Press Release

2019/2020 ANNUAL RESULTS

- A FINANCIAL YEAR SUBSTANTIALLY MARKED BY THE HEALTH CRISIS
- RESULTS IMPACTED BY ONE-OFF ITEMS TOTALING €69.6 M
- THE GROUP IS CONFIDENT IN ITS ABILITY TO COVER ITS LIQUIDITY NEEDS THROUGH 2021, EVEN ASSUMING A SEVERELY DETERIORATED SCENARIOS

Paris, December 8, 2020 – The Board of Directors of Compagnie des Alpes, in a meeting chaired by Dominique Marcel, approved the Group's financial statements for the financial year 2019/2020 ended September 30, 2020.

(in €M)	2019/2020*	2018/2019**	Change	Change *comparable scope basis****
Group sales	**615.6**	854.0	-27.9%	-28.3%
o/w Ski Area	**360.2**	443.8	-18.8%	-18.8%
o/w Leisure Park	**232.1**	380.7	-39.0%	-39.9%
o/w Holdings & Support	**23.3**	29.5	-20.9%	-20.9%
Group EBITDA	**93.8**	232.2	-59.6%	-59.1%
EBITDA/Sales	***15.2%***	*27.2%*		
o/w Ski Area	123.3	165.5	-25.5%	-25.5%
o/w Leisure Park	1.2	97.0	-98.8%	-97.6%
o/w Holdings & Support	-30.6	-30.3	-1.3%	-1.3%
Operating income	**-105.9**	105.1		
Net attributable income, Group share	**-104.3**	62.2		
Free cash flow from operations[1]	**-66.8**	27.5		

** Since October 1, 2019, Compagnie des Alpes applies IFRS 16 (pertaining to leases) for the purpose of drawing up its financial statements using the simplified retrospective method. In this case, IFRS does not require that prior years be restated. See Additional Notes.*

*** Ex IFRS 16 – as explained above, the 2018/2019 financial statements were not restated.*

**** The change on a comparable scope basis excludes sales and EBITDA for Familypark (Leisure Park), consolidated as of April 1, 2019.*

Commenting on the annual results, Dominique Marcel, Chairman and CEO of Compagnie des Alpes, stated: "*While this year got off to a very good start, our performances were heavily penalized by the closure of our sites last spring and by the challenging circumstances under which activity was resumed this summer. With a great deal of agility, we managed to offset a maximum of lost sales through cost-cutting measures, as well as by adjusting our investments and securing our sources of financing.*

I commend the extraordinary job done by our teams to ensure we were ready to reopen our sites and welcome our guests safely. Compagnie des Alpes demonstrated both its sense of responsibility, by actively participating in the development of adapted health and safety measures, and its ability to continue to offer its

[1] See glossary

customers wonderful experiences, as indicated by the satisfaction scores that our leisure parks once again earned from visitors.

At a time when there is still ongoing uncertainty about the dates on which our sites will be allowed to reopen, the experience acquired by our teams since the onset of the crisis gives us full confidence in our ability to operate our ski resorts and our leisure parks in compliance with the most stringent health and safety conditions and to continue to attract clients, whose appetite remains intact."

The **Group's** consolidated **Sales** reached €615.6 M€ for financial year 2019/2020, down by 27.9% (-28.3% on a comparable scope basis) compared with 2018/2019.

For **Ski Areas,** sales for financial year 2019/2020 came to €360.2 M, a decline of 18.8% compared with the previous year, due to the closure of ski resorts in light of the pandemic between mid-March and the start of the summer ski season. The number of skier-days thus fell by 20.5%, while revenue per skier-day increased by 1.5%. It should be noted that when the ski resorts shut down in mid-March, sales were up versus the prior year by around 2.5%.

Leisure Park sales for 2019/2020 were even more heavily impacted by the consequences of the Covid-19 pandemic, which led to a postponement of the opening of the peak season by nearly three months. The 39.0% decline produced sales of €232.1 M. It is worth noting that, for this activity also, the year got off to a good start, with sales up by 12.1% on a comparable scope basis when the shutdown order was issued for parks in mid-March. A direct consequence of the health emergency, the total number of guests fell by 44.5%. This decline reflects both the periods of confinement during which parks remained closed and fewer guests during the summer season once the sites reopened (there was a 37.3% decrease in visitors for the fourth quarter). Average spend per guest, on the other hand, rose by 5.3%, illustrating an improved price mix for ticketing sales and an increase in sales in park, the fruit of efforts made to enhance and optimize the range of the onsite offering. Despite the constraints imposed by the health situation, global satisfaction scores given by guests consolidated, with the two large new attractions at Futuroscope and at Bellewaerde getting rave reviews from visitors. Lastly, the occupancy rate for the hotels in Parc Astérix exceeded 90% in August, even though total capacity had just been increased by 50%.

