

Management Report

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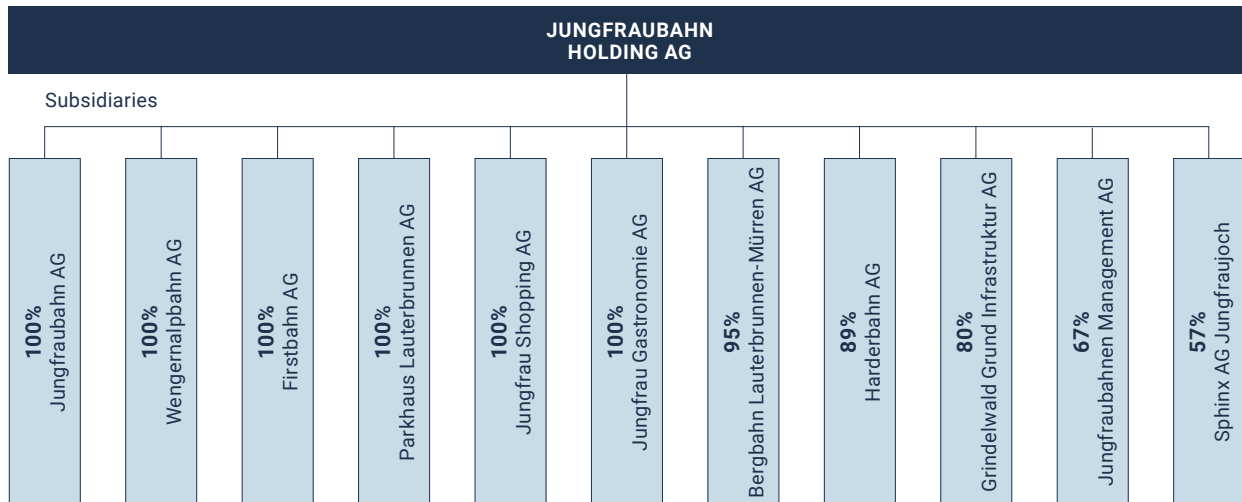


Business model

Corporate structure

The current corporate structure of the Jungfrau Railway Group originated in 1994 through the merger into Jungfraubahn Holding AG. The initial public offering at the Swiss stock exchange took place in 1997, and the management company Jungfraubahnen Management AG was founded in 2000. In 2004, Bergbahnen Grindelwald-First AG was merged with Jungfraubahn Holding AG.

Jungfraubahn Holding AG and its subsidiaries cooperate closely with Berner Oberland-Bahnen AG. Collectively, the companies involved operate under the name “Jungfrau Railways” and under the registered trademark “Jungfrau – Top of Europe”. The cooperation is managed by Jungfraubahnen Management AG by way of management mandates (shares: Jungfraubahn Holding AG 67%, Berner Oberland-Bahnen AG 33%).



Jungfraubahn Holding AG (parent company)

Jungfraubahn Holding AG is a holding company without any operations. Its business model is defined by tax and financial policy considerations. The holding company holds majority interests in eleven subsidiaries; the registered shares are listed at the SIX Swiss Exchange. The Board of Directors consists of the Chairperson and five members that are elected by the General Meeting at yearly intervals.

Jungfraubahnen Management AG

The management company provides the Executive Board elected by Jungfraubahn Holding AG and Berner Oberland-Bahnen AG with a management infrastructure including personnel (managers, specialists), which is qualified to manage the Jungfrau Railway Group and to competently exercise management mandates for other affiliated companies. Berner Oberland-Bahnen AG has also transferred its management to Jungfraubahnen Management AG under a mandate. This mandate is exercised with due regard to the interests of Berner Oberland-Bahnen AG and its independence in accordance with the instructions of the Board of Directors and the organisational regulations of Berner Oberland-Bahnen AG. The collaboration principles are regulated by a shareholders' agreement. The Board of Directors of Jungfraubahnen Management AG consists of the Chairpersons and Vice-Chairpersons of Jungfraubahn Holding AG and Berner Oberland-Bahnen AG.

The operating consortium benefits from the best possible utilisation of the management resources (personnel, skills, tools) that the management company establishes, maintains and develops for all its clients. Insofar as it coordinates its approach with clients in order to strive for the greatest possible synergies – particularly in marketing, customer service, insurance, quality assurance, compliance management, procurement and IT – it does so as a full-function joint venture of the companies involved.

Jungfraubahn AG

Jungfraubahn AG operates the world-famous cogwheel railway from Kleine Scheidegg to Jungfrauoch – Top of Europe. The restaurants on Jungfrauoch and Eigergletscher have been rented to the affiliate Jungfrau Gastronomie AG. The hydroelectric power plant in Lütschental, which is managed by Jungfraubahn AG, produces electricity and performs services in the field of energy supply. The Board of Directors consists of the six members of the Executive Board of the Jungfrau Railway Group.

Company data

Route	Route length (all rack)	9.3 km
	Length of tunnel	7.6 km
	Altitude difference	1,393 m
Most important rolling stock	Double carriage	8
	Low-floor control cars	4
Conveying capacity per hour	Seats	1,200
Catering (leased)	5 Restaurants Jungfrauoch (seats in total)	730
	3 Restaurants Eiger Glacier (seats in total)	320

Wengernalpbahn AG

Wengernalpbahn AG serves as a gateway to excursion and winter sports area of Kleine Scheidegg with the world's longest cogwheel railway and provides access to the world-famous destination of Jungfrauoch – Top of Europe. In the field of public transport, Wengernalpbahn AG supplies the car-free residential and holiday resort of Wengen. The Wengen shuttle, which was introduced in December 2023, will help increase the attractiveness of Wengen as a location. Wengernalpbahn AG also owns the winter sports facilities around Kleine Scheidegg, which have a total of eight chairlifts, and the Eiger Express tricable gondola, which was commissioned in December 2020. The Board of Directors consists of the six members of the Executive Board of the Jungfrau Railway Group.

