

JUNGFRAU
TOP OF EUROPE

Jungfrau Holding AG

2020

AT A GLANCE

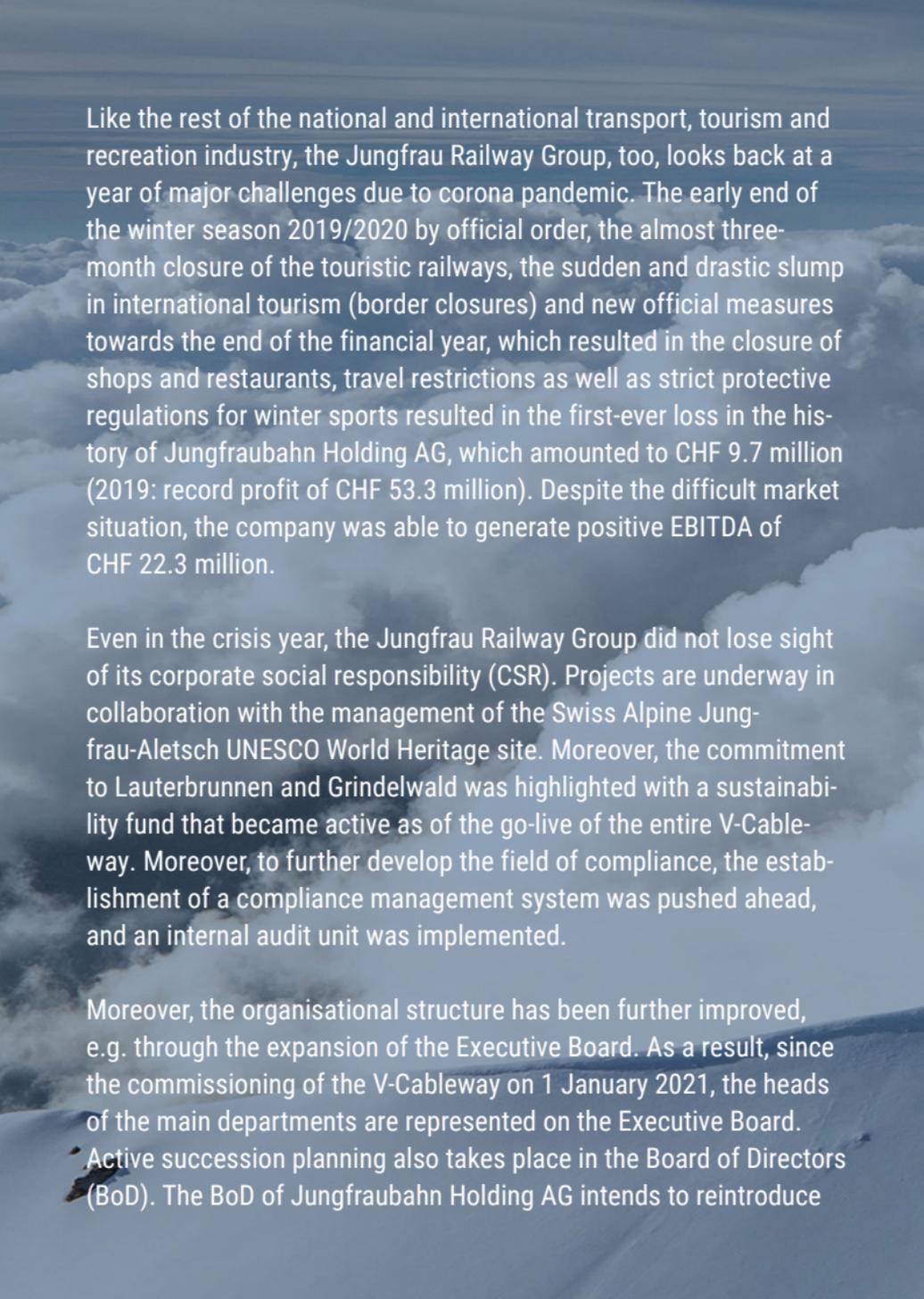
www.jungfrau.ch/business-report

From the all-time record year 2019, we descended into the most severe tourism crisis in history. Nevertheless, thanks to the V-Railway, Jungfrau Railways is ready to follow up on its success story in a ‘new normal’.

