



BRIEF FINANCIALS



THE PALMS RESORT and CAFÉ ON THE BEACH

3616 Gulf Boulevard
South Padre Island, Tx 78597
www.PalmsResortCafe.com

A 30 mini suite boutique hotel and the Island's most popular beachfront restaurant and bar.

Offered for sale by:
Troy Giles (956) 551-2040
Troy@TroyGilesRealty.com

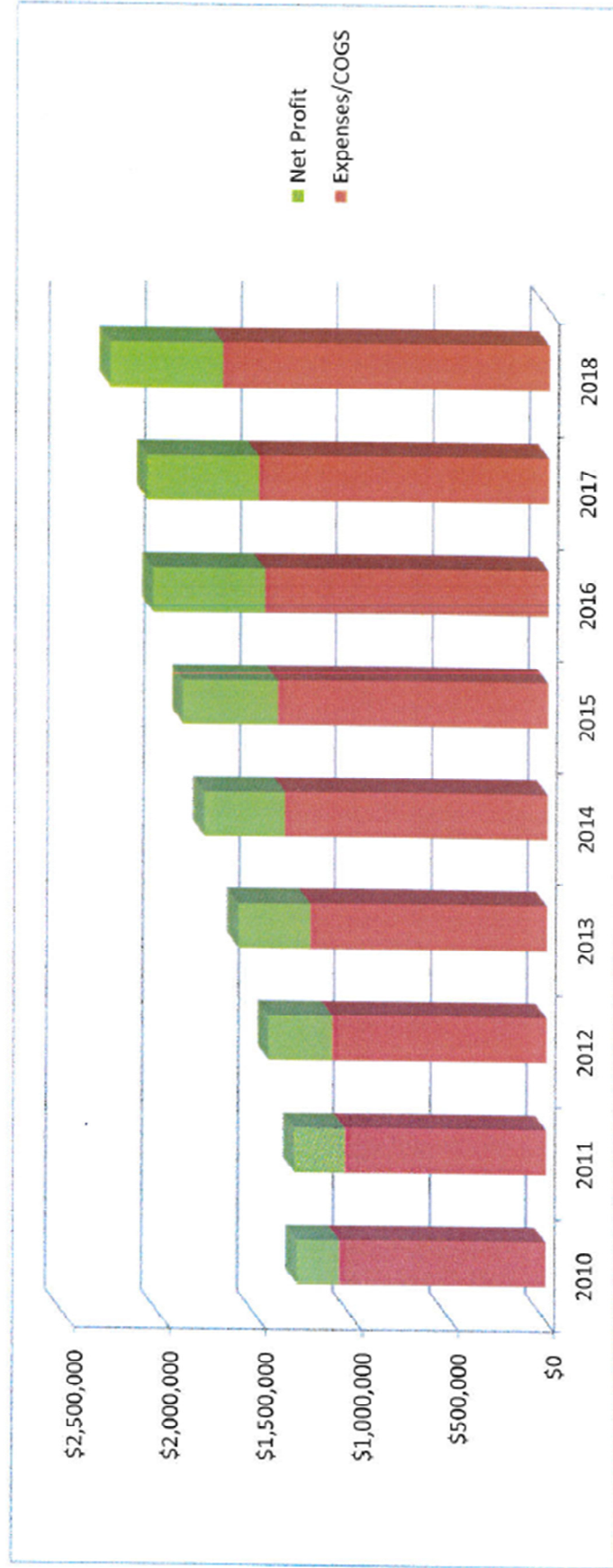
Although this information is believed to be accurate, it can not be guaranteed. Price and terms subject to change without notice.

Principal Broker: Troy Giles
License Number: 183902

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Palms Resort Combined Entities 2018-2018

Rev 7 dated 3-29-19	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	\$1,294,184	\$1,310,678	\$1,447,347	\$1,607,567	\$1,788,542	\$1,899,005	\$2,059,275	\$2,090,999	\$2,288,988
Expenses/COGS	\$1,071,703	\$1,046,237	\$1,111,674	\$1,230,608	\$1,365,437	\$1,404,650	\$1,475,172	\$1,509,237	\$1,697,047
Net Profit	\$222,481	\$264,441	\$335,672	\$376,959	\$423,105	\$494,354	\$584,102	\$581,761	\$591,942

