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Financial Analysis of the Biggest Hotel Companies

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I certify that this dissertation is my own work and contains no material which has been accepted for the award of any degree or diploma in any institute, college or university. Moreover, to the best of my knowledge and belief, it contains no material previously published or written by another person, except where due reference is made in the text of the dissertation.

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Abstract

The aim of this thesis is to examine the financial performance of the largest hotel companies in Greece. Nowadays, the country is experiencing difficult times due to the economic crisis but tourism and hospitality in Greece is a vital industry for the financial future of the country. Hence, it is essential to present the change of the financial position of the companies the last years and the current status of the industry. Furthermore, assuming the importance of the tourism industry in a country like Greece, there will be a presentation and analysis of the financial leverage and borrowing of the hotels and their effect on the profitability in order to explore the factors which play an important role in the profitability and liquidity of enterprises. For the purpose of this analysis, we used data from the thirty most profitable, using the turnover ratio, hotel businesses in Greece of the years 2011-2015. Using a wide range of data from ratios (ROE, ROA) to internal figures (profits-losses) we found that there have been changes throughout the years and we present the most significant of them in this thesis. Finally, we have come to the conclusion that the results of this analysis highlight different aspects of the problems that the hotel sector faces and we give a few suggestions in order these problems to be solved.

Preface

Before you lies my thesis for the MSc in Hospitality and Tourism Management, which was written in order to fulfill the graduation requirements of the program. The theme of the dissertation was formulated in collaboration with my supervisor, Dr. C. Gross. The research might have been difficult, but my studies in finance through my bachelor and master degrees along with my briefly working experience in the field helped me conduct, successfully I hope, this analysis. I would like in this point to thank my supervisor Dr. Grose for his guidance and support during this process. My family also deserve a particular note of thanks for their faith and support in me and I wish to dedicate this dissertation to all of them and especially to my late grandfather, who always made me feel special and capable of achieving every goal I set. I wish you enjoy your reading.

Vatalis Aristovoulos
28/02/2018

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1. Introduction

It lies beyond the shadow of a doubt that tourism is concerned as one of the most vital sources of income for most of the countries in the world. Apart from the economic factor, the impacts of tourism globally are also social, cultural, and environmental. According to the Manila Declaration on World Tourism of 1980 «Tourism is considered an activity essential to the life of nations because of its direct effects on the social, cultural, educational and economic sectors of national societies and their international relations». Nonetheless, the international economic crisis has affected many global economies and has caused major changes in tourism. These trends influence mainly countries with economies heavily dependent on tourism, like Greece, which is one of the most affected countries in Europe by the economic crisis (Guduras, 2014). However, in recent times tourism is characterized by the ability to become the core of the new development policy, focused on overcoming the economic crisis. Thus, tourism gained lot of attention in Greece (Galanos, 2013).

1.1 Purpose of the Study

The economic recession of the country has affected the operations and business status of different industries. As we mentioned above, in spite of the drastic conditions imposed by the economic recession, the tourism industry managed to survive during this turbulent period effectively and present a growth over the last years. Equally important is the hotel industry and its influence to the economy, because of its directly association to the tourism industry. This paper will examine the contribution of the hotel industry in Greek economy, by analyzing the financial data from 2011 to 2015 of the first thirty hotel companies in Greece according to the operating income of the last year. This analysis is aiming on show us the importance of the hotel industry in Greece, as the main source of investments in tourism sector and help us give the right suggestions in order Greek economy to be helped even further.

The analysis will be focused on the average data of the companies and their changes over the five year period. Assuming that the financial borrowing and the total debt affect greatly the profitability of the hospitality industries we will explore their profitability and liquidity. In other words, we will present the financial performance of the biggest hotel companies in Greece from 2011 to 2015. Furthermore, there will be an additional presentation of some individual data of the companies, as well as the most significant changes that the companies' numbers have displayed during the five years. This aims at giving a more detailed image of the thirty companies of the sample, apart from their overall alteration. Additionally, there will be a presentation of the reasons behind the most significant changes of the companies' numbers in order to understand the true purposes of some major variations. By the end of this analysis, it would be shown whether the companies have strengthen their financial position over the years or not, and if it would be possible to raise the profitability of the whole tourist sector by raising the profitability of the hospitality industries.

1.2 Template of the Study

In order the findings of the study to be as sufficient as they could be, the data have been selected from the database of the International Hellenic University and the financial statements of each company. The structure of this thesis consists of three main parts that will eventually give us the desired outcome to come to the final conclusion. The first part consists of some general information about tourism as well as some useful data about the tourism industry, the hotel sector separately and their influence over Greece's economy and more specifically in the country's GDP. In the second part of the thesis can be found the analysis of the companies as a whole and individually. In this part, there will be a presentation of the assets of the companies, their capital structure, their financial performance and some significant financial ratios over a period of five years from 2011 to 2015. In the last sector of this thesis, there will be a presentation of the findings of the analysis along with a SWOT analysis with the most important internal and external factors that affect the hotels in Greece. Finally, some suggestions will be presented in order to help the companies decrease the number of their financial problems and raise their liquidity and profitability.

1.3 Literature Review

The overall goals of this subsection are to establish the importance of the general field of this study and then to identify where a new contribution could be made. Undoubtedly, the contribution of the hotel sector in Greece's economy has led many researchers and analysts into conducting studies about it. One study, focused in the significance of tourism and its benefits to the Greek economy, has been conducted by Dr. Aris Ikkos and Mr. Serafim Koutsos (Ikkos & Koutsos, 2017). The study presents in numbers the size of the financial contribution of tourism in the country's economy, the increase of the arrivals the last few years and the raise of the revenues respectively. Furthermore, there have been studies based on the positive influence of the hotel sector through the years of the economic crisis of Greece and how tourism serves as a key pillar of the Greek economy. The most prestigious of these may be the one written by Dr. Andreas Papatheodorou and Dr. Pavlos Arvanitis of the Aegean university (Papatheodorou & Arvanitis, 2014). According to this research, the adverse effects of the economic crisis do not keep up with the operation of tourism, however the ongoing deep recession abridge its growth. Apart from these studies, there are many others, as long as a lot of researches and thesis that have undertaken similar subjects and tried to decompose them. Moreover, the current thesis examines the largest hotel companies in Greece and analyzes their financial position over a period of five years. Consequently, based on previous literature, there has been an extended effort in acquiring the right data and analyze them in order to present the results in this thesis, which will hopefully help us understand the importance of the hotel sector in the economy of the country and also the change of the financial position of its biggest companies the last five years.

2. General Information about tourism

2.1 History of tourism

To find the origins of tourism we have to go back to the antiquity. Recreational and educational travel already existed in the classical world era and even earlier in ancient Egypt under the rule of the pharaohs (Gyr, 2010). The first journeys, were conducted by travellers who wanted to admire the historical monuments like the Sphinx and the great pyramid of Giza. The ancient Greek travelled to Delphi to question the Oracle, while the ancient Olympic Games were the first known event, which promoted the sports tourism in the then-known world. One of the most famous travellers of the history, is the great writer Herodotus (485-424 B.C), who wrote down his experiences of a great number of historical trips in North Africa, Libya, Babylonia, Egypt, the Black sea as far as the Don River and Italy (Britannica, 2007).

The next phase of tourism is bound to the classical Rome. There started the first forms of holiday tours, due to the development of infrastructure. Around 300 A.D., there existed a vast road network of 300,000 kilometres of major and smaller rural roads which allowed not only the transport of soldiers and goods, but also private travel of wealthy Romans, who conducted trips both for leisure and for educational purposes (Gyr, 2010). Furthermore, the classical world developed a form of medical tourism with health retreats in thermal baths and luxury healthcare locations. Although, the decline of the Roman Empire was followed by a period of instability, which ended the development of roads and brought an end to the majority of the trips and journeys.

However, the Renaissance and the Enlightenment afterwards, brought a new wave of travellers for cultural, social and political reasons along to those we were searching for new inspirational sources in art, philosophy and music. As we proceeded into the 19th century, tourism became one of the most important occupations of the upper and middle class, due to the need of the people to experience nature, culture, religious and arts directly on the spot as well as to know other people with familiar interests from different countries to exchange opinions. These information gathering journeys driven by professional interests and economic motivations played a very important role in the development of industry, manufacturing, trade and agriculture, giving tourism a fundamental role in the growth of countries.

In the early 18's, the man that changed the future of tourism is born. His name is Tomas Cook and his is considered to be the founder of modern mass tourism. Cook is the inventor of guidebooks, hotel coupons, travellers' checks and through his travel agency is the first who sent organized trips for leisure, for sightseeing and even for religious purposes (Sudakov, 2013). In 1919, tour operator Thomas Cook used aircrafts to transport tourists and gives the opportunity to anyone to travel the world and expand his experiences more than ever before. From that time till today, mass tourism has been the source of great income for countries and has become a necessity for the majority of the world's population.

2.2 The categories of Tourism

Regarding the definition of tourism, the most widely accepted description of a tourist is «someone who travels at least 80 km from his or her home for at least 24hours, for business or for leisure or for other reasons» (Westcott, 2012). According to the United Nations World Tourism Organization, tourism is divided in three categories:

- The Domestic tourism, which involves the residents of a certain country who travel only within this country. For example, a family from Athens taking a trip to Thessaloniki for the Christmas holidays is an example of domestic tourism.
- The Inbound tourism, involving the non-resident visitors of a given country. For example, when we use this term in Greece we are referring to the people from different countries coming to Greece on holidays.
- The Outbound tourism, involving residents of a certain country traveling in another country. For example, an outbound tourist of Greece is a Greek citizen, who went to France on holiday.

