



# 2014/2015 FINANCIAL YEAR RESULTS

December 15, 2015



Compagnie des Alpes



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## 2014 / 2015 FINANCIAL YEAR – Good performances

✓ Sales: (comparable scope basis)	+5.0% to 689.9 M€
✓ Divisional EBITDA*: (comparable scope basis)	+5.4% to 196.8 M€
✓ Net attributable income, Group share: (actual scope basis)	+18.3% to 30.0 M€
✓ Free cash flow from operations**:	38.7 M€

\* Cumulative EBITDA for Ski Areas, Leisure Destinations and International Development

\*\* Free Cash Flow before tax and debt servicing

## 2014/2015 FINANCIAL YEAR – Operating highlights

- ✓ Very good year for Leisure destinations, validating the change in strategy that was initiated two years ago around the ***Very High Satisfaction*** theme
- ✓ Good reactivity of Ski areas to unfavorable weather conditions
- ✓ Refocus carried out on leisure destinations portfolio
- ✓ Pursuit of international consulting contracts and preparation for Grévin International's next steps



# 1 Operating highlights

- ✓ Ski areas
- ✓ Leisure destinations
- ✓ International development



# SKI AREAS


## Good reactivity of Ski areas to unfavorable weather conditions

### ✓ Business balanced for the year despite rocky start to the season: +1.4%


- Very bad weather and resort access conditions in the first quarter
- The second half of the season was better

### ✓ Adapted support measures


- The offer was adapted to circumstances of early season conditions
  - Snow and ski slope expertise
  - Additional offers accessible with ski package
  - Collaboration with the ecosystem to improve the stay
- Work on costs
  - Situational management of staffing and payroll
  - Optimization (damage, maintenance, commercialization)
- Further in-depth work on increasing the appeal of resorts
  - Territorial marketing & resort CRM
  - Work on accommodations began in 2013 ⇒ growth in tourist beds for the 2014-2015 season
  - Enhancement of the customer resort experience (virtual/real)



Limited decrease of ski pass price & managing customer satisfaction



Increase in EBITDA margin despite random hazards



Improvement for the future in resort positioning versus demand

# SKI AREAS

## A portfolio of stations of excellence

- ✓ A portfolio of ski area, unique in the world

11 PRESTIGIOUS SKI RESORTS

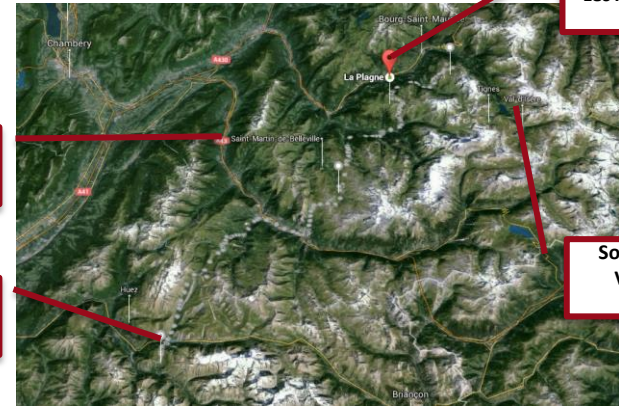


4 EQUITY INVESTMENTS



- ✓ An investment policy that results in steady improvement in the product

72.6 M€ invested in 2014/2015



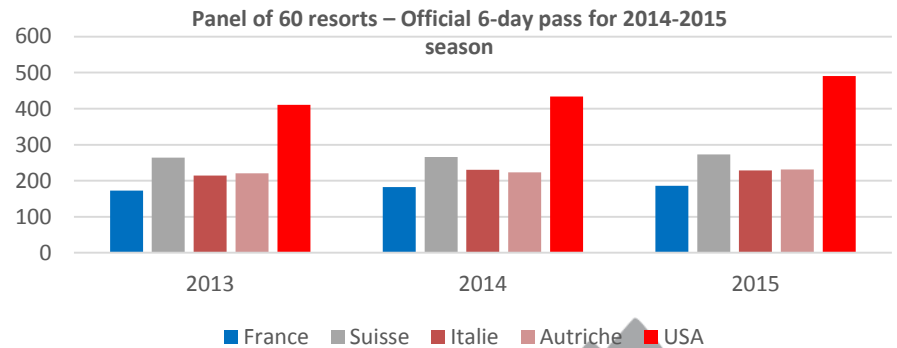
Bettex chairlift at Saint Martin de Belleville: 15 M€