Company data

Route	Route length (all rack)	19.2 km
	Stations	10
Most important rolling stock	Panorama trains	10
	Double carriage	4
	Wengen Shuttle	2
Conveying capacity per hour	Lauterbrunnen (seats/standing places)	644/420
	Grindelwald (seats/standing places)	490/200
	Total	1,378
Eiger Express (tricable aerial cableway)	Conveying capacity	2,200 p/h
	Seats per cabin	26
	Track length	6,483 m
	Altitude difference	1,391 m
Winter sports	Chairlifts	8
	Slope vehicles	11
Catering, accommodation (leased)	2 restaurants (number of seats in total)	550
	Dormitory (number of beds)	90

Firstbahn AG

Firstbahn AG operates the gondola lift from Grindelwald to First – Top of Adventure. Visitors to the excursion mountain can combine the mountain vista from the new vantage platform “First View” with a spectacular tour of the First Cliff Walk by Tissot, a fast-paced ride with the First Flyer (Tyrolienne) and the First Glider, an adventurous ride in the Mountain Cart and a downhill ride with the Trottibike. With its five winter sports facilities, half-pipe and the Grindelwald-First Snowpark, the sunniest ski area of the Jungfrau region is popular in winter with locals, freestylers and holidaymakers from all over the world. On First, Firstbahn AG rents out the mountain house with catering offerings and a tourist accommodation centre. The Board of Directors consists of three members of the Executive Board of the Jungfrau Railway Group and two representatives of the alpine cooperative.

Company data

Gondola lift	Gondola lift (sections)	1 (3)
	Gondola lift carrying capacity	1,200 p/h
	Carrying capacity 3rd section	1,800 p/h
Winter sports	Chairlifts	3
	Ski lifts	2
	Carrying capacity chairlifts and ski lifts	8,190 p/h
	Slope vehicles	7
Experience offers	First Flyer (Tyroliennes)	4
	First Glider (number of seats)	4
	Mountain Carts (vehicles)	100
	Trottibikes (vehicles)	120
Catering, accommodation (leased)	2 restaurants (number of seats in total)	790
	Dormitory (number of beds)	90

Parkhaus Lauterbrunnen AG

Parkhaus Lauterbrunnen AG operates two multi-storey car parks. Thanks to its location at the railway station, the Lauterbrunnen multi-storey car park with its 940 parking spaces and bus terminal is the central transfer point between private transport and the car-free resorts of Mürren and Wengen. Parkhaus Lauterbrunnen AG also operates the multi-storey car park at the Grindelwald terminal on a mandate basis. The Board of Directors consists of three members of the Executive Board of the Jungfrau Railway Group.

Company data

Parkhaus Lauterbrunnen	Parking spaces	940
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Jungfrau Shopping AG

Jungfrau Shopping AG, which commenced operations on 1 January 2023, has taken over the business of the Top of Europe shops with its wide range of souvenirs from JungfrauBahn AG. The Board of Directors consists of three members of the Executive Board of the Jungfrau Railway Group.

Company data

Shopping area Top of Europe Shops	JungfrauJoch	140 m ²
	Flagship Store Interlaken	290 m ²
	Grindelwald Terminal	162 m ²
	Grindelwald First	60 m ²

Jungfrau Gastronomie AG

Jungfrau Gastronomie AG operates catering businesses along the main traffic axis to the JungfrauJoch – Top of Europe. The Kleine Scheidegg mountain restaurant was the first establishment to open on 1 December 2017 in the railway station on Kleine Scheidegg. This was followed by restaurants on the Eigergletscher and JungfrauJoch in November 2019. On 5 December 2020, the production kitchen, the bistro and the e-tron energy bar in the new Grindelwald Terminal as well as the café-bar in the new mountain station of the Eiger Express tricable gondola on Eigergletscher were opened. The production kitchen and all restaurants are rented by Jungfrau Gastronomie AG via its sister companies and run under central management based on a holistic concept. The Board of Directors consists of three members of the Executive Board of the Jungfrau Railway Group.

Company data

Catering (rented)	Restaurants JungfrauJoch (seats in total)	730
	Restaurants Eigergletscher (seats in total)	320
	Restaurants Kleine Scheidegg (seats in total)	550
	Tourist accomodation Kleine Scheidegg (Anzahl Betten)	90
	e-tron energy bar and Bistro (Terminal) (seats in total)	180
Production kitchen (rented)	Size	550m ²

Bergbahn Lauterbrunnen-Mürren AG

Bergbahn Lauterbrunnen-Mürren AG operates an aerial cableway from Lauterbrunnen to Grütschalp and an adhesion railway from Grütschalp to Mürren. The cableway and railway are part of the public transport network ordered and financed by the canton of Bern. They connect the car-free health resort of Mürren, the Winteregg – Top of Family excursion destination and the Mürren-Schilthorn winter sports area. The company also leases a restaurant of the same name on the Winteregg and operates a bistro on the Grütschalp. The Board of Directors consists of three members of the Executive Board of the Jungfrau Railway Group.

Company data

Lauterbrunnen-Grütschalp cable car	Track length	1,432 m
	Altitude difference	686 m
	Cable car cabin (number of persons / tonnes of goods)	100 / 6
Grütschalp-Mürren adhesion railway	Track length	4.3 km
	Railcars	5
Catering (own)	Bistro Grütschalp (number of seats)	60
Catering (leased)	Restaurant Winteregg (number of seats)	430

Harderbahn AG

Harderbahn AG operates a funicular from Interlaken to the local mountain Harder Kulm – Top of Interlaken. The entertaining trip, the breath-taking view from an exposed vantage platform over Lake Brienz and Lake Thun as well as the panorama of the three peaks of Eiger, Mönch and Jungfrau all help to create a special experience. A wide range of dishes in the Harder Kulm restaurant complement the offering. The Board of Directors consists of three members of the Executive Board of the Jungfrau Railway Group.

