

WITHIN REACH OF ANOTHER RECORD RESULT

Zermatt, 18 September 2020

The 19th Annual General Meeting of Zermatt Bergbahnen AG (ZBAG) was the first since the company's foundation to be held without the participation of its shareholders, who were able to exercise their voting rights only through the independent proxy. The reason for this was the current situation relating to the coronavirus. Despite the shutdown mandated on 13 March 2020, ZBAG was able to achieve a stable result for the 2019/2020 financial year (1 June 2019 – 31 May 2020). With sales of CHF 64.9 million, EBITDA at CHF 31.1 million (48% of sales) and operational cash flow at CHF 27.3 million (42% of sales), it was still possible to achieve the best results in the sector, although the two-and-a-half-month shutdown cost around CHF 15 million in sales and some CHF 13 million in both EBITDA and cash flow.

In accordance with Article 27 of the Federal Council's Directive 3 on measures to combat coronavirus (COVID-19), the Annual General Meeting took place without the personal participation of shareholders. They were able to exercise their voting rights only through the independent proxy.

The warm, dry summer of 2019 was reflected in the new record figures. In June and July, the best-ever results were achieved for visitor numbers and sales. The figures for August, September and October were within the parameters of previous years. Sales of offers such as the Peak Pass, Bike Pass and round trips showed a positive trend, as did individual tourist travel. The number of first admissions was increased by almost 3% in the summer of 2019. The proportion of the overall traffic revenue accounted for by summer business rose to over 29%. However, this is mainly attributable to losses in the winter business caused by the mandatory shutdown.

From November, visitors were able to enjoy ideal conditions for snow sports and the optimistic expectations for the winter business proved to be fully justified. The number of first entries per day in December exceeded that of the previous year and in January a new record was in fact set. In February too, results were above average.

On 8 March 2020, the Italian government ordered the closure of the Cervinia/Valtournenche ski resort because of the COVID-19 pandemic. Lockdown was also imposed in Switzerland on 13 March 2020. As a result of this shutdown during an important seasonal period for the company, transport revenue in the winter sports business fell by 20.18% or CHF 10.7 million compared with the previous year.

At the end of the financial year, the following figures were recorded: operating profit as shown in the annual statement is CHF 64.9 million, which is CHF 11.2 million or 14.7%

below the previous year's result; the important key figures for EBITDA at CHF 31.1 million (48% of sales) and cash flow at CHF 27.3 million (42% of sales) are satisfactory in view of the current crisis situation. And even with the present framework conditions these are still the absolute top results in the mountain lift and rail sector. EBITDA fell year on year by CHF 8.4 million or -21.3%, cash flow by CHF 8.3 million or -23.4%. Investments made during the past financial year amounted to CHF 25.5 million, depreciation to CHF 26 million and company profit to CHF 1.5 million.

The effects of the COVID-19 crisis are clearly visible in the annual figures. Nevertheless, business performance in the summer of 2019 and the winter of 2019/2020 shows that the consistent implementation of the targets set out in Strategy 2022 is yielding the anticipated success.

Despite the lockdown, our principal banks were prepared to work with ZBAG to continue to implement the plans for two major investments totalling around CHF 60 million. On this basis, the Board of Directors decided as early as April 2020 to go ahead with the construction of the Testa Grigia – Klein Matterhorn 3S cableway and the associated “Alpine X” project, and to tackle the Kumme gondola lift project, including snow-making equipment. Assuming everything goes to plan, the Kumme gondola lift will go into operation in time for the coming winter season on 20 December 2020.

All proposals made by the Board of Directors were approved with over 98% of the shareholder vote. Due to the high level of uncertainty about the future, the available earnings are to be carried forward to the new accounts and therefore the dividends for the financial year 2019/2020 will be waived. Board members Franz Julen, Jean-Michel Cina, Gerold Biner, Hermann Biner, Andreas Perren, Patrick Z'Brun and Roland Zegg were duly re-elected after reaching the end of their term. Franz Julen was also re-appointed as Chairman and Jean-Michel Cina as Vice-Chairman.

Markus Hasler, CEO of Zermatt Bergbahnen AG, commented on the results as follows: “The effects of the COVID-19 crisis are clearly visible in the annual figures. It is evident that our principal banks have faith in ZBAG and its strategy. Without the shutdown and given the snow and weather conditions up to the end of April, it would have been possible to exceed even the outstanding results of the previous year, and the magical threshold of CHF 80 million operating profit would have been within reach.”

“The whole tourism industry faces difficult times. We will continue to act with the necessary caution and foresight. The financial health of ZBAG is an essential prerequisite for a successful resort. The collaboration with our Italian partners has a key role in our strategy for the future. This includes the two 3S cableways on the Klein Matterhorn, expanding the infrastructure on the Klein Matterhorn and Testa Grigia, the link to Monte Rosa Ski and the planned cross-border World Cup races from Gobba di Rollin down to Laghi delle Cime Bianche. All of these projects represent a vision for the generations to come,” says Chairman Franz Julen, eyeing the future with optimism.

For further information, please contact:

Markus Hasler

CEO ▪ Zermatt Bergbahnen AG

☎ +41 (0)27 966 01 01 ▪ ✉ markus.hasler@zbag.ch

www.matterhornparadise.ch