Piste Jandry 2 Alpes: 10 M€

Mille 8 Les Arcs et Montalbert at la Plagne: 36 M€

Solaise & Val Digital at Val d'Isère, Taos at Tignes

- ✓ Price comparison remains favorable



# LEISURE DESTINATIONS

A portfolio restructured around optimizing Very High Satisfaction concept\*

✓ A portfolio of 10 locations

- 5 in France
- 3 in Belgium
- 1 in the Netherlands
- 1 in Germany

✓ 4 major brands (In millions of visitors)



1.8



0.7



1.8



2.6

✓ 11 leisure parks sold since 2011

- 7 in 2010/2011
- 4 in 2014/2015



\*The central pillar of the Group's strategy since 2013, Very High Satisfaction for the customer serves to make tradeoffs in the portfolio, in terms of investments, and in terms of operating expense allocations. This strategy seeks to retain customers & achieve growth in volume.



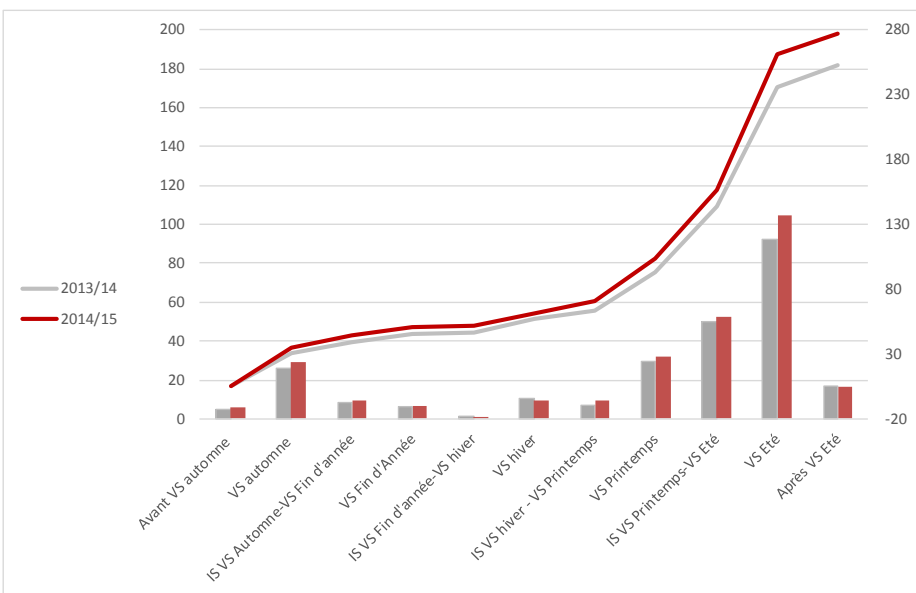
# LEISURE DESTINATIONS

## Structural improvement in performance

Business is trending upward over last 2 years

Improvement in performances

- **Visitor numbers** are up by 8% in 2014/2015 after an increase of +7% in 2013/2014
- **2013-2015 customer satisfaction**
  - Recommendation rate: 96 ↗ 97
  - Waiting time: 6.61 ↗ 7.43
  - Staff hospitality: 8.23 ↗ 8.38
- **Commercialization**
  - Optimization of pricing schedules
  - Growth in BtoB & BtoC sales on targeted products (night visits, fast pass, extended stay sales)
- **In-park spends (shops and restaurants): up by 10.6%**
  - Sales on line, Restaurant
  - Work on pricing
  - Increase of number of points of sale
  - Product range adjustments