Company data

Funicular	Track length	1,449 m
	Altitude difference	754 m
	Carrying capacity	500 p/h
Catering (leased)	Restaurant Harder Kulm (seats)	560

Grindelwald Grund Infrastruktur AG

Grindelwald Grund Infrastruktur AG is the owner of infrastructure built for the V-Cableway project in Grindelwald Grund (terminal and multi-storey car park). It maintains, manages and rents out these facilities. In addition, it has a mandate for the operation of the Eiger Express tricable gondola and the Grindelwald-Männlichen gondola. This includes personnel management, cleaning and operational control as well as the operational management of Gondelbahn Grindelwald-Männlichen AG. Grindelwald Grund Infrastruktur AG is also responsible for the care of the station facilities (terminal) of Berner Oberland-Bahnen AG and for controlling private traffic with respect to parking at Grindelwald Grund. The Board of Directors consists of the three members of the Executive Board of the Jungfrau Railway Group and two members of the Board of Directors of Gondelbahn-Grindelwald Männlichen AG.

Company data

Sales areas (rented)	Total sales areas (thereof 757m ² let within the Group)	2,375m ²
Multi-storey car park Terminal	Parking spaces	1,000

Sphinx AG Jungfrauoch

On Jungfrauoch, Sphinx AG Jungfrauoch owns the plot with the sphinx building and the passenger lift in this building. It makes the property available for research purposes by High Altitude Research Station Jungfrauoch and for tourism purposes by JungfrauBahn AG. The Board of Directors consists of two members of the Executive Board of the Jungfrau Railway Group and the Director of the International Foundation High Altitude Research Stations Jungfrauoch and Gornergrat.

Company data

Sphinx research building	Size	330m ²
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Jungfrau Railway Group

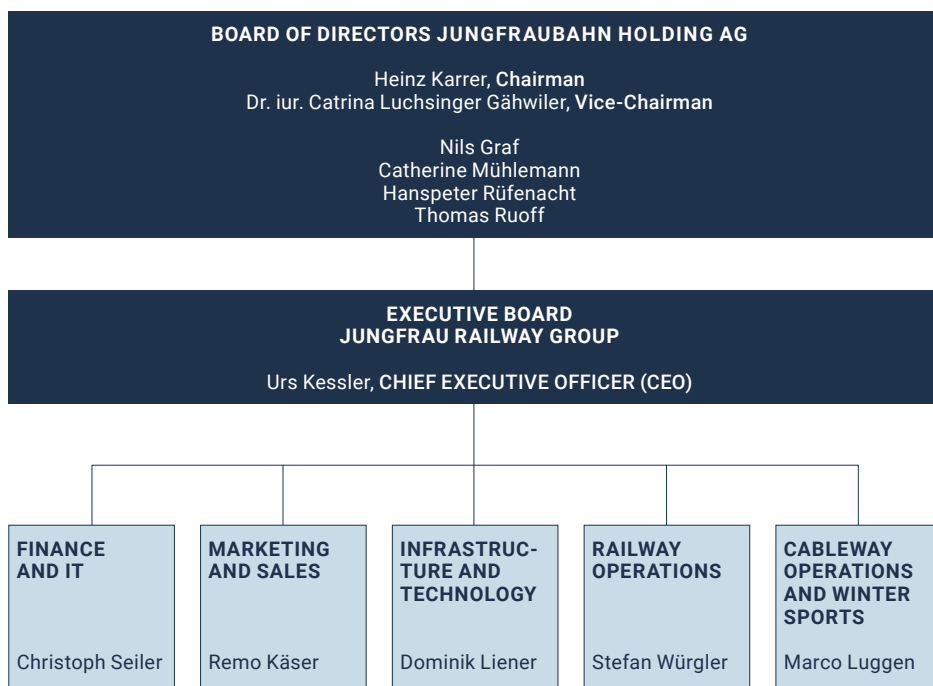
The Jungfrau Railway Group comprises JungfrauBahn Holding AG and its eleven subsidiaries. Its most important offering is the trip on the unique train to Jungfrauoch – Top of Europe, at 3,454 m above sea level. The main guiding principle is the focus on the customer, as part of a broader orientation towards sustainability. In this way, the Jungfrau Railway Group achieves an attractive positioning in the market for tourists and investors. Moreover, the group is an important player in the regional economy. In cooperation with other tourism companies and under consideration of the interests of the population, the Jungfrau Railway Group promotes the further development of the Jungfrau region. As a leading tourism business and Switzerland's largest mountain railway group, it is developing into an integrated recreation and service company. In this context, it draws on

- its entrepreneurial tradition of more than 120 years;
- the vision of its founder to make the unique alpine landscape accessible to the wider population and international tourists;
- its roots in the Jungfrau region; and
- its brand and excellence in service and technology, developed over generations.

Organisation

The Board of Directors of Jungfraubahn Holding AG is the supreme decision-making body. It is responsible for the strategic planning for the entire group, which it implements throughout the subsidiaries within the scope of legal and real-world feasibility. The Chairperson and five members of the Board of Directors are elected by the General Meeting once a year.

The Executive Board of the Jungfrau Railway Group is employed by Jungfraubahnen Management AG in accordance with the provisions of the Board of Directors of Jungfraubahn Holding AG and the total remuneration framework approved by the General Meeting of Jungfraubahn Holding AG. The Executive Board consists of six members. Personal information on the Board of Directors and Executive Board and their remuneration as at 31 December 2023 can be found in the remuneration report from page 64 and in the corporate governance section from page 77 of this annual report.



Segments of the Jungfrau Railway Group

The business activity of the Jungfrau Railway Group is divided into three segments and other ancillary business fields. In terms of the markets they address, the main segments Jungfrauoch – Top of Europe, Winter Sports and Experience Mountains are basically autonomous. The cross-marketing (Jungfrauoch – Top of Europe and Experience Mountains) enables synergy effects in the international markets.

