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# 2018/2019 ANNUAL RESULTS

## VERY GOOD SALES AND EARNINGS DYNAMIC

- ✓ SALES UP BY 6.6% (+4.2% ON A COMPARABLE SCOPE BASIS)
- ✓ OPERATING MARGIN TARGETS REACHED
  - EBITDA FOR SKI AREAS: 37.3% OF SALES
  - EBITDA FOR LEISURE DESTINATIONS (EX-FUTUROSCOPE): 28.2% OF SALES
- ✓ NET ATTRIBUTABLE INCOME, GROUP SHARE, REACHES RECORD LEVEL OF 62.2 M€
- ✓ PROPOSED DIVIDEND OF 0.70 € PER SHARE

*Paris, December 10, 2019* – The Board of Directors of Compagnie des Alpes, in a meeting chaired by Dominique Marcel, approved the Group's consolidated financial statements for the financial year ended 09/30/2019 (audited financial statements).

| (in €M) | 2018/2019 | 2017/2018 | Change | Change *Comparable scope basis*(1) |
|---|---|---|---|---|
| **Group Sales** | **854.0** | 801.2 | +6.6% | +4.2% |
| o/w Ski Area | **443.8** | 429.3 | +3.4% | +3.4% |
| o/w Leisure Destination | **380.7** | 339.9 | +12.0% | +7.0% |
| o/w Holdings & Support | **29.5** | 32.0 | -7.7% | -13.9% |
| **Group EBITDA** | **232.3** | 218.3 | +6.4% | +4.2% |
| *EBITDA/SALES* | ***27.2%*** | *27.3%* | *-10 bps* | |
| o/w Ski Area | 165.5 | 159.3 | +3.9% | +3.9% |
| o/w Leisure Destination | 97.0 | 82.0 | +18.4% | +9.1% |
| o/w Holdings & Support | -30.3 | -22.9 | -32.1% | -19.0% |
| **Operating income** | **105.1** | 97.0 | +8.4% | +5 ;2% |
| **Net attributable income, Group share** | **62.2** | 57.2 | +8.8% | |
| | | | | |
| **Net investments** | **209.4** | 186.2 | +23.2 M | |
| **Free cash flow from operations**[1] | **27.5** | 31.8 | -4.4 M | |

*(1): The change on a comparable scope basis excludes the sales of Familypark (Leisure Destinations), consolidated as of April1, 2019, as well as those of Travelfactory (Holdings & Support) for the first quarter of 2018/2019, as this acquisition was not consolidated until the 2nd quarter of the prior year, i.e. January 1, 2018.*

[1] See glossary

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Commenting on these results, Dominique Marcel, Chairman and CEO of the Compagnie des Alpes, stated: "*2018/2019 was a very good year, both in terms of operating performance and financial results, even though it follows on the heels of another very good year. This is primarily the result of the daily efforts of our teams at every Group entity. It is also attributable to a relevant strategy, focused on maintaining consistently high customer satisfaction and supported by a proactive investment policy.*

*Once again this year, the Group was agile and able to seize good opportunities, particularly with the acquisition of Familypark and a dynamic financing strategy.*

*We will continue to deploy our growth strategy and our investment policy in line with our long-term value creation objectives for Compagnie des Alpes and all our stakeholders*."

**Consolidated sales** for the **Group** reached €854.0M, an increase of 6.6% on a reported basis and of 4.2% on a comparable scope basis. This performance was driven by a good ski season and dynamic sales in the Leisure Destination division.

**Ski Area** sales came to €443.8M, an increase of 3.4% compared with the previous financial year, which included a property sale of €2.4M. The season experienced favorable snow conditions, and ski lift sales grew by 3.9%. For the fourth consecutive year, the number of skier days was up (+0.6% compared to the previous year), while average revenue per skier day increased by 3.3%. Moreover, all the Group's ski resorts saw their sales grow.

