

JUNGFRAU
TOP OF EUROPE

Jungfrau Holding AG

SEMI-ANNUAL REPORT 2018



THE KEY FIGURES

An overview of the key figures for Jungfrau Railway Group (as of 30 June 2018)

100,2 MIO
operating income (in CHF)

73,0 MIO
transportation revenues (in CHF)

25,4 MIO
EBIT (in CHF)

20,1 MIO
net profit for the period (in CHF)

3.44 CHF
result per share (in CHF)

25,4%
EBIT margin

JUNGFRAUBAHN HOLDING AG

Jungfraubahn Holding AG consists of eleven subsidiaries and is listed on the SIX Swiss Exchange. As its main activity, the Group operates excursion railways and winter sport facilities in the Jungfrau region. The customer is offered an adventure in the mountains and on the train. The Jungfrau Railway Group has three defined business segments: Jungfraujoch – Top of Europe, Winter Sports and Mountain Experience. It has formed a strategic alliance with Berner Oberland-Bahnen AG in order to exploit synergies.

LETTER TO THE SHAREHOLDERS

DEAR SHAREHOLDERS

The Jungfrau Railway Group can look back on an encouraging first six months of 2018. High demand from Asia, good slope conditions and consistently good weather had a positive effect on the operating results. The operating income was up 8.7% on the previous year to CHF 100.2 million. In the first half-year period, 466 300 visitors travelled to the Jungfraujoch. This is 0.4% more than during the same period the previous year and is the best ever result.

Excursions to the Jungfraujoch – Top of Europe continued to benefit from the diversification of the markets as well as the strong demand from Asia. Despite the difficult start to 2018 due to Föhn wind-related lost days, both the number of visitors and the net transport revenue slightly exceeded the previous record year. In the first half of 2018, a total of 466 300 guests travelled to the Jungfraujoch, an increase of 0.4% on the same period in the previous year. At CHF 48.6 million, the net transport revenue of the Jungfraujoch segment rose by 2.4% on the first half of 2017. For the first time on the Jungfraujoch, a high season tariff was introduced on 1 June 2018, which applies until the end of August. Average revenue increased by 2% between January and June 2018.

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The Jungfrau Railway Group experienced a remarkable increase in the number of visitors to the Experience Mountains. In particular, the adventure offers on Grindelwald-First and the good weather conditions in the second quarter led to a high number of visitors. In total, the net transport revenues on the Experience Mountains amounted to CHF 7.3 million, an increase of 24.8% on the previous year. The earlier start to the summer season by expanding the seasons paid off as it did in 2017.

Despite an early start to the season in November 2017, the winter sports business continued to be challenging in the 2017/2018 season. For the reporting period from 1 January 2018 until the end of the season in April 2018, the JUNGFRAU Ski Region, where the Jungfrau Railway Group holds a turnover share of more than 60%, registered 833 900 ski visits, an increase of 7.0% on the same period the previous year. For the Jungfrau Railway Group, net transport revenue from the winter sports business amounted to CHF 17.2 million. Despite the increase on 2017, the result is well below the great winter sports years of 2007/2008.

In the first half of 2018, the Jungfrau Railway Group generated a profit of CHF 20.1 million, which is its best half-year result to date. This is an increase of 18.5% on the previous year. The company generated an operating result (EBIT) of CHF 25.4 million and achieved an EBIT margin of 25.4%. The transport business grew in all areas, with all segments contributing to the good result.

VISITOR FREQUENCIES

1/1 – 30/6	2018	2017	Change in %
Jungfraujoch (Top of)	466 300	464 600	0,4 %
Skier visits JUNGFRAU Ski Region	833 900	779 500	7,0 %

NET TRANSPORT REVENUES

	in TCHF	in TCHF	in %
Jungfraujoch – Top of Europe	48 571	47 444	2,4 %
Experience Mountains	7 260	5 817	24,8 %
Winter Sports	17 196	15 653	9,9 %
Total transport revenue	73 027	68 914	6,0 %



«Our vision for the Jungfraujoch – Top of Europe: 12-month high season and an average return of 120 Swiss francs per guest.»

Urs Kessler, CEO, Chairman of the Management Board in a video interview at www.jungfrau.ch/half-year-report

V-Cableway expansion project

On 30 May 2018, the Federal Office of Transport issued the planning permission for the V-Cableway project. A week later, environmental protection organisations waived their appeals. Thus, after more than 5 years of planning, construction of the V-Cableway finally started in June 2018. The ground-breaking ceremony took place on 3 July 2018. The tricable gondola “Eiger-express” is to be opened at the end of 2020. The V-Cableway is the main strategic project of Jungfraubahn Holding AG, in which the group is investing CHF 320 million. The aim is to strengthen the competitiveness of the Jungfraujoch as a world-famous beacon of tourism as well as the JUNGFRAU Ski region vis-à-vis international competition.