Jungfrauoch – Top of Europe segment

The Jungfrauoch – Top of Europe segment is the company's strategic core. The main attraction is the highest railway station in Europe. It is located at 3,454 m above sea level, in the Swiss Alps Jungfrau-Aletsch UNESCO World Heritage site. Here, guests can experience an Alpine world amidst imposing mountain peaks, glaciers and snow. The cogwheel railway takes visitors from all over the world from Lauterbrunnen and Grindelwald to the high-Alpine meeting point at Kleine Scheidegg; the Jungfrau Railway takes them on through the massifs of Eiger up to Switzerland's main tourist attraction, Jungfrauoch – Top of Europe. Since December 2020, guests can travel with the Eiger Express tricable gondola from the Grindelwald terminal to the Eigergletscher in only 15 minutes, from where they can directly switch to the Jungfrau Railway. This segment also comprises the catering businesses along the main axis to Jungfrauoch – Top of Europe, the operation of the Top of Europe shops and the letting of the facilities in Grindelwald Grund.

Winter Sports segment

The winter sports facilities around Kleine Scheidegg-Männlichen, Grindelwald-First and Mürren-Schilthorn are part of the Jungfrau Ski Region fare network. With its facilities, Jungfrau Railway Group holds an interest of more than 60% in these. Together with the partner companies, it manages and operates one of the most important ski resorts in Switzerland. The Jungfrau Ski Region earns approximately half of its winter sports income from visitors who spend their winter holidays in the area. The region's breath-taking nature and diversified range of slopes with a variety of long valley runs are renowned around the globe. The ski areas are directly accessible from the historic holiday resorts of Grindelwald, Wengen and Mürren. The region also features superb winter hiking and sledging offering. In view of the growing demand, these offerings have been continually expanded. Day-trippers account for the other half of the winter sports customers and are more focused on sporting activities. This results in a need to ensure the quality of the slopes and the capacity of the access and transport routes (e.g. parking).

Experience Mountains segment

The Experience Mountains are a strategic ancillary offering. The mountain railways and the adventure worlds – some of which were created and are maintained by the mountain railways – form a solid basis for the local tourism industry under consideration of the agriculture networked with it. They create added value for the entire region by delivering a reason to stay longer in the area, to stay overnight or to take a traditional sports and hiking holiday in the region. In the effectively strengthened, intact and vibrant environment, our main attraction Jungfrauoch – Top of Europe, too, can be positioned more successfully.

The Experience Mountains segment includes the following attractions:

- Grindelwald-First, Top of Adventure
- Harder Kulm, Top of Interlaken
- Winteregg-Mürren, Top of Family

These excursion destinations enhance the regional experience and allow for interesting combinations such as holiday passes and cross-marketing.

Other segments

Power station

The power plant produces about 60 GWh of electricity a year and performs services in the field of energy supply as a regional network operator. In this way, it supports the long-term independence of the Jungfrau Railway Group with regard to one of the most important and scarce resources – energy.

Multi-storey car park Lauterbrunnen/multi-storey car park Grindelwald Terminal

Thanks to its location at the railway junction, the Lauterbrunnen multi-storey car park with its capacity of 940 parking spaces and charging stations for electric vehicles is the central hub for transfers between individual transport and the car-free resorts of Mürren and Wengen. The multi-storey car park Grindelwald Grund is directly connected to the terminal. It offers more than 1,000 parking spaces as well as charging points for electric vehicles.

Jungfraubahnen Management AG

The employees of the management and the central services are organised under Jungfraubahnen Management AG. Apart from the operational management of all companies of the Jungfrau Railway Group, Jungfraubahnen Management AG is also responsible for the management of Berner Oberland-Bahnen AG and supervises the office of the Jungfrau Ski Region. The company also owns and operates the central IT systems of the Jungfrau Railways. This company also increasingly generates commission income from online sales, especially of tickets.

Strategic alignment

Integrated leisure and service company

The strategic goal of the Jungfrau Railway Group is to develop from a pure transport company into an integrated leisure and service company. The demand for tourist offerings that deliver a great variety of experiences in the shortest time possible is on the rise. Therefore, the integration of the service chain is becoming increasingly important. Coordinated services and order processes make planning and organising holiday trips much easier, both for tour operators and the individual travellers. The one-stop combination of offerings enables attractive pricing and offerings. In this way, the integrated company can make full use of the potential of its customer base. Moreover, the company can independently ensure customer satisfaction and optimise customer benefits more effectively on the basis of a defined quality standard.

Thanks to its various segments, the diversity of the Experience Mountains that it has provided access to and its growing integration, the Jungfrau Railway Group is well positioned to offer comprehensive leisure experiences. The integration of the shopping and catering offerings, in particular, contributes to the expansion of the service chain. Jungfrau Gastronomie AG has taken over the restaurants en route to Jungfraujoch – Top of Europe, that is on Kleine Scheidegg, Eigergletscher and Jungfraujoch. A bistro, the e-tron energy bar and a production kitchen positioned at a logistically ideal location are being run in Grindelwald Terminal in order to increase the catering efficiency in the main business. In the established field of shopping, the presence is being expanded with shops along the tourist routes, and the range of products is being widened out, e.g. with the cosmetics line “Top of Beauty”.

Any remaining gaps with regard to integration are being closed through cooperation with reliable partners, preferably those based in the region. As far as the catering spaces at various destinations and in Grindelwald Grund are concerned, the Jungfrau Railway Group continues to cooperate with leaseholders.

This strategy boosts value creation and results in diversification and broader support of the business by means of a varied offering that is available year-round.

Market trends/market development and digitisation

The shift from travel groups towards more FITs (= foreign individual/independent traveller) had already started prior to the corona virus pandemic. The pandemic accelerated this trend. To duly address this development, the Jungfrau Railway Group has prepared a FIT strategy from which measures can be derived in order to take the shift into account. The demand for combined offerings that cover the various needs of travellers from different cultures has greatly increased. Moreover, sustainability has become a key criterion for the choice of holiday and excursion destinations. Collaboration with agencies located directly in the markets enables the Jungfrau Railway Group to learn of such changes in the market directly and immediately.