Holdings & Support sales for financial year 2019/2020 came to €23.3 M, versus €29.5 M the previous financial year. This decrease is primarily due to the tour operator (Travelfactory) and lodging (real estate agencies) businesses, which were affected by the premature closure of ski resorts and the health crisis. The consulting business, conversely, was robust throughout the year.

Group **EBITDA** amounted to €93.8 M (€80.1 M ex-IFRS 16), versus €232.3 M for the previous financial year. The EBITDA/Sales margin was 15.2% (13.0% ex-IFRS 16).

The decline in sales for **Ski Areas** was 45% offset by the reduction in operating expenses (before the application of IFRS 16). The savings primarily concern the period during which ski areas were closed and can be broken down as follows: 67% for payroll; taxes and royalties for 21%; and energy costs for 6%. Ski Area EBITDA for the year is €123.3 M (€119.2 M ex-IFRS 16), compared with €165.5 M one year prior. Thanks to the reduction in operating expenses, including government assistance that the Group was able to procure, the EBITDA/Sales ratio was not significantly impaired despite the context (34.2%; 33.1% ex-IFRS 16).

For **Leisure Parks,** the savings plans rolled out offset 30% of the decline in sales (before application of IFRS 16). The major cost savings can be attributed to payroll (-44%, partial unemployment, delays in hiring), materials (-24%), and marketing (-12%). EBITDA for Leisure Parks was thus slightly positive: €1.2 M (-€6.9 M ex-IFRS 16).

EBITDA for **Holdings & Support** was -€30.6 M (-€32.2 M ex-IFRS 16). As was the case last year, it includes the payment of a special bonus for purchasing power, totaling €2.7 M, for Group employees.

During this financial year, the Group recorded various exceptional items for a total amount of €69.6 M, including various asset impairments and goodwill amounting to 65.3 million euros. These impairments reflect both the automatic impact of the increase in the market risk premium and a level of caution justified by the health crisis and the challenging conditions the Group has been facing for the past 8 months, which are likely to continue over the short term. They mostly concern the Leisure Parks, which were more severely affected by the crisis in the 2019/2020 financial year and whose acquisitions are more recent. These various asset impairments and goodwill write-downs impact the P&L account at several levels (depreciation and amortization, other operating expenses, other financial expenses, earnings from equity-equivalent companies).

Depreciation and amortization expenses increased by €21.3 M (16.8%), mainly due to exceptional items. The Group recorded the impairment of certain tangible and intangible assets for €7.5 M (€2.4 M for Grévin Montreal, €0.9 M for Travelfactory's CRM, and an IFRS16 use rights for Chaplin's World for €4.2 M).

In addition, Other Operating Expenses include a partial impairment of goodwill for €48.8 M (€41.4 M for Leisure Parks and €7.4 M for Travelfactory). Other Operating Expenses also include a net charge of €3.1 M related to the early termination of the Public Service Delegation contracts for the Deux Alpes ski resort.

The Group’s **Operating income** came to -€105.9 M, compared with +€105.1 M for the previous financial year. In addition to the decline in sales, the total includes the non-recurring items mentioned above, for an aggregate amount of -€60.6 M.

The Group’s **net cost of debt** increased by €4.3 M, to €12.6 M. It includes interest expense on lease liabilities for €2.6 M (IFRS 16 impact). **Other Interest Income and Expenses** rose by €3.5 M and include the capital gain on the sale of a non-consolidated subsidiary for a total of €1.5 M and the write-down of a liability on a minority interest for €4.6 M.

Given the losses recorded in 2019/2020, the Group booked a **net tax benefit** of €12.8 M, which breaks down as a current tax liability of €3.5 M and deferred tax income of €16.4 M.

The share of earnings of **equity method investees** decreased by €8.1 M, mainly due to a write-down of €4.4 M euros on a minority stake (Ski Areas).

Net attributable income, Group share is thus negative, -€104.3 M, compared with +€62.2 M the previous financial year. The deterioration is due to one-off expenses totaling €69.6 M. Without these one-off items, it would have been -€34.7 M.

Net industrial investments[2] reached €175.1 M for 2019/2020, a decrease of nearly €35 M (-16.4%) compared with the previous year. This is consistent with the commitment made by the Group last April to adjust its investments by around €30 M compared with the initially budgeted amount.

For Ski Areas, the Group had initially planned to make net industrial investments for a slightly higher amount than in financial year 2018/2019 (€101.6 M). Instead, they came to €80.1 M, an adjustment that was made

[2] See glossary

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in compliance with the Group's contractual obligations, and the projects that were impacted were not cancelled; they were postponed and spread over next financial year.