Urs Kessler, Chief Executive Officer

Thomas Bieger, Chairman of the Board of Directors





Like the rest of the national and international transport, tourism and recreation industry, the Jungfrau Railway Group, too, looks back at a year of major challenges due to corona pandemic. The early end of the winter season 2019/2020 by official order, the almost three-month closure of the touristic railways, the sudden and drastic slump in international tourism (border closures) and new official measures towards the end of the financial year, which resulted in the closure of shops and restaurants, travel restrictions as well as strict protective regulations for winter sports resulted in the first-ever loss in the history of Jungfraubahn Holding AG, which amounted to CHF 9.7 million (2019: record profit of CHF 53.3 million). Despite the difficult market situation, the company was able to generate positive EBITDA of CHF 22.3 million.

Even in the crisis year, the Jungfrau Railway Group did not lose sight of its corporate social responsibility (CSR). Projects are underway in collaboration with the management of the Swiss Alpine Jungfrau-Aletsch UNESCO World Heritage site. Moreover, the commitment to Lauterbrunnen and Grindelwald was highlighted with a sustainability fund that became active as of the go-live of the entire V-Cableway. Moreover, to further develop the field of compliance, the establishment of a compliance management system was pushed ahead, and an internal audit unit was implemented.

Moreover, the organisational structure has been further improved, e.g. through the expansion of the Executive Board. As a result, since the commissioning of the V-Cableway on 1 January 2021, the heads of the main departments are represented on the Executive Board.

Active succession planning also takes place in the Board of Directors (BoD). The BoD of Jungfraubahn Holding AG intends to reintroduce

the limit of 12 years on the term of office. For this reason, Ueli Winzenried, the current Vice-Chairman and most senior member of the BoD, will resign as of the General Meeting on 17 May 2021 and will not be replaced, thereby bringing back the number of members of the BoD to six. Heinz Karrer is to assume the office of Vice-Chairman. As of the General Meeting 2022, Prof. Dr. Thomas Bieger, the current Chairman, is to resign, and Heinz Karrer is to be proposed as Chairman.

Thanks to the ongoing review of cost structures, the associated further efficiency increase, the higher flexibility and the good start of the V-Cableway, the Jungfrau Railway Group is able to leverage the crisis for the establishment of future competencies. In this context, the lack of planning security, the emergence of virus mutants, the dependence on various vaccination strategies, the development of the individual countries with their different travel restrictions (mandatory tests, mandatory vaccinations, quarantine rules) and the question when international flights will be resumed remain the greatest risk factors. It must be expected that in 2021, the earnings will continue to be impacted by the corona crisis, unless the situation improves significantly in autumn. The Jungfrau Railway Group holds fast to its goal of generating positive EBITDA.



Prof. Dr. Thomas Bieger

Chairman of the Board of Directors



Urs Kessler

Chief Executive Officer

KEY PORTRAIT FIGURES 2020

2,908

days from the announcement of the project
to the inauguration

908

construction days

41.3

kilometres total length for the traction and suspension
cables of the Eiger Express

7,300

tonnes of concrete steel for all concrete
structures of the project

KEY FIGURES 2016 TO 2020

CHF (thousands)	2020	2019	2018	2017	2016
Balance sheet					
Current assets	46,068	95,769	132,099	116,387	79,613
Fixed assets	772,613	673,068	582,217	540,372	545,691
Outside capital	221,709	161,528	144,656	120,848	119,187
Equity	596,972	607,309	569,660	535,911	506,117
Balance sheet total	818,681	768,837	714,316	656,759	625,304
Income statement					
Operating income	125,651	223,310	212,815	193,770	169,030
Transportation revenues	75,643	161,807	153,833	143,799	125,984
Operating expenses	103,389	120,352	117,704	106,027	97,951
Personnel expenses	56,807	62,090	60,173	55,276	53,402
EBITDA	22,262	102,958	95,111	87,743	71,079
Depreciation and amortisation	33,450	35,454	34,142	34,705	34,747
EBIT (operating profit)	- 11,188	67,504	60,969	53,038	36,332
Annual result	- 9,681	53,344	47,826	41,601	30,964