Digitalisation is playing an increasingly important role when it comes to implementing these inputs quickly and reaching these FITs. The booking systems, which serve as an instrument to deliver sufficient capacity, are subject to ongoing optimisation. The website [jungfrau.ch](https://www.jungfrau.ch) addresses FITs who would like to directly book their excursions online. Moreover, independent travel agencies have direct access to the relevant information and offerings to cover enquiries of individual and group travellers to Jungfraujoch – Top of Europe.

The marketing is mainly based on the global direct and individual accessibility of potential customers via the Internet. This creates new opportunities and new ways, especially in the fields of brand management, distribution, customer loyalty and experience design. Especially in social media, the Jungfrau Railway Group is a top player in the tourism industry. On a daily basis, the content on Facebook, Instagram and TikTok is consumed, liked and shared by thousands of people. As digitalisation progresses, more agility is possible in product offerings and pricing. Digitalised communication and distribution enable rapid implementation of marketing measures introduced at short notice.

The IT concept associated with the buzzword “digitalisation” is aimed at the digitalised integration of all services that customers use during their trip. The strategy of the integrated leisure and service company is also consistently pursued under the motto “One journey, one ticket”.

Brand management

Jungfraubahnen Management AG is the owner of the registered trademarks of the Jungfrau Railway Group. The brand “Jungfrau – Top of Europe” forms the core of the brand strategy. This brand has developed over generations, is known around the globe, and enjoys an excellent reputation in connection with its Swissness. This is the result of the ongoing brand management and reinforcement, which have always played a significant role in the strategy of the Jungfrau Railway Group. This value is preserved even in times of crisis and represents an important basis for marketing the offering around the globe.

Additionally, there are other brands fashioned according to the same pattern (Harder – Top of Interlaken, First – Top of Adventure) plus the mascot Lily, which are registered and protected both in the Swiss trademark register and internationally. Moreover, the trademark “Jungfrau – Top of Beauty”, which is used for the new cosmetics line, has been registered in several countries.

Key factors that help increase brand awareness include the cooperation with key sector players, e.g. with Switzerland Tourism, Made in Bern AG, Jungfrau Region Tourismus AG and Interlaken Tourismus, as well as exclusive partnerships, e.g. with the Swatch Group, Coop, Victorinox and Lindt & Sprüngli.

Firmly rooted in the region

As an integrated and cooperative company, the Jungfrau Railway Group is an important driver of the economic development in the Jungfrau region and generates value for its immediate environment. Its regional roots make it possible to take the interests of the population, communities and other regional stakeholders into consideration.

In the field of transport services, the focus is on fulfilling the respective cantonal and federal mandates. The development of tourist traffic also contributes to these efforts, enabling a comprehensive offering from which the local population also benefits.

The company constantly endeavours to balance its regional roots with international appeal. However, these two poles strengthen each other and support the success of the Jungfrau Railway Group. After all, the further development of the Jungfrau Railway Group is closely linked to the further development of the region.

Sustainability

A sound environment is a precondition for the sustainability of the business model of the Jungfrau Railway Group, which aims at offering visitors a unique mountain experience. Other important aspects include the regional culture and the social integration of the company. The Jungfrau Railway Group takes shareholder interests into consideration, develops its employees and – being aware of the importance of nature as a resource for the tourism industry – always keeps environmental interests in mind. In line with the vision of the founder of Jungfrau Railways, nature is to be preserved and kept accessible for future generations.

Further information on the sustainability strategy, the sustainability goals and their implementation can be found in the sustainability report.

Innovation through key strategic projects

A special strength of the Jungfrau Railway Group is its ability to provide a broad spectrum of products and services in a very small space. Customers with a limited travel budget can be addressed with the Experience Mountains. Furthermore, longer stays can be supplemented in a meaningful way, e.g. with excursions to Jungfrauoch – Top of Europe (cross-marketing). Moreover, the rollout of the innovative V-Cableway project has improved competitiveness thanks to shorter travel times. Guests are offered more space, more pleasant visitor guidance and a better overall travel experience. Active, digitally supported guest management is more convenient and helps save time. In the modern tourism business, time is a key quality factor. Adventure seekers have just as little appreciation for long transfers with no entertainment value as skiers do for long queues waiting for the ski lift, which take up a valuable part of their skiing day. Speed, capacity and optimum utilisation are among the production factors that have represented a legacy weakness of the mountain railways since their early days. The Jungfrau Railway Group pays special attention to this area and has steadily made improvements, e.g. through more powerful traction units, track upgrades or booking and boarding systems. In the medium and long term, the V-Cableway will ensure a successful future for the entire Jungfrau region as an important year-round destination in Swiss tourism, thereby also securing the livelihood of the local population. Another positive factor for future generations is that, since the V-Cableway is connected to the railway network, it encourages the use of public transport.

The offerings of the Experience Mountains are especially popular among young Swiss guests and families. The offerings have been upgraded with soft adventure options, and the outdoor facilities have been equipped with special features such as a panorama platform and an attractive playground in order to duly accommodate the expectations of these guests.

The company's services reflect the performance of the employees who are always ready to operate, maintain and clean the facilities on a daily basis. They welcome guests, give information and provide assistance in the event of emergencies. As courteous hosts, they are the ones who define the company's external image.

The large project for the renewal of the adhesion railways of the Lauterbrunnen-Mürren Mountain Rail- and Cableway was completed as far as the infrastructure is concerned (track renewal, expansion of the Grütschalp station and workshop, renewal of the Winteregg station and the Mürren railway station). The new rolling stock will be commissioned in July 2024. The Wengen Shuttle went live on 10 December 2023. The shuttle will help increase the attractiveness of Wengen as a location.

Upcoming strategic projects includes the renewal of the First Gondola, the Hintisberg alpine solar facility, the planned "Vertical Experience" museum on Eigergletscher and the expansion of the Jungfrauoch with the "First Glance".

