Press Release

Compagnie des Alpes

FIRST HALF 2021/2022

RESULTS SHOW MARKED IMPROVEMENT OVER 1H 2018/2019, THE PRE-CRISIS REFERENCE YEAR:

- SALES GROWTH OF MORE THAN 16%
- EBITDA UP BY MORE THAN 50% (+32% EXCLUDING NON-RECURRING ITEMS)
- GROUP SHARE OF NET ATTRIBUTABLE INCOME UP BY 75%

⇨ IMPROVED OUTLOOK FOR FY 2021/2022 AS A WHOLE

⇨ POSITIVE FREE CASH FLOW FORECAST FOR FY 2021/2022

Paris, May 24, 2022 – The Board of Directors of Compagnie des Alpes, in a meeting chaired by Dominique Marcel, approved the Group's consolidated financial statements for the 1st half of financial year 2021/2022.

(in €M)	1st half 2021/2022	1st half 2020/2021 (1)	1st half 2018/2019 (1) (2)	Change vs 2018/2019 (1) (2)
Group Sales	**541.2**	31.0	**465.7**	+16.2%
o/w Ski Area Sales	**392.1**	1.9	**352.2**	+11.3%
o/w Leisure Park Sales	**120.4**	27.6	**93.1**	+29.3%
o/w Holdings & Support Sales	**28.7**	1.5	**20.4**	+40.8%
Group EBITDA	**230.4**	-16.1	**152.0**	+51.6%
o/w Ski Area EBITDA	214.9	32.8	**181.3**	+18.5%
o/w Leisure Park EBITDA	24.0	-34.9	**-15.7**	N/A
o/w Holdings & Support EBITDA	-8.5	-14.0	**-13.6**	N/A
Operating Income	**164.8**	-138.2	**95.6**	+72.5%

*(1) Data **excluding** Les 2 Alpes ski resort, removed from Group scope as of December 1, 2020*
(2) FY 2018/2019 ex-IFRS 16, accounting standard applied as of October 1, 2019

The data above pertaining to the 1sr half of FY 2021/2022 have not been adjusted for the impact of including real estate agencies and Evolution 2 in the Group's scope of consolidation effective October 1, 2021. The inclusion of these businesses in the financial statements for the 1st half of the current financial year resulted in a positive impact of €10.7 million on the Group's sales (€3.0 million for Ski Areas and €7.7 million for Holdings & Support), and by a positive impact of €2.0 million on the Group's EBITDA. In the additional notes to this press release, you will find a table that presents detailed information about these adjusted data as well as the change on a comparable scope basis versus the 1st half of financial year 2018/2019 excluding Les 2 Alpes (up to operating income).

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Commenting on the results for the 1st half of 2021/2022, **Dominique Thillaud, CEO of Compagnie des Alpes stated**: «The *results of the first half are very encouraging. They demonstrate an exceptional level of commitment by Compagnie des Alpes teams and the success of initiatives undertaken for the purpose of accelerating – over and above the market recovery – growth across the board for our business lines. Building on the good performances recorded last summer, the leisure parks had a very good first quarter, with the Halloween and Christmas periods, while the ski areas fully capitalized on the action taken in the field. The Group is ahead of its operating plan and should be able to surpass its pre-crisis level performances for the financial year 2021/2022.*

Having recovered the resources needed to achieve our development and growth ambitions, we plan to maintain our investment efforts in attractivity, continue to deploy our digital tools, optimize our distribution channels and our sales strategy, while accelerating the rollout of our net zero carbon objectives, which remains essential for our businesses and for the regions in which we operate."

The **Group's Consolidated Sales** for the 1st half of 2021/2022 amounted to €541.2 million, an increase of 16.2% compared with the 1st half of 2018/2019 (adjusted for the removal of Les 2 Alpes), the reference period because it is the most recent full year preceding the health crisis.