Besides these three types of tourism, there are also three derived groups:

- Internal Tourism: Is the tourism of visitors, both resident and non-resident, within the economic territory of the given country. It comprises the domestic and the inbound tourism of a country.
- National tourism: Is the tourism of resident visitors, within and outside the economic territory of the given country and comprises the domestic and the outbound tourism.
- International tourism: Is the tourism of resident visitors outside the country of reference and the non-resident visitors within the country of reference, so it consists of inbound tourism and outbound tourism.

2.3 The alternative forms of tourism

From the mid-70s new forms of tourism emerged as an alternative solution to the traditional form of tourism, the mass tourism. These new types of tourism served a more sensitive approach giving priority to natural and cultural resources at the front line of planning and development (Triarchi & Karamanis, 2017). Some of the most significant alternative forms of tourism are mentioned below.

- Cultural tourism, which is strongly bound to a country's or region's culture, specifically the lifestyle of the people of this area, the history and traditions, the art, the architecture and all the elements that helped shape the way of life in this place. Culture is an important element of the tourism product, as it has become more popular the last few years, contributing in the economic growth of the countries and helping preserve their cultural heritage. A cultural trip includes visits in archaeological sites, in museums, in art galleries, in historic towns, in places with unique architecture as long as attendances in cultural events, such as art festivals, films, theatre, traditional music and dance events

- Religious tourism is often included in cultural tourism, however it should be considered as an entirely separate form of tourism because of its importance and its history. Religious tourism begins almost with the dawn of tourism itself, as the first religious tourists were the ancient Greek and Romans, who visited holy places and religious attractions. Nowadays, millions of people travel to holy cities, such as Mecca, Medina, Karbala, Jerusalem and the Vatican City for pilgrimage, for sightseeing and to understand and apply their faith in a higher spiritual level.
- Another form of tourism is the medical, which refers to people travelling to another country in order to obtain medical treatment. Medical tourism might exist either in developed countries with major medical facilities for more rare diseases or smaller developing countries with lower priced medical treatments. People with rare conditions may travel to countries where the treatment is better understood, although almost all types of health care are available, including psychiatry, alternative medicine and even convalescent care and burial services.
- Sport tourism is a rapidly growing niche in the tourism industry and is considered as the fastest growing segment within the industry, generating over 8 billion dollars of revenue annually. Sports tourism is any traveling that is done with primary reason a sports event, game or a team even if there is a sports participation travel or a sports spectatorial travel (Jumpsix, 2016). The last few years the outburst of extreme sports has led thousands of people to visit places notably for bungee jumping, skydiving, kitesurfing, rafting, mountain boarding, rock climbing and much more. Along with the travellers of the traditional sports like football and basketball and the main sports events like the Olympics and the FIFA World Cup, it is easily understood why sports tourism is widely considered as one of the world's largest social phenomena.
- Last but not least, one of the most recent forms of alternative tourism is the ecotourism. Ecotourism developed in 1970s and 1980s within the boom of the environmental movement which was taking actions against the negative impact of mass tourism to environment (Triarchi & Karamanis, 2017). Recently, the importance of the preservation of nature has been enhanced by science that has confirmed that biodiversity is necessary for human wellbeing and survival. The financial benefits generated from ecotourism are valuable for both local people and private industries. Furthermore, it minimizes physical, social and psychological impacts, while it provides positive experiences for all the engaged parties. Ecotourism may be the newest of the types of tourism, but is definitely the most important cause through sustainable development, contributes in the protection of the natural and cultural heritage not only of the areas that thrives, but of the whole planet.

2.4 Tourism in Greece

The roots of Greece's tourism, go way back to the ancient times. From the commercial and the cultural exchange between the Greek colonies and the then known world to the visits of the Romans to the famous centres of Greek civilization, tourism was an important factor in ancient Greece. With Athens being the most prolific place to visit, as it was the cradle of Western civilization and the birthplace of democracy, arts and philosophy, there were also other highly visited cities in ancient Greece as Corinth, Thebes and Pella

Nowadays, Greece is a country well known of its natural beauty, its vast number of beautiful islands, its hospitable people and as a result of these is one of the most favourite holiday destinations in Europe. In fact, Greece came in the 7th place among the European countries with the most international tourism arrivals in 2015, with 23.6 million visitors (GTP, 2017). Even more impressive is the continuous increase of the numbers, while the arrivals have been increasing the last four years, indicating a total raise of 43.66% from 2011 as we can see in Table 1.

Table 1: International Tourism Arrivals

International Tourism (Number of arrivals)					
	2015	2014	2013	2012	2011
Total Arrivals	23,599	22,033	17,920	15,518	16,427

Source: The World Bank Data – Numbers in Thousands

Due to the Greek Tourism Confederation (SETE), in 2015 Greece welcomed almost 23.6 million tourists, permanent residents of other countries and received nearly 13.7€ billion, as we can see in table 2 below. Inbound tourism showed an increase, for the third consecutive year, in arrivals of 7.1% and in revenues of 5.2% (Ikkos & Koutsos, 2017). Moreover, according to ELSTAT estimates, the Greek GPD came to 175,697€ million in 2015, down -1.3% from 2014, while tourism activity rose by 691€ million directly or approximately 1.5€ billion indirectly and directly due to the additional indirect and induced economic activity generated by tourism (IOBE, 2012). If we add to these numbers, an increase of 9.6% to the employment development from 2014 to 2015, we can easily come to the conclusion that tourism serves as an important fortification against the worsening crisis.

Table 2: Inbound Tourism in Greece in 2015

Inbound Tourism (2015)				
	Arrivals	%	Revenues (€)	%
January	606.14	3	166.937	1
February	509.18	2	141.507	1
March	613.09	3	197.814	1
April	934.23	4	453.183	3
May	1,870.17	8	1,179.652	9
June	3,032.87	13	1,897.000	14
July	4,408.55	19	2,894.184	21
August	4,993.46	21	3,367.216	25
September	3,649.70	15	2,123.788	16
October	1,852.67	8	834.66	6
November	641.45	3	227.56	2
December	487.90	2	202.55	1
Total	23,599.45	100	13,686.06	100

Source: ELSTAT: BOG – Processing: SETE Intelligence – Numbers in Thousands

Tourism is Greece's heaviest industry. However, it wasn't always like that. Back in the 1950s, the number of tourists that visited Greece hardly reached 33,000 (Alloush, 2014). In the following years though, the outburst of mass tourism affect positively the tourism in Greece that reached its peak in mid-1990s. The last few years, as we have mentioned the number of the tourists that visit Greece are steadily rising. Furthermore, the profits of their arrival are extremely significant, while when the revenues reached 13.94 billion euros in 2015, the expenditures were just 2.85 billion euros. Despite the fact that tourism in Greece is intensely seasonal due to the influence of the Sea and Sun holidays in summer months, its contribution to the country's GDP and employment has served to shore up the Greek economy against the recession of the last years (Ikkos & Koutsos, 2017).

2.5 The Hotel Sector in Greece

The hospitality industry applies to any company that is focused on customer satisfaction and meeting leisurely needs rather than basic ones. While this industry is very broad, the analysis of this thesis will be focused in the hotels and not in other companies of the sector like the cruise ships and the airlines. The hotels have proven to be a pillar of development during the economic crisis, by significantly raising their investments in 2014 and 2015. Especially in 2014 the total investments by hotels amounted to 785 million euros. However, in this amount is added the imported goods and services along with the goods and services of domestic added value, which share is estimated at 56% for new buildings and facilities and 44% for renovations. Consequently, investments in the hotel sector for 2014 were estimated at 400 million euros net of imports (Ikkos & Koutsos, 2017).

Furthermore, there are also indirect benefits of tourism that reflect to other sectors rather than Hotels, which had led the Centre of Planning and Economic Research (KEPE) to create a multiplier in order to measure the effect of tourism in Greece's GDP. In table 3 below can be shown the revenues of tourism in each sub sector and their multiplier. According to the data from KEPE, the resulting tourism multiplier for the Greek tourism economy amounts to 2.65, which means that for every 1 euro generated from tourism activity, an additional 1.65 is generated for indirect economic activity and thus the GDP of Greece increases by 2.65 euros in total.

Table 3: Indirect Benefits of Tourism

	Distribution of Tourism Revenues %	Multiplier
Accommodation	45.30	2.50
Food services	18.00	2.50
Maritime transport	9.00	2.41
Road transport	7.10	3.25
Air transport	5.40	2.98
Retail trade	4.90	3.69
Entertainment	3.80	1.90
Travel agencies	3.70	3.68
Car rental	1.80	1.39
Conferences	1.00	4.13
Weighted Average	100.00	2.65

Source: KEPE, IOBE – Processing: SETE Intelligence

The revenues for accommodation reach 45.3% of tourism activity and represent the revenues of hotels, rented rooms, villas etc. As already stated the GDP of Greece in 2015 was approximately 175.7 billion euros while the direct contribution of tourism was 10% or 17.6 billion. Taking into consideration the multiplier effects, the total contribution of tourism in Greece's GDP was 26.5% or 46.6 billion euros. Compared to the GDP of 2014 that was 177,941 million euros and dropped by 2.2 billion euros, tourism activity rose by 691 million euros directly and 1.8 billion euros indirectly and directly. These numbers can be shown in table 4 below, along with the individual effect of the hotel sector to the GDP the last two years, which was increased such as the tourism activity overall.

Table 4: Greece's GDP

	2014	2015
GDP of Greece	177,941	175,697
Direct contribution of Tourism	16,880	17,571
Weighted Average (Multiplier)	2.65	2,65
Direct and Indirect contribution of Tourism	44,731	46,562
Direct contribution of the Hotel sector	7,646	7,959
Weighted Average (Multiplier)	2.50	2,50
Direct and Indirect contribution of the Hotel sector	19,115	19,897

Source: SETE Intelligence –Numbers in Millions (€)

Moreover, the last ten years, the number of the Greek hotels raised almost by 1,000 units, while only for the period 2009-2012 the number of the beds raised almost by 39,000 units (Ketzietzis, 2016). In total numbers, the hotels in Greece in 2015 were 9,757 with 406,200 rooms and 784,315 beds. In table 5 can be shown the hotels in Greece by type from 2011 to 2015 and the total numbers each year. With reference to the hotels by type, there is a continuous increase of the biggest and more luxurious hotels of categories four and five, while the smaller one star and two star hotels are steadily declining. The increase of the hotels in Greece by total may not be so significant, however the increase of the five and four star hotels indicates a higher quality in Greek tourism sector, contributing in the raise of the competitive advantage of the Greek tourism product.