 **EBITDA increase: +700 bps vs 2012/13**

# INTERNATIONAL DEVELOPMENT

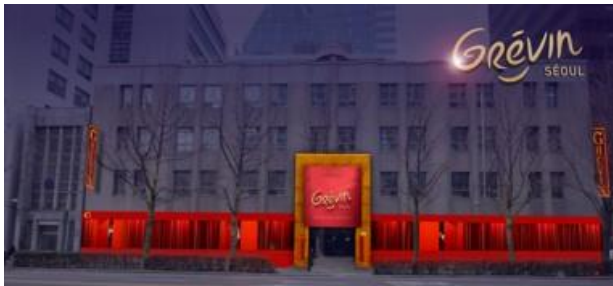
- ✓ **Ambition: operate ski resorts or leisure parks in new geographies** using a selective and coherent approach
  - In terms of geographic regions
  - In terms of products: sites compatible with the Very High Satisfaction strategy
  
- ✓ **Consulting assignments as a first step in prospecting**
  
- ✓ **2014-2015: a year rich in international projects**
  - Opening of **Sindibad Park in Casablanca** (Morocco) – 300K visitors the first two months
  - Expert contracts for leisure destinations:
    - Vasco de Gama park project in **Southern Portugal**
    - 30 hectare theme park project in the heart of **Moscow**
  - Expert contracts for ski areas:
    - Master planning for the **Arkhyz and Elbrus resorts in the North Caucasus** (Russia)
    - Support for the definition of standards and rules for the development and operation of ski resorts for the Russian government, for **North Caucasus Resort (NCR)**
    - Projects (master planning, marketing, procurement, training) for the **MacEarth Group (Japan)**

# INTERNATIONAL DEVELOPMENT

## GRÉVIN INTERNATIONAL

### ✓ Opening of Seoul (July 2015)

- In the heart of the tourist district
- 4,400 square meters
- 80 characters
- 7 interactive zones



### ✓ First experience developing a franchise abroad

- Locations in each of the three major areas of the world: Europe, North America and Asia

### ✓ Good public reception

**0.7 million visitors** since opening of the first Grévin abroad (Montréal 04/13)

- Good performance for a brand that is new on the global stage
- High level of customer satisfaction (>9 for Prague)
- But sales are behind initial modeling => breakeven 4 to 5 years after opening

### ✓ A new step in development

- Acquisition of new visitors for existing sites is priority
- Complete overhaul of site management



# 2

## Annual results

- ✓ Presentation by business unit
- ✓ Income statement – Group
- ✓ Financial structure update
- ✓ Dividend proposed to shareholders



Compagnie des Alpes

# SKI AREAS – Operational performance & Investments

(In M€)	2014/2015	2013/2014	Chnge
Sales	394.1	388.6	+1.4%
Skier days (M)	13.597	13.752	-1.1%
EBITDA	137.5	135.0	+1.9%
<i>EBITDA/Sales</i>	34.9%	34.7%	+20bp
Net investments	72.5	66.0	+6.5M
<i>I/Sales</i>	18.4%	17.0%	+140bp

- ✓ Rise in lift sales: +0.9%
  - Volume effect of -1.1% against a nationwide backdrop of -2.7%
  - Price effect controlled: +2.0%
- ✓ EBITDA for the division is rising faster than sales, despite
  - Difficult start to the season
  - Dilutive new activities
- ✓ EBITDA margin strengthened
  - Ability to control operating costs
- ✓ Increase in investments, in particular
  - Appeal
  - Optimization
  - Accommodations and digital

# LEISURE DESTINATIONS – Operational performance & Investments

(In M€)	14/15	14/15 comparable	13/14 comparable	% comparable	13/14 actual	Chng – actual
Sales	295.3	289.3	262.6	+10.1%	298.6	-1.1%
Visitors (M)	8.34	8.09	7.51	+7.8%	9.01	NA
EBITDA	60.4	63.7	54.1	+17.8%	59.8	+1%
<i>EBITDA / Sales</i>	20.4%	22.0%	20.6%	+140bps	+20.0%	+40bps
Net invest- ments	47.4	46.6	40.7	+14.7%	46.5	+1.9%
<i>l/Sales</i>	16.1%	16.1%	15.5%	+60bps	15.6%	+50bps

- ✓ Sales up substantially
  - Visitors up +8%
  - In park sales increase more than ticket-sales
  