**Leisure Destination** sales were good this season, thanks in particular to a particularly dynamic fourth quarter, boosted by the increase in the accommodation capacity at Parc Astérix, the opening of the Aquapark at Bellewaerde, and the inauguration of a large number of new attractions. Sales grew by 7.0% on a like-for-like basis compared to the previous financial year. This dynamic was driven by an increase in both attendance (+2.5%) and spending per visitor (+4.5%). Factoring in the consolidation of Familypark on April 1, 2019, sales totaled €380.7M, up 12.0% on a reported basis. The growth in the number of visitors did not detract from the Group's High Satisfaction strategy, with customer ratings continuing to improve this season regardless of criterion.

**Holdings & Support** sales totaled €29.5M, versus €32.0M the previous financial year. The consulting business saw a drop in sales, mainly due to the scheduled end of the project management assistance contract with the Jardin d'Acclimatation following its reopening. This decrease was only partially offset by Travelfactory's business growth and the consolidation of its sales over 12 months, compared with 9 months in the previous financial year.

**Group EBITDA** amounted to €232.3M. On an actual scope basis, it grew by 6.4%. The EBITDA to sales ratio remained virtually unchanged at 27.2%, compared to 27.3% the previous year. It was boosted by the positive contribution from Familypark, acquired in April 2019, while the 12-month consolidation of Travelfactory (as of January 1, 2018) had a negative impact. On a like-for-like basis, EBITDA increased by 4.2%, in line with the increase in sales.

EBITDA for the **Ski Areas** was €165.5M, up by 3.9% versus the previous financial year. Despite the rising cost of energy this season, efforts to control operating expenses led to a further increase in the EBITDA to sales ratio, which at 37.3% came in above the target that the Group had set for itself.

For **Leisure Destinations,** EBITDA came to €97.0M. On an actual scope basis, the increase was a significant 18.4%. However, the Group notes that, having consolidated Familypark as of April 1, 2019, it benefited from the most significant 6 months in terms of EBITDA, as EBITDA for the first 6 months of the year is structurally negative. On a like-for-like basis, thanks to the Group's efforts to boost sales and control costs, it also progressed dynamically, registering a rise of 9.1%. Compared to the previous year, the EBITDA to sales ratio increased by 140 basis points, to 25.5%. Excluding Futuroscope, it reached 28.2% and exceeded the objective that the Group had set.

**Holdings & Support** EBITDA for 2018/2019 amounted to -30.3 million euros compared to -22.9 million euros for the previous financial year. As a reminder, the first quarter of Travelfactory, structurally negative in terms of EBITDA, was not consolidated the previous financial year, which had a negative impact of €3.0M. In addition, the Group's parent company bore the full cost of the one-off purchasing power bonus paid this year to employees by Group companies, i.e., €2.4M. Lastly, the increase in costs incurred by this segment also reflects the increase in the Group's efforts to intensify its digital strategy.

Expenses related to fixed asset depreciation rose by 3.3% (€4.0M) on a like-for-like basis, reflecting in particular the ambitious investment policy of the last five financial years. **Operating Income** (OI) thus totaled €105.1M, an increase of 8.4% on an actual scope basis and of 5.2% on a comparable basis.

The Group's **net cost of debt** remains unchanged compared to the previous financial year at €8.3M, despite the €104M increase in the average debt outstanding. This stability is due to the February 2019 NEU CP program, which made it possible to optimize the cost of financing in the short term, and to the decline in the average bond debt (the previous year also included the cost of the €200M bond from October 1 to 18, 2017).The **average interest rate on the debt** thus fell from 2.24% in 2017/2018 to 1.72% in 2018/2019.

After taking into account a tax expense of €32.2M and a positive share in the earnings of affiliate companies totaling €8.9M, **net income** for the year was €71.4M, an increase of 13.0% compared with the previous financial year.

Minority interests in the Group's net income increased from €6.0M in 2017/2018 to €9.2M in 2018/2019, due in particular to the improved results of Futuroscope. **Net attributable income, Group share,** thus came to €62.2M, an 8.8% increase over the previous year, which had already set a record.