Table 5: Classification of Hotels in Greece

Hotels in Greece by type						
YEAR	5*	4*	3*	2*	1*	TOTAL
2015	419	1,340	2,436	4,110	1,452	9,757
2014	375	1,298	2,402	4,198	1,472	9,745
2013	361	1,277	2,358	4,203	1,478	9,677
2012	352	1,252	2,328	4,234	1,504	9,670
2011	334	1,234	2,289	4,274	1,517	9,648

Source: www.grhotels.r

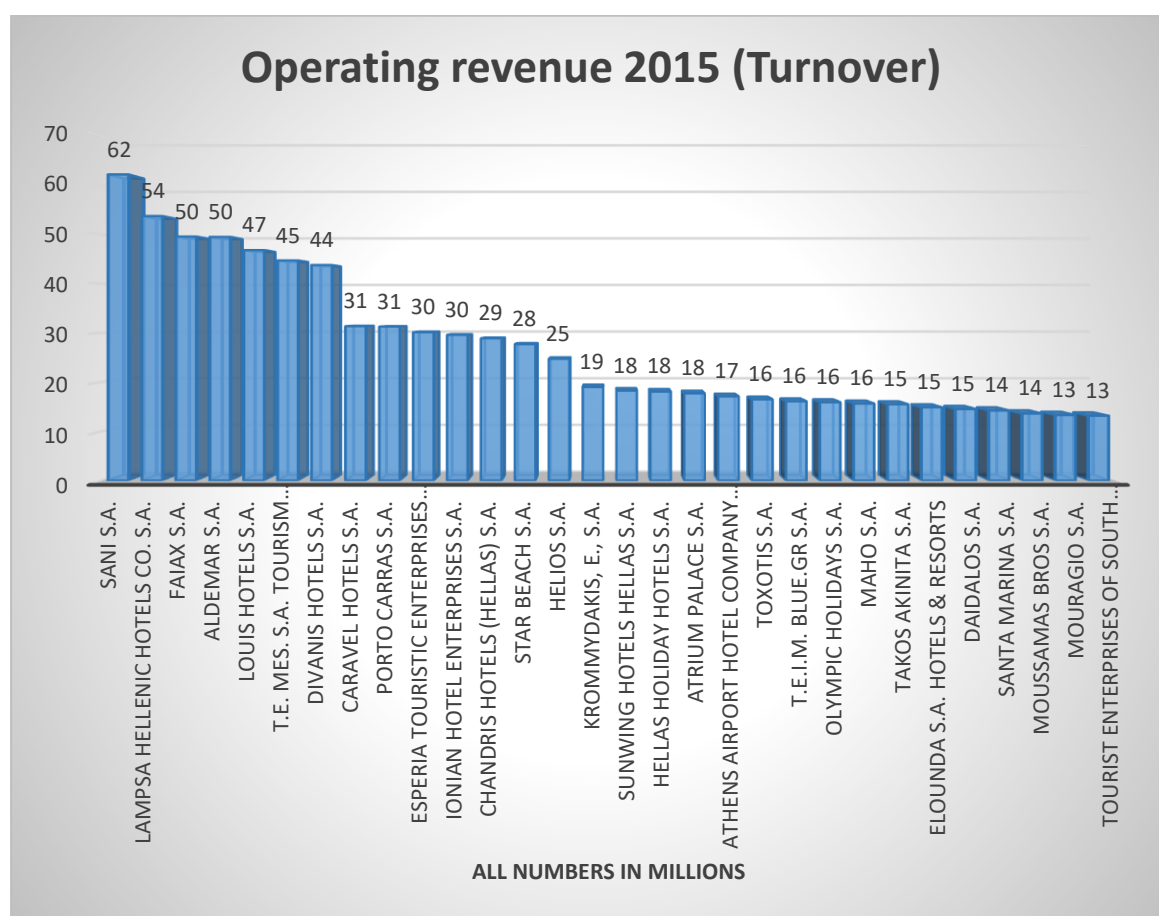
3. Financial Analysis of the Companies

3.1 The Companies

3.1.1 Sample

In order the results to be as sufficient as it could be, the sample of the research consists of the first thirty hotel companies in operating revenue according to 2015 numbers. The companies and their revenues can be shown in the below table. Indicative can be mentioned that the three first companies were Sani S.A., established in Chalkidiki in 1971, with total revenue of 62.22 million euros, Lampsa Hellenic Hotels S.A., owning the famous hotels Great Bretagne and King George in the center of Athens, with 53.75 million euros and Faiax S.A., which is a part of Grecootel Group of Daskalantonakis family, with revenue of 49.58 million euros. As far as it concerns the last companies of our sample, these were Moussamas Bros S.A., Mouragio S.A. and Tourist Enterprises of South S.A., with 13.61, 13.31 and 13.37 million euros respectively.

Figure 1: Operating Revenue of 2015



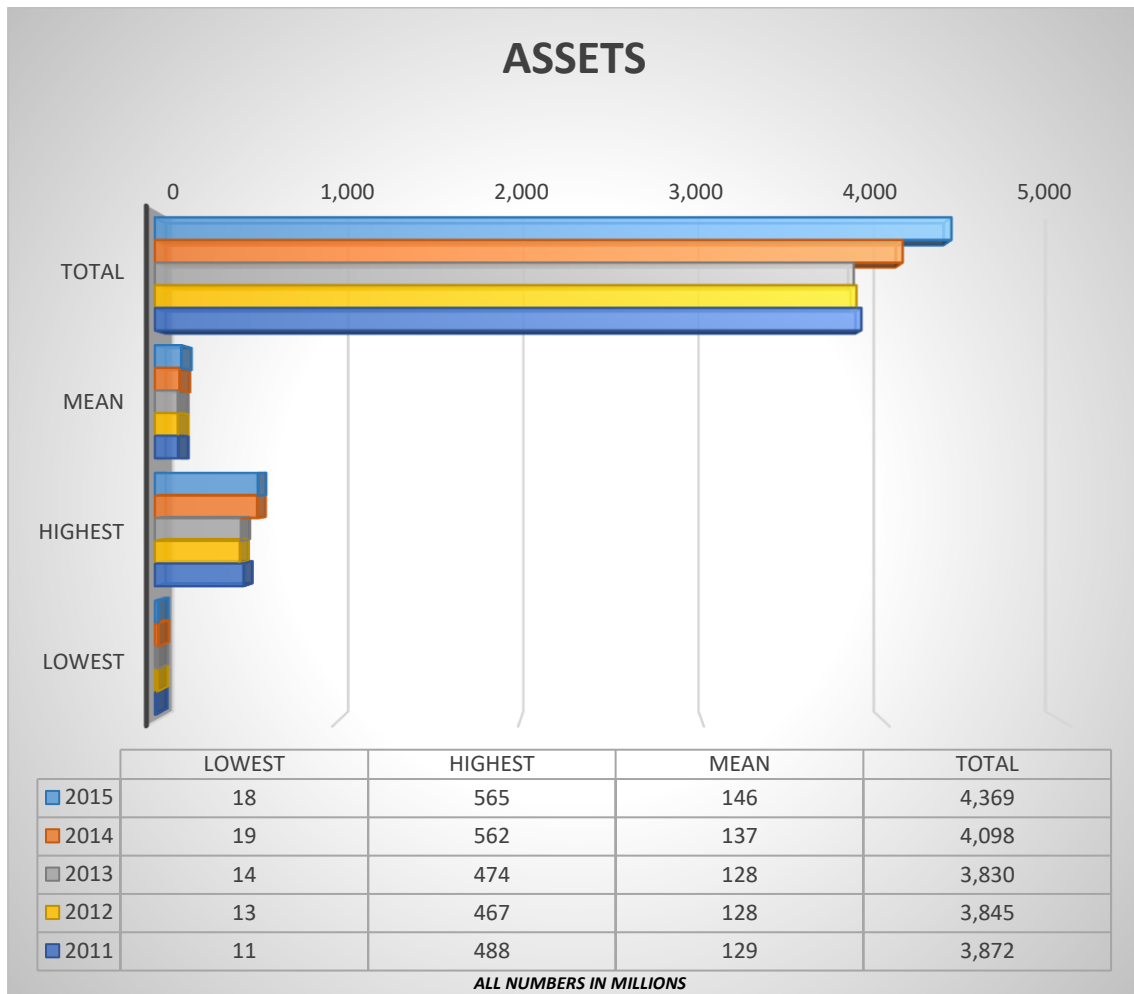
3.1.2 Assets

The assets of a company represents the resources it owns and expects that they will provide future benefit. In figure 2 below, we can see the total assets of our sample, the highest and the lowest amount and the mean of our sample during the five year period from 2011 to 2015. The company that owns the biggest proportion of assets is Helios S.A. with a great activity in Crete and other islands, while the one that owns the smallest allotment is Athens Airport Hotel Company, which owns the Sofitel hotels. The total assets owned by the biggest hospitality industries reached its highest number in 2015, with a total value of 4369 million euros, while as it is depicted in the table, the assets were continuously increasing the last three years. The overall increase of the total assets from 2011 to 2015 was 12.84%. This increase of the total assets shows an important improve of the net worth of the companies and by extension of the industry, if you compare it with the total liabilities of table 3 which didn't display any significant changes.