- ✓ EBITDA margin continues to improve (+700 bps in 2 years)
  - Cost control
  - Despite higher operating expenses linked to Very High Satisfaction concept and the acquisition of new clients (marketing and communications)
  
- ✓ Investments:
  - Preparing for the structuring attractions of 2016
  - Very High Satisfaction strategy

=> Very High Satisfaction strategy rolled out 2 years ago: VALIDATED



# INTERNATIONAL DEVELOPMENT – Operational performance & Investments

(In M€)	2014/2015	2013/2014	Change
Sales	6.3	5.3	+17.7%
EBITDA	-4.5	-2.5	+1.9 M
Net investments	13.3	9.0	+4.3 M

- ✓ Higher sales driven by:
  - First full year of operation for Grévin Prague
  - Grévin Seoul open since July
- ✓ EBITDA penalized by:
  - Slower than expected ramp-up
  - Startup costs
  - Advertising expenses
- ✓ Two concomitant investment projects
  - Opening of Grévin Seoul
  - Preparation for Chaplin's World by Grévin in 2016
- ✓ Business unchanged for CDA Management, which continues to seek recognition in new markets

⇒ Improving Grévin performances is a top priority

# INCOME STATEMENT - Group

(In M€)	2014/ 15	2014/15 comparable	2013/14 comparable	Change comparable	2013/14 actual	Change actual
SALES	695.9	689.9	657.0	+5.0%	693.0	+0.4%
Divisional EBITDA*	193.5	196.8	186.6	+5.4%	192.3	+0.6%
<i>EBITDA Div / Sales</i>	27.8%	28.5%	28.4%	+10bps	27.7%	+10bps
EBITDA	168.8	172.5	163.6	+5.4%	168.8	0%
<i>EBITDA/Sales</i>	24.3%	25.0%	24.9%	+10bps	24.4%	-10bps
Operating result	66.9	N/A	N/A	N/A	60,7	+10.2%
NAI, GS	30.0	N/A	N/A	N/A	25.4	+18.3%

- ✓ Group business up across the board
- ✓ Div EBITDA/Sales margin is increasing faster than sales
- ✓ Interim losses from disposed of parks have an adverse impact on reported EBITDA (and increase accordingly the capital gain on the corresponding sales)
- ✓ Operating result up strongly:
  - Business growth and higher margins
  - Capital gains on asset sales
- ✓ NAI, GS up sharply





