR 190 million invested into development of our resorts and hotels in the last 7 years
- ▶ 2013 end of Investment phase I – EUR 45 mil.
- ▶ **CAPEX 2007–2013: EUR 190 million**
  - ▶ Transportation capacity increased by 17,000 to total 54,069 persons/ hour
  - ▶ 10 newly built ski lifts, total 50
  - ▶ Additional 25 km of snowmaking, total 50 km
  - ▶ 671 snow guns
  - ▶ 25 dining facilities built on slopes

Fixed Assets



CAPEX Breakdown in EUR millions



# Investments of 2010 – CAPEX of EUR 26 million



6-seat cableway in Vysoké Tatry



Happy End Jasná



Grand Jet Jasná Nízke Tatry



Orange 6-seat cableway Jasná Nízke Tatry

# Investments of 2011 – CAPEX of EUR 29.6 million

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8-seat cableway Buková hora Vysoké Tatry



Tatry Motion Board Shop



Renovated room in hotel Grand Jasná



New wellness Grandhotel Praha Tatranská Lomnica

## 2012 Investments – CAPEX of EUR 44 million

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Funitel Jasná Nízke Tatry



Tropical Paradise Tatrallandia



15-seat Kosodrevina, Chopok,  
Jasná Nízke Tatry



Tropical Paradise Tatrallandia

# 2013 Investments – CAPEX of EUR 45 million

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New conference hall - Wellness Hotel Grand Jasná



Chalets Jasná de Luxe\*\*\*\*



Rotunda, Jasná



15-seat gondola, Vysoké Tatry

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## Marketing tools

1. Intensive advertising campaigns on crucial foreign markets
2. Strong PR campaigns, cooperation with the media
3. CRM GOPASS system with an e-shop and a loyalty programme
4. EVENT marketing
5. Support of regional DMOs
6. Non-profit projects with numerous positive PR effects



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# 1. Advertising campaigns

- Focused on crucial growing markets: **Poland, Ukraine, Lithuania**
- European spots - **Eurosport**
- Length of campaigns 5-6 weeks
- Major types of media: **TV, OOH, radio, internet, PR**



**ЯСНА**  
**НИЗЬКІ**  
**ТАТРИ**



**Словаччина ближче!**

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**ТАТРАНСЬКА**  
**ЛОМНИЦЯ**

**ВИСОКІ ТАТРИ**



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**Ясна**  
**Татранська Ломниця**  
**Татранська**



**PREJÍTE VÝZVU**  
**TATRAŇSKÝCH**  
**SVAHOV**

**PREJÍTE VÝZVU**  
**JARNE PRAŽŇOVKY**  
**49 €**

**OBŤAVTE**  
**TROPICKÝ SÁZ**  
**V SRDCI TATIER**



**gotatry.SK**

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Od tých čo milujú Tatry, pre tých čo milujú Tatry

MOUNTAIN RESORTS

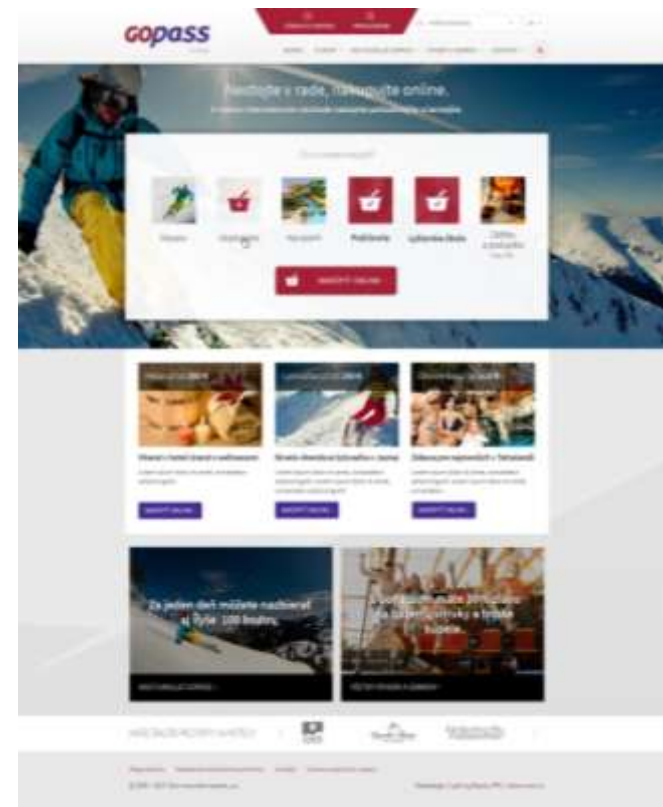
## 2. PR in Slovakia

- Cooperation with the biggest media in Slovakia – magazines, TV, radio stations
- Above-standard trade cooperation – sale of idle capacities via masses



