



Jungfraubahn Holding AG

SEMI-ANNUAL REPORT 2017



THE KEY FIGURES

per 30th June 2017

92.2 MIO

operating income (in CHF)

68.9 MIO

transportation revenue (in CHF)

21.2 MIO

EBIT (in CHF)

16.9 MIO

net profit for the period (in CHF)

2.90 CHF

result per share (in CHF)

22.9 %

EBIT margin

JUNGFRAUBAHN HOLDING AG

Jungfraubahn Holding AG consists of ten 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: Jungfrauoch – 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 a strong first six months of 2017. Major demand from Asia had a positive effect on the business results. The operating income was up 17.1% on the previous year to CHF 92.2 million. In the first half-year period, 464,600 visitors travelled to the Jungfrauoch. This is 23.5% more than during the same period the previous year and is the best ever result.

Excursions to the Jungfrauoch - Top of Europe continued to benefit from the diversification of the markets as well as the significantly stronger demand from Asia compared with the previous year. In terms of visitor frequency and net transport revenues, this was the best result in the history of Jungfrau Railway. In the first half of 2017, a total of 464,600 guests travelled to the Jungfrauoch, an increase of 88,500 on 2016. At the same time, the frequency numbers from the previous record year 2015 were exceeded by 40,000 visitors. At CHF 47.4 million, the net transport income of the Jungfrauoch segment rose by 21.6% on the same period in the previous year. It paid off that the company intensified its work on the Asian markets and continued to strengthen the Jungfrauoch - Top of Europe brand.

The Jungfrau Railway Group experienced a remarkable increase in the number of visitors. For instance, First Railway registered an increase of 12.4%. In total, the net transport revenues of the 'Mountain Experience' amounted to CHF 5.8 million, an increase of 33.8% on the previous year. The improved attractiveness, clear positioning and stable weather in June contributed to the very good result for the 'Mountain Experience'. The earlier start to the summer season by expanding the seasons has paid off.

In the Winter Sports segment, despite an early start in November 2016, the result was below average for the 2016/2017 season. For the reporting period from 1 January 2017 until the end of the season in April 2017, the JUNGFRAU Ski Region, where the Jungfrau Railway Group holds a turnover share of more than 60%, registered 779,500 ski visits, a fall of 2.7% on the same period the previous year. For the Jungfrau Railway Group, net transport revenue from its winter sports business amounted to CHF 15.7 million.

In the first half of 2017, the Jungfrau Railway Group generated a profit of CHF 17 million, which is its best half-year result to date. This is an increase of 60 per cent on the same period last year.

VISITOR FREQUENCY

1.1.–30.6.	2017 in 1,000 CHF	2016 in 1,000 CHF	Change in %
Jungfrauoch (arr.)	464,600	376,100	23.5 %
Skier Visits Jungfrau Ski Region	779,500	801,000	-2.7 %

NET TRAFFIC REVENUE

Jungfrauoch – Top of Europe	47,444	39,029	21.6 %
Adventure mountain	5,817	4,349	33.8 %
Winter Sports	15,653	15,624	0.2 %
Total traffic revenue	68,914	59,002	16.8 %

The company generated an operating result (EBIT) of CHF 21.2 million and achieved an EBIT margin of 22.9 per cent.

The good result is mainly due to the increase in group business. The increase in earnings at the Top of Europe Shops also had a positive impact on the result. This confirms the newly defined strategy of the Jungfrau Railway Group to develop in the direction of an integrated leisure and service company.

INCREASE IN QUALITY AND PRODUCTIVITY

The Jungfrau Railway Group's investments in quality paid off in the first half of 2017. With the single seat reservation as well as the timetable extension, standing places were eliminated despite increasing visitor traffic and guest satisfaction further increased. By using new rolling stock, the round trip time to the Top of Europe has been shortened by half an hour following a timetable change in December 2016, and productivity has increased.



«We all – meaning Adelboden–Lenk, Meiringen–Hasliberg, Gstaad and ourselves, the JUNGFRAU ski region – have taken the lead to bring our new season pass, Top 4, onto the market for CHF 666.»

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

V-CABLEWAY EXPANSION PROJECT

The strategic main project of the Jungfrau Railway Group is still the V-Cableway, in which the group plans to invest CHF 300 million. The aim is to strengthen the competitiveness of the Jungfrauoch as a world-famous lighthouse as well as the JUNGFRAU Ski region. Due to rulings by the judiciary, municipality and church board as well as the few remaining objections, the procedure has been protracted. The contractor commissioned a cableway technical expert to examine a required alternative routing. The existing lines were confirmed as the most ecological and economical variant. By reducing the column heights of masts 6 & 7, however, it was possible to optimise them further. A comprehensive dossier was also submitted to UNESCO. The Jungfrau Railway Group is hoping for a timely resolution to the objections in order to receive the overall planning permission in the spring of 2018 and to open the "Eiger Express" tricable gondola at the end of 2020.

MOUNTAIN EXPERIENCE AND TOP OF EUROPE SHOPS

In the first half of 2017, the Jungfrau Railway Group invested in increasing the attractiveness of its adventure mountains. In May 2017, with the Grütsch Trail from Grütschalp to Lauterbrunnen, the first freeride circuit in the Jungfrau Region was opened.

At Harder Kulm the capacity bottlenecks in the restaurant were solved with the completion of the new extension at the end of June 2017. The First Glider also introduced a new adventure on First. The extended operating hours of the Mountain Experience allowed an earlier season start, which in general increased the attractiveness of the region in the intermediate season. The Rail Info of the Jungfrau Railways at the Höhenweg in Inter-laken was extended at the end of June 2017 by a new Top of Europe shop, which guarantees the customers a comprehensive range of services under one roof.