For Leisure Parks, the Group had initially planned a decrease in net industrial investments of just over €10 M compared to the prior financial year, when they totaled €102.8 M. The Group outlaid €86.1 M. The adjustment here was less substantial because, when the first lockdown was announced, the season's investments had mostly already been committed.

Free Cash Flow from Operations[3] for financial year 2019/2020 is negative at -€66.8 M (versus €27.5 M for the previous financial year), primarily due to the decrease in the self-financing capacity linked to the health crisis, and comes despite the decline in investments.

After recording a lease commitment liability of €177.0 M in compliance with IFRS 16, **net debt** came to €824.7 M through September 30, 2020. Excluding IFRS 16, net financial debt is €647.7 M, versus €540.5 M through September 30, 2019.

The Group has taken the necessary steps to protect its liquidity position. On June 19 of this year, the Group announced the rollout of a government-backed loan for €200 M, then confirmed an overdraft line with its banking partners for a total of €147 M.

On September 25 of this year, the Group announced the temporary suspension of its financial covenant for the next two scheduled testing dates, September 30, 2020, and March 31, 2021, with no financial counterpart.

Dividend

Considering the highly specific context related to the pandemic, and in order to preserve its liquidity, the Board of Directors will recommend that the shareholders opt not to distribute a dividend in respect of financial year 2019/2020 when they meet in March 2021.

Outlook

On the date of publication of this press release, the Group does not have control over the dates on which its Ski Areas or Leisure Parks will be able to reopen. Despite this lack of visibility, the Group is working on various scenarios for the resumption of its activities based on the evolution of the pandemic and the decisions of public policymakers, in France as well as in the other countries in which it operates.

The Group was not able to open its ski resorts in the 1st quarter of FY 2020/2021 and it now appears likely that they will not reopen before sometime in January. If this hypothesis is confirmed, the direct impact of the postponed start to the season would represent lost sales of more than €100M.[4] In addition, once the ski resorts do reopen, and even if the appetite for winter sports among French clients is strong, it will not be enough to offset the very likely decline in visitors from other countries, to whom the Group is highly exposed.

With respect to leisure parks, the Group indicated last October that the decline in activity over the course of the first quarter would be more marked than that of the 4th quarter just ended due to the health and safety adaptations of its sites during the Halloween period. However, not only did some parks (mainly Futuroscope and Parc Astérix) have to shut down even before the end of the Halloween period, but above all they will

[3] See glossary
[4] The lost sales are calculated with respect to financial year 2018/2019, the most recent reference year with no Covid-19 impact.

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have to remain closed over the Christmas school holiday period. In total, the lost sales for this period as a whole are expected to reach about €50 M.[4] The sites are now expected to reopen as usual next spring and the gradual return to normal is now expected over the course of the summer.

Under these conditions, and as it has already demonstrated over the course of this financial year, the Group will endeavor to control its operating expenses to the maximum, whether the operating backdrop is total or partial closure of its sites, or in a context of reduced guest capacity. For this reason, with further reductions in its operating expenses, the Group would be able to offset 25 to 30%[4] (excluding government assistance) of its expected lost sales.

In addition, if the Group would like to maintain a sustained investment policy, in its Ski Areas and its Leisure Parks, it is working on several different scenarios for adjusting its investments. By postponing certain expenditures, the annual budget for Group investments in 2020/2021 should total between €120 et €160 M, depending on how the situation evolves and the recovery dynamic.

At the end of the financial year, the Group has €310 M in cash, lines of credit and overdraft that have not been drawn down, and no significant debt repayments falling due in the short term. In addition, the Group received an initial payment on November 30, 2020, of the indemnities related to the termination of the Deux Alpes operating agreement, for €46.7 M. Lastly, the Group is also working on possibly setting up additional lines of credit. Considering these elements, the Group is confident in its ability to cover its liquidity needs through the end of 2021, even assuming the most pessimistic scenarios.

Lastly, the Group is also confident in its ability to regain the momentum of its pre-Covid trajectory, in a context of gradual exit once the health crises has passed.

In the environment of crisis created by the Covid-19 crisis, the Group faces many uncertainties which makes assessing the various impacts on Group results over the short to medium term extremely complicated. These impacts will depend on multiple factors, in particular the date on which our businesses will be able to reopen, preventive measures enacted by the governments in countries where the Group operates, and the impact that this crisis will have short term on consumer behavior. As a reminder, the Group has, considering the context, abandoned the 2019-2020 EBITDA margin targets, for both Ski Areas and Leisure Parks, which were communicated last December.