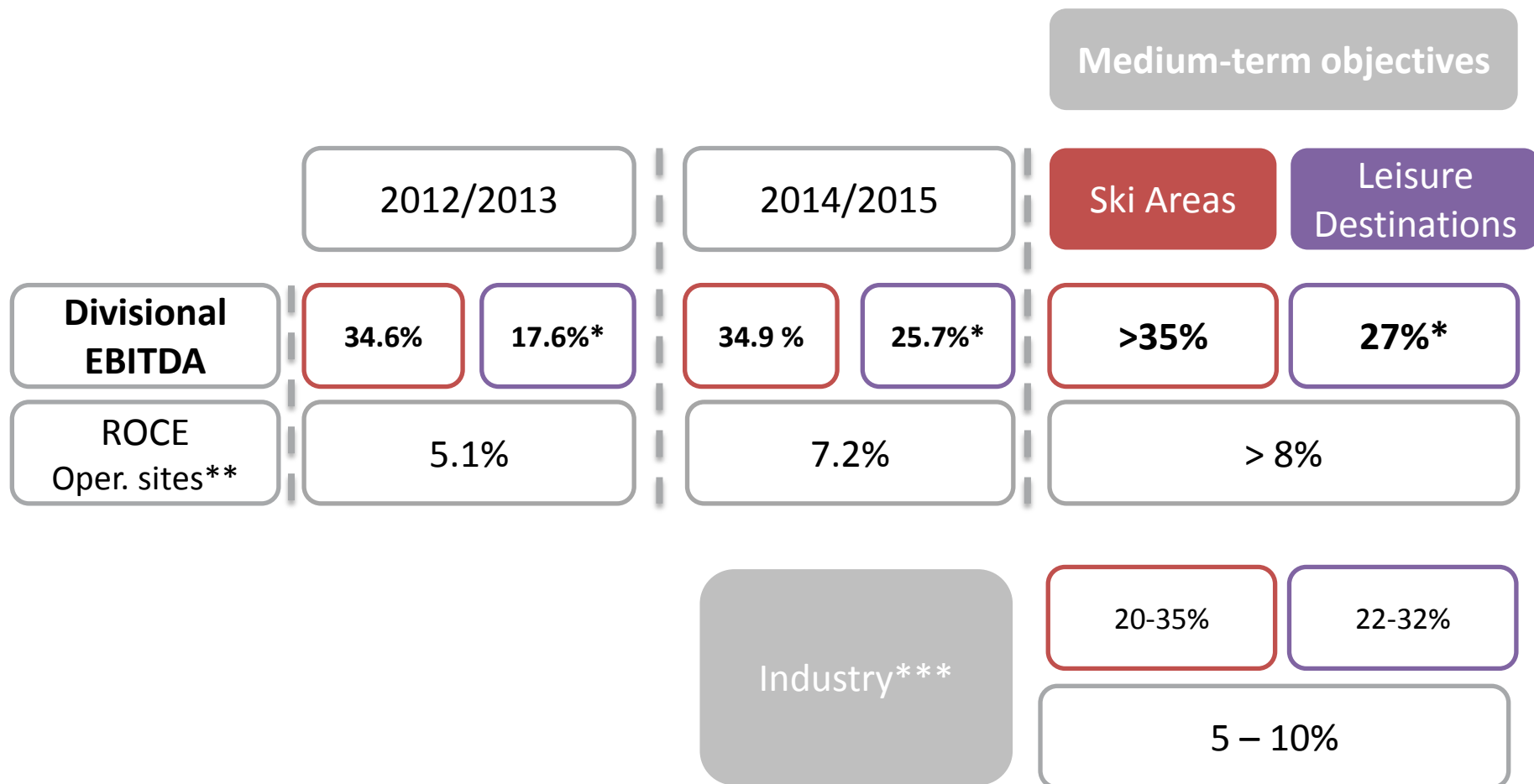
# COMPAGNIE DES ALPES GROUP – Financial structure

(In M€)	14/15	13/14 Actual	Change Actual
Cash flow	<b>139.2</b>	136.6	+8.3%
Net industrial investments	<b>135.0</b>	124.9	+8.1%
Available cash	<b>4.2</b>	11.7	-7.5 M
FCF from operations *	<b>38.7</b>	45.0	-6.2 M
Net debt	<b>361.6</b>	407.9	
Net debt / EBITDA	<b>2.14</b>	2.42	

- ✓ As announced, net investment on the rise
- ✓ => Visible impact on cash flow
- ✓ Net debt / EBITDA ratio continues to improve
- ✓ Disposals of parks => 51M€ that was used to pay down net debt significantly

\*Free Cash Flow from operations: Free Cash Flow before tax and debt servicing

# CREDIBILITY OF MARGIN TARGETS



\* Excluding Futuroscope, whose performance should be analyzed at the level of operating result; for 2015: excluding interim losses of sold businesses

\*\* ROCE sites = Sum of site operating results after tax / committed capital ex-goodwill

\*\*\* Industry: A sample of sites that publish their results



## COMPAGNIE DES ALPES GROUP - Dividend

- ▲ Dividend up: 0.40€ /share
- ▲ Dividend level is compatible with strategy of growth and sustained investment
- ▲ Payout ratio is 32.3%



# 3

## Strategy & Outlook

- ✔ Strategy: the 3 challenges for Compagnie des Alpes
- ✔ Outlook
- ✔ Upcoming

## STRATEGY – Three challenges

- ✓ Regenerate volume growth in Ski Areas division
- ✓ Increase the appeal and capacity of historic parks
- ✓ Develop international partnerships to achieve critical mass and access the major markets