### 3. GOPASS e-shop & CRM

- E-shop offering ski passes, water park tickets, accommodation, rentals, ski school
- A loyalty system with benefits
- Email direct marketing



## 4. EVENT marketing

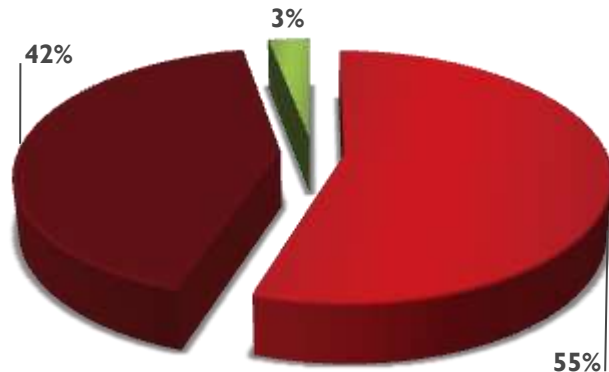
More than 100 events per year organised for various target groups



# Service Enhancement & Clients' Satisfaction\*



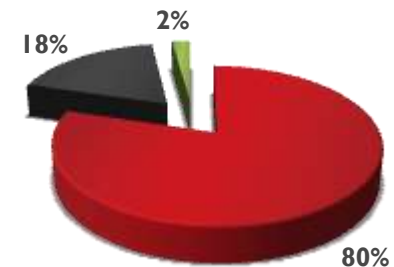
**Will you visit our resorts in future?**



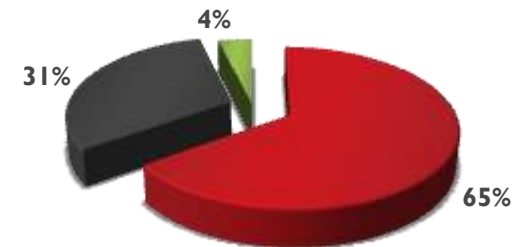
■ Yes ■ Yes and I will recommend ■ No

**How satisfied are you with...?**

**Accommodation quality**



**Number of cableways**



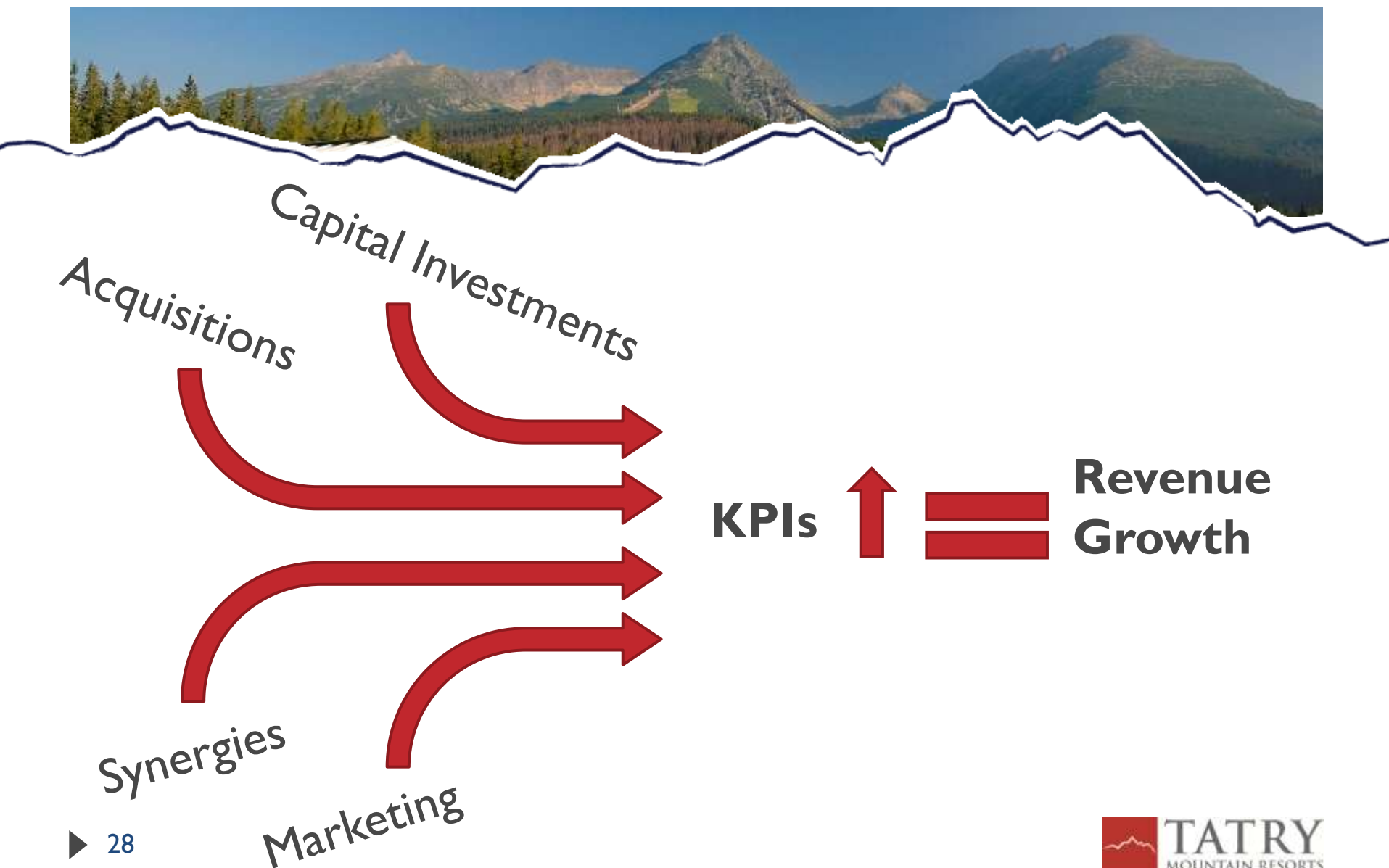
■ Satisfied ■ Somehow satisfied ■ Not satisfied