Opportunities and risks

The Jungfrau Railway Group has definitely overcome the negative consequences of the coronavirus pandemic on its business performance. As expected, the region saw fewer groups and more individual guests. Furthermore, guests are increasingly paying attention to a higher quality of the offering, taking into account various sustainability criteria.

Opportunities

The Jungfrau Railway Group endeavours to identify and make use of existing opportunities. Currently, the group pursues innovative projects that make good use of the potential for quality improvement in the individual segments. Due to the expiry of the concession in 2034, a project is being worked on to renew the First Gondola. Moreover, following the approval by the Lütschental communal assembly, the building application was submitted for the Hintisberg alpine solar facility. Furthermore, work is being done on projects to develop the Eigergletscher and to modernise the public facilities on the Jungfrauoch. In all projects, the Group endeavours to plan the development as holistically as possible, taking long-term visions into consideration.

The guests' enthusiasm for nature has further increased. The group satisfies this need with the matchless location of Jungfrauoch – Top of Europe in the middle of the UNESCO World Heritage Site Swiss Alps Jungfrau-Aletsch and the breath-taking mountain landscape comprising the Eiger, Mönch and Jungfrau mountains. To preserve this heritage for future generations, a sustainability strategy has been developed, under which necessary measures are continually taken. Relevant data and developments are presented in detail in the sustainability report.

Digitalisation made it possible to directly and individually address potential customers worldwide through the Internet. These new approaches are used and expanded especially in the fields of distribution, customer loyalty and experience design.

Financial and business risks

Financially, the Jungfrau Railway Group is affected especially by exchange rates, which could impair the demand, and higher inflation rates. The cost structure could be impaired by the performance of energy and raw material prices.

The most effective antidote to demand slumps is an excellent product, supported by a good brand image. Therefore, brand management is always an important element of marketing efforts. Careful, proactive purchasing can help to counteract energy and raw material cost increases.

Thanks to the long-term financing policy that is geared to equity financing, the Jungfrau Railway Group is rather resilient to interest rate changes. Moreover, equity financing ensures independence even in times of economic hardship.

The volatility of the tourism sector is a central risk for the Jungfrau Railway Group. The tourist demand is greatly affected by external factors such as fluctuating exchange rates, geopolitical security issues and the global economy. To protect itself from the fluctuations of the market, the Jungfrau Railway Group pursues the strategy of broad support in three different segments, supplemented by ancillary businesses. The portfolio is structured in such a way that the diversified businesses support each other.

Business performance

The financial year 2023 has shown how the V-Cableway project strengthens the competitiveness of the Jungfrau Railway Group both in summer and in winter. The excursion destinations see high demand. The tourism sector has again demonstrated its ability to recover speedily after a crisis, and the excellent results provide evidence of a highly effective business model.

Details of individual segments

JungfrauJoch – Top of Europe

For the first time after 2019 and for the fifth time overall, more than one million people from all over the world visited JungfrauJoch – Top of Europe. With 1,007,000 guests, the number of visitors was 61.1% higher than in the previous year and only 4.6% under the figure of 2019, the last year prior to the crisis. The trend in the number of JungfrauJoch guests picked up especially in the last months of the year ended.

There was a strong increase in visitors from Southeast Asia, India and the USA in particular. In addition to numerous individual travellers, there was also an increasing number of groups that visited the JungfrauJoch. Nevertheless, the number of guests visiting with tour groups was still about 120,000 lower than prior to the crisis, especially from China and Japan.

Thanks to the unique passage in front of the imposing Eiger North Wall, the faster development and the higher transport capacity, excursions to JungfrauJoch – Top of Europe have become much more attractive. Even on peak days, the quality was much higher than it used to be prior to the V-Cableway, which is also evident from the feedback provided by guests from all markets.

The corona pandemic has accelerated the shift from group travelling to individual travelling. The size of travel group is gradually decreasing. The Jungfrau Railway Group accommodates these trends with its agile sales systems, specific offerings and the implementation of new sales channels.

The JungfrauJoch – Top of Europe segment generated sales of CHF 188.2 million (+46.9%) and EBITDA of CHF 88.8 million (+87.8%).

Experience Mountains

The Experience Mountains recorded further significant growth. All railways and cableways achieved new transport income records. The Harder Funicular and the First Gondola greatly surpassed the pre-crisis frequency levels, and the Lauterbrunnen-Mürren Mountain Rail- and Cableway returned to these levels despite extended interruptions due to conversion work.

The clear positioning of the Experience Mountains, which has been developed over many years, has proved successful. From time to time, the Harder Funicular and the First Gondola tested their limits. Apart from high frequencies, this sometimes also resulted in waiting times, which are unusual for mountain railways in summer. The elevated average ticket income, the higher sales in the catering businesses and a new sales record for the soft adventure offerings on Grindelwald-First demonstrate the remarkable performance.

The Experience Mountains generated transport income of CHF 37.0 million, an amount that is 35.6% higher than in the previous year and thus for the first time higher than the transport income in the Winter Sports segment. In total, the Experience Mountains segment generated sales of CHF 45.9 million (+22.8%) and EBITDA of CHF 30.0 million (+26.1%).

Winter Sports

The lack of snow in the winter of 2022/2023 and the often warm weather impaired the winter sports business in many regions, especially in the Alpine foothills. Taking the adverse weather conditions into consideration, the figure of 1.1 million skier visits to the Jungfrau Ski Region was a good result. To further promote the use of rail instead of the road, all winter sports passes of the Jungfrau Ski Region have been valid from Interlaken East since the 2022/2023 season.

Winter sports depend on an attractive, effective transport system as well as on artificial snow pistes. The valley pistes in the Kleine Scheidegg-Männlichen area remained open throughout the 2022/2023 season. The winter sports situation was more difficult in the Grindelwald-First area due to the lack of snow and the outage of the Schilt chairlift following a fire in the electronics room of the valley station.