Reflecting the controlled deployment strategy of its Group projects, **net industrial investments**[2] amounted to €209.4M, up €23.2M from the previous year. They represent 24.5% of the Group's annual sales, compared to 23.2% in 2017/2018. For the **Ski Area** division, they came to €101.6M (+10.6M€), which is 22.9% of ski area sales. For **Leisure Destinations**, they were €102.8M, which is 27% of sales for this and an increase of €11.5M compared with the previous year. This increase is mainly attributable to the construction of hotels at Parc Astérix and the Aquapark inaugurated this year at Bellewaerde.

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Due to this increase in investments, free cash flow from operations[2] declined slightly to €27.5M, compared with €31.8M for the previous financial year (-4.4M€).

The Group's net debt totaled €540.5M, versus €402.3M at the end of the previous financial year. This increase mainly reflects the increase in net industrial investments, net financial investments of €19.9M, and, above all, the acquisition of Familypark for a net amount of €72.5M. The net debt/EBITDA ratio also increased, to 2.33 x but remains well below the Group's covenant (3.5 x).

ROOC,[3] which measures the profitability of capital invested in ski areas and leisure destinations, was unchanged compared with the previous year at 8.2%. It should be noted that some significant investments made during the financial year generated cash flows only during a part of it (in particular the second hotel at Parc Astérix and the Aquapark at Bellewaerde) or will not begin to generate cash flow until 2019/2020 (the third Astérix Hotel).

## Dividend recommendation

In light of the good performances recorded by the Group, the Board of Directors will recommend that the shareholders, who will meet to approve the financial statements on March 5, 2020, approve the distribution of a dividend up 7.69% to € 0.70 per share, representing a payout ratio of around 27.5% of net attributable income, Group share. This level of distribution strikes a good balance for the Group between, on the one hand, the investment needed to support its growth and, on the other hand, its desire to increase the remuneration of its shareholders in line with the improvement in performances.

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## 2019/2020 outlook

*This outlook is provided barring the occurrence of major unforeseen events.*

### Recap of sales at start of period

- **Ski Areas**

The first snowfall suggests that ski resorts will open under good conditions and in accordance with the planned schedule. In addition, to date and compared with the same period the previous financial year, reservations are slightly more dynamic.

- **Leisure Destinations**

After a year of consolidation, this year's Halloween season went according to expectations despite rainy weather, confirming the appeal of our sites on this annual occasion. The Christmas period will be marked this year by the opening of Parc Astérix, which usually only caters to BtoB customers during this period, to the general public, as will be the case for Familypark. This experiment is not expected to generate significant additional revenue this year, but it illustrates the Group's strategy of developing site operations during new periods, such as Halloween.

[2] See glossary
[3] See glossary

## Investments, margin and profitability objectives

For the **Ski Areas**, the Group's objective, as was the case last year, is to achieve an EBITDA to sales ratio of between 36% and 37% (before application of IFRS 16). In addition, the recent renewals of Public Service Delegations (DSP), including Peisey-Vallandry a few months ago, have increased the depth of the DSP portfolio. The level of investment related to these renewals, in addition to those devoted to snow level security and customer satisfaction, will be slightly over €100M, an amount that is roughly the same as that expended in 2018/2019.

As for **Leisure Destinations**, in light of the consolidation of Familypark over 12 full months and the increase in additional operating expenses related to new hosting capacity, the Group maintains an EBITDA margin target for 2019/2020 that is identical to that set for last year, namely, a range of between 27% and 28% (excluding Futuroscope and before application of IFRS 16). In addition, to support sales growth for this business, the Futuroscope and Bellewaerde sites will be equipped with major new attractions. At Parc Astérix, construction work on the third hotel, Les Quais de Lutèce, is ongoing, with the opening scheduled for the spring of 2020. In total, the Leisure Destination investments are expected to reach €90M, a slight decrease of around €10M compared to 2018/2019.

For **Holdings & Support**, the investment allocation will be more than double that of the 2018/2019 financial year. In fact, the Group plans to intensify its digital strategy, with respect to Travelfactory, in order to support its growth internationally, as well as to facilitate the ramp-up of tools for the various sites (a data-lake common to all businesses, automated marketing tools, and the redesign of sales tunnels for parks).