# Operational Overview



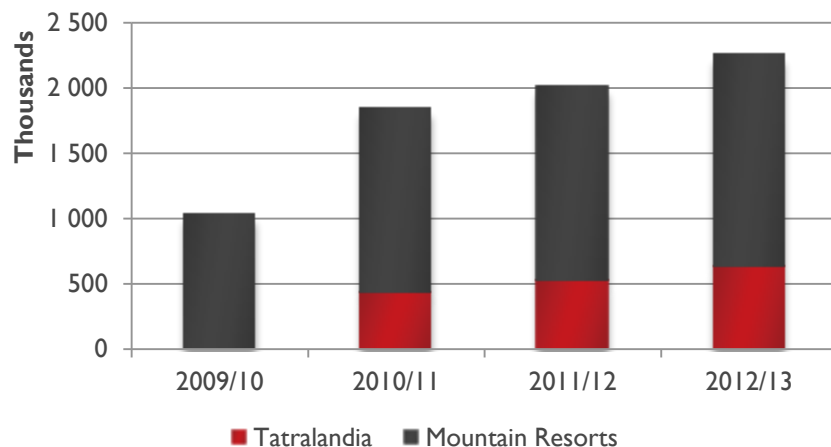
## What We Have Achieved and How

# What Drives Our Revenues

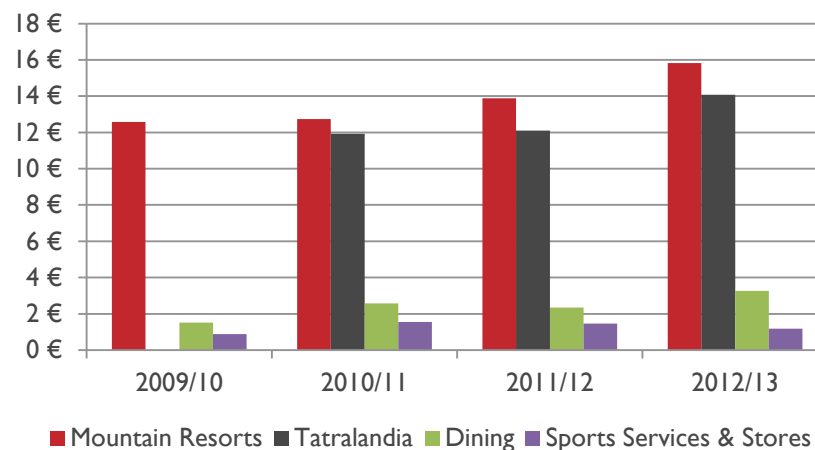


# Stable Growth in KPIs

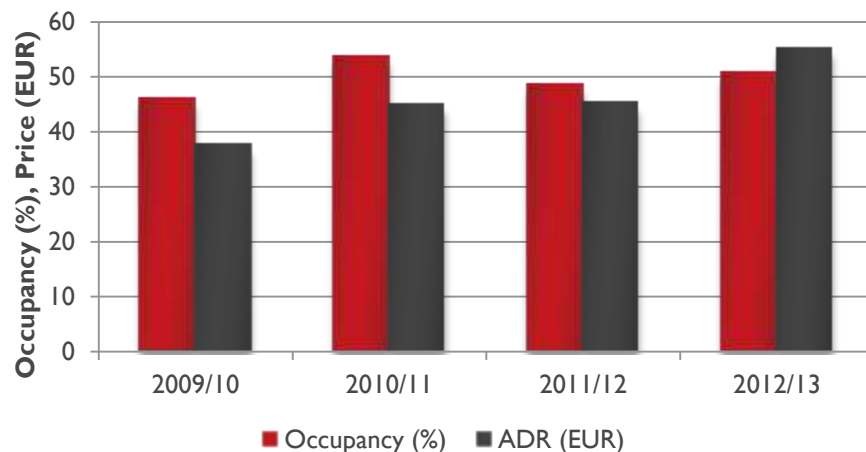
## Visit Rate in Mountains and Leisure\*



## Average Revenues per Visitor\*\*



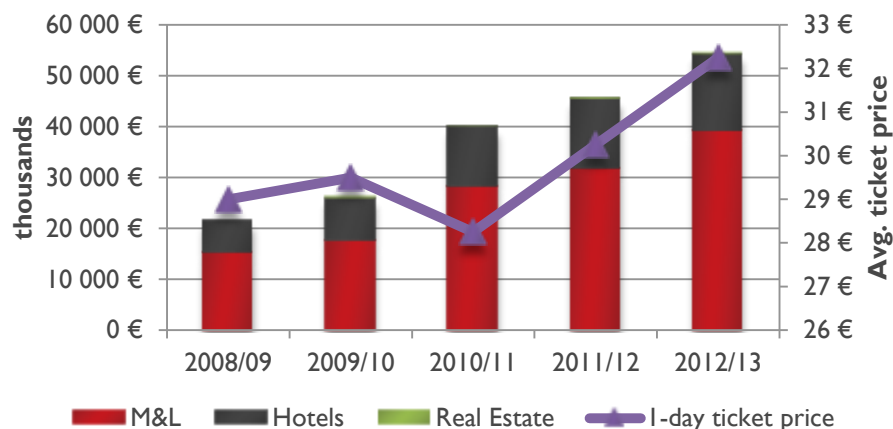
