

# ANNUAL RESULTS FOR FINANCIAL YEAR 2015/2016

December 13, 2016



**Compagnie des Alpes**

# Contents

**1. Operating highlights**

**2. Annual results**

**3. Strategy & outlook**



# 2015/2016 FINANCIAL YEAR

Very good performances

## Sales

- **+ 4.4% to 720.2 M€**

## Divisional EBITDA\*

- **+ 4.8% to 206.3 M**

## Net attributable income, Group share

- **+20.7% to 33.4 M€**

## ROOC\*\*

- **7.9% vs 7.2% n-1**



*Data on a comparable basis*

*\* Divisional EBITDA = Aggregate EBITDA for Ski Areas, Leisure Destinations and International Development*

*\*\* ROOC = total operating income of sites after tax/committed capital ex-goodwill*

# 2015/2016 FINANCIAL YEAR

## Highlights

### ✓ Ski Areas

- Growth in skier days
- Return to positive bottom line for commercial beds (+1500)
- Extension of three structuring Public Delegations

### ✓ Leisure Destinations

- 3<sup>rd</sup> year in a row of sales expansion (+21.6%)
- Concomitant increase in number of visitors and satisfaction, excluding Grévin
- Rise in In-Park spend exceeds sales growth
- Attractions praised by professional peers and appreciated by visitors

### ✓ Developments

- Chaplin By Grévin off to a good start
- 1<sup>st</sup> assistance contract in China (Thaiwoo)
- Jardin d'acclimatation delegation obtained in partnership with LVMH



# 1

## Operating highlights

1. Ski Areas
2. Leisure Destinations
3. International Development



# SKI AREAS

An effective combination of structural and situation specific measures



## STRUCTURAL ACTIONS TO BUILD CUSTOMER LOYALTY

- Reinforce the appeal of ski areas & VHS of customers
- Increase the coverage and capacity to produce snow
- Increase quantity and quality of tourist accommodation and expand their distribution
- Improve customer knowledge and experience
- An executive director\* in charge of developing mountain ski experiences exclusively

\*member of executive committee

## OPERATIONAL MEASURES TO OFFER A QUALITY PRODUCT AND DELIVER PERFORMANCE IN AN ADVERSE CONTEXT

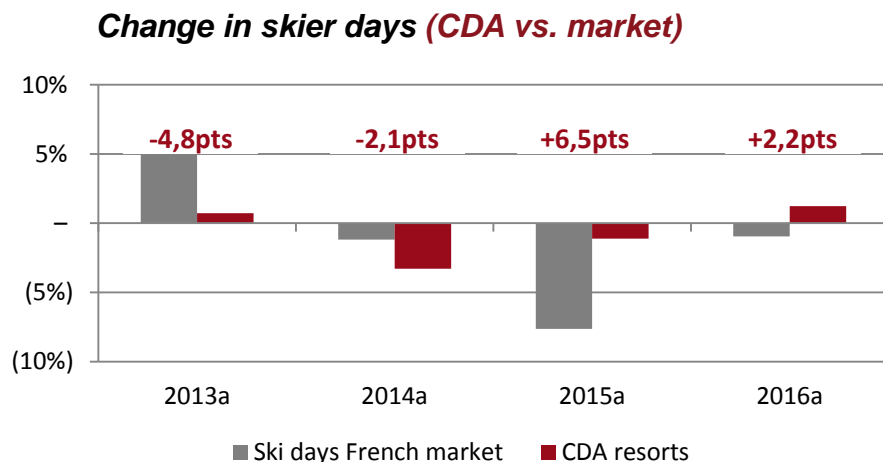
- Snow and piste know-how that can offer a quality experience even when the snow is not there
- Collaboration with the ecosystem to enhance the lift ticket pass offer
- Reactive cost control
- Process optimization (energy, grooming, maintenance,, support functions)



# SKI AREAS

## Measurable results

✓ Relative volumes are improving



✓ Lodging policy is bearing fruit:

- 2,000 beds renovated via Foncière Rénovation Montagne
- 2,000 new beds created with the Group's support
- Growth potential of around 15,000 tourist beds in the next 5 years
- ↗ occupancy rate of beds marketed with support from CDA

✓ Extensions of DSPs that secure performance durably

- 2 major Public Delegations extended: Les Menuires/Saint Martin de Belleville and Méribel Alpina in the Trois Vallées
- Public Delegation of Morillon renegotiated for 30 years with a major transformation of the Giffre zone in light of the arrival of Club Med

### Awards



Val d'Isère,  
Méribel



Tignes, Val d'Isère  
and Grand Massif



Serre Chevalier Vallée,  
La Plagne, Les Arcs



Compagnie des Alpes

# LEISURE DESTINATIONS

A third year of significant improvement in performances, definitively validating the Very High Satisfaction strategy



	2013	2016
Global score	7.85	<b>8.15</b> ↑
Hospitality	8.05	<b>8.48</b> ↑
Kids' Satisfaction	8.61	<b>8.76</b> ↑
Wait time	5.39	<b>7.13</b> ↑

## Satisfaction

- No. of very satisfied visitors is ↑
- Net promoting score is ↑

## Business

- +18.4% increase in visitors over 3 years (ex-Grévin)
- Activation of commercial levers: VEL, Yield management BtoC, BtoB channels

## Sales

- +22% over 3 years
- + 25% In-Park sales
- Monetization of new services and new offers

## EBITDA

- + 105% in three years
- Significant change in cost base in 2013-2014 followed by cost control against the backdrop of strong sales growth
- A performance that allows us to finance investments that drive future growth



# LEISURE DESTINATIONS

## Investments for profitable growth

### ✓ New attractions that meet objectives

- All new attractions are in the Top 5 of their respective parks

PAX	
OZIRIS	9,5
MENHIR EXPRESS	8,8
TONNERRE DE ZEUS	8,8
GOUDURIX	8,5
DISCOBELIX	8,4

WRA	
TIMBER	9,2
SKUNX TOWER	8,8
EQUALIZER	8,8
COCCINELLE	8,6
BAMBOUZ RIVER	8,5

WHO	
LOST GRAVITY	9,2
GOLIATH	9,1
XPRESS	8,7
SPEED OF SOUND	8,5
CRAZY RIVER	8,5

WBEL	
LOUP GAROU	8,9
PSYCHE	8,8
VAMPIRE	8,8
DALTON	8,8
PULSAR	8,7

- They have won trade awards and facilitate site marketing
- They bring additional visitor capacity to parks and will support growth

### ✓ A constant effort to track negative feedback: infrastructures and soft skills (VHS for employees)

### ✓ Transformations whose aim is to expand catchment area in order to seek out new customer targets:

- **Walibi Holland Park & Parc Astérix:** expand customer target geographically by playing the resort card
- **Futuroscope, Walibi Belgium and Walibi Rhône Alpes:** overhaul the product offering to appeal to new customers

### Awards



Pulsar and Timber  
WBE/WRA



Lost Gravity & Discobelix  
WHO/PAX



La Forge aux étoiles  
Futuroscope

# INTERNATIONAL DEVELOPMENT

A credible Group to step up its international development

## ✓ References earned in promising geographies or emblematic contracts

- **China:**
  - Thaiwoo ski resort (including Beijing Olympics in 2022)
  - Ski dome in Shanghai
- **Russia and its neighbors:**
  - Arkhyz, Veduchi, and Elbrus in North Caucasus, Kokhta, and Mitarbi, the bible of skiing development for the government
- **Continental Europe:**
  - After Spirouland, ongoing with **Unibail**
  - Jardin d'acclimatation with **LVMH**

→ CDA is now a recognized player at the global level for the development of indoor and outdoor recreation and leisure activities, particularly those that revolve around skiing

→ Its operating savoir-faire is being exported (Morocco, Russia, China)