In total, given this increase in investments in digital, the Group's net investment in 2019/2020 should be relatively close to that of 2018/2019.

Lastly, the 2022 **ROOC** target, in excess of the 2016/2017 level, is maintained, with the proviso that the increase will not be linear.

## Impacts of IFRS 16

IFRS 16, which pertains to accounting for leases, is applicable for the Group as of September 30, 2020. The simplified retrospective method will be used when the standard is applied for the first time as of October 1, 2019.

The Group estimates that the application of IFRS 16 will lead to an increase in financial liabilities of between €95M and €100M as of October 1, 2019, and to an improvement in EBITDA of approximately €13M.

This estimate is based on the facts and circumstances known to date.

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Upcoming events:

- 1Q 2019/2020 sales: Thursday, January 23, 2020, after stock market closes
- Shareholders' Meeting Thursday, March 5, 2020, in the afternoon
- 2Q 2019/2020 sales: Thursday, April 23, 2020, after stock market closes
- 1H 2018/2019 results: Tuesday, May 26, 2020, after stock market closes

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# Additional information

## 1 – Consolidated annual results, audited – October 1, 2018 through September 30, 2019

| (in €M) | FY 2018 / 2019 Actual scope (1) | FY 2018 / 2019 Comparable scope (2) | FY 2017 / 2018 Actual scope (3) | Change % Comparable scope (2) - (3) / (3) | FY 2017 / 2018 Actual scope (4) | Change % Actual scope (1) - (4) / (4) |
|---|---|---|---|---|---|---|
| Sales | 854,0 | 835,1 | 801,2 | *4,2%* | 801,2 | *6,6%* |
| EBITDA | 232,3 | 227,4 | 218,3 | *4,2%* | 218,3 | *6,4%* |
| *EBITDA/SALES* | *27,2%* | *27,2%* | *27,3%* | *-0,1%* | *27,3%* | *-0,2%* |
| Operating income | 105,1 | 102,1 | 97,0 | *5,2%* | 97,0 | *8,4%* |
| Net cost of debt and miscellaneous | -10,3 | | | | -12,3 | *-15,8%* |
| Tax expense | -32,2 | | | | -29,7 | *8,4%* |
| Equity method | 8,9 | | | | 4,5 | *98,2%* |
| Net income from ongoing businesses | 71,4 | | | | 59,5 | *20,1%* |
| Net income from discontinued businesses | 0,0 | | | | 3,7 | *-100,0%* |
| **Net income** | **71,4** | | | | **63,2** | ***13,0%*** |
| Minorities | -9,2 | | | | -6,0 | *53,6%* |
| **Net attributable income, Group share** | **62,2** | | | | **57,2** | ***8,8%*** |

## 2 – Sales by division

| (in €M) | FY 2018 / 2019 Actual scope (1) | FY 2018 / 2019 Comparable scope (2) | FY 2017 / 2018 Actual scope (3) | Change % Comparable scope (2) - (3) / (3) | FY 2017 / 2018 Actual scope (4) | Change % Actual scope (1) - (4) / (4) |
|---|---|---|---|---|---|---|
| Ski Areas | 443,8 | 443,8 | 429,3 | *3,4%* | 429,3 | *3,4%* |
| Leisure Destinations | 380,7 | 363,8 | 339,9 | *7,0%* | 339,9 | *12,0%* |
| Holdings & Support | 29,5 | 27,5 | 32,0 | *-13,9%* | 32,0 | *-7,7%* |
| **SALES** | **854,0** | **835,1** | **801,2** | ***4,2%*** | **801,2** | ***6,6%*** |