## KPIs of Hotel Portfolio



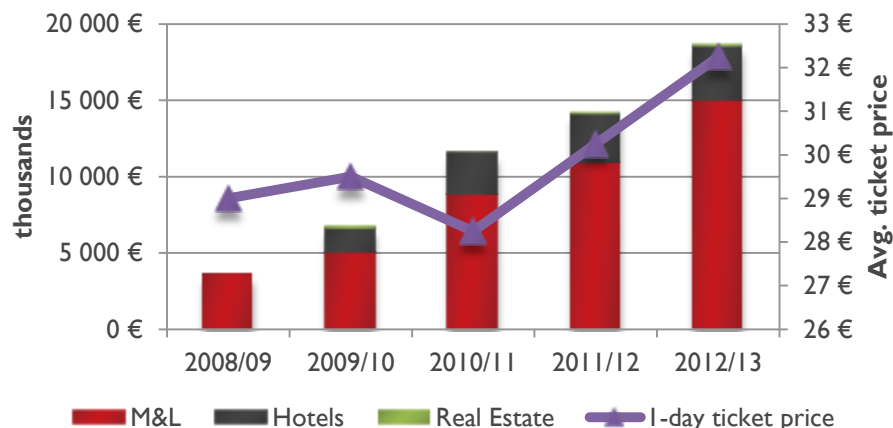
# Impact of Ticket Pricing on TMR's Growth

- ▶ Annual increase of ticket prices is justified with extensive CAPEX invested into development of TMR resorts and hotels
- ▶ 5-year **CAGR**:
  - ▶ Operating revenues\* **+21%**
  - ▶ EBITDA\* **+39%**
  - ▶ Average ticket price **+2%**