For **Ski Areas,** sales came to €392.1 million, which represents growth of 11.3% versus the 1st half of financial year 2018/2019. After having been impacted to the travel restrictions in effect between the United Kingdom and France until the end of January 2022, the number of skier days gradually made up for its performance gap compared to the 1st half of 2018/2019 as these restrictions were lifted, reflecting also good French school holiday performances in February and a slight improvement in the month of March.
Overall, the decline in the number of skier days was limited to -5% for the first half compared to the same period in 2018/2019. Average revenue per skier day rose by around 15% thanks to a less intermediated client mix, an improved package mix, and the aggregate addition of price indexing over the last three financial years.

For **Leisure Parks,** sales reached €120.4 million, which represents an increase of 29.3% compared with the 1st half of financial year 2018/2019. Reflecting the successful acceleration of event-focused marketing during the periods surrounding Halloween and Christmas, this performance was driven by an increase in attendance (+10%) and by the rise in spend per visitor (+19%), which remains highly dynamic. Both figures illustrate the relevance of new investments in attractivity, the digital development strategy, and the optimization of the sales strategy (yield management in particular) deployed by the Group to accelerate the recovery.

Holdings & Support sales totaled €28.7 million, an increase of 40.8% versus the 1st half of financial year 2018/2019, due to the consolidation of the Group's real estate agencies since October 1, 2021. Adjusted for this consolidation, the increase in sales comes to just under 3% compared with the 1st half of 2018/2019. Travelfactory reported a satisfactory level of activity, not only in the French market but also in the United Kingdom, the Netherlands, and Belgium. In addition, the rollout of Travelski Express was a success, with a ramp-up that resulted in nearly fully booked rotations by the end of the period. Following this experiment – whose economic equilibrium was slightly impacted by a late start (caused by the closure of the UK market and the Omicron variant) – the Group plans to pursue the development of its sustainable mobility initiatives.

The **Group**'s **EBITDA** was €230.4 million for the 1st half of 2021/2022, up by 51.6% compared with EBITDA of €152.0 million for the 1st half of financial year 2018/2019 (adjusted for Les 2 Alpes). It got a boost from

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non-recurring positive items for a total of €29.1 million, including €19.8 million worth of insurance compensation related to the flooding that hit parts of Walibi Belgium and Aquilibi in July 2021, and €9.3 million in remaining financial aid and exemption from social charges in France and abroad relating to the health crisis in the first part of 2021. They also include the positive impact of applying IFRS 16, for €7.3 million (it should be noted that this standard was not applicable in 2018/2019).

EBITDA for **Ski Areas** reached €214.9 million (of which €2.4 million reflected the impact of applying IFRS 16), an increase of 18.5% compared with the 1st half of 2018/2019 adjusted for Les 2 Alpes. This performance is attributable to solid business dynamics during this period, as well as to disciplined management of operating expenses and the one-off impact of the reduction in social charges because of the health crisis, which was booked this half for €6.6 million.

EBITDA for **Leisure Parks** was +€24.0 million (including the €3.8 million impact of IFRS 16) versus €-15.7 million for the 1st half of 2018/2019. This performance can be attributed foremost to the very good level of sales for this division, particularly during the 1st quarter, as well as to disciplined management of operating costs. It also includes non-recurring positive items for a total of €21.1 million: +€19.8 million in net insurance compensation related to the flooding in Belgium that occurred in July 2021 and €2.2 million in subsidies linked to the health crisis that were recorded this financial year.

EBITDA for **Holdings & Support** also improved, reaching -€8.5 million (including the €1.0 million positive impact of applying IFRS 16), versus -€13.6 million for the 1st half of 2018/2019. This improvement is primarily due to a good level of business for tour operators and reflects the one-off positive impact of exemption from social charges payable at the holding level, for €0.5 million.

The data below relating to the 1st half of financial years 2020/2021 and 2018/2019 are those presented when they were published. Accordingly, they include the ski resort Les 2 Alpes, which was removed from Group consolidation on December 1, 2020.