The 2023/2024 winter season made a much better start. A good snow layer enabled ongoing winter sports operations from 2 December 2023. By 31 December 2023, the Jungfrau Ski Region had registered 207,800 skier visits. Compared to the same period in the previous season, this represents an increase of 28.1% – the best start into the season in history.

Thanks to the go-live of the park & ride facilities and the stop in Matten, the access with the Bernese Oberland Railway, which is included in all ski passes, has become even more attractive. As has always been the case, the Jungfrau Ski Region does not apply dynamic prices. For the 2022/2023 season, 32,000 Top4 ski passes were sold, about 1,000 fewer than in the previous year.

In the calendar year, Winter Sports recorded transport income amounting to CHF 29.9 million, the second-highest figure in the history of the Jungfrau Railway Group. In 2023, the Winter Sports segment generated total sales of CHF 41.3 million (-1.9%) and EBITDA of CHF 8.3 million (-29.0%).

The year 2023 clearly underlined the added value of the V-Cableway. The commissioning of the V-Cableway did away with the main weaknesses, both in the Jungfraujoch – Top of Europe segment and in the Winter Sports segment. Throughout the year, the trip with the Eiger Express in front of the famous Eiger North Wall delivers a unique experience with significant time savings and without long queues at the bottom

Notes to the consolidated financial statements

In 2023, the net transport income of the railways and cableways of the Jungfrau Railway Group amounted to CHF 195.9 million, a year-on-year increase of 40.7%. The compensation received for the transport services ordered by the public sector on the Lauterbrunnen-Wengen and Lauterbrunnen-Mürren routes amounted to CHF 9.1 million, CHF 4.9 million less than in the previous year, as expected.

The income from the sale of electricity declined by 1.6% to CHF 9.3 million. Thanks to the high number of guests, the sales in the catering businesses increased to CHF 17.2 million (+39.0%) and to CHF 12.9 million (+62.4%) in the Top of Europe shops. Other types of income, too, were much higher than in the previous year. In total, the operating income amounted to CHF 278.1 million, a year-on-year increase of CHF 64.0 million or 29.9%.

Operating expenses underwent a year-on-year increase of CHF 18.4 million or 15.3% to CHF 138.7 million. Personnel expenses were CHF 7.2 million or 11.2% higher than in the previous year, mainly due to the increase in the headcount by 46 full-time jobs. Due to the sales increase in catering and in the Top of Europe shops, the cost of goods went up by CHF 3.4 million to CHF 9.8 million. Thanks to long-term energy supply contracts, the increase in energy purchases was kept at a moderate level. In contrast, other operating expenses increased by CHF 7.6 million to CHF 54.4 million.

EBITDA reached CHF 139.4 million, greatly surpassing the mark of CHF 100 million for the first time. The depreciation and amortisation of CHF 39.8 million include one-time special amortisation of intangible assets amounting to CHF 1.8 million. EBIT amounted to CHF 99.6 million. After slightly positive financial earnings and taxes of CHF 20.4 million, the annual profit amounted to CHF 79.6 million, 79.4% more than in the previous year.

The cash flow from operating activities of the Jungfrau Railway Group amounted to CHF 96.3 million. The significant increase in net current assets reflects the investment of CHF 45 million in the form of short-term time deposits.

The cash flow from investing activities amounted to CHF 59.3 million. Of this amount, CHF 36.8 million were invested in property, plant and equipment, and CHF 22.0 million in financial assets in the form of long-term time deposits. Accordingly, the free cash flow amounted to CHF 37.0 million.

The largest ongoing investment project is the upgrade of the adhesion railway of the Lauterbrunnen-Mürren Mountain Rail- and Cableway. In 2023, a total of CHF 9.9 million were invested in this project, directly or indirectly financed by the canton of Bern. The Wengernalp Railway invested CHF 7.1 million in new rolling stock for the Wengen shuttle, which commenced scheduled operations on 10 December 2023. This investment, too, was financed directly by the ordering parties. Moreover, the range of completed investments with immediate customer benefits include the “Black Rock” artificial snow system at the Eigergletscher and the new vantage platform “First View”.

The cash flow from financing activities amounted to CHF –47.0 million. This item comprises CHF 41.8 million that were spent on the purchase of treasury shares and CHF 21.0 million that were paid out to the shareholders in the form of dividends.

With an equity financing ratio of 74.1% and equity of CHF 661 million, the balance sheet remains very healthy.

The Jungfrau Railway Group has definitely overcome the corona pandemic. This is evident from a comparison of the figures of 2023 with those of 2019, the last year prior to the pandemic. For example, the transport income in 2023 was 21.1% above the pre-crisis level of 2019, and the total operating income was even 24.6% higher than in the previous record year 2019. The cost saving measures taken during the corona pandemic have a long-term positive effect. Compared to 2019, operating expenses only increased by 15.3%. Since then, the Jungfrau Railway Group has commissioned the Eiger Express, the Grindelwald terminal and multi-storey car park as well as core elements of the V-Cableway, and it has further developed its catering offerings and the Top of Europe shops, thereby greatly expanding its business activity along the value chain. EBITDA were 35.4% and the annual profit was 49.3% higher than in the record year 2019.

As of 31 December 2023, the Jungfrau Railway Group did not have any debts subject to interest except for a bank loan of the Lauterbrunnen-Mürren Mountain Rail- and Cableway for the purpose of financing rolling stock in the amount of CHF 9.1 million. To the contrary: With a view to the upcoming strategic large projects “First Glance” on Jungfrauoch and “First Gondola renewal”, a substantial amount of funds have already been set aside.

Financial goals

The strategic financial goals of the Jungfrau Railway Group reflect our company’s long-term, sustainable orientation. In 2023, the goals that had been set were exceeded. Only the long-term goal for the free cash flow for the period from 2014 to 2023 was not reached due to the effects of the pandemic.