**Operating Revenues vs. Ticket Pricing**

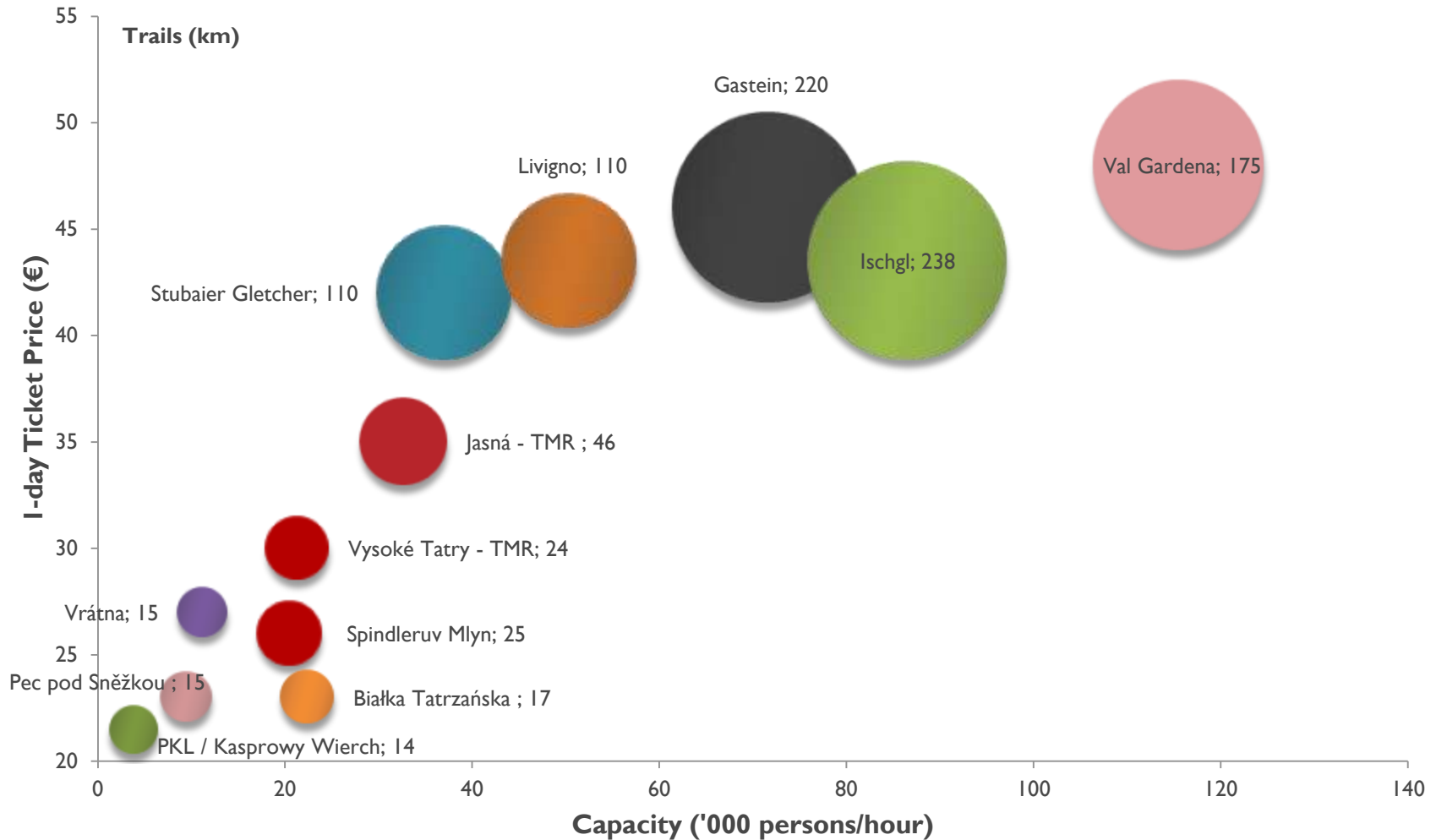


**EBITDA vs. Ticket Pricing**



\*The adjusted operating results exclude the influence of a provision created in connection to revitalization of the Tatras in the amount of EUR 480 ths. in 2010/11. The results till 2012/13 include 100% of the results of Grandhotel Starý Smokovec, which, as per IFRS, was accounted for by the Equity method. The results for the period of 1/11/2009-28/12/2009 (2 months) were not included in the IFRS consolidated statements for 2008/09; it is a pro forma adjustment.

