Press Release

FIRST HALF 2023/24

- **RECORD HALF-YEAR SALES OF €761 M (+12.2%)**
- **EBITDA UP 18.8%**
- **NET ATTRIBUTABLE INCOME, GROUP SHARE UP 18.7% TO €128 M**
- **FREE CASH-FLOW FROM OPERATIONS TOTALING €254 M**
- **2023/2024 EBITDA TARGET RAISED: EXPECTED FROM NOW AROUND €350 M (I.E., GROWTH OF ABOUT 15% COMPARED WITH AT LEAST 7% PREVIOUSLY (VS. REFERENCE EBITDA OF €304M FOR 2022/23)**
- **THE GROUP HAS DE-RISKED ITS ELECTRICITY SUPPLY THROUGH 2027 FOR A VERY SATISFACTORY PRICE**
- **AMENDMENT SIGNED EXTENDING DELEGATED OPERATING AGREEMENT FOR THE LES MÉNUIRES RESORT (SEVABEL) BY 6 YEARS**

Paris, May 23, 2024 – The Board of Directors of Compagnie des Alpes, at its meeting chaired by Gisèle Rossat-Mignod, has approved the Group's consolidated financial statements for the first half of the 2023/24 financial year, ending March 31, 2024.

Commenting on the results for the first half of 2023/24, Dominique Thillaud, Chief Executive Officer of Compagnie des Alpes, said: ***"The first half of the year marked a fine performance for our Group. Compagnie des Alpes achieved record sales. Business was brisk in all our businesses, particularly in our ski areas, which enjoyed a particularly good winter season, thanks to the joint efforts of the Group and the entire ecosystem to promote and enhance the appeal of our resorts. At the same time, the Distribution & Hospitality division also performed well, with high occupancy rates throughout the season.***

We have also demonstrated discipline and agility by controlling our operating expenses, including our electricity bill, allowing us to achieve growth in our EBITDA and operating income that significantly outpaced our revenue growth while generating a substantial increase in free cash flow.

Looking ahead to the end of the financial year, we are confident going into the summer season for our Leisure Parks, whose attractiveness will be bolstered by numerous investments in new facilities and attractions as well as the organization of events. Given the strong results achieved in the first half, we are able to significantly raise our annual EBITDA target."

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Key financial data

(in €M)	**1st half 2023/24**	**1st half 2022/23**	***Change***
Group Sales			
▪ Ski Areas and Outdoor Activities	496.9	434.8	*+14.3%*
▪ Distribution & Hospitality	96.5	93.8	*+2.9%*
▪ Leisure Parks	167.7	149.9	*+11.9%*
Total Group	**761.1**	**678.5**	***+12.2%***
EBITDA *(after corporate services)*			
▪ Ski Areas and Outdoor Activities	253.9	207.8	*+22.2%*
▪ Distribution & Hospitality	36.6	30.9	*+18.4%*
▪ Leisure Parks	(7.4)	(4.5)	*-66.6*
▪ Headquarters	(6.6)	(1.5)	*n/a*
Total Group	**276.5**	**232.7**	***+18.8%***
EBITDA / Sales	***36.3%***	*34.3%*	***+2.0 pts***
Operating Income	**188.0**	151.6	***+24.0%***
Net attributable income, Group share	**127.7**	107.6	***+18.7%***
Free cash flow from operations	**253.6**	208.5	***+21.6%***

Compagnie des Alpes recorded **consolidated sales** of €761.1 million for the first half of the 2023/24 financial year, up 12.2% versus the first half of the previous year. All three of the Group's divisions contributed to this robust performance.

- **Ski Areas and Outdoor Activities** sales rose to €496.9 million, up 14.3% over the first half of 2022/23. Ski lift sales, which account for the bulk of business, grew at the same rate, driven by both an 8.6% increase in the number of skier days (in a national market up around 2%) and a 5.7% rise in average revenue per skier day.

- Sales for the **Distribution & Hospitality** division amounted to €96.5 million, up 2.9% compared to the first half of 2022/23. This performance covers contrasting trends. MMV (the second largest hotel operator in the Alps) saw double-digit growth in net accommodation revenue after commissions. Mountain Collection Real Estate (the largest network of real estate agencies in the Alps) experienced particularly dynamic activity, also recording double-digit growth during the first six months. However, as anticipated, the tour operator activity, driven by Travelfactory, was impacted by the discontinuation of rail offerings and a strategic refocus prioritizing margin over volume.

- **Leisure Parks** business was also buoyant, particularly at Christmas, with sales reaching €167.7 million, up 11.9% over the first half of 2022/23. This increase was driven by a 5.1% rise in attendance and a further 6.1% rise in spending per visitor. It should be noted that business in the first half of the year suffered early on from particularly poor weather conditions (Storm Ciaran) over the Halloween period, but then benefited from the earlier positioning of the Easter weekend, which enabled all parks to open for the season earlier than last year.