## ✓ Optimization of Grévin International

- Success of Chaplin's World by Grévin (opened in April 2016)
- Adjustment of the CDA Productions cost structure achieved



# 2

## Annual Results

1. Presentation by business unit
2. Income statement (P&L) – Group
3. Update on financial structure
4. Proposed dividend

# SKI AREAS

## Operating performance & Investments

(In millions of €)	15/16	14/15	Change
Sales	409.6	394.1	+3.9%
Skier Days (in thousands)	13,759	13,595	+1.2%
EBITDA	146.8	137.5	+6.7%
EBITDA/SALES	35.8%	34.9%	+90 bps
Net investments	84.1	72.5	+11.6M
I/SALES	20.5%	18.4%	+210bps

✓ Increase in lift sales: +3.6%

- Volume effect +1.2%
- Price control effect +2.4%

✓ Positive volume growth

- Accommodation strategy
- Changes in distribution and marketing tools
- Appeal of high altitude resorts

✓ EBITDA rising faster than sales

- Operational management
- Contained operating expenses
- Lower energy costs
- Capital gain on the sale of fixed assets

✓ Increase in investments, in particular

- Appeal: New lifts; piste and grooming
- Snowmaking equipment

# LEISURE DESTINATIONS

## Operating performance & Investments

(In millions of €)	15/16	14/15 comparable	% comparable	14/15 actual	change actual
<b>SALES</b>	301.4	289.3	+4.2%	295.3	+2.1%
<b>Visitors (in M)</b>	8.04	8.09	-0.7%	8.34	-3.6%
<b>EBITDA</b>	68.2	63.7	+6.9%	60.4	+12.9%
<b>EBITDA/SALES</b>	22.6%	22.0%	+60bps	20.4%	+220bps
<b>Net investm ents</b>	59.0	46.6	+12.4M	47.4	+11.6M
<b>I/SALES</b>	19.6%	16.1%	+350bps	16.1%	+350bps

✓ SALES up 21.6% over 3 years, including +4.2% this season

- External context challenging
- Dynamic In Park sales

✓ Excluding Grévin Paris => visitors up +1.3%

✓ EBITDA continues to improve

- +760 bps in three years pro forma
- Cost control
- Absorption of costs related to additional security measures (2M€ opex + capex)

✓ Investments:

- New attractions delivered at 5 sites
- Start-up of Parc Astérix hotel project
- Major investments scheduled for 2017 delivery at Astérix and Futuroscope
- Very High Satisfaction strategy seeks to create return visitors and word of mouth

# INTERNATIONAL DEVELOPMENT

## Operating performance & Investments

(In millions of €)	15/16	14/15	Change
Sales	9.1	6.3	+44.9%
EBITDA	-8.6	-4.5	-4.1M
Net investments	7.4	13.3	-5.9M

- ✓ Higher sales, driven by:
  - 1<sup>st</sup> full year of operation for Grévin Seoul and opening of Chaplin's World by Grévin
- ✓ EBITDA penalized by:
  - Slower than expected ramp-up
  - Start-up and advertising costs
- ✓ Significant decrease in investments
  - 2 concomitant projects in 2015
  - Chaplin's World by Grévin open in 2016
- ✓ CDA Management (consulting business)
  - Jardin d'Acclimatation
  - Management assistance for the Thaiwoo result in China

# INCOME STATEMENT (P&L)

## Group

(In M€)	2015/16	2014/15 comparable	Change comparable	2014/15 actual	Change actual
SALES	720.2	689,9	<b>+4.4%</b>	695.9	+3.5%
Divisional EBITDA*	206.3	196.8	<b>+4.7%</b>	193.5	+6.6%
Div EBITDA/SALES	28.6%	28.5%	+10 bps	27.8%	+80 bps
EBITDA	184.0	172.5	<b>+6.7%</b>	168.8	+9.0%
EBITDA/SALES	25.5%	25.0%	+ 50 bps	24.3%	+120 bps
Op. income	73.1	64.4	<b>+13.5%</b>	66.9	+9.2%
NAI, GS	33.4	27.7	<b>+20.7%</b>	30.0	+11.3%