Although the increase of the total assets of our sample, there were also some companies which suffer downsize of their assets during the five year period. The company with the greatest decrease of its assets was Lampsa Hellenic Hotels CO. S.A. with 21.18%, from 170 million euros in 2011 to 134 million euros in 2015. There were also two additional companies whose decreases displayed a double digit percentage. The first one is Elounda S.A Hotels and Resorts, owner of three luxury hotel properties in the area of Elounda in Crete, with a decrease of 10% from 99 million euros in 2011 to 110 million euros in 2015. The other one is T.E.I.M. Blue GR S.A., which owns the bluegr collection of luxury hotels in Athens, Crete and Rhodes, with 10.53% decrease from 85 to 95 million euros during the five year period.

On the other hand, the companies with the highest increases of their assets from 2011 to 2015, were Sani S.A., Louis Hotels S.A. and Santa Marina S.A. The greatest increase was 481.82% of the Santa Marina S.A, whom acquired assets worth 64 million euros in 2015 from 11 million euros back in 2011. The main reasons of this change were the construction of the five star hotel Santa Marina Arachova Resorts and Spa, as well as the renovation of the Santa Marina Resort and Villas in Mykonos during this period. The opening of eight renovated hotels in Greece and Cyprus led Louis Hotels' assets to increase 203.45% from 58 in 2011 to 176 million euros in 2015. Worth mentioning is the renovation of the Colossos Beach Hotel in Rhodes, which after the integration of the renovation has been renamed to Amada Colossos Resort. Another significant increase of its assets was presented by Sani S.A. after the takeover of Ikos S.A. in Chalkidiki in 2015. As a result of this takeover, Sani's assets raised 168.22% from 107 in 2011 to 287 million euros in 2015. To sum up, the overall increase of the total assets of the companies along to the stability of the liabilities has led to an overall enhancement of the financial position of the biggest companies of the hotel industry during the five year period we examine.

Figure 2: The Assets



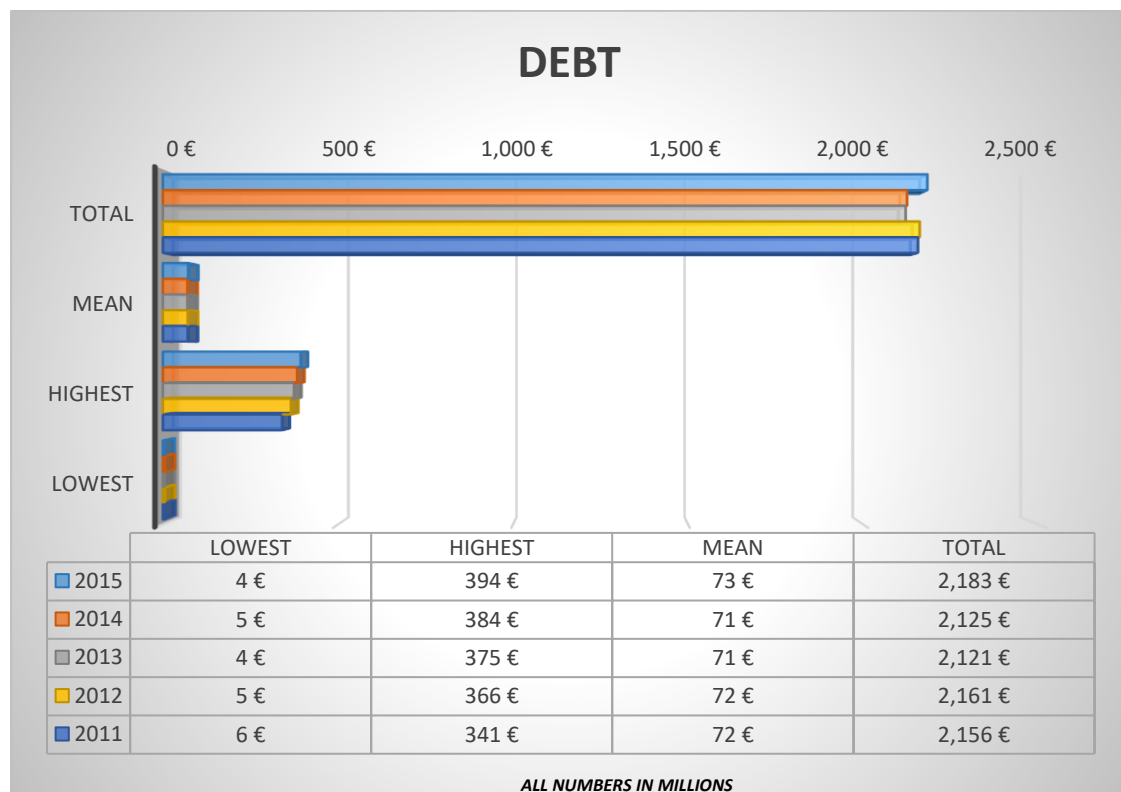
3.1.3 Capital Structure

The capital structure is the combination of the debt and equity the companies use to finance their long term operation and growth. After the analysis of the assets, it is crucial to examine also the capital structure of the companies, in order to see the companies' degree of leverage, their net worth and their financial risk overall. In figure 3 we can see that the total debt of the companies, as well as their mean, have not suffered any dramatic changes over the period of the five years, increasing only 1.25% from 2,156 million euros in 2011 to 2,183 million euros in 2015. That means that the companies have not increase their liabilities by far, however by increasing their assets, as it can be shown in figure 2, they have managed to improve their net worth and enhance their financial position.

The company with the highest debt obligations was Helios S.A., something that can be easily explained if we notice that Helios also owns the biggest proportion of assets. This fact leads us to the conclusion that the company increased its liabilities from 341 to 394 million euros by taking either short term or long term loans, as it had to meet its requirements regarding its investments and its acquisitions of assets. Louis Hotels S.A. that we have mentioned previously, as it has increased significantly its assets, has also increased its debt by 105.55% from 54 in 2011 to 111 million euros in 2015, in order to finance the renovations that have been made. Finally, Porto Carras S.A.; one of the biggest and most luxurious resorts in Greece includes two five star hotels, a private casino, marina and vineyard. Porto Carras reached 163 million euros of debt obligations in 2015 from 122 million euros in 2011, showing a raise of 33.60%.

In contrast, the companies that had the less debt obligations over the period of the five years were Athens Airport Hotel Company S.A. with 6 and 5 million euros in 2015 and 2014 respectively, Olympic Holidays S.A. with 4 million euros in 2013 and Sunwing Hotel Hellas S.A. with 5 and 6 million euros in 2012 and 2011 respectively. The companies nonetheless that showed the greatest declines of their debt obligations were Sani S.A., Lampsas Hellenic Hotels CO. S.A. and T.E.MES S.A. (Tourism Enterprises of Messinia). Even though Sani has increased its assets after the takeover of Ikos S.A., it managed to decrease its debt obligations by 39.13% from 46 in 2011 to 28 million euros in 2015. Lampsas S.A. has dropped its own liabilities by 37.03% from 51 to 81 million euros over the five year period, following a drop of its total assets as we have mentioned above. Lastly, T.E.MES the owner of the prominent Costa Navarino, successfully decreased its debt by 26.57%, as they dropped from 222 million euros in 2011 to 163 million euros in 2015.

Figure 3: The Debt

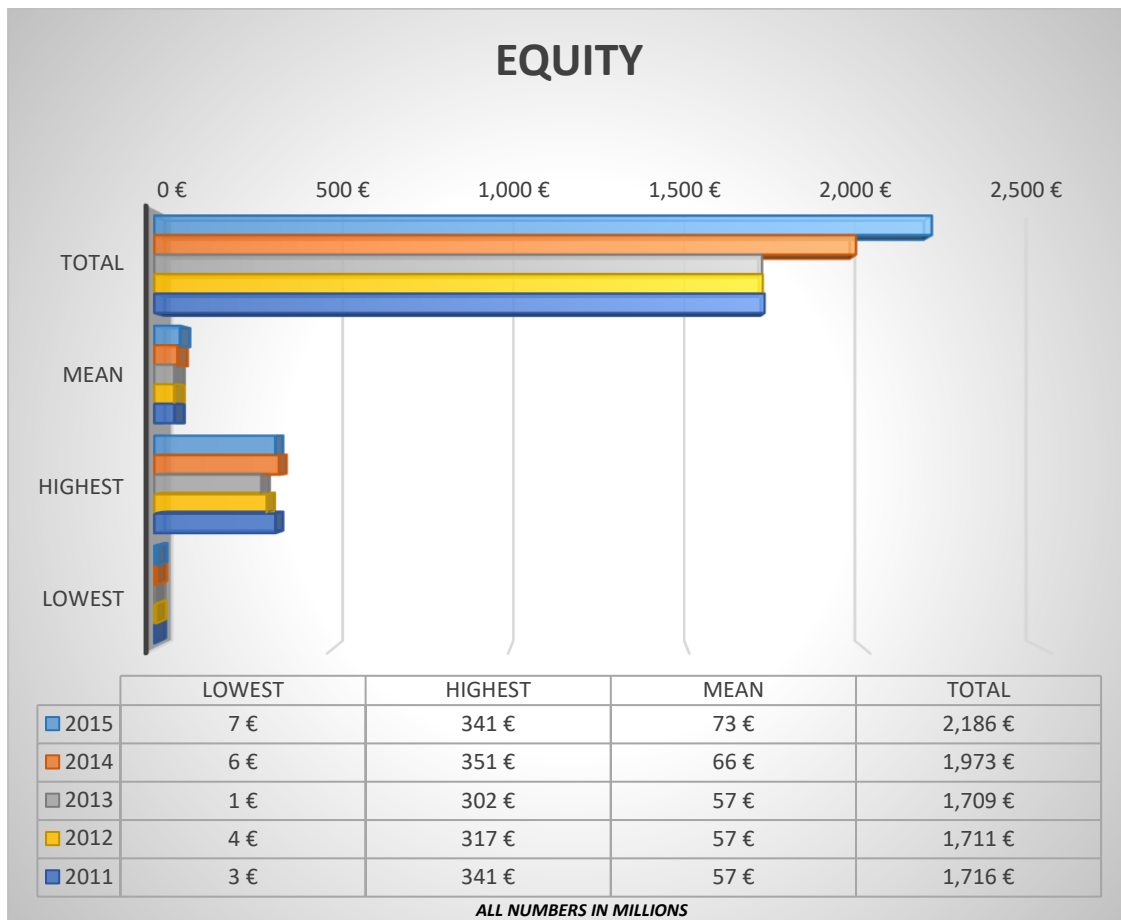


As far as it concerns the equity, the results can be shown in figure 4 below. The total equity of the companies has increased 27.39% from 1,716 million euros in 2011 to 2,186 million euros in 2015. This continuous increase of the equity is a positive aspect for the companies because it indicates a raise of the funds contributed by the shareholders and the retained earnings, which means that probably the profits of the companies have also increased. The analysis of the results of the companies, either profits or losses, will be presented in the following chapters. In this chapter however, we examine the capital structure of the companies of our sample, in order to identify how much debt the companies have used in order to finance their assets relative to the value of shareholder's equity. By comparing figures 3 and 4 we can notice that while the debt of the companies doesn't differ much from year to year, their equity has increased over 500 million euros during the five year period. This leads us to the conclusion that the financial leverage of the companies has been decreased over the years, lowering the financial risk of the stockholders.