CHF (thousands)	2020	2019	2018	2017	2016
Cash flow statement					
Cash flow from operating activities	30,355	97,086	79,885	63,593	68,519
Cash flow from investing activities	- 123,697	- 118,597	- 63,580	- 29,756	- 50,408
Cash flow from financing activities	55,926	- 8,447	- 11,199	- 10,394	- 8,358
Free cash flow	- 93,342	- 21,511	16,305	33,837	18,111
Key figures					
Equity ratio	72.9 %	79.0 %	79.7 %	81.6 %	80.9 %
EBITDA in relation to operating income	17.7 %	46.1 %	44.7 %	45.3 %	42.1 %
EBIT in relation to operating income	- 8.90 %	30.2 %	28.6 %	27.4 %	21.5 %
Return on sales (ROS)	- 7.7 %	23.9 %	22.5 %	21.5 %	18.3 %
Number of personnel	665	612	600	542	536
Earnings per employee	189	365	355	358	315
Personnel expenses in relation to operating income	45.2 %	27.8 %	28.3 %	28.5 %	31.6 %

CONSOLIDATED INCOME STATEMENT

1 JANUARY TO 31 DECEMBER

CHF (thousands)	2020	2019
Operating income		
Transportation revenues	75,643	161,807
Compensation	8,124	10,551
Sale of energy	8,915	10,043
Souvenir shops	2,557	8,751
Catering and accommodation	7,785	5,723
Service income	8,689	8,722
Rental income	8,441	8,550
Other income	5,497	9,163
Total operating income	125,651	223,310
Operating expenses		
Cost of goods	- 3,588	- 5,583
Purchase of energy	- 2,104	- 2,305
Personnel expenses	- 56,807	- 62,090
Other operating expenses	- 40,890	- 50,374
Total operating expenses	- 103,389	- 120,352
EBITDA	22,262	102,958
Depreciation and amortisation		
Depreciation of tangible assets	- 31,126	- 33,166
Amortisation of intangible assets	- 2,324	- 2,288
Total depreciation and amortisation	- 33,450	- 35,454
EBIT	- 11,188	67,504

CHF (thousands)	2020	2019
Financial result		
Financial expenses	- 769	- 254
Results from associated companies	- 2	- 7
Financial income	324	452
Total financial result	- 447	191
Result before tax	- 11,635	67,695
Income taxes	1,954	- 14,351
Annual result	- 9,681	53,344
Shareholders of Jungfraubahn Holding AG	- 9,227	52,976
Minority interests	- 454	368
Result per share		
Shares issued	5,835,000	5,835,000
Average balance of time-weighted treasury shares	- 7,760	- 20,138
Average number of time-weighted outstanding shares	5,827,240	5,814,862
Undiluted and diluted result per share	- 1.58	9.11



JUNGFRAUJOCH
TOP OF EUROPE

EIGERGLETSCHER

KLEIN

GRINDELWALD GRUND

GRINDELWALD

NE SCHEIDEGG

MÄNNLICHEN

GRINDELWALD TERMINAL



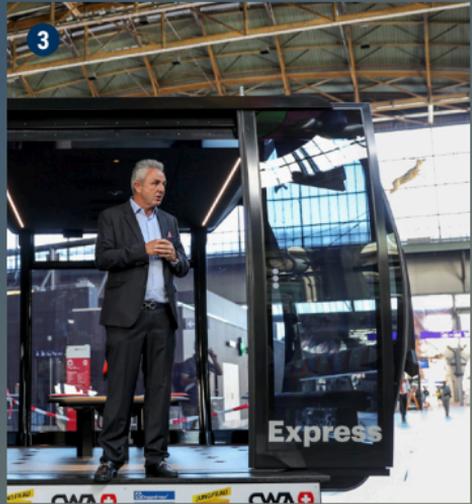
V-CABLEWAY

THE INTERGENERATIONAL PROJECT IN THE REPORTING YEAR 2020

On 30 April 2020, the cable hoist started according to schedule. The preparations had started several months earlier. The approximately 400 t of assembly tools included winches, protective scaffolding for rail and road crossings and auxiliary supports. The four suspension cables and the traction cable were transported to Grindelwald in several heavy transports. The installation of the cable hoist, which was one of the most important milestones in the intergenerational V-Cableway project, took about 15 weeks (1).