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The Group's EBITDA reached €276.5 million in the first half of 2023/24, up 18.8% versus the first half of the previous year. This strong growth can be attributed both to buoyant sales and tight control of operating expenses, which rose by only 8.7%. It should be noted that energy costs fell by over 10%, thanks to lower unit electricity prices from January 1, 2024, and ongoing efforts to reduce consumption. As a result, the **Group's EBITDA margin** increased by 2 points to 36.3% (compared with 34.3% in the first half of the previous year).

- EBITDA for the **Ski Areas and Outdoor Activities** division amounted to €253.9 million, up 22.2% over the first half of 2022/23. This performance was driven by strong business growth and tight control of operating expenses, which rose by just 7%, helped by a 15% reduction in energy costs. The division's EBITDA margin reached 51.1%, compared with 47.8% in the first half 2022/23.

- **Distribution & Hospitality** EBITDA was up 18.4% versus H1 2022/23, to €36.6 million, driven primarily by a nearly 5% reduction in operating expenses, including a 10% drop in energy costs. All three of the division's businesses reported higher EBITDA, with Travelfactory making a positive contribution. As a result, the EBITDA margin rose by 5 percentage points, from 32.9% in the first half of 2022/23 to 37.9%.

- It should be noted that **Leisure Parks** EBITDA is structurally negative in the first half, due to the highly seasonal nature of this business. Historically, the first half represents nearly 25% of annual sales and 40% of expenses. EBITDA amounted to -€7.4 million for the first half of 2023/24, versus -€4.5 million for the first half of the previous year. The gradual opening to the general public of a larger number of parks during the Christmas vacation period, including two new ones this year, is initially diluting the division's margin rate. Marketing expenses also increased, given the launch of numerous new products this season.

In the first half of 2023/24, **depreciation and amortization** expenses amounted to €88.4 million (including €16.3 million for IFRS 16 lease amortization), an increase of 8.6% compared to the first half of 2022/23. Consequently, the **operating result** **reached €188.0 million, compared to €151.6 million in the first half of the previous financial year, an increase of 24.0%.**

The Group's **net cost of debt** rose by €3.1 million to €14.8 million. Financial expenses increased in line with rising interest rates but were partially offset by higher financial income from cash investments.

Income tax expense was up by almost €10 million to €44.3 million, mainly due to the rise in pre-tax income, but also to a slight increase in the tax rate.

Net attributable income, Group share for the first half of FY 2023/24 came to €127.7 million, compared with €107.6 million for the same period last year, an increase of +18.7%.

Working capital requirements showed a positive change of €110.7 million in the first half of 2023/24, compared with a positive change of €93.1 million in the first half of the previous year, an improvement of €17.6 million due in particular to buoyant sales for the Ski Areas division.

Net capital expenditures[1] amounted to €121.3 million in the first half, compared with €101.6 million for the same period in FY 2022/23. They mainly concerned:

- Ski Areas (€51.3 M), with investments in new ski lifts at La Plagne, Arcs, Serre Chevalier, and Grand Massif;

[1] See glossary

- Leisure Parks (€56.9 M), with investments in attractiveness at, Parc Astérix, Bellewaerde, and Walibi Rhône-Alpes.

This level is in line with the full-year target of around €270 million.

Given the robust growth in sales and the seasonal variation in working capital requirements, **operating free cash flow**[2] for the first half of 2023/24 reached €253.6 million, up 21.6% versus the first half of 2022/23. It should be noted, however, that changes in working capital are structurally unfavorable in the second half of the year.

The Group's **net debt**, including IFRS 16 lease liabilities, stood at €722 million as of March 31, 2024. Due to the seasonal nature of the business, it was down sharply compared with September 30, 2023. Compared with the level as of March 31, 2023, it has increased by €63 million. Excluding IFRS 16 lease liabilities, net financial debt stood at €382 million, compared with €349 million as of March 31, 2023.

The financial leverage or gearing ratio, **Net debt (excluding IFRS 16) / EBITDA (excluding IFRS 16),** calculated over a rolling 12-month period, was 1.2x as of March 31, 2024, compared with 1.1x as of March 31, 2023[3].

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Outlook for the rest of the 2023/24 financial year

These projections are provided subject to major economic contingencies.

- **Gross Operating Income**

Given the strong growth in activity recorded during the first half of the year, particularly in the Ski Areas and Outdoor Activities division, as well as the effective management of operational costs, the Group is raising its EBITDA target for the entire 2023/24 financial year. The Group now aims for an EBITDA growth of approximately 15% compared with the 2022/23 EBITDA of €304 million, excluding non-recurring items.

The Group had previously communicated a target of at least 7% growth in EBITDA 2023/24 compared with EBITDA 2022/23 excluding non-recurring items. **In absolute terms, this upgrade translates to a new 2023/24 EBITDA target of around €350 million**, compared with a previously announced minimum target of €325 million. This higher target is based on the assumption that operating and weather conditions will be in line with the average of previous years during the second half of the year, particularly during the peak summer season for Leisure Parks, and on the assumption that the Paris 2024 Olympic and Para-Olympic Games will have little impact on Park business this summer.

- **Other financial and environmental objectives**

The Group confirms its objectives for net industrial investments, free cash flow, financial leverage, dividend, and reduction of CO_2 emissions (scope 1 and 2), as communicated on December 6 for the full 2023/24 financial year.