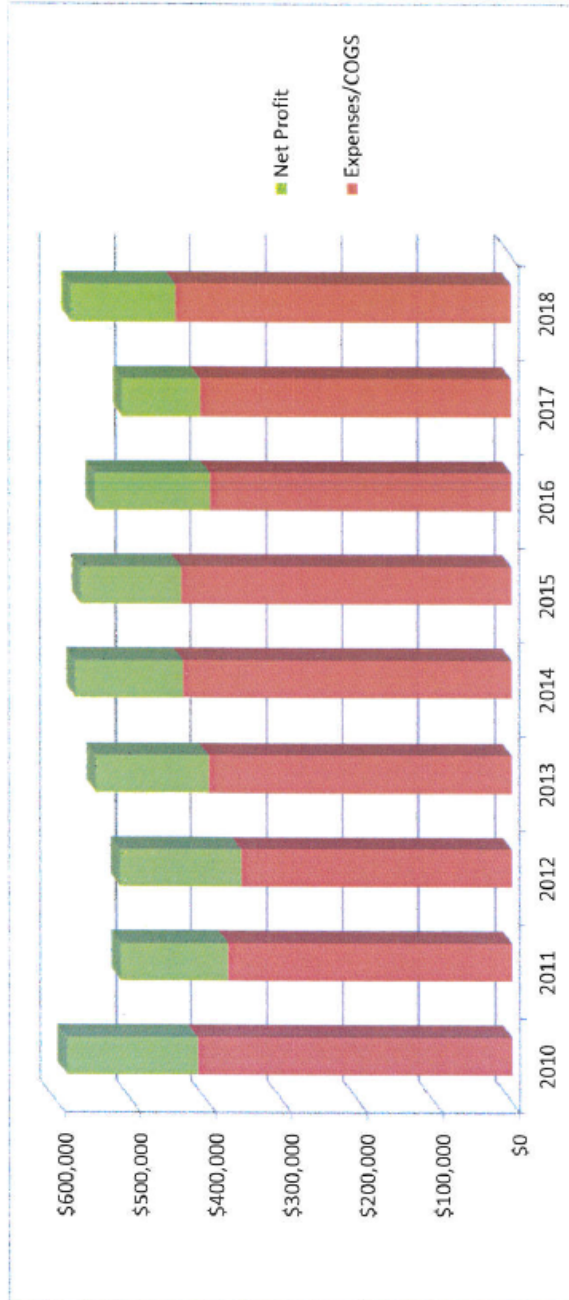


Expenses/COGS amounts exclude Debt Service and Depreciation. All other expenses, including property taxes and insurance, are included.

We comply with the current tax laws in effect with regard to expensing vs depreciating major purchases for each tax year

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Hotel Only Financials 2010-2018									
Rev 7 dated 3-29-19	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	\$587,326	\$515,892	\$516,910	\$548,286	\$575,627	\$568,289	\$548,902	\$513,014	\$580,629
Expenses/COGS	\$413,752	\$374,052	\$356,425	\$398,701	\$432,639	\$434,947	\$396,703	\$409,066	\$441,822
Net Profit	\$173,574	\$141,841	\$160,485	\$149,585	\$142,988	\$133,342	\$152,199	\$103,948	\$138,808



Hurricane Harvey negatively impacted 2017 Labor Day Weekend revenue by \$10,000-\$13,000 (when compared to the 4-year average). Even though the storm didn't hit SPI, the media hype kept people away.

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In June 2018 we entered into agreements with The Expedia Group and Booking.com. This was a major factor in the 32% year-to-year revenue growth in the 2nd half of 2018. NOTE: We had terminated these relationships in 2015 because we were unable to effectively manage these 3rd party reservations.

In 2017 the CVAB gathered data on ADR (Average Daily Rate); Occupancy %; and REVPAR (Revenue per Available Room) for SPI. This data revealed that The Palms Resort has significant (45%+) upside potential in this marketplace. With better rate management, event marketing and targeted advertising, hotel revenue could increase to \$750,000/yr, which would match the 2017 "average" REVPAR for South Padre Island.

In 2015, a 2-story addition was constructed. It contains a conference room (which can also be used as large upscale guest suite), a storage room, a new hotel lobby, a small commercial laundry, a maintenance area and an admin office. It has an excellent view of sunsets and bayside fireworks during the summer months.

DO NOT DUPLICATE OR PHOTOCOPY.

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Cafe Only Financials 2010-2018									
Rev 7 dated 3-29-19	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	\$706,857	\$794,786	\$930,436	\$1,059,280	\$1,212,915	\$1,330,716	\$1,510,373	\$1,577,985	\$1,708,359
Expenses/COGS	\$657,877	\$672,186	\$755,249	\$831,906	\$946,298	\$983,703	\$1,078,470	\$1,100,171	\$1,255,225
Net Profit	\$48,981	\$122,601	\$175,187	\$227,374	\$266,617	\$347,012	\$431,903	\$477,814	\$453,134



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There is a new City ordinance allowing only beachfront restaurants to sell food and beverages on the beach. This presents a significant opportunity for Café revenue growth because we are the only restaurant 1 mile to the North and 1 mile to the South. Current management not yet taken advantage of this opportunity.

The roof of the Café is structurally designed to be converted to a 2nd floor food and beverage space. This is a significant opportunity for Café revenue growth.

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