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

- ✔ Greater resilience in a challenging outside environment
  - Sales up across the board
  - Profitability up in both SA and LD divisions
- ✔ **Divisional EBITDA/Sales ratio** rising faster than Sales
- ✔ **Operating income** up strongly
  - Despite high basis of comparison
  - Sales and margin growth
- ✔ **Net attributable income, Group share** up sharply

# COMPAGNIE DES ALPES –

## Financial structure

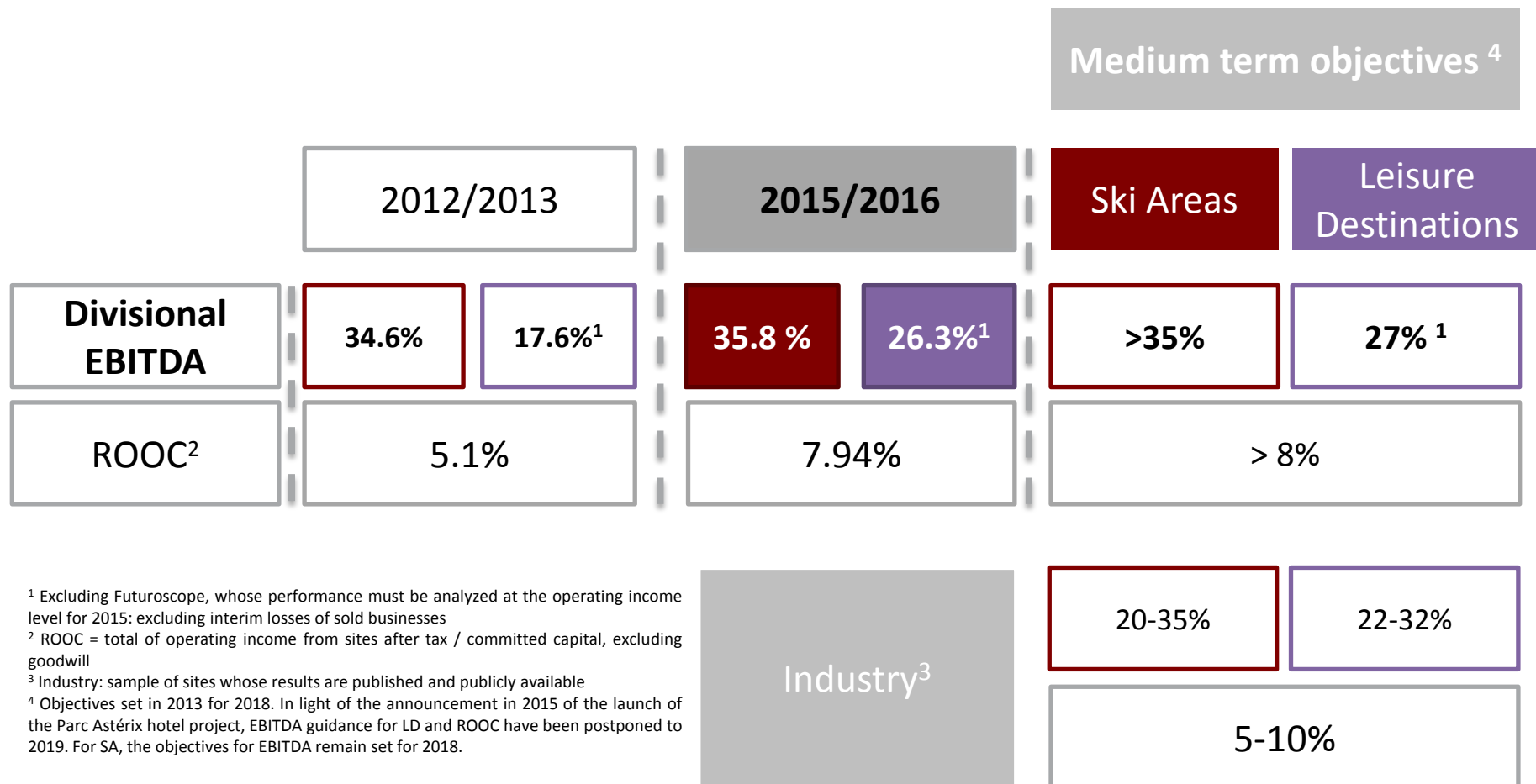
(in €M)	15/16	14/15 actual	Change actual
Self-financing capacity	154.6	139.2	+11.0%
Net industrial investments	153.6	135.0	+13.7%
Available self-financing	1.0	4.2	
FCF Op.*	35.2	38.7	
Net debt	370.3	361.6	
Net debt / EBITDA	2.01	2.14	