# Strategic Product Position, Closing in on Alpine Resorts



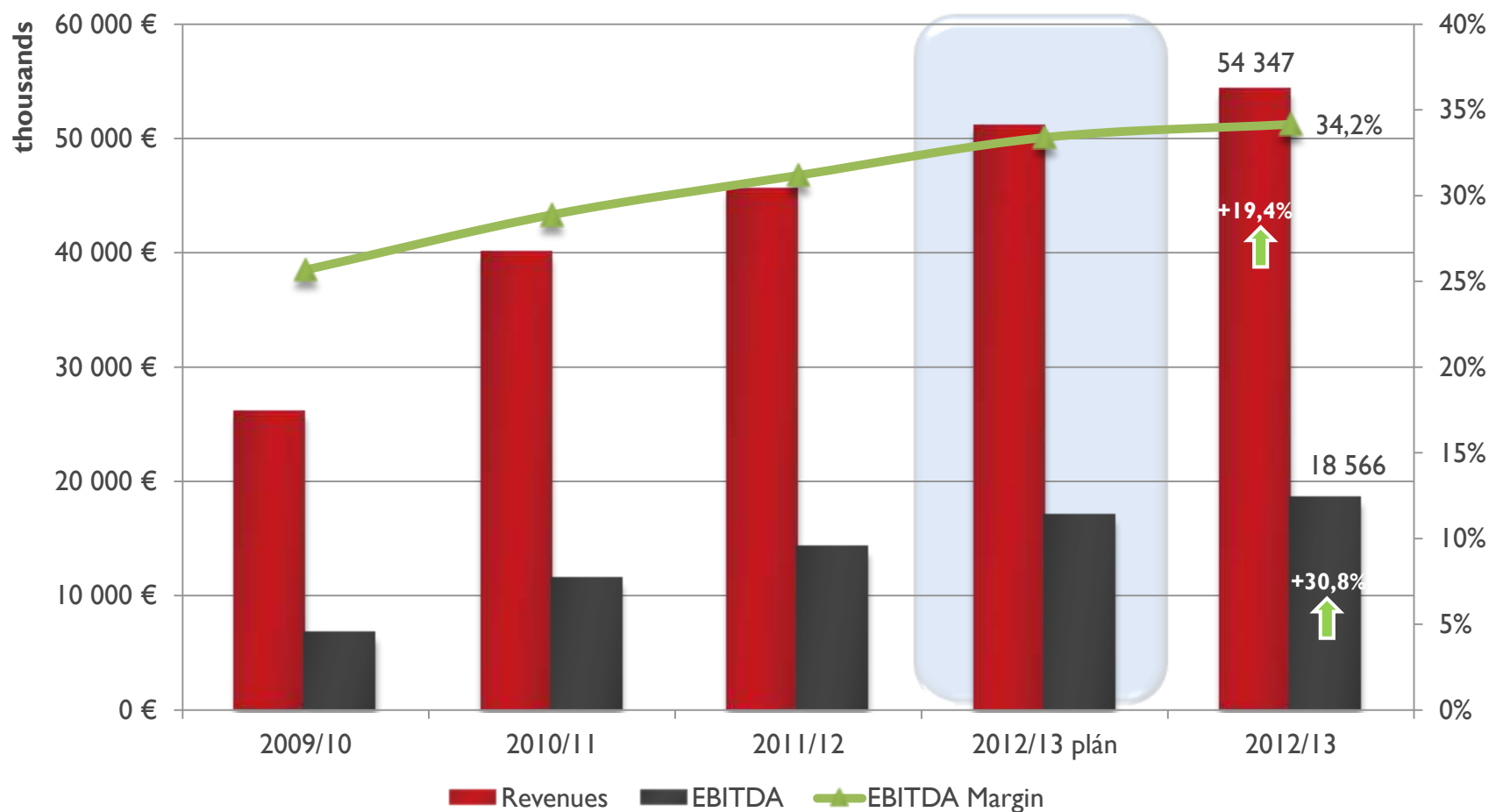
# Financial Overview



## How We Look Like in Numbers

# Excellent Annual Results Confirm Our Strategy

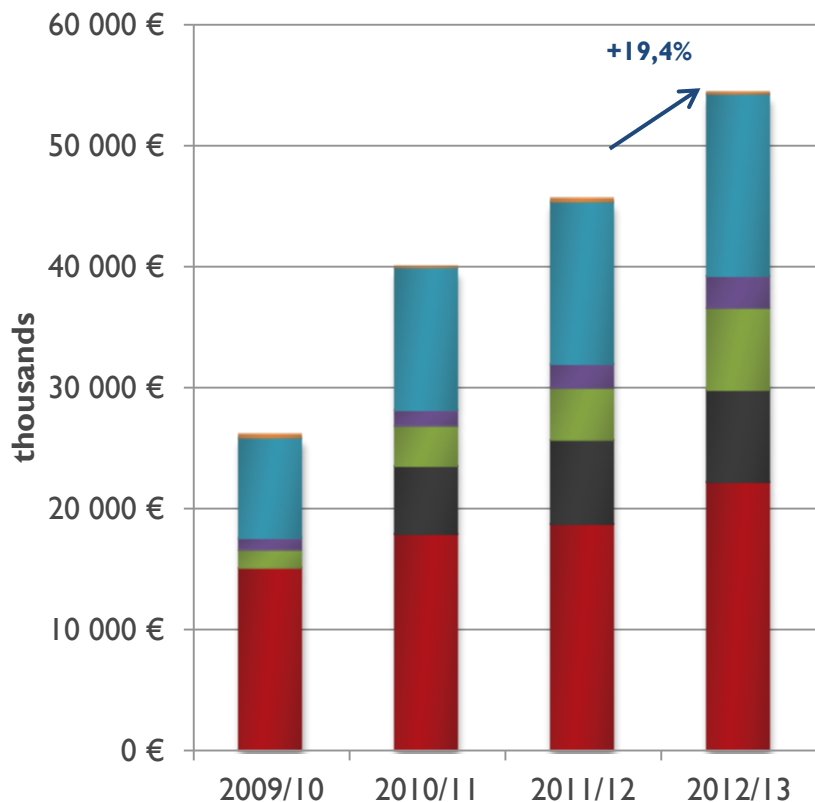
## Key Operating Results and Plan\*



\* For better evaluation of the operating performance, the adjusted operating results for 2011/12 include results for the 100% share