## 3 – EBITDA by division

| (in €M) | FY 2018 / 2019 Actual scope (1) | FY 2018 / 2019 Comparable scope (2) | % of Sales 2018 / 2019 Comparable scope | FY 2017 / 2018 Actual scope (3) | % of Sales 2017 / 2018 Comparable scope | Change % Comparable scope (2) - (3) / (3) | FY 2017 / 2018 Actual scope (4) | Change % Actual scope (1) - (4) / (4) |
|---|---|---|---|---|---|---|---|---|
| Ski Areas | 165,5 | 165,3 | 37,2% | 159,3 | 37,1% | *3,8%* | 159,3 | *3,9%* |
| Leisure Destinations | 97,0 | 89,4 | 24,6% | 82,0 | 24,1% | *9,1%* | 82,0 | *18,4%* |
| Holdings & Support | -30,3 | -27,3 | | -22,9 | | *-19,0%* | -22,9 | *-32,1%* |
| **EBITDA** | **232,3** | **227,4** | **27,2%** | **218,3** | **27,3%** | ***4,2%*** | **218,3** | ***6,4%*** |

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# Glossary

**Free cash flow**: Difference between self-financing capacity and net industrial investments (changes in working capital requirements are not taken into account).

**Self-financing capacity** = net income

- Plus depreciation, amortization and provisions, capital losses on disposals, dividends paid by companies accounted for under the equity method, and any other charges without cash impact
- Less reversals of provisions, capital gains on disposals, the share of income in companies accounted for by the equity method, and any other non-cash income.

**Net industrial investments**: Acquisitions of tangible and intangible assets net of changes in accounts payable for fixed assets and proceeds from the sale of fixed assets.

**Free cash flow from operations**: Free cash flow before interest expense and taxes

**ROOC**: used to measure the profitability of capital invested in the Group's core businesses (Ski Areas and Leisure Destinations). It corresponds to the ratio, for each division and aggregated for both divisions, of after tax operating income to consolidated net assets excluding goodwill)

- **After tax operating income** is calculated after deduction of a theoretical tax expense based on the normative tax rate of 33.33%
- **Net assets** used excluding goodwill include:
    - o The net values of long-term fixed assets after the exclusion of goodwill
    - o Working capital requirement
    - o Deferred tax assets net of deferred tax liabilities
    - o Current provisions

For financial year 2018/2019, the reconciliation of ROOC is as follows:

| | Ski Areas and Leisure Destinations | Rest of the Group | Group Total |
|---|---|---|---|
| Operating income | 123 703 | - 18 597 | 105 106 |
| Theoretical income tax (33.33%) | - 41 230 | 6 198 | - 35 032 |
| After tax perating income | 82 473 | - 12 399 | 70 074 |
| Assets used ex-goodwill | 1 011 934 | - 15 431 | 996 503 |
| **Divisional ROOC** | **8,2%** | | **7,0%** |

Since it was founded in 1989, Compagnie des Alpes has established itself as an uncontested leader in the leisure industry. At the helm of 11 of the world's most prestigious ski resorts (Tignes, Val d'Isère, Les Arcs, La Plagne, Les Menuires, Les 2Alpes, Méribel, Serre-Chevalier, etc.) and11 renowned leisure destinations (Parc Astérix, Grévin, Walibi, Futuroscope, etc.), the company is steadily expanding in Europe (France, the Netherlands, Belgium, etc.) and, more recently, at the international level (Grévin Montréal in 2013, Chaplin's World by Grévin Prague in April 2016, and engineering and management assistance contracts (China, Russia, Georgia, Kazakhstan, Turkey, Morocco, Japan)). CDA also owns stakes in 4 ski areas, including Chamonix.
During the financial year ended September 30, 2019, CDA facilities welcomed more than 23.5 million visitors and generated consolidated sales of 854.0 M€.
With nearly 5,000 employees, Compagnie des Alpes works with its partners to build projects that generate unique experiences, the opposite of a standardized concept. Exceptional leisure activities for everyone.
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CDA LISTED NYSE EURONEXT

CDA is included in the following indices: CAC All-Shares, CAC All-Tradable, CAC Mid & Small and CAC Small.
ISIN: FR0000053324; Reuters: CDAF.PA; FTSE: 5755 Recreational services

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