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Outlook

Due to its strong position on the intercontinental growth markets, the Jungfrau Railway Group is well positioned for the second half of the year. Since mid-June 2018, construction work on the V-Cableway generation project is in full swing and on track. All construction sites are fully operational; the schedule is tight due to the delayed start of construction. Thanks to the long-lasting summer weather, however, important construction progress was achieved over a short period of time.

In July 2018, the heatwave attracted numerous guests to the Jungfrau Railways Experience Mountains as well as the Jungfraujoch – Top of Europe.

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A major challenge remains the ongoing increase in average revenue in the highly competitive sector, which pursues a low-price policy in Asian markets, in contrast to the Jungfrau Railway Group.

Prof. Dr. Thomas Bieger
Chairman of the Board

Urs Kessler, CEO, Chairman of the
Management Board

CONSOLIDATED BALANCE

per 30th June 2018

ASSETS	30.06.2018		31.12.2017		30.06.2017	
CHF (thousands)		in %		in %		in %
Current assets						
Liquid funds	57 664		82 284		45 190	
Receivables from deliveries and services	16 697		9 579		15 194	
Other current receivables	28 467		15 796		5 295	
Inventories	2 193		1 953		1 681	
Accrued income	9 138		6 775		8 785	
Total current assets	114 159	17,2%	116 387	17,7%	76 145	12,3%
Fixed assets						
Financial assets	6 300		6 709		7 421	
Tangible assets	534 880		524 926		527 566	
Intangible assets	8 883		8 737		8 961	
Total fixed assets	550 063	82,8%	540 372	82,3%	543 948	87,7%
Total Assets	664 222	100,0%	656 759	100,0%	620 093	100,0%
LIABILITIES						
Outside capital						
Liabilities from deliveries and services	16 998		18 025		13 897	
Current financial liabilities	740		740		740	
Other current liabilities	3 986		4 952		3 057	
Current provisions	2 853		1 975		2 533	
Deferred income	18 606		16 631		11 863	
Total current borrowed capital	43 183	6,5%	42 323	6,4%	32 090	5,2%
Non-current financial liabilities	37 156		36 431		34 361	
Non-current provisions	41 858		42 094		42 814	
Total non-current borrowed capital	79 014	11,9%	78 525	12,0%	77 175	12,4%
Total borrowed capital	122 197	18,4%	120 848	18,4%	109 265	17,6%
Equity						
Share capital	8 753		8 753		8 753	
Capital reserves	-1 416		-1 417		-1 850	
Treasury shares	-391		-399		-441	
Retained earnings	530 640		524 588		500 196	
Equity shareholders of Jungfraubahn Holding AG	537 586		531 525		506 658	
Minority interests	4 439		4 386		4 170	
Total equity	542 025	81,6%	535 911	81,6%	510 828	82,4%
Total liabilities	664 222	100,0%	656 759	100,0%	620 093	100,0%

CONSOLIDATED INCOME STATEMENT

1 January to 30 June

CHF (thousands)	2018	2017
Operating income		
Transportation revenues	73 027	68 914
Compensation	4 914	4 931
Sale of energy	4 908	4 256
Souvenir shops	3 832	3 106
Dining and accommodation	2 498	28
Service income	3 227	3 095
Rental income	3 912	4 114
Other income	3 873	3 727
Total operating income	100 191	92 171
Operating expenses		
Cost of goods	-2 583	-1 477
Purchase of energy	-1 062	-1 566
Personnel expenses	-31 583	-28 750
Other operating expenses	-22 256	-22 268
Total operating expenses	-57 484	-54 061
EBITDA	42 707	38 110
Depreciation and amortisation		
Depreciation of tangible assets	-16 330	-16 338
Amortisation of intangible assets	-977	-621
Total depreciation and amortisation	-17 307	-16 959
EBIT	25 400	21 151
Financial result		
Financial expenses	-89	-50
Financial income	96	109
Total financial result	7	59
Profit before tax	25 407	21 210
Income taxes	-5 278	-4 226
Net profit	20 129	16 984
Shareholders of Jungfraubahn Holding AG	20 048	16 901
Minority interests	81	83
Result per share		
Shares issued	5 835 000	5 835 000
Average balance of time-weighted treasury shares	-3 545	-4 696
Average number of time-weighted outstanding shares	5 831 455	5 830 304
Undiluted and diluted result per share (CHF)	3.44	2.90