# SKI AREAS

## Regenerate volume growth

- ✓ Maintain a level of excellence in ski lifts
  
- ✓ Deploy the Very High Satisfaction concept at all resorts
  - Move from the skiing experience to the resort experience
  - Improve customer targeting, knowledge and tracking
  - Develop offers around skiing
  
- ✓ Bring convergence to the mountain ecosystem
  - Work on accommodations: real estate agencies, land developers, new programs
  - Improve hospitality/customer care at resort level
  - Develop concerted sales actions targeting new client segments
    - In France: reinforce the domestic market (young people, beginners, etc.)
    - Abroad: ensure a presence in promising markets
  
- ➔ More investments are needed
  - Ratio of investments to sales > 20% in 2015/2016 before returning to the average observed in previous financial years

# SKI AREAS

## PARADISKI, A GLOBAL PROJECT INVOLVING AROUND 80M€ OVER 3 YEARS

### A KEY RESORT

32% of SA sales  
232 pistes  
425 km of pistes  
96 000 beds

### INVESTMENT STRATEGY

Streamline the resort with facilities that ensure:

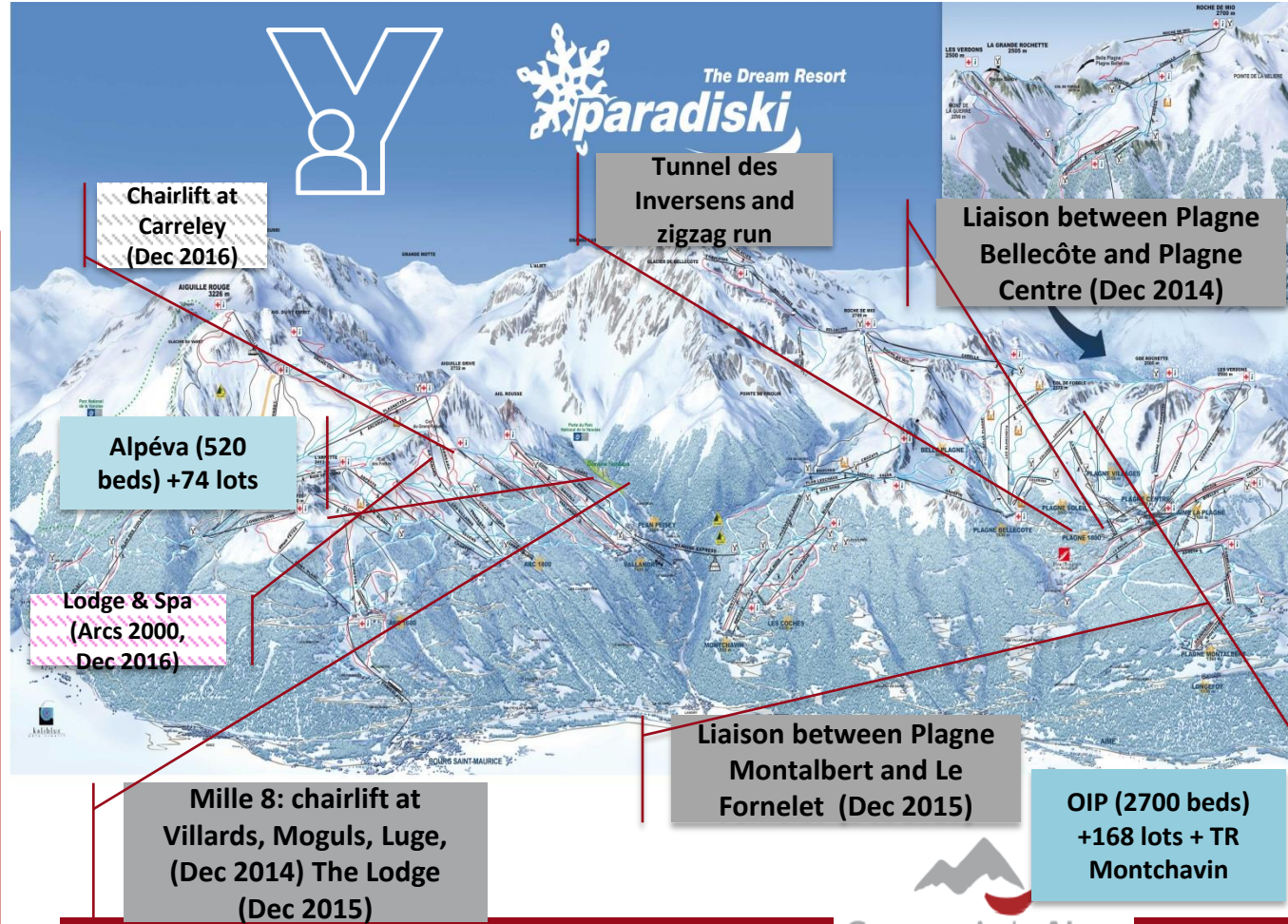
- Customer comfort
- Cost savings
- Respect for the environment
- Link to local communities (urban planning)