Additional Notes

1 – Upcoming events:

- 1Q 2020/2021 Sales: Thursday, January 21, after stock market closes
- Shareholders' Meeting: Thursday, March 4, afternoon
- 2Q 2020/2021 Sales: Thursday, April 22, after stock market closes
- 1H 2020/2021 Results: Wednesday, May 26, after stock market closes

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2 – Consolidated annual results, audited – October 1, 2019, through September 30, 2020 (AFTER IFRS 16)

(in millions of euros)	FY 2019/2020 Actual scope (1)	FY 2019/2020 Comparable scope (2)	FY 2018/2019 Comparable scope (3)	% Change Comparable scope (2) - (3) / (3)	FY 2018/2019 Actual scope (4)	% Change Actual scope (1) - (4) / (4)
Sales	615,6	612,3	854,0	*-28,3%*	854,0	-27,9%
EBITDA	93,8	95,0	232,3	*-59,1%*	232,3	-59,6%
EBITDA/SALES	*15,2%*	*15,5%*	*27,2%*	*-43,0%*	*27,2%*	*-44,0%*
OPERTATING INCOME	-105,9	-102,9	105,1	*-197,9%*	105,1	-200,7%
Net cost of debt and miscellaneous	-18,1				-10,3	-75,5%
Tax expense	12,8				-32,2	139,8%
Equity method	0,7				8,9	-91,8%
NET INCOME	**-110,4**				**71,4**	**-254,6%**
Minority interests	6,1				-9,2	166,3%
NET ATTRIBUTABLE INCOME, GROUP SHAF	**-104,3**				**62,2**	**-267,6%**

N-B: comparable scope data do not include first half results for Familypark (Leisure Park), consolidated as of April 1, 2019.

3 – Sales by division for FY 2019-2020 ended September 30, 2020

(in millions of euros)	FY 2019/2020 Actual scope (1)	FY 2019/2020 Comparable scope (2)	FY 2018/2019 Comparable scope (3)	% Change Comparable scope (2) - (3) / (3)	FY 2018/2019 Actual scope (4)	% Change Actual scope (1) - (4) / (4)
Ski Areas	360,2	360,2	443,8	-18,8%	443,8	-18,8%
Leisure Parks	232,1	228,8	380,7	-39,9%	380,7	-39,0%
Holdings & Support	23,4	23,4	29,5	-20,9%	29,5	-20,9%
SALES	**615,6**	**612,3**	**854,0**	**-28,3%**	**854,0**	**-27,9%**

4 – EBITDA by division for FY 2019-2020 ending September 30, 2020 (AFTER IFRS 16)

(in millions of euros)	FY 2019/2020 Actual scope (1)	FY 2019/2020 Comparable scope (2)	% of 2019/2020 SALES Comparable scope	FY 2018/2019 Comparable scope (3)	% of 2018/2019 SALES Comparable scope	% Change Comparable scope (2) - (3) / (3)	FY 2018/2019 Actual scope (4)	% Change Actual scope (1) - (4) / (4)
Ski Areas	123,3	123,3	34,2%	165,5	37,3%	*-25,5%*	165,5	*-25,5%*
Leisure Parks	1,2	2,4	1,0%	97,0	25,5%	*-97,6%*	97,0	*-98,8%*
Holdings & Support	-30,6	-30,6		-30,3		*-1,3%*	-30,3	*-1,3%*
OPERATING EBITDA	**93,8**	**95,0**	**15,5%**	**232,3**	**27,2%**	***-59,1%***	**232,3**	***-59,6%***

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5 – Impacts of IFRS 16 on the P&L account for FY 2019/2020

FY (in €M)	19/20 BEFORE IFRS 16	19/20 AFTER IFRS 16
Sales	**615.6**	**615.6**
EBITDA	**80.1**	**93.8**
EBITDA SA	*119.2*	*123.3*
EBITDA LP	*-6.9*	*1.2*
EBITDA H&S	*-32.2*	*-30,6*
Depreciation	-135.8	-148.5
Operating income	**-106.9**	**-105.9**
Net cost of debt and other interest expense	-15.5	-18.1
Taxes	12.4	12.8
Consolidated net income	**-109.3**	**-110.4**
NAI, GS	**-103.3**	**-104.3**

6 – Impacts of IFRS 16 on net debt

FY (in €M)	**19/20** *after IFRS 16*	18/19 *Not restated for IFRS 16*
Net financial debt and lease liabilities	**824.7**	**NA**
Net debt ex-IFRS 16	**647.7**	**540.5**
Net debt / EBITDA ex-IFRS 16 (12 months yoy)	**8.1**	**2,.3**

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Glossary

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

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 Parks). 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:
  - The net values of long-term fixed assets after the exclusion of goodwill
  - Working capital requirement
  - Deferred tax assets net of deferred tax liabilities
  - Current provisions

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