Due to the premature termination of the winter sports season 2019/2020 as a result of the corona pandemic, the backlog could be fully compensated. In late May 2020, it became clear that the Eiger Express and the entire terminal in Grindelwald Grund would even be ready to go live one week ahead of the schedule (2).

On 25 August 2020, precisely 100 days before the inauguration of the intergenerational project, the new 3S ATRIA cabin from CWA Constructions SA/Corp. in Olten, Switzerland, was presented to the public. At the Zurich railway station, passengers had the opportunity to sit down on one of the 26 cabin seats and inspect the modern interior (3).



LONG-AWAITED INAUGURATION

On Saturday, 5 December 2020, after 908 days of construction, the time had come to officially commission the intergenerational project. On Friday evening, a little inauguration ceremony was held with speeches by Federal Chancellor Walter Thurnherr, National Councillor Christoph Ammann, Thomas Bieger, Chairman of the Board of Directors, and Urs Kessler, CEO of Jungfrau Railways (4). By opening the tricable cableway Eiger Express and the entire terminal with shopping options on several levels, food offerings, a sports shop, rental ski depots, a public transport station and a car park with more than 1,000 spaces, Jungfrau Railways, Switzerland's largest mountain railway company, is making its mark in these challenging times (5).

SUSTAINABILITY AND STATE-OF-THE-ART TECHNOLOGY

With a view to the future and the generations to come, a lot of emphasis was placed on state-of-the-art technology when designing and constructing the cableways and the new stations, without losing sight of the unique landscape and sustainability. This was achieved thanks to tricable (3S) technology, which allows large distances to be traversed with just a few supports, backed by two support cables. This system also ensures wind stability, which meant no paths had to be cut through forests.

Within the context of environmental construction supervision, an agronomist monitored the success of the measures realised (6). This included the range of existing plant species for re-planting,

construction periods that took the breeding season of ptarmigans into consideration and the creation of new breeding ponds for the midwife toad in Grindelwald.



SEGMENTS 2020

JUNGFRAUJOCH – TOP OF EUROPE

Without a doubt, 2020 was also a very special year for Jungfrau-joch – Top of Europe. Following a very good start with plenty of visitors in January, the Jungfrau railway stood still for an extended period from mid-March, a situation that had not been witnessed since World War I. On 6 June 2020, after almost three months, Jungfrau-joch – Top of Europe re-opened its gates to its visitors. The good weather during the summer months attracted many Swiss visitors to the Jungfrau region. For the first time, the deployment of the rolling stock and of the personnel was planned on a short-term basis according to the weather conditions.

Due to the impact of the corona pandemic and the closure for 83 days, only some 362,800 visitors came to visit Jungfrau-joch – Top of Europe in the year under review. This corresponds to the average number of visitors back in the 1980s. As the uncertainty surrounding the coronavirus continues around the globe, the situation remains challenging for Jungfrau-joch – Top of Europe as well.

EXPERIENCE MOUNTAINS

In the reporting year 2020, the Experience Mountains segment also underwent a significant decline in the number of visitors, as a consequence of the closure of the tourist railways and cableways for almost three months and because international guests

and group tours stayed away. In summer, a new product was launched to meet visitor needs in the best way possible: the Jungfrau Corona Pass. With this pass, visitors were able to enjoy unlimited tours on the Jungfrau Railways routes until the end of November 2020. This was followed by the Jungfrau Corona Winter Pass, which offers all visitors who do not engage in skiing or snowboarding an alternative to the season pass.

WINTER SPORTS

Due to the ongoing uncertainty as to whether the ski regions will be able to assume or continue operations during the corona pandemic, advance season pass sales (including Top4) were weaker than in past years. Up to 24 December 2020, some 28,400 Top4 passes were sold (previous year: 42,200). Owing to the unusual situation, a money-back guarantee was introduced. In the event of a lockdown and resulting closure of all Top4 ski areas from 1 December 2020 to 5 April 2021, a pro-rata refund will be granted.

On 5 December 2020, the Eiger Express went live, enabling an early start of the winter sports season – a positive sign in this time that is so difficult for the tourism sector. The development of skiing visits to the Jungfrau ski region from the start of the season till 31 December 2020 was quite good. Year on year, a decline of only 7% was recorded.



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