Apart from the total numbers of the companies' equity, it is also important to mention the individual changes of equity that some companies have faced. T.E.MES S.A. (Tourism Enterprises of Messinia) for example was the company with the highest equity in our sample in 2015 with a total of 341 million euros, showing an overall change of 28.19% from 266 in 2011 to 341 million euros in 2015. As we can see, T.E.MES a huge company that develops premier luxury resorts in the Mediterranean region with Costa Navarino in Messinia being its flagship development, has decided to finance its investments of the last five years mainly by using its shareholders equity and not by getting any additional loans. The most indicative case of a company that used its retained earnings and funds contributed by its owners to finance a future plan is Sani S.A. As we already have mentioned, Sani completed the takeover of Ikos S.A. in 2015 but has also decreased its liabilities. Consequently, it financed this venture almost entirely by its stakeholder's equity, which has increased 326.23% from 61 in 2011 to 260 million euros in 2015.

On the other hand, the companies with the lowest equity over the period of the five years, were Takos Akinita and Louis Hotels S.A. Takos Akinita, a company founded in 2001 in Rethymno, had the lowest equity of the companies with only 3, 4, 6 and 7 million euros in 2011, 2012, 2014 and 2015 respectively. In 2013 the company with the lowest equity of the thirty, was Louis Hotels, with only 1 million euros. The fact that Louis Hotels stand in the last position of the total equities in 2013 may seem strange, as it is one of the biggest companies in our list, holding a leading position in the hotel sector in both Greece and Cyprus with 23 four star hotels and 5 five star hotels in these two countries. However, if we examine the company's debt that year, we will see that it reached 62 million euros. Hence, the company came to the decision to finance its investments and acquisitions that year mainly by getting loans and not by its stakeholder's equity. Finally, the company with the highest percentages decline of its equity was Elounda S.A. Hotels and Resorts. Elounda S.A. decreased its equity 30.30% from 33 million euros in 2011 to 23 million euros in 2015, a decrease that was also accompanied by an overall decline of its acquired assets during the period of the five years.

Figure 4: The equity



3.2 Financial ratios

3.2.1 Current Ratio

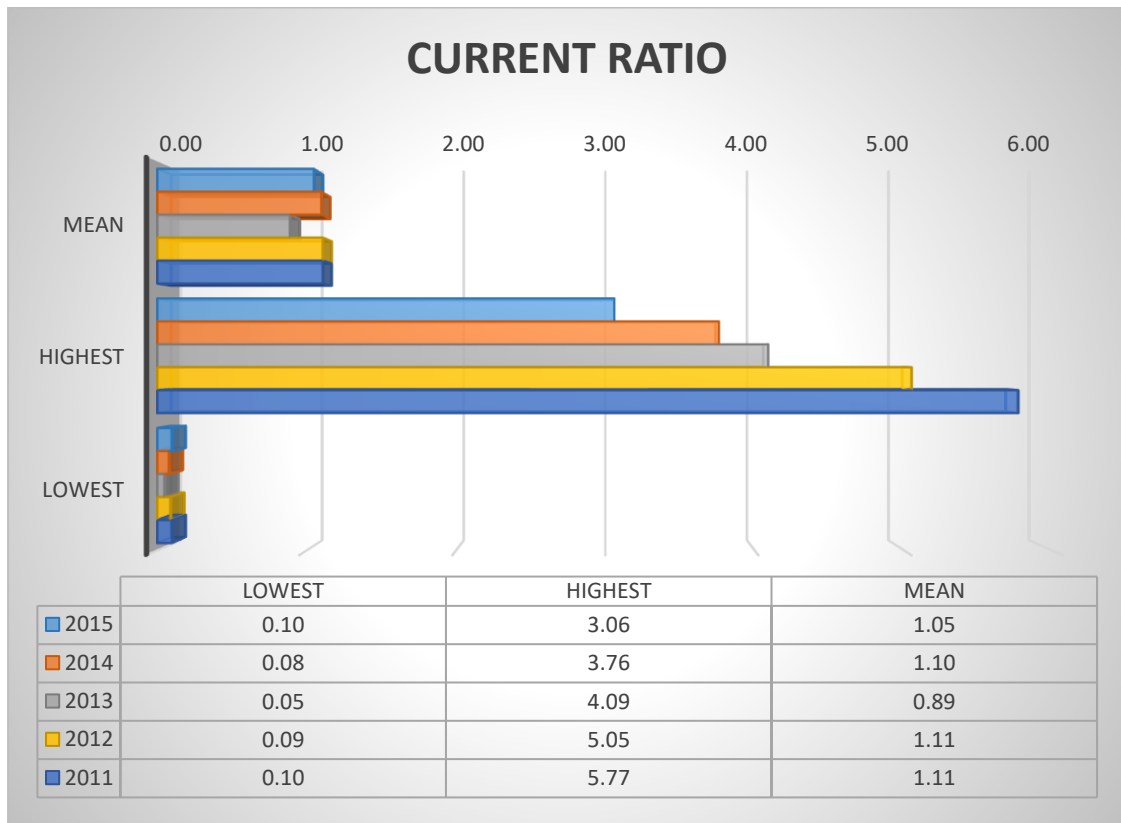
The current ratio, also known as working capital ratio of the given year shows us whether the firm is able to repay its current liabilities or not. The examination of the current ratio of the companies will give us useful information about the ability of the companies to pay their short term and their long term obligations over the five year period. According to figure 5, the mean of our sample declined 5.41%, from 1.11 in 2011 to 1.05 in 2015. Even though the ratio has declined during the years, it remained over 1, indicating that the companies in average have had a larger proportion of asset value relative to the value of their liabilities. The year with the overall lowest current ratio was 2013 showing a decrease of 19.82%, which indicates a difficulty of the companies in average to pay off their liabilities if they came due to that point. However, the next year the current ratio of the companies has increased 23.60% restoring the balance and showing that the assets of the companies were again greater than their liabilities.

Moving to the companies separately, the companies that showed the highest current ratio over the years, were Olympic Holidays S.A. with 3.06 and 3.76 in 2015 and 2014 respectively, Sunwing Hotels Hellas S.A. with 4.09 and 5.05 in 2013 and 2012 respectively and T.E.MES S.A. in 2012 with 5.77. Although the higher the current ratio is, the more capable the given company is of paying its obligations, a current ratio of over three may suggest that the company isn't using its current assets properly or is not managing its working capital well. On the other hand, a very low current ratio shows that the company isn't in good financial health and may even face the possibility of bankruptcy. In our sample, the companies with such a problem, were Maho S.A. with the lowest current ratio in 2015, Helios S.A. with the lowest current ratio in 2014 and Elounda S.A. that had the lowest current ratio in three years in the row, with 1.10, 1.09 and 0.05 from 2011 to 2013. As we already have mentioned above, Elounda S.A. has showed a big decline of its assets over the five year period, and the results of this decline can be shown in its problematic current ratio.

The companies that suffer the biggest declines of their current ratio during the five years, were Helios S.A. and Louis Hotels S.A. Apart from the lowest current ratio of 2014, Helios showed also one of the biggest declines during the period with 78.36%, from 1.71 in 2011 to 0.37 in 2015. Likewise, the increase of the short term liabilities of Louis Hotels, as it was mentioned above, caused a decline of its current ratio by 36.72%, from 1.28 in 2011 to 0.81 in 2015. Another company that witnessed its current ratio dropping over the years, was T.E.MES S.A., from 5.77 in 2011 to 1.73 in 2015. However, that drop wasn't harmful for the company, because it has successfully managed its working capital in order to improve its financial position. On the contrary,

Star Beach S.A. and Atrium Palace S.A. were two of the companies that have managed to increase their current ratio during these five years. Star Beach S.A. is the owner of some of the biggest properties in Hersonissos in Crete, like Star Beach Village Hotel and Star Beach Water Park and its current ratio increase was 353.19%, from 0.47 in 2011 to 2.13 in 2015. Lastly, Atrium Palace S.A., owner of the luxurious five star hotel Atrium Palace Thallaso Spa Resort and Villas in Rhodes, showed also a huge increase of its current ratio by 263.83%, from 0.47 in 2011 to 1.71 in 2015.