in Interhouse Tatry, a.s., which owned Grandhotel Starý Smokovec, although as of 31/10/2012, TMR owned a 50% share in the aforementioned company, and in accordance with IFRS, this share has been consolidated using the Equity method.

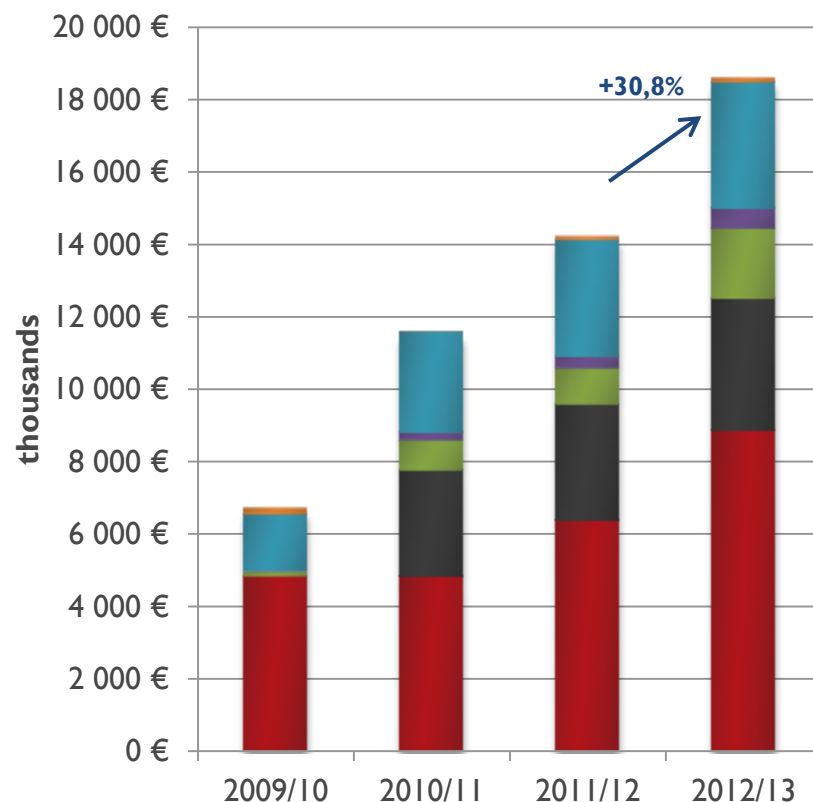
# Operating Results by Segments

## Revenues



- Mountain Resorts
- Dining
- Hotels
- Aquapark
- Sports Services & Stores
- Real Estate