\*Free Cash Flow from Operations: Free Cash Flow before tax and net cost of debt

- ✓ Increase in **self-financing capacity** (+15.4M€), reflecting improved business performances
- ✓ => Visible impact of this investment effort on **self-financing** and **FCF from Operations**
- ✓ **Average net debt** down 3.9%
- ✓ **Net debt / EBITDA ratio** continues to improve



# MARGIN OBJECTIVES MET EARLY



<sup>1</sup> Excluding Futuroscope, whose performance must be analyzed at the operating income level for 2015: excluding interim losses of sold businesses

<sup>2</sup> ROOC = total of operating income from sites after tax / committed capital, excluding goodwill

<sup>3</sup> Industry: sample of sites whose results are published and publicly available

<sup>4</sup> Objectives set in 2013 for 2018. In light of the announcement in 2015 of the launch of the Parc Astérix hotel project, EBITDA guidance for LD and ROOC have been postponed to 2019. For SA, the objectives for EBITDA remain set for 2018.

# COMPAGNIE DES ALPES GROUP – Dividend

- ▲ Dividend **0.40€** /share
- ▲ Level of dividend compatible with a sustained growth and investment strategy
- ▲ Payout falls within the average for comparable companies, at nearly **30%**

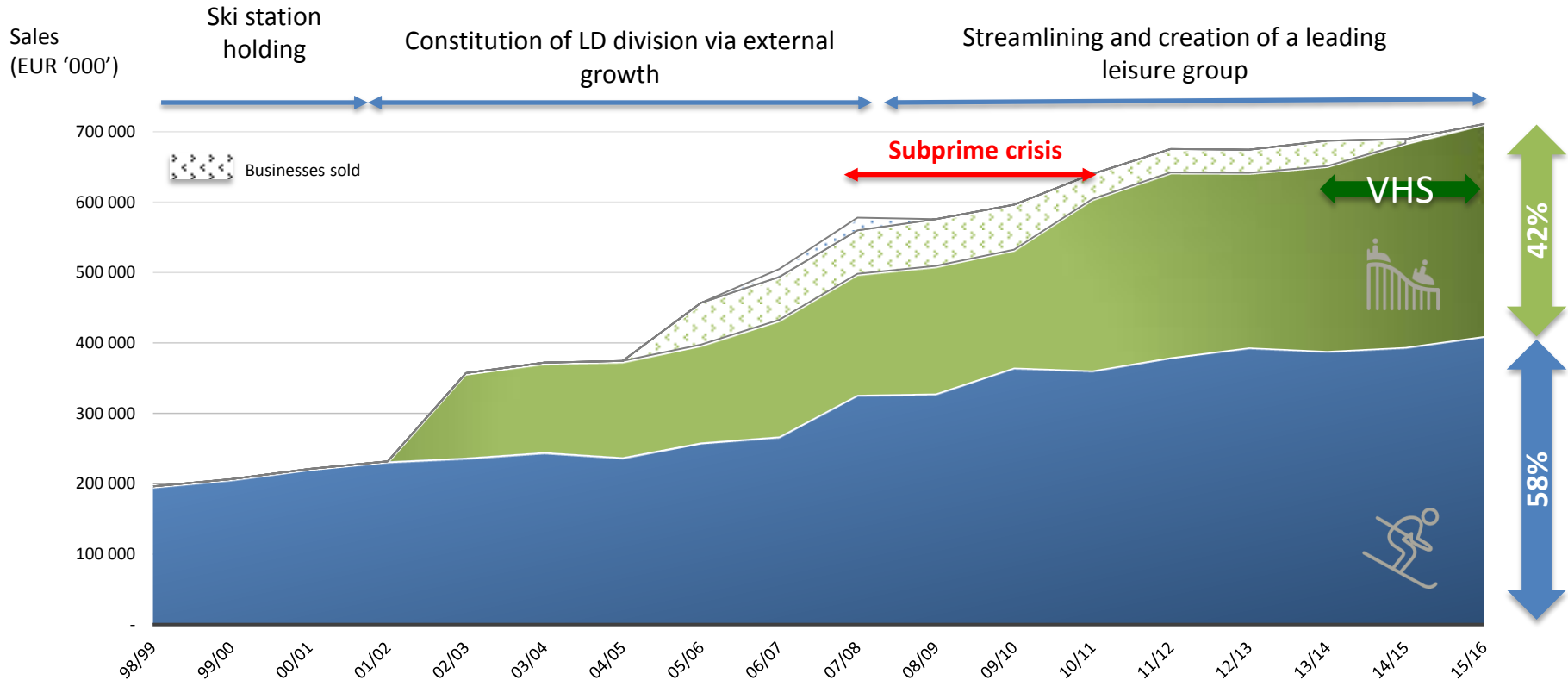
# 3

## Strategy & outlook

1. From European group to world leader
2. Outlook
3. Upcoming events



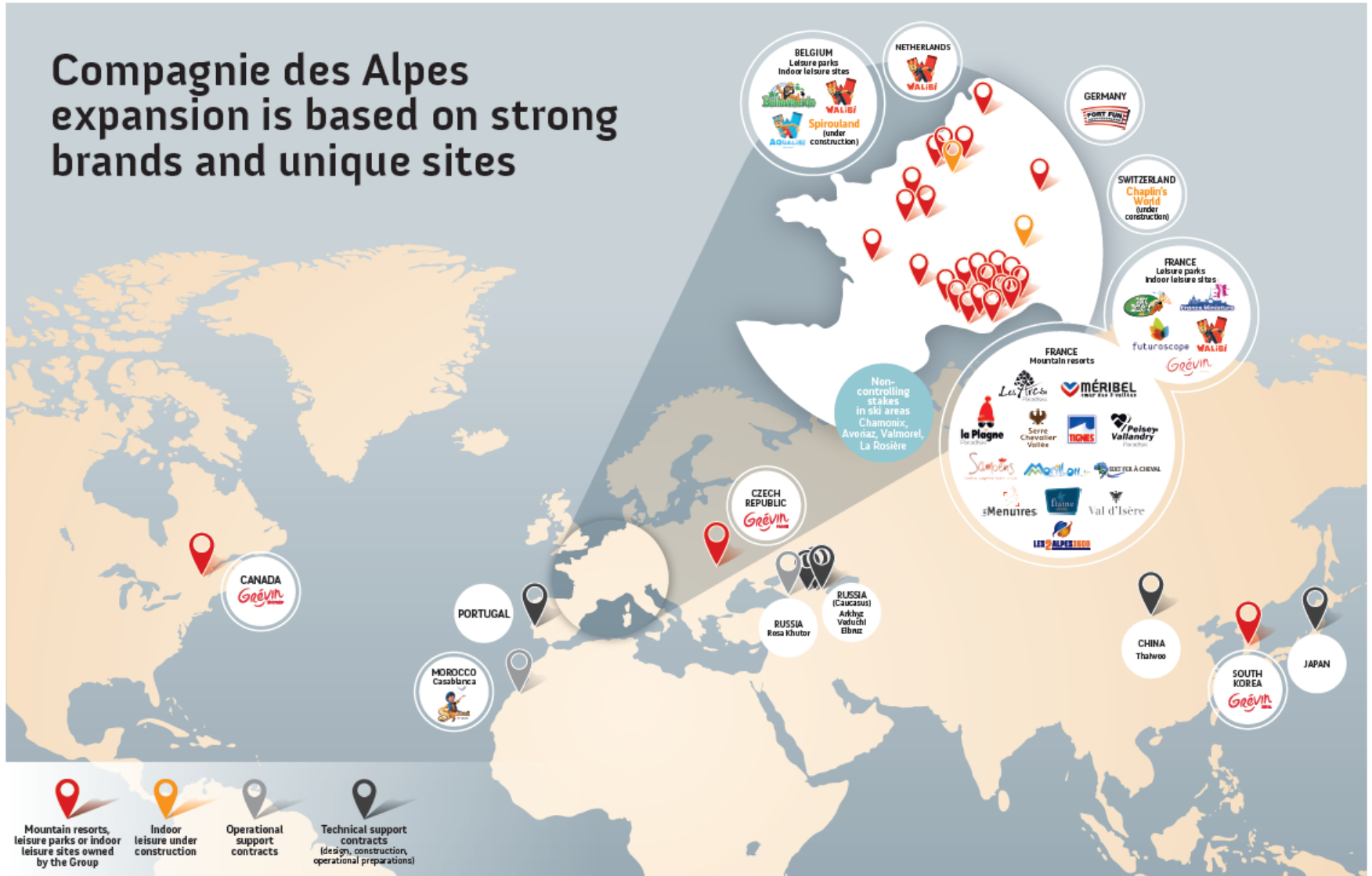
# A SUCCESSFUL TRANSFORMATION – A leading European leisure group