CONSOLIDATED CASH FLOW STATEMENT

1 January to 30 June

CHF (thousands)	2018	2017
Net profit	20 129	16 984
Depreciation of tangible assets	16 330	16 338
Amortisation of intangible assets	977	621
Change of provisions	642	985
Other non-cash items	-3	-2
Cash flow before change in net current assets	38 075	34 926
Increase in receivables	-22 152	-9 875
Increase in inventories	-240	-308
Decrease in liabilities	-18	-12 265
Cash flow from operating activities	15 665	12 478
Investments in financial assets	0	0
Investments in tangible assets	-26 284	-16 295
Investments in intangible assets	-1 123	-964
Divestment of financial assets	409	2 043
Cash flow from investing activities	-26 998	-15 216
Free cash flow	-11 333	-2 738
Increase in financial liabilities	884	1 517
Repayment of financial liabilities	-159	-159
Purchase of minority shares	-1	-4
Trade of own shares	5	1
Profit distribution to minority interests	-20	-23
Profit distribution to Jungfraubahn Holding AG	-13 996	-12 245
Cash flow from financing activities	-13 287	-10 913
Change in liquid assets	-24 620	-13 651
Liquid funds 1 January	82 284	58 841
Liquid funds 30 June	57 664	45 190
Change in liquid assets	-24 620	-13 651

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

At 30 June 2018

CHF (thousands)	Share capital	Capital reserves	Treasury shares	Retained earnings	Total excl. Minority shares	Minority shares	Total incl. Minority shares
Equity at 31/12/2016	8 753	-1 850	-442	495 540	502 001	4 116	506 117
Purchase of treasury shares					0		0
Sale of treasury shares			1		1		1
Net profit				16 901	16 901	83	16 984
Dividends				-12 245	-12 245	-23	-12 268
Purchase of subsidiary shares					0	-6	-6
Equity at 30/06/2017	8 753	-1 850	-441	500 196	506 658	4 170	510 828
Equity at 31/12/2017	8 753	-1 417	-399	524 588	531 525	4 386	535 911
Purchase of treasury shares					0		0
Sale of treasury shares		1	8		9		9
Net profit				20 048	20 048	81	20 129
Dividends				-13 996	-13 996	-20	-14 016
Purchase of subsidiary shares					0	-8	-8
Purchase of subsidiary shares	8 753	-1 416	-391	530 640	537 586	4 439	542 025

ADDENDUM TO THE HALF-YEAR REPORT

GENERAL INFORMATION

The half-year report includes the unaudited, consolidated half-year financial statement of JungfrauBahn Holding AG and its subsidiaries. The preparation was carried out in accordance with the accounting and reporting recommendations of Swiss GAAP FER 31. In the interim financial statement, reductions in disclosure and publication in comparison to the annual financial statement are allowed. The accounting principles applied comply with the principles of the presentation of the financial statement as set out in the 2017 annual business report.

SCOPE OF CONSOLIDATION

There were no significant changes in the scope of consolidation during the reporting period.

SEGMENT INFORMATION

CHF (thousands)	2018	2017	Change	in %
Segment sales				
Net sales JungfrauJoch - Top of Europe	59 897	55 656	4 241	7,6 %
Net sales Adventure mountains	10 123	8 195	1 928	23,5 %
Net sales Winter sports	19 854	18 138	1 716	9,5 %
Net sales other segments ¹	23 555	22 076	1 479	6,7 %
Elimination group-internal sales	-13 238	-11 894	-1 344	11,3 %
Total operating income according to profit and loss account	100 191	92 171	8 020	8,7 %
Segment results EBITDA				
EBITDA JungfrauJoch – Top of Europe	28 582	28 081	501	1,8 %
EBITDA Adventure mountains	4 296	3 253	1 043	32,1 %
EBITDA Winter sports	4 845	3 217	1 628	50,6 %
EBITDA other segments ¹	4 976	3 548	1 428	40,2 %
Group eliminations	8	11	-3	-27,3 %
Total EBITDA according to the income statement	42 707	38 110	4 597	12,1 %

¹ Other segments include, in particular, the JungfrauBahn power station, JungfrauBahnen Management AG and the Lauterbrunnen car park

EXPLANATIONS REGARDING SEASONALITY

Because the Jungfrau Railway Group markets a variety of offers, its business is not marked by any significant seasonal influences.

EVENTS AFTER THE DEADLINE OF THE INTERIM REPORT

Up to approval of this financial statement by the executive board of JungfrauBahn Holding AG on 28 August, 2018, no events are known that would require the adjustment of book values of Group assets and liabilities or would be required to be disclosed at this point.

INVESTOR RELATIONS – IMPORTANT DATES

4 JANUARY 2019	Announcement of frequencies of the 2017 financial year
13 MAY 2019	General meeting of JungfrauBahn Holding AG

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