### Work on accommodations

- Renovation: 200 lodgings
- Diversify offering (Arcs 1800, Montchavin)
- Energize rental business (w/ ASR)

### Improve the customer experience

- Appeal & ease of access (Mille 8)
- Digital support: Yuge



# LEISURE DESTINATIONS

## Take advantage of the current dynamic to increase the appeal and capacity of historic parks

### ✔ Step up investments in attractions

- Starting in 2016, structuring investments in 3 parks:
  - Project to transform Walibi Rhône-Alpes (2 structuring attractions in 4 years, including a Wooden Coaster in 2016)
  - Walibi Belgium (PowerSplash in 2016), IAAPA Award for 2015
  - Walibi Holland (Mack Ride in 2016)
- Investments in nearly every other park to enhance appeal and drawing power
- More than 50% of investments devoted to enhancing appeal and drawing power

### ✔ The example of Astérix

- Potential confirmed by increase in Very High Satisfaction

	2013	2014	FY2015	Objectif 2016
Note globale	7,85	8,14	8,1	8,25
Accueil	8,05	8,29	8,35	8,5

- But the capacity to draw visitors (attractions + accommodations) must evolve



# LEISURE DESTINATIONS

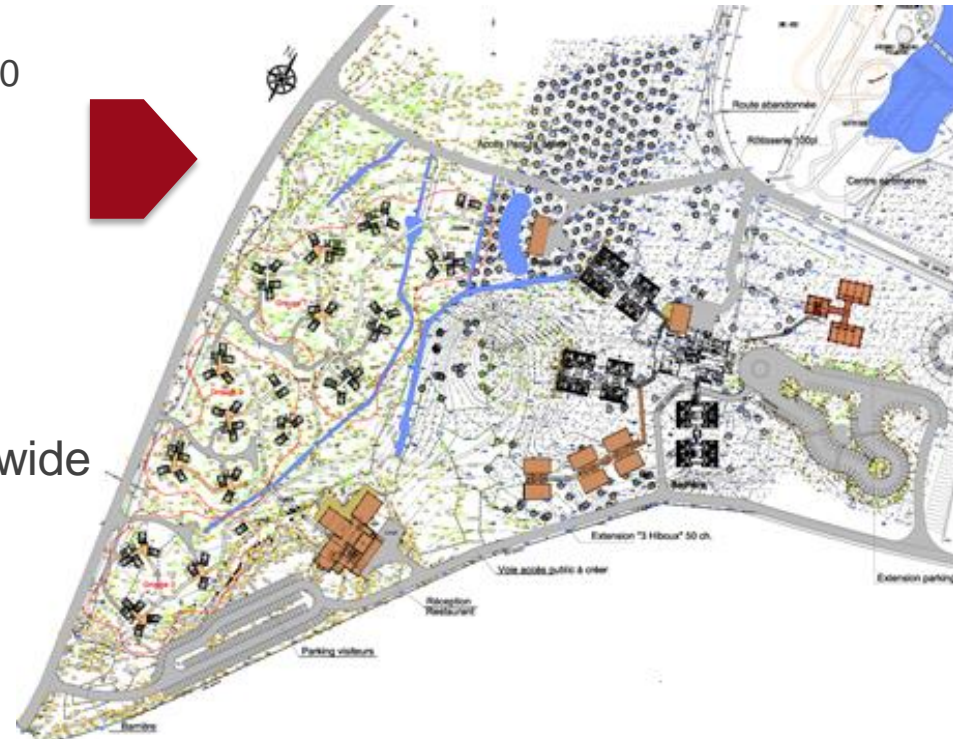
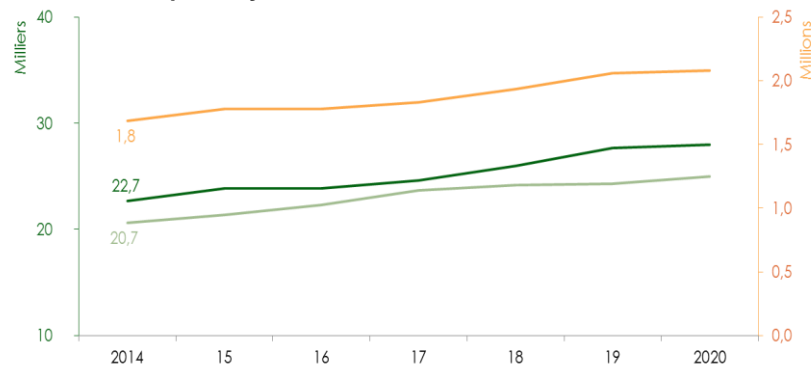
## PARC ASTERIX: from Park to Resort