Figure 5: Current ratio



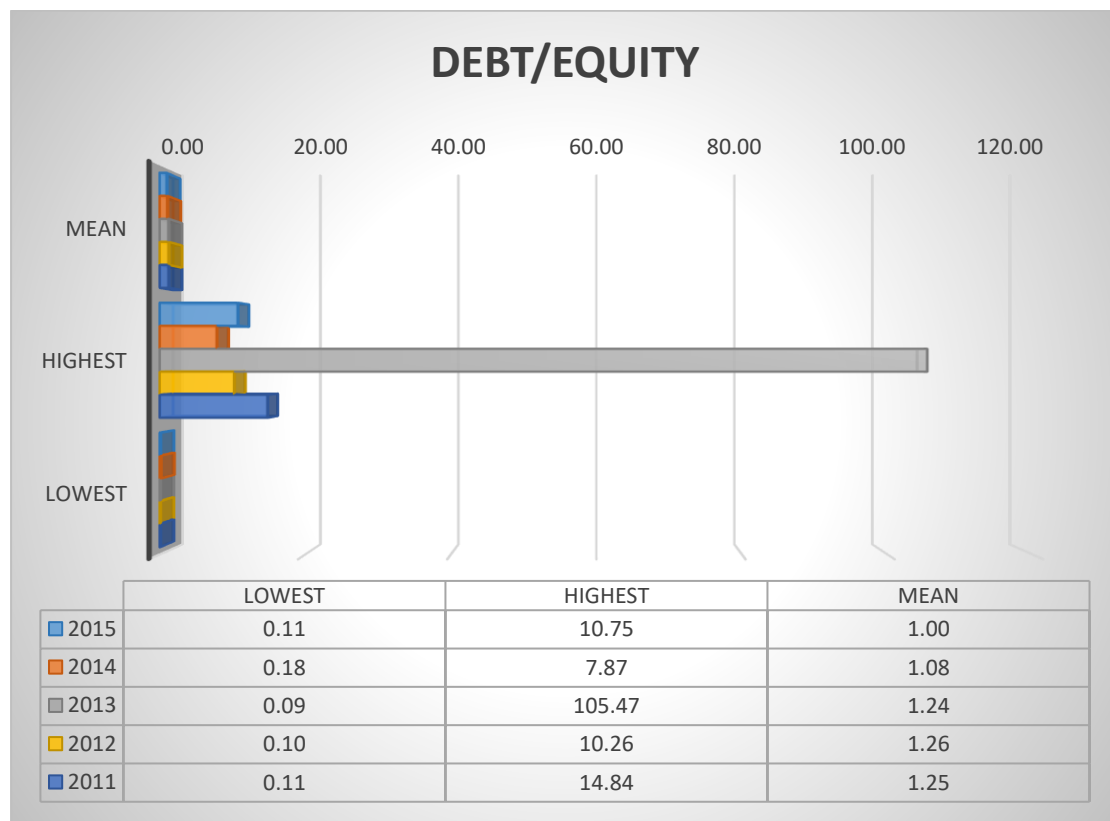
3.2.2 Debt to Equity Ratio

The previous chapters were dedicated to the examination of the debt obligations and the equity of the companies. Nevertheless, it is very important to see them alongside in order to draw the right conclusions on the companies' financial leverage. In figure 6, we can see the highest and the lowest debt to equity ratio as well as the mean of the companies during the five year period. The mean of the ratio has been calculated by dividing the total liabilities of the companies by their total equity each year. As we can see the overall debt to equity ratio the first three years has remained more or less the same due to the minor changes of the total liabilities as well as the total equity of the companies from 2011 to 2013. Nevertheless, the considerable increase of the total equity of the companies the next two years has led the mean of the ratio to fall. From 2013 to 2014, the mean of the ratio has declined 12.90% from 1.24 to 1.08, while the next year has dropped 10.19% from 1.08 in 2014 to 0.97 in 2015. To sum up, the overall debt to equity ratio has decreased 22.40% from 1.25 in 2011 to 0.97 in 2015, indicating a higher increase of the companies' total equity than of the increase of their total liabilities over the five years.

As regards the companies with the biggest debt to equity ratio each year, these were Krommydakis E. S.A. in 2015 and in 2014, Louis Hotels S.A. in 2013, Tourist Enterprises of South S.A. in 2012 and Takos Akinita S.A. in 2011. Krommydakis E. S.A., which owns the Caldera group of hotels in Crete, had the highest D/E ratio two consecutive years, indicating its aggressive policy in financing its growth with debt. As we have already mentioned, 2013 was a year in which Louis Hotels presented a very short amount of equity that led to an extremely high debt to equity ratio of 105,47. However, the significant raise of its shareholders' equity the following years has resulted in dropping its D/E ratio to 1.7 in 2015. Tourist Enterprises of South S.A., a company founded in Rhodes in 1971, presented the highest D/E ratio in 2012 of 10.26 due to its long term policy to finance its operations mainly by receiving loans. Last but not least, Takos Akinita S.A. was the company that presented the highest D/E ratio of all in 2011 with 14.84. Even though, Takos S.A. was the company that displayed the greatest decrease of its ratio during the five year period. The continuous increase of the company's equity has led to a decrease of 58.96% of its D/E ratio, from 14.84 in 2011 to 6.09 in 2015.

On the other hand, the companies with the lowest debt to equity ratio were SANI S.A. in 2015 and Olympic Holidays S.A. from 2011 to 2014. As we have noticed in Chapter two, Sani S.A. came to the decision to finance the takeover of Ikos S.A. mainly by its shareholders' equity, leading to a massive drop of its D/E ratio of 81.36% from 0.59 in 2014 to 0.11 in 2015. Olympic Holidays S.A., established in Kos in 1986, was the company with the lowest debt to equity ratio in the first four years of the research due to the company's low debt obligations and its significantly higher amount of equity.

Figure 6: Debt to Equity ratio



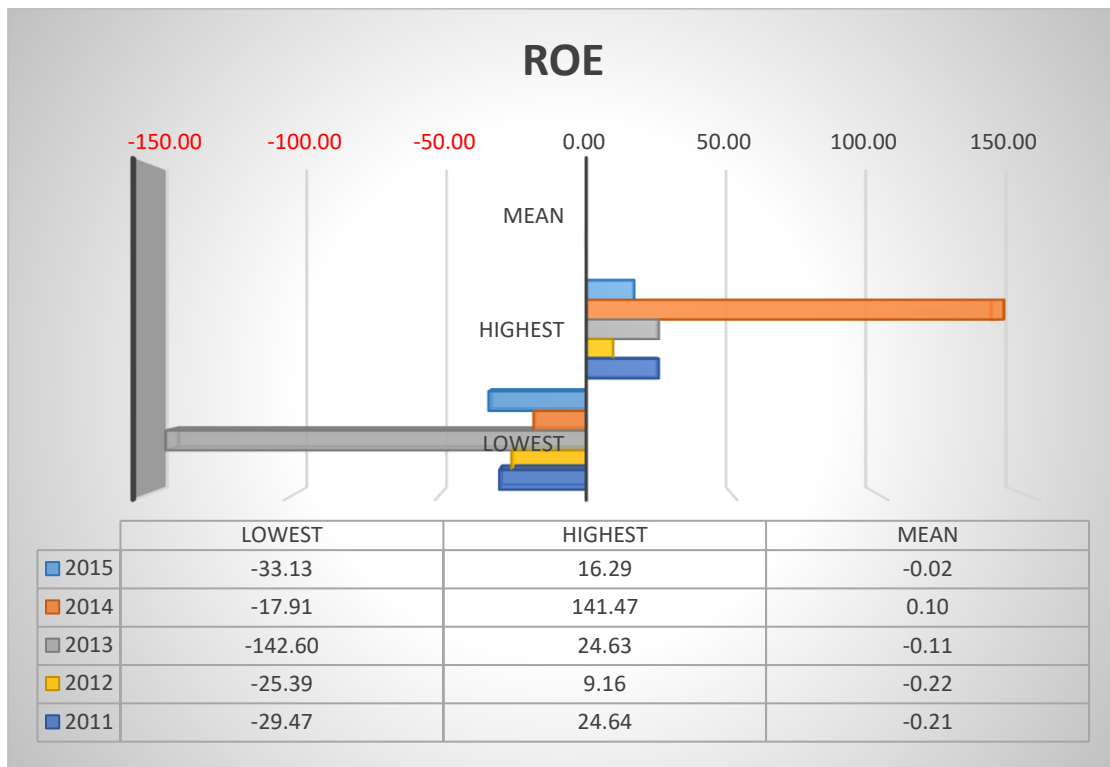
3.2.3 Return on Equity

Return on Equity (ROE), also known as return on net worth (RONW), is the amount of net income returned as a percentage of shareholders' equity. ROE is a measure of how profitable is a given company by showing how much profit the company generates with the money shareholders have invested. In figure 7, we can witness the highest and the lowest ROE of our sample and the mean during the five years. The mean came off as a result of the division of the total net income of the companies by their total equity each year. Two years the mean of the companies' ROE displayed slightly declines, one in 2015 from 0.10% to -0.02% and one in 2012, in which from -0.21% in 2011 dropped to -0.22%. For three years in a row, the average Return on Equity of the companies showed consecutive increases of a total of 145.45%, from -0.22% in 2012 to 0.10% in 2014. Although the percentage stayed beneath the unit by the end of 2015, the overall increase of the mean of the companies' Return on Equity during the five year period indicates also a raise of the efficiency of the companies on average.

With respect to the companies with the highest Return on Equity over the years, these were Daidalos S.A. in 2015, Tourist Enterprises of South S.A. in 2014, Takos Akinita in 2013 and in 2011 and Sani S.A. in 2012. Daidalos S.A., yet another company based in Kos, apart from being the company with the highest ROE in 2015, was also the company that showed the biggest increase of its ROE during the five year period, moving from -7.78% in 2011 to 16.29% in 2015. Tourist Enterprises of South was the company with the highest ROE during the five year period, reaching 141.47% in 2014, mainly because of the high net profits of the company that year. However, the high levels of its Return on Equity weren't consistent, since 2014 was the only year that the company had a positive ROE. On the contrary, Takos Akinita and Sani were the most efficient companies during the five year period indicating a positive ROE every year, even though their ROE suffer some downfalls in 2015.