Key figure	Target	2023
Return on sales	≥ 18%	28.6%
EBITDA margin	≥ 40%	50.1%
Payout ratio	35%–60%	47.9%
Cumulative free cash flow 2014–2023	≥ CHF 150 Mio.	CHF 28.7 Mio.

The Jungfrau Railway Group will continue to strive for development and sound financing based on solid results. Wherever possible, investments are to be financed from self-generated funds. The Jungfrau Railway Group thus underlines its claim to be soundly financed and to be able to act independently of external lenders at all times. Moreover, this increases the leeway for dividend payments.

After the end of the pandemic, the Board of Directors reviewed the financial targets of the Jungfrau Railway Group and adjusted them as follows for the years from 2024:

Key figure	Target from 2024
Return on sales	≥ 20%
EBITDA margin	≥ 43%
Payout ratio	40% bis 60%
Cumulative free cash flow 2024–2028	≥ CHF 200 Mio.

Share information

Listing	SIX Swiss Exchange
Security number	1787578
ISIN code	CH0017875789
Ticker symbol	JFN
LEI (Legal Entity Identifier)	5067009MCPE99B3E4489
Shares with dividend entitlement	All, except treasury shares
Provisions concerning voting rights	All registered shareholders have full voting rights.
Major shareholders	See corporate governance report from page 77

Information per registered share

Information per share ¹ in CHF	2023	2022	2021	2020	2019
Nominal value	1.50	1.50	1.50	1.50	1.50
Voting rights	1	1	1	1	1
Net result ²	13.56	7.47	-0.08	-1.58	9.08
Dividends (2023: proposal) ³	6.50	3.60	0.00	0.00	0.00
Equity ²	112.26	108.88	101.51	101.63	103.31
Stock market price					
High	167.80	147.80	149.20	176.20	167.00
Low	123.60	107.40	126.40	99.40	130.50
Year-end price	160.00	124.00	134.20	137.20	165.00
Market capitalisation at year-end (in MCHF)	933.6	723.5	783.1	800.6	962.8
Key data¹					
Price/earnings ratio	11.80	16.60	-1,677.50	-86.76	18.17
Price/equity	142.5%	113.9%	132.2%	135.0%	159.7%
Payout ratio ³	47.9%	48.2%	0.0%	0.0%	0.0%
Dividend yield ³	4.1%	2.9%	0.0%	0.0%	0.0%

1 Based on year-end prices, calculated from the total portfolio of 5,835,000 issued shares.

2 Calculated on the share of the shareholders of Jungfraubahn Holding AG.

3 Based on the latest proposal for the appropriation of profits.

Share performance

in CHF



Dividend policy and dividend proposal

The Board of Directors has determined a new dividend payout target of 40 to 60% of the respective consolidated profit. Moreover, dividend reductions are to be prevented in subsequent years as far as possible. With its dividend proposal of CHF 6.50 per share (previous year: CHF 3.60 per share), the Board of Directors takes the defined dividend policy into consideration.

Calendar 2024

11.04.2024	Publication of the annual financial statements and annual report 2023
23.04.2024	Despatch of the documents for the Annual General Meeting
06.05.2024	Closure of the share register
17.05.2024	Annual General Meeting, Congress Kursaal Interlaken (2 p.m.)
22.05.2024	Ex-dividend date
24.05.2024	Value date
30.08.2024	Announcement of the half-yearly result 2024

Sustainability reporting

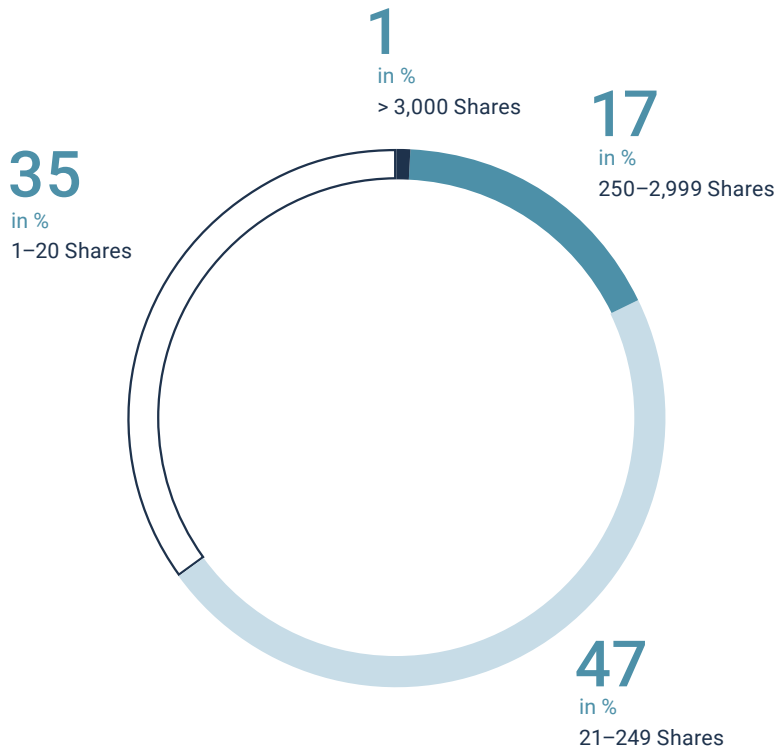
For many decades, the Jungfrau Railway Group has been taking sustainability aspects into consideration in the development of offerings and in the way nature is treated. The sustainability report, which was prepared in full accordance with the GRI standards for the first time, explains the ESG goals and measures relevant to the Jungfrau Railway Group.

Shareholder offering and shareholders' club

All registered shareholders benefit from a yearly shareholder offering. In late February 2024, a voucher for a day ticket on the Wengernalp Railway was sent out.

Anyone who is listed in the share register of JungfrauBahn Holding AG with at least 250 shares on the cut-off date (next date: 1 October 2024) automatically joins the shareholders' club. The great trust that the shareholders place in the company is to be rewarded with special conditions that are announced on the Internet.

Shareholder structure (number)



Shareholder structure (capital)