[2] See glossary

[3] As a reminder, the latter is calculated on the basis of the Group's scope excluding MMV's EBITDA and net debt

POST-CLOSURE CONTEXT ELEMENTS AS OF MARCH 31, 2024

Electricity cost: The Group has reduced its medium-term risk

As a reminder, the financial year calendar for Compagnie des Alpes ends on September 30, whereas its electricity supply contracts are concluded for full calendar years.

In the medium term, the Group has worked to secure its electricity price and has covered 100% of its sites located in France for 2025, 2026 (61 €/MWh; baseload price) and for 2027 (58 €/MWh; baseload price).

Thus, as a result of these new contracts, ongoing efforts to reduce energy consumption, and the roll-out of self-consumption at some of its sites, the Group estimates that, as a percentage of sales, the trajectory of electricity costs for the Group as a whole should return to close to pre-crisis levels (for reference, around 2.5% until 2019 and 5.3% in 2022/23) as early as the 2026/27 financial year.

Les Ménuires ski area: Amendment signed extending the public service delegation for SEVABEL, a subsidiary of Compagnie des Alpes, until 2037.

SEVABEL, operator of the Les Ménuires ski area, has signed two amendments to the public service delegation contracts that bind it to the municipality of Belleville and to SYMAB (Mixed Syndicate for the Development of Belleville).

These amendments, which extend the Public Service Delegation from 2031 to 2037, will allow SEVABEL to continue modernizing the ski area (ski lifts and slopes) and diversifying the tourism offering while reducing the environmental impact of operations.

The signing of these amendments, essential for maintaining the vitality of the Les Ménuires resort, will create value for the entire area and for Compagnie des Alpes.

This press release contains forward-looking statements regarding the prospects and growth strategies of Compagnie des Alpes and its subsidiaries (the "Group"). These statements include indications of the Group's intentions, strategies, growth prospects and trends in its operating results, financial situation, and cash position. Although these statements are based on data, assumptions, and estimates that the Group believes are reasonable, they are subject to numerous risk factors and uncertainties that could cause actual results to differ materially from those anticipated or implied by such statements. These factors include, but are not limited to, those described in the documents filed with the Autorité des marchés financiers (AMF) and available on the Compagnie des Alpes website (www.compagniedesalpes.com). The forward-looking information contained in this press release reflects the guidance given by the Group as of the date of this document. Except as required by law, the Group expressly disclaims any obligation to update these forward-looking statements in light of new information or future developments.

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Upcoming releases in 2023/2024:

- 2023/2024 3rd quarter sales: Tuesday, July 23, 2024, after stock market
- 2023/2024 4th quarter sales: Tuesday, October 22, 2024, after stock market
- 2023/2024 annual results: Tuesday, December 3, 2024, before stock market

www.compagniedesalpes.com

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Additional information

1 - 1st half 2023/24 Group consolidated sales through March 31, 2024

(in millions of euros)	1st Half 2023/2024 Actual Scope	1st Half 2022/2023 Actual Scope	% Change Actual Scope
Sales	761,1	678,5	12,2%
Gross Operating Profit (EBITDA)	276,5	232,7	18,8%
EBITDA/SALES	*36,3%*	*34,3%*	
OPERATING RESULT	**188,0**	**151,6**	**24,0%**
Net Cost of Debt & Miscellaneous	-16,4	-9,5	
Tax Expense	-44,3	-34,4	
Equity Method Investees	12,4	10,6	
NET INCOME	**139,7**	**118,4**	
Minority interests	-11,9	-10,7	
NET ATTRIBUTABLE INCOME, GROUP SHARE	**127,7**	**107,6**	

2 - 1st half 2023/24 sales by business unit through March 31, 2024

(in millions of euros)	1st Half 2023/2024 Actual Scope	1st Half 2022/2023 Actual Scope	% Change Actual Scope
Ski Areas & Outdoor Activities	496,9	434,8	14,3%
Leisure Parks	167,7	149,9	11,9%
Distribution & Hospitality	96,5	93,8	2,9%
SALES	**761,1**	**678,5**	**12,2%**

3 - 1st half 2023/24 gross operating income by business unit through March 31, 2024

(in millions of euros)	1st Half 2023/2024 Actual Scope	% of Sales 2023/2024 Actual Scope	1st Half 2022/2023 Actual Scope	% of Sales 2022/2023 Actual Scope	% Change Actual Scope
Ski Areas & Outdoor Activities	253,9	51,1%	207,8	47,8%	22,2%
Leisure Parks	-7,4	-4,4%	-4,5	-3,0%	66,6%
Distribution & Hospitality	36,6	37,9%	30,9	32,9%	18,4%
Holding & Support	-6,6	NA	-1,5	NA	350,5%
EBITDA*	**276,5**	**36,3%**	**232,7**	**34,3%**	**18,8%**

Glossary

Free Cash Flow from Operations: equal to operating cash flow less net industrial investments.

Net Industrial Investments: acquisitions of tangible and intangible fixed assets net of changes in payables on fixed assets and proceeds from the disposal of fixed assets.

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