✓ An additional investment of 55M€ in the next 4 years

- Accommodations: 100 to 450 rooms in 2020
  - Extension of current capacity
  - Two new hotels
- Attractions
  - 7 new attractions
  - 2 major renovations

✓ Objective: become a park with nationwide drawing power (+2M visitors) in 2020

- Capacity of 5,800 visitors/hour



# CAPTURING NEW FOREIGN CLIENTS IS A TOP PRIORITY

- ✓ **Establish a presence** in new and growing geographies and **attract** new client segments in our markets
- ✓ **CDA has real strengths:**
  - Incontestable references, the Sochi success story
  - Brands and the highly appreciated French Touch
  - Operational “savoir-faire” that is highly prized locally

## China, a priority market for the Group

Skiing is a booming activity, with the number of skier days up threefold since 2009 (>13million in 2014) and growing, with the Winter Games set for China in 2022

The development of leisure parks is already real: 850 leisure destinations to date for more than 180 million visitors. In 2020, China will be the biggest market, surpassing the US

- ✓ 2015 was a very proactive year
  - Monthly travel, trade fair presence, resort and park visits
  - In-depth work on the ski resort market: analysis of the market, its key players, and targeting of specific resorts
- ✓ **Preliminary results with two projects underway:**
  - Assistance in the operation of Thaiwoo during the resort’s first year up and running
  - Assistance in the design of a ski dome in Shanghai

# OUTLOOK – 2015/2016 financial year

Given the current security concerns, these estimates are necessarily cautious.



## ✔ SKI AREAS

- Bookings down at December 1 versus last year
- School vacation schedule is more favorable
- Investment program on the increase (+10M€)



## ✔ LEISURE DESTINATIONS

- Good Halloween performance
- New attractions in 2016: 3 structuring attractions in the 3 Walibi parks, 2 family attractions at Parc Astérix and Futuroscope
- Investment program on the increase (+10M€, launch of the accommodations project for Parc Astérix)



## ✔ INTERNATIONAL DEVELOPMENT

- Opening of Chaplin's World
- Restructuring of the Grévin International BU
- Opening of a subsidiary in China and two new assistance contracts

# CONCLUSION

## A group on the move

### ✓ A two-pronged growth strategy

- Increase the appeal of the historic leisure parks and ski areas through ambitious investment policy
- Focus international development on the large markets (China), in partnership

### ✓ Ambitious objectives

- **Divisional EBITDA:** SA >35% in 2018 and LD >27%\* in 2019 (vs.2018)
- **ROCE:** > 8% in 2019 (vs. 2018)

\* Excluding Futuroscope

# UPCOMING RELEASES

✓ January 21, 2016      1Q 2015/2016 sales

✓ April 21, 2016      1H 2015/2016 sales





# QUESTIONS