## EBITDA



- Mountain Resorts
- Dining
- Hotels
- Aquapark
- Sports Services & Stores
- Real Estate

# Outlook & Future Growth

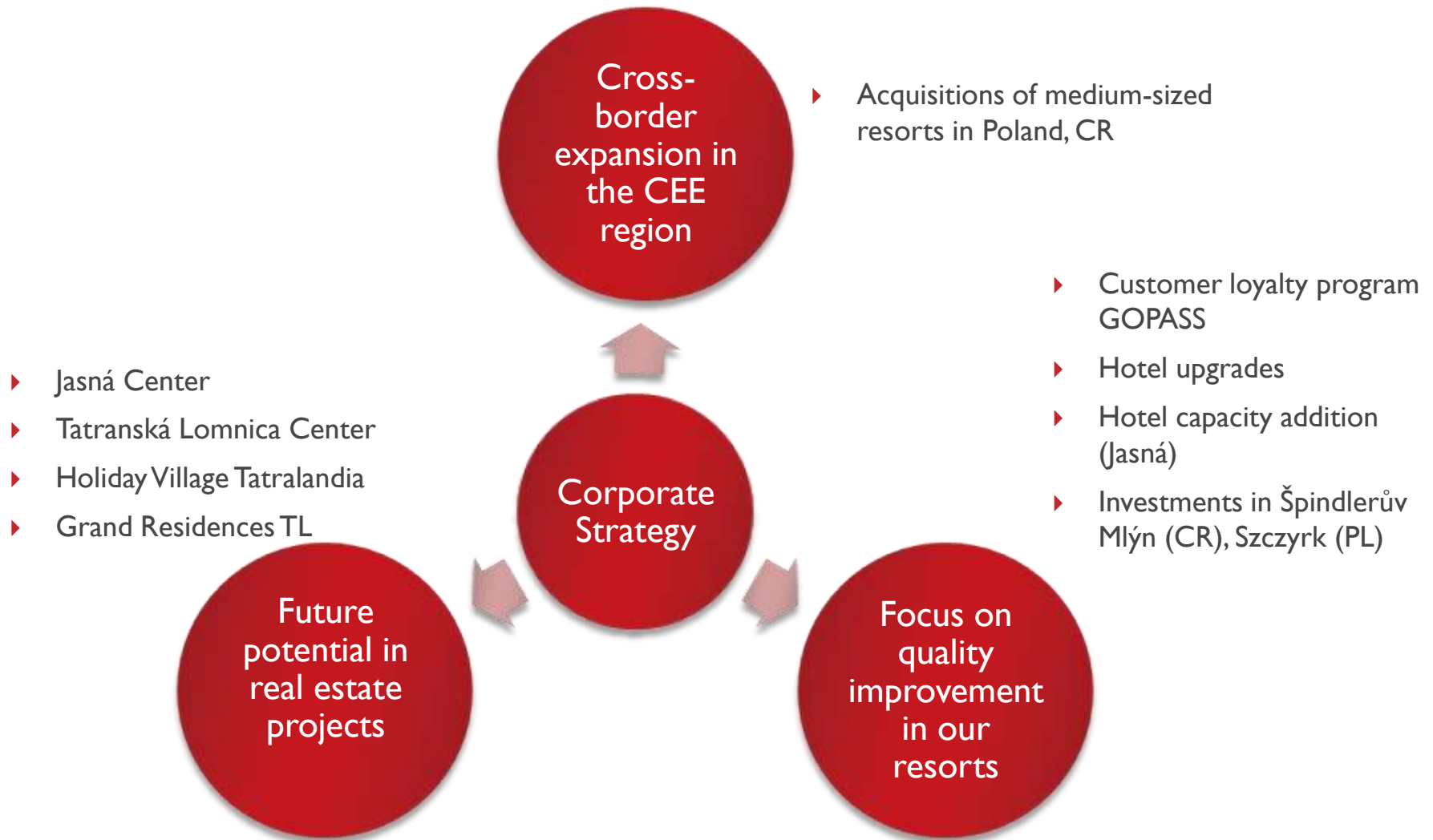


## Where We Go from Here



# Strategic Goals for Medium Term

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Q & A



**Thank You for Your Attention**