(in €M)	1st half 2021/2022	1st half 2020/2021 (1)	1st half 2018/2019 (1) (2)	Change vs 2018/2019 (1) (2)
Operating Income	**164.8**	-137.7	**105.7**	+55.9%
Net Attributable Income, Group Share	**112.7**	-122.6	**64.6**	+74.4%
Free Cash Flow from Operations (3)	**249.8**	-120.7	**134.5**	+85.8%

*(1) Data **including** the Les 2 Alpes ski resort, which was removed from the Group's scope of consolidation on December 1, 2020*
(2) Financial year 2018/2019 excluding IFRS 16, which was applied for the first time on October 1, 2019
(3) Free Cash Flow from Operations is equal to cash flows related to operations less cash flows related to net industrial investments.

After factoring in **Depreciation and amortization expense,** which increased by close to €10 million versus the 1st half of 2018/2019, primarily due to the impact of IFRS 16 (€6 million), the Group's **operating income** amounted to €164.8 million, an increase of 55.9% compared with the same period in financial year 2018/2019.

The Group's **net cost of debt** was €8.0 million for the period under review, a marked decrease compared with the 1st half of the preceding financial year, which included a €4.3 million expense related to the

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extension of the first PGE loan. Compared with the 1st half of 2018/2019, net cost of debt increased due to the cost of PGE guarantee costs prorogated and IFRS16 financial costs expense (€1.9 million).

After recording a **tax expense** of -€42.8 million and results for companies accounted for using the equity method for +€10.2 million, **Net attributable income, Group share** for the 1st half of financial year 2021/2022 was €112.7 million, versus €64.6 million for the 1st half of 2018/2019, an increase of 74.4%.

The **decrease in working capital requirements** reached -€85.4 million. This is in line with the level of activity observed over the course of the 1st six months of the financial year and is due primarily to higher operating costs.

Net industrial investments[1] reached €65.0 million during the 1st half, which represents a relatively low proportion of the annual budget due to a phasing plan that calls for higher outlay in the 2nd half. The total of €65.0 million breaks down into €31.5 million for Ski Areas, €27.3 million for Leisure Parks, and €6.3 million for Holdings & Support.

Free Cash Flow from Operations[2] is thus up sharply, to €249.8 million versus €134.5 million for the 1st half of 2018/2019. It is nonetheless expected to decrease over the 2nd half of the year due to the seasonal nature of the change in WCR and the execution of investments.

After factoring in lease liabilities of €163.5 million (in accordance with IFRS 16), the Group's **net debt** totaled €419.8 million, versus €663.9 million on September 30, 2021, and €979.9 million on March 31, 2021. Adjusted for IFRS 16, net debt totals €256.3 million versus €501.7 million on September 30, 2021, and €807.0 million on March 31, 2021.

Accordingly, the **Net debt / EBITDA (ex-IFRS 16) rate calculated over 12 months** reached 0.8x as of March 31, 2022. As a reminder, this ratio was 8.8x as of September 30, 2021, while the EBITDA over 12 months was negative on March 31, 2021.

Outlook for the remainder of financial year 2021/2022 revised upward

The spring-summer season is looking good for our leisure parks and ski areas alike. At the same time, the Group remains vigilant in the face of the macroeconomic context, which has become somewhat tense over the last few weeks (due to the impact of inflation, slower growth, and higher costs).

- **Sales and EBITDA**

While a return to pre-crisis level sales and EBITDA was expected to occur in 2022/2023, the dynamic level of sales, combined with the Group's efforts to contain costs and accelerate the implementation of initiatives designed to stimulate demand, allow the Group to envisage sales and EBITDA surpassing the levels achieved in reference year 2018/2019.

[1] See glossary
[2] See glossary

- **Net Industrial Investments**

The Group reiterates its target net annual investment budget of around €160 million, but nonetheless reserves the possibility of seizing additional targeted investment opportunities, especially if they could have a beneficial effect on EBITDA as of 2023.

- **Financial gearing**

Financial gearing, which was expected at the end of the financial year (September 30, 2022) to fall between 3.0x and 3.5x, is now expected to come in far below 3.0x.

