

Zermatt Bergbahnen AG presents solid operating result

Zermatt, 23 September 2016

In the 2015/16 business year, Zermatt Bergbahnen AG generated sales of CHF 66.16 million and an annual profit of CHF 1.9 million. Despite a slight decrease in sales, the company can report excellent key figures, well above the benchmark. Higher visitor frequencies and rising revenues in the excursion segment were among the factors contributing to this solid result.

On the occasion of the 15th Annual General Meeting held on Trockener Steg on 23 September 2016, Board Chairman Hans Peter Julen presented the operating result for 2015/16, the second best annual figures of the last six years. This applies both to operating income and cash flow. In the current difficult operating environment, earnings fell by 1.4% to CHF 66.16 million, EBITDA was 5.7% lower year on year at CHF 30.5 million and cash flow was down 5.9% to CHF 26.5 million. However, as a result of the general fall in interest rates, it was possible to further reduce finance expense, despite the increase in investment activity. Thanks to a rigorous cost-management programme, the company also succeeded in maintaining EBITA at 46.1% (the benchmark is 40.0%) and cash flow margin at 40.6% of the operating income (the benchmark is 34.0%).

The positive trend in the excursion segment is a particular source of satisfaction for Zermatt Bergbahnen's representatives. The segment generated an increase in sales of 13.1%. The summer ski area also saw first entries rise by 2.2%. According to CEO Markus Hasler: "In the market environment prevailing across Europe, with a generally stagnating or even downward trend in the number of skier days, it is indispensable to generate higher revenues in the summer season if we are to sustain the growth of the business."

The fact that the company nevertheless incurred a fall in revenue is due to a drop in sales of around 4% in the winter season. This decline is mainly due to erratic weather conditions, an unfavourable constellation of events and calendar dates, and the currency situation.

Despite the ongoing currency crisis and uncertain economic outlook in Europe, the Board of Directors of Zermatt Bergbahnen has set its sights on a forward-looking investment policy. The high quality of the infrastructure and the alpine experience offered to guests will be consolidated and further developed. Projects for the 2016/17 business year which are already underway include the renewal of the Gant-Blauherd facilities and the first stage of construction for the world's highest 3S cableway from Trockener Steg to Matterhorn glacier paradise.

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