- ✓ Better business mix (seasonality, geographic distribution, customer segments)
- ✓ Operational performance aligned with market's best
- ✓ Expansion of the growth driver base (formats, geographic regions, etc.)

# A STRONGER INTERNATIONAL FOOTPRINT

Compagnie des Alpes expansion is based on strong brands and unique sites



# POTENTIAL AND OPPORTUNITY OF BECOMING A WORLD LEADER

**OUR AMBITION:** In a global market that is consolidating and growing, make **Compagnie des Alpes** a French leader on the global scene, recognized for

- ✓ Operational and service excellence onsite (VHS)
- ✓ Capacity to innovate and creativity with support from strong brands and partners
- ✓ Capacity to integrate and federate ecosystems where it operates



## TWO STRATEGIC OBJECTIVES



### Guarantee growth in Europe

- Support the return of growth in volume terms in mountain resorts
- Evolve formats, from leisure parks to resort
- Be a structuring player in consolidation across Europe

### Succeed in our international development

- Participate actively in the development of the skiing and leisure markets
- Give priority to new growth territories: China, India

# OUTLOOK

## 2016/2017 financial year



### ✓ SKI AREAS

- Arrival of snow => Reservations up vs n-1
- School holiday calendar: less positive in Q1 and more positive in Q3
- Investments of around 85M€ targeting snowmaking and resort appeal



### ✓ LEISURE DESTINATIONS

- Halloween related sales up
- The Group remains cautious vs security situation
- Investment up by 8M€: hotel project and new attractions at Futuroscope, Parc Astérix and Walibi Rhône-Alpes



### ✓ INTERNATIONAL DEVELOPMENT

- Focus on consolidation of activity for Grévin international
- Pursuit of the development of the consulting business in the run-up to the Beijing Olympics in 2022
- Open at external acquisition projects

### ✓ GROUP

- Current low interest rate climate encourages anticipation of the refinancing of the 200M€ bond in the months ahead

# UPCOMING COMMUNICATIONS EVENTS

✓ **January 19, 2017**      **1<sup>st</sup> quarter sales, 2016/2017**

✓ **April 20, 2017**      **1<sup>st</sup> half sales, 2016/2017**





# QUESTIONS