Post-yearend closing event

- **Buyout bid on Musée Grévin S.A.**

Compagnie des Alpes initiated a buyout bid followed by a mandatory squeeze-out of outstanding shares in the Musée Grévin S.A. company. This offer took place from March 18 through March 31, and at the end of this period, Compagnie des Alpes owned 98.04% of the company's equity and at least 98.49% of the voting power.

Consequently, and in accordance with the intention Compagnie des Alpes disclosed when the Offer was submitted, and as indicated in the AMF notice published on April 1, 2022, this mandatory squeeze-out of Musée Grévin shares occurred on April 12, 2022 on all Musée Grévin S.A. shares targeted by the Offer that had not been tendered. Since this date, Compagnie des Alpes thus owns 100% of the shares of the Musée Grévin S.A. company.

Upcoming events and releases:

- 2021/2022 3rd quarter sales: Thursday, July 21, 2022, after stock market close
- 2021/2022 4th quarter sales: Thursday, October 20, 2022, after stock market close
- 2021/2022 annual results: Tuesday, December 6, 2022, before stock market open

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Additional information

1 – Consolidated results for the 1st half of 2021-2022 through March 31, 2022

(in millions of euros)	First Half 2021/2022 Actual scope	First Half 2020/2021 Actual scope	First Half 2021/2022 Comparable scope (1)	First Half 2018/2019 Comparable scope (2)	Change (%) (1) - (2) / (2)
Sales	541,2	31,5	530,5	465,7	13,9%
EBITDA	230,4	-17,2	228,4	152,0	50,2%
EBITDA/SALES	*42,6%*	*-54,7%*	*43,1%*	*32,6%*	
OPERATING INCOME	**164,8**	**-137,7**	**162,9**	**95,6**	**70,4%**
Net cost of debt and miscellaneous	-9,9	-17,9			
Tax expense	-42,8	17,5			
Equity method	10,2	8,4			
NET INCOME	**122,3**	**-129,7**			
Minorities	-9,6	7,1			
NET ATTRIBUTABLE INCOME, GROUP SHAF	**112,7**	**-122,6**			

(1) The change on a comparable scope basis excludes real estate agencies, Cassiopée, Travel Exploitation and Evolution 2 companies in 2022

(2) The change on a comparable scope basis excludes Deux Alpes Loisirs in 2018/19

2 – Sales by division for the 1st half of 2021-2022 through March 31, 2022

(in millions of euros)	First Half 2021/2022 Actual scope	First Half 2020/2021 Actual scope	First Half 2021/2022 Comparable scope (1)	First Half 2018/2019 Comparable scope comparable (2)	Change (%) Comparable scope (1) - (2) / (2)
Ski Areas	392,1	2,5	389,1	352,2	10,5%
Leisure Parks	120,4	27,6	120,4	93,1	29,3%
Holdings & Support	28,7	1,5	21,0	20,4	2,9%
SALES	**541,2**	**31,5**	**530,5**	**465,7**	**13,9%**

3 – EBITDA by division for the 1st half of 2021-2022 through March 31, 2022

(in millions of euros)	First Half 2021/2022 Actual scope	First Half 2020/2021 Actual scope	First Half 2021/2022 Comparable scope (1)	% of SALES 2021/2022 Comparable scope	First Half 2018/2019 Comparable scope (2)	% of SALES 2018/2019 Comparable scope	Change (%) Comparable scope (1) - (2) / (2)
Ski Areas	214,9	31,7	215,4	55,4%	181,3	51,5%	*18,8%*
Leisure Parks	24,0	-34,9	24,0	19,9%	-15,7	-16,8%	*253,3%*
Holdings & Support	-8,5	-14,0	-11,0		-13,6		*19,3%*
EBITDA	**230,4**	**-17,2**	**228,4**	**43,1%**	**152,0**	**32,6%**	***50,2%***

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Glossary

Free cash flow from operations: Equal to free cash flow from operations less net industrial investments.

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.

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