As for the companies with the lowest Return on Equity, these were Krommydakis S.A. in 2015, 2014 and 2012, Louis Hotels S.A. in 2013 and Aldemar S.A. in 2011. Krommydakis S.A. wasn't only the company that presented the lowest ROE for three years, but also the company with the greatest decrease of its ROE over the five years; a decrease of 188.56% from -11.48% in 2011 to -33.13% in 2015. As we have already mentioned, Louis Hotels presented an extremely low equity in 2013, which greatly affected its shareholders' profits and therefore its Return on Equity. However, by the end of 2015 the company has managed to increase its negative ROE and come off with a positive percentage of 3.55%. Last but not least Aldemar, the company that had the lowest ROE in 2011, is one of the leading hotel chains in Greece owning eight luxurious hotels and two Thallaso spa centers in Crete, Rhodes and Olympia in west Peloponnese. Even though the 2011 Return of Equity of Aldemar witnessed its lowest level, it quickly came around ending 2015 with a positive sign.

Figure 7: Return on Equity



3.2.4 Return on Assets

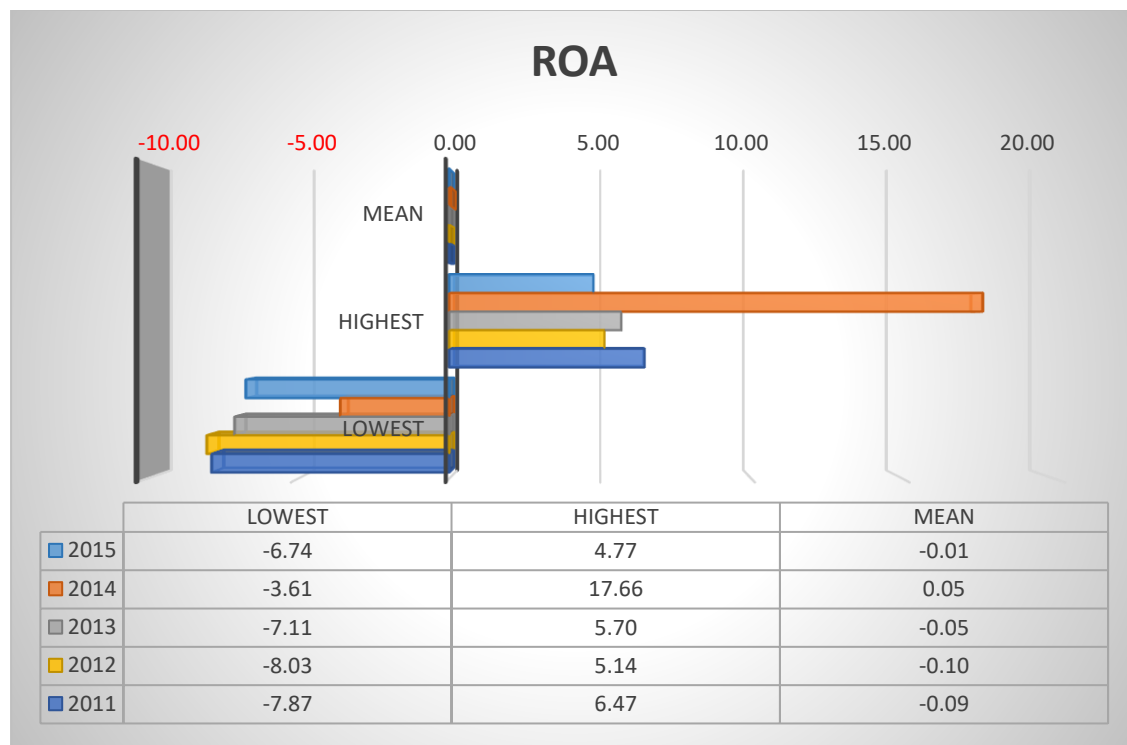
By analyzing Return on assets (ROA), we can understand how profitable a company in relation to its total assets is. In figure 8 below, can be shown the mean of our sample as well as the highest and the lowest ROA during the five years. The calculation of the mean came off from the division of the total net income of the companies by their total proportion of assets each year. The only year that the average Return on Assets of the companies was above zero, was 2014. The rest of the years the mean presented negative percentages that fluctuated between -0.10% and 0.01%. Nevertheless, the overall change of the mean during the five years was positive, while the mean of the ROA presented an increase of 88.89%, from -0.09% in 2011 to -0.01% in 2015, showing that the companies on average have become more efficient by earning more money in less investment.

The companies that presented the highest Return on Assets each year, were Athens Airport Hotel Company S.A. in 2015, Tourist Enterprises of South S.A. in 2014, Sani S.A. both in 2013 and 2012, and Sunwing Hotels Hellas S.A. in 2011. All of these companies manage to use successfully their assets to generate earnings and even if they suffer some minor declines of their ROA during the years, all of them ended 2015 with high Return on Assets ratios. Although some companies of the sample weren't so efficient during the whole five year period, they also ended 2015 with positive ROA, due to some huge increases of their profits. The company with the highest increase of its ROA, was Atrium Palace S.A. with 966.78% from -0.42% in

2011 to 3.64% in 2015. Another company that moved from negative to positive Return on Assets during the years was Daidalos S.A., indicating a raise of 342.55% from -1.88% in 2011 to 4.56% in 2015. Finally, the company that showed the biggest raise of its ROA in real terms was Esperia Touristic Enterprises S.A., a company established in the island of Rhodes in 1969 and currently owns seven hotel, six of which are located in Kallithea in the eastern Rhodes. The raise of the profits of the company, led its Return on Assets from a low percentage of -3.53% in 2011 to a high one of 4.47% in 2015, showing an increase of 226.63% during the five year period.

On the contrary, there were companies that indicated negative Return on Assets and great declines over the years. The companies with the lowest ROA were Maho S.A. in 2015, Lampsa Hellenic Hotels CO. S.A. in 2014, Toxotis S.A. in 2013, Moussamas Bros S.A. in 2012 and T.E.MES S.A. (Tourism Enterprises of Messinia) in 2011. Maho S.A., the owner of the five star hotel Kalimera Kriti in Crete, except for the fact that it was the company with the lowest Return on Assets by the end of 2015, it was also the company with the highest decrease of its ROA from -1.73% in 2011 to -6.74% in 2015. Contrarily, even though Lampsa S.A. presented the lowest ROA in 2014, the increase of its profits the following year led to a corresponding increase of its ROA, from -3.61% in 2014 to 0.94% in 2015. The same course was followed by the Return of Assets of both Toxotis S.A. and Moussamas S.A., which just as Lampsa, presented the lowest ROA in 2013 and 2012 respectively, but have managed to raise their profits in 2015 and end the five year period with a positive ROA. Last but not least, T.E.MES S.A. was facing some difficulties at using its assets to generate earnings, presenting a steadily negative ROA during the five years.

Figure 8: Return on Assets



3.3 Operating Performance over the period 2011-2015

One of the things that matter the most for the stakeholders of a company, is whether the company generates profits or losses. When a company has revenues higher than its expenses it makes a profit, while when its expenses outpace its revenues, the company sees a loss (Avenir, 2017). Furthermore, the profit and loss analysis allows the interested parts who are responsible for the wellbeing of the company to see where it can improve its revenue streams and cut costs. In figure 9 below, we can witness the total results of the companies each year, their average numbers and those that have shown the highest profits and the biggest losses.

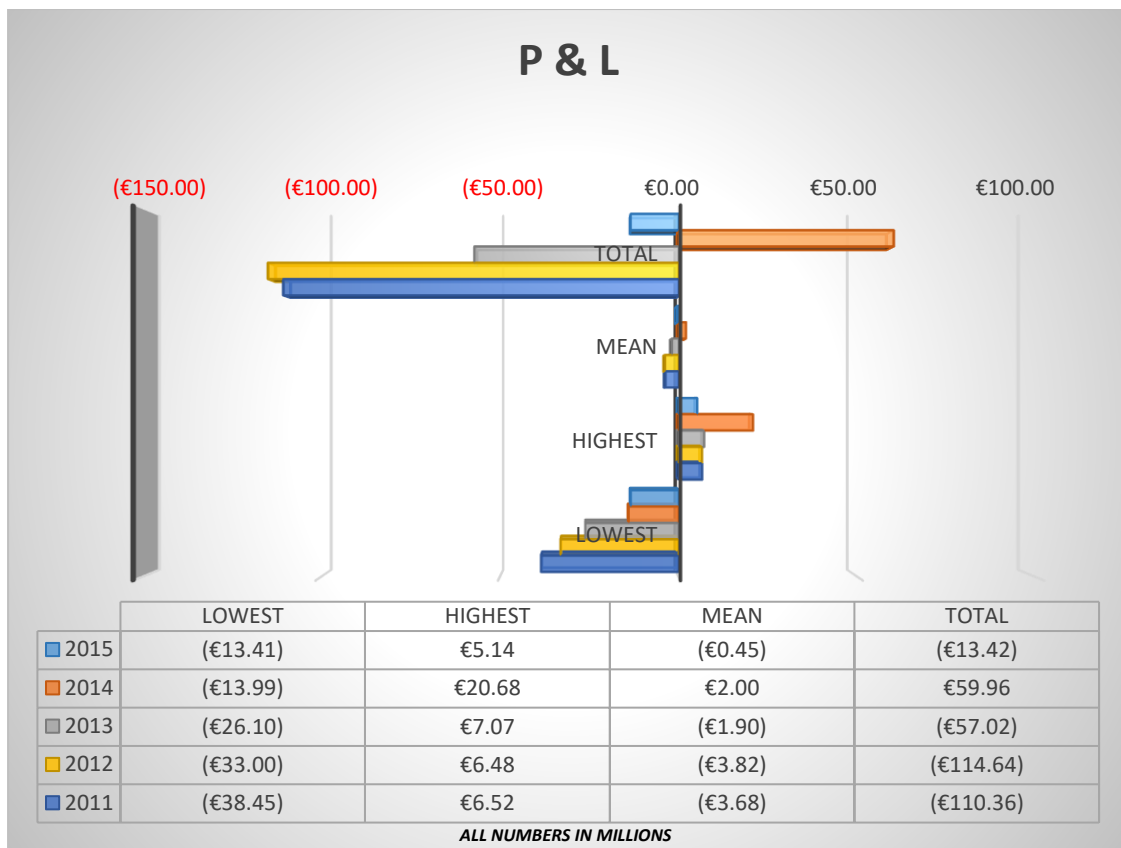
The most successful year for the companies on average was 2014, as it was the only year that ended with profits. The total net profits of the sample reached 59.96 million euros while the mean of the companies was approximately 2 million euros. Contrarily, the worst year, based on the final outcome of the average company, was 2012 where the total losses of the companies reached 114.64 million euros and their mean was -1.9 million. As regards the greater increase and the biggest decrease, these occurred in 2014 and 2015 respectively. The total profits of the companies in 2014 raised 205.16%, reaching as we have mentioned 59.96 million euros, from 57.02 million euros losses that the companies displayed in 2013. The following year, the results of the companies on average were once again negative, reaching a total amount of 13.42 million euros in losses and percentage wise a total decline of 122.38% from 2014. Even though the profits' downfall the final year, the overall outcome for the companies during the five year period was positive as the losses decreased from 110.36 million euros in 2011 to 13.42 million euros in 2015, indicating a raise of 87.84%.

As for the individual numbers of the companies, T.E.MES S.A. (Tourism Enterprises of Messinia) was the one with the biggest losses every year, while Sani S.A. displayed the highest profits from 2012 to 2015 and Star Beach S.A. showed the highest profits in 2011. T.E.MES, the owner of the luxurious Costa Navarino in Peloponnese, has shown the biggest losses by far for five years in a row. However, the positive aspect during the years is that the losses have been dropping each year, reaching 13.41 million euros in 2015 from 38.45 million euros in 2011. Oppositely, Sani has managed to increase its profits every year except of the final one, ending in the first place of the companies of the sample as regards to the earnings. Sani's earnings increased significantly 321.18 % from 4.91 million euros in 2011 to 20.68 million euros in 2014, before they face a downfall of 75.14% in 2015. The only year that Sani didn't show the highest profits was 2011, as Star Beach overcame it in the first place by 1.61 million euros. Star Beach S.A. is one of the most profitable companies of our sample, because apart from 2011, it has displayed earnings the other years as well, ending 2015 in the second place of the companies with the highest profits only behind Sani.

Last but not least, it is important to examine the companies with the greatest downfalls of their profits and those that manage to grow their revenues over the five year period. One of the companies that have shown a great increase of its profits was Esperia Touristic Enterprises S.A., which from 2.34 million euros losses in 2011, reached 2.84 million euros profits in 2015, raising its earnings by 221.37%. In the

same way, Ionian Hotel Enterprises S.A. manage to turn the losses of 2.18 million euros in 2011, into profits of 2.17 million euros in 2015, accomplishing a huge increase of its earnings by 199.54%. Furthermore, Porto Carras S.A. may have ended 2015 with losses, but it managed to decrease them greatly from 2011. To prove this point, Porto Carras dropped its losses of 36.48 million euros in 2011 to 3.58 million euros in 2015, while in the meantime it had also showed profits of 8.18 million euros in 2014. On the other hand, there were companies that witnessed their profits to drop, while others their losses to raise. The most typical examples are Sunwing Hotels Hellas S.A. and Maho S.A. Sunwing felt the greatest drop of its earning, a drop of 42.72% from 3.23 million euro in 2011 to 1.85 million euros in 2015. Moreover, Maho was the company that witnessed the greatest raise of its losses, when from 2.01 million euros in 2011, increased 282.09%, indicating losses of 7.68 million euros in 2015.

Figure 9: Profits and Losses



4. SWOT Analysis and Suggestions

After the completion of the analysis, there are some important findings that must be cited along with the presentation of a few suggestions on how to improve the financial position of the companies and the hotel sector in general. But before that, it would be useful to examine the strengths, the weaknesses, the opportunities and the threats of the hotel sector. After all, the SWOT analysis is very essential in order to identify the dangers faced by the hotels and how these can be successfully overcome.

4.1 SWOT Analysis

The most important and obvious strength of the hotel sector in Greece is the country itself. Every hotel offers the opportunity to the tourists to visit a country with significant historical heritage, many archeological places and incomparable natural and cultural resources. Furthermore, most hotels in Greece operate in a personalized way, creating friendly relationships with suppliers, consumers and employees (Sotiriadis & Varvaressos, 2015). After all, everyone needs a friendly environment during his vacations. Another strength of the sector is the location of Greece, which make it easily accessible either by plane or by ship. This exact location helps also the climate, which is perfect mostly during summer; as well as the physical geography of the country, which is constituted of many islands, a vast coastline and also high mountains. On the contrary, the most intense weakness of the hotel sector in Greece is the high dependence on the weather conditions. Hotels face the problem of seasonality, having operational issues and lack of liquidity during the winter months, while the biggest part of their revenue derives from May till September. Lack of strategic and operational management know how, inadequate marketing policies that often follow wrong approaches and the high dependence upon tour operators, caused by the incapability of the majority of Greek hotels on promoting themselves are some other weaknesses that hotel sector is facing (Sotiriadis & Varvaressos, 2015).

As for the opportunities, the last few years with the help provided by the state's development law and the support by the European Commission, the Greek hotels tend to adjust in the worldwide standards through renovations and modernizations (Buhalis, 2001). Additionally, the development of alternative forms of tourism may help with the problem of seasonality. As long as medical tourism, ecotourism, and even winter tourism gain fame, the season for the hotels is expanding, helping them become independent from the sea and sun tourism of Greece. Moreover, the outburst of Internet and the global use of social media provides a unique challenge and opportunity for the hotels to rebrand and redevelop themselves and demonstrate the incomparable heritage of the country. On the other hand, the greatest threat that the hotels face is the economic crisis of the country and the political uncertainty, which raise continuous legislation and taxation obstacles that often damage the prosperity of the companies. Furthermore, Greek hotels are often built in places with limited infrastructure provisions which fail to follow the pace of development, causing serious problems to those who want to stay in the hotels. Finally, the nearby competitors like Turkey and Croatia offer much cheaper tourist products than Greece, helping the hotels of these cheaper destinations to gain a significant competitive advantage over the Greek hotels.

4.2 Findings and Suggestions

As far as the findings of the analysis are concerned, by having examined the profits and the losses, the current ratio and the total debt of the companies over the five year period, we are able to derive some useful assumptions. First of all, even though the total liabilities of the companies haven't increased by far from 2011 to 2015, they have still shown a considerable raise, ending 2015 with a total of 2,183 million euros. Secondly, in order to present the financial health of the companies through their liquidity, we choose to present their current ratio. As has already mentioned, the average current ratio dropped during the years, showing an increase of the current liabilities over the current assets of the companies. Last but not least, the P/L was chosen, in order to find out the operating performance of the biggest hotel companies in Greece and whether these are profitable or not. The findings indicated that the average company presented losses by the end of 2015, however these losses were much less than those of 2011.

The suggestions that may help the companies improve these numbers and become profitable the following years are derived through the consideration of Greece's current financial situation and the needs of the companies that operate in the country. Firstly, most of the companies in our sample have presented a high debt to equity ratio, having more liabilities than those they could bear. In order to change that, the companies must either try to raise their income or to pay off their debt, by acquiring European funds or by entering in governmental programs to gain financing. Moreover, by financing the companies of the hotel sector, the state would be also beneficial because of the oncoming taxes that will derive by the increased revenues. Apart from the funds that should be given to the companies by the Greek Ministry of Economy and Development, another financial source may be the European Union and its European structural and investments funds (ESIF). By obtaining that kind of funds, the companies of the hotel sector will be able to raise their assets and decline their liabilities, increasing their current ratio and decreasing their debt. Another suggestion might be for the companies to renovate their facilities and acquire new equipment, having as their main purpose to invest in a modern and sustainable environment to offer to their guests. As far as the companies are concerned, these suggestions may help them in a long term basis raise their revenues, decrease their expenditures and eventually gain more profits.

5. Conclusion

The purpose of this thesis was to collect the most significant financial data of the thirty biggest hotel companies in Greece and present their changes over a five year period. The analysis was focused on the average numbers of the companies in order to identify the change of the financial position of the companies over the years. Furthermore, there has been an additional presentation of the individual data of each company, aiming at giving a more detailed description for some of the companies. After the analysis of the data, we have shown the main findings, the problems and the suggestions in order these problems to be solved.

To sum up, most of the data of the companies that were collected have presented fluctuations from year to year. One of these was of the operating performance, the final result of the average company, which started in negative digits in 2011, becoming profits till 2014 and ending 2015 again with losses. Furthermore, the assets and the equity steadily increased over the five year period, while the debt remained more or less the same, indicating a minor increase from 2011 to 2015. In the conclusion, the overall financial position of the biggest companies of the hotel sector has been improved as all the numbers of the ratios we have seemed to have increased.

However, the still high total debt, the decrease of the liquidity and the losses that the average company has presented, even though it is much lesser than the losses in 2011, indicates that there is enough room for improvement. In order the companies to achieve their goals and decrease their debt as well as increase their liquidity and gain profits, they should take measures such as raising their revenues, getting funds by entering governmental and European financing programs and renovating their facilities. Finally, the outcome of this thesis is that the biggest hotel companies as long as the tourism sector have shown a significant improvement during the five year period and serve as an important bulwark against the worsening crisis.

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