OUTLOOK

Due to its strong position on the intercontinental growth markets and the diversification of the visitor streams, the Jungfrau Railway Group is well positioned for the second half of the year. At the beginning of the winter season 2017/2018, the Jungfrau Railway Group is taking over the leadership of the "Kleine Scheidegg Bahnhofbuffet" restaurant, due to its reorientation towards gastronomy. For the first time ever, due to change in the timetable in December 2017 together with the alliance partner of the Berner Oberland-Bahnen AG, there will be a half-hour round trip all year round between Interlaken Ost and Jungfrauoch.

Prof. Dr. Thomas Bieger
Chairmen of the Board

Urs Kessler, CEO, Chairman of the
Management Board

CONSOLIDATED BALANCE

per 30th June 2017

ASSETS						
in thousand CHF						
	30.06.2017	in %	31.12.2016	in %	30.06.2016	in %
Current assets						
Liquid funds	45,190		58,841		32,837	
Receivables from deliveries and services	15,194		7,705		13,370	
Other current receivables	5,295		4,517		3,032	
Inventories	1,681		1,373		1,705	
Accrued income	8,785		7,177		8,435	
Total current assets	76,145	12.3 %	79,613	12.7 %	59,379	9.9 %
Fixed assets						
Financial assets	7,421		9,464		7,901	
Tangible assets	527,566		527,609		524,650	
Intangible assets	8,961		8,618		6,913	
Total fixed assets	543,948	87.7 %	545,691	87.3 %	539,464	90.1 %
Total Assets	620,093	100.0 %	625,304	100.0 %	598,843	100.0 %
LIABILITIES						
Outside capital						
Liabilities from deliveries and services	13,897		23,766		21,450	
Current financial liabilities	740		740		740	
Other current liabilities	3,057		4,683		2,207	
Current provisions	2,533		1,299		2,399	
Deferred income	11,863		12,633		12,382	
Total current borrowed capital	32,090	5.2 %	43,121	6.9 %	39,178	6.5 %
Non-current financial liabilities	34,361		33,003		30,550	
Non-current provisions	42,814		43,063		43,785	
Total non-current borrowed capital	77,175	12.4 %	76,066	12.2 %	74,335	12.4 %
Total borrowed capital	109,265	17.6 %	119,187	19.1 %	113,513	18.9 %
Equity						
Share capital	8,753		8,753		8,753	
Capital reserves	-1,850		-1,850		-1,819	
Treasury shares	-441		-442		-723	
Retained earnings	500,196		495,540		475,199	
Minority interests	4,170		4,116		3,920	
Total equity	510,828	82.4 %	506,117	80.9 %	485,330	81.1 %
Total liabilities	620,093	100.0 %	625,304	100.0 %	598,843	100.0 %

CONSOLIDATED INCOME STATEMENT

from 1st January to 30th June

in thousand CHF	2017	2016
Operating income		
Transportation revenues	68,914	59,002
Compensation	4,931	4,484
Sale of energy	4,256	4,120
Souvenir shops	3,106	2,426
Service income	3,095	2,673
Rental income	4,114	3,355
Other income	3,755	2,667
Total operating income	92,171	78,727
Operating expenses		
Cost of goods	-1,477	-1,148
Purchase of energy	-1,566	-1,577
Personnel expenses	-28,750	-28,718
Other operating expenses	-22,268	-19,020
Total operating expenses	-54,061	-50,463
EBITDA	38,110	28,264
Depreciation and amortisation		
Depreciation of tangible assets	-16,338	-17,055
Amortisation of intangible assets	-621	-392
Total depreciation and amortisation	-16,959	-17,447
EBIT	21,151	10,817
Financial result		
Financial expenses	-50	-103
Financial income	109	2,526
Total financial result	59	2,423
Profit before tax	21,210	13,240
Income taxes	-4226	-2821
Net profit	16,984	10,419
Minority interests	-83	142
Net profit excluding Minority shares	16,901	10,561
Result per share		
Shares issued	5,835,000	5,835,000
Average balance of time-weighted treasury shares	-4,696	-11,102
Average number of time-weighted outstanding shares	5,830,304	5,823,898
Undiluted and diluted result per share in CHF	2.90	1.81

CONSOLIDATED STATEMENT OF CASHFLOWS

from 1st January to 30th June

in thousand CHF	2017	2016
Net profit	16,984	10,419
Depreciation of tangible assets	16,338	17,055
Amortisation of intangible assets	621	392
Change of provisions	985	2,091
Other non-cash items	-2	-2,434
Cash flow before change in net current assets	34,926	27,523
Increase in receivables	-9,875	-5,203
Increase in inventories	-308	-346
Decrease in liabilities	-12,265	-1,552
Cash flow from operating activities	12,478	20,422
Investments in financial assets	0	-1,594
Investments in tangible assets	-16,295	-24,258
Investments in intangible assets	-964	-1,076
Divestment of financial assets	2,043	22
Cash flow from investing activities	-15,216	-26,906
Free cash flow	-2,738	-6,484
Increase in financial liabilities	1,517	2,475
Repayment of financial liabilities	-159	-159
Founding of Grindelwald Grund Infrastruktur AG	0	40
Purchase of minority shares	-4	-417
Trade of own shares	1	-29
Profit distribution to minority interests	-23	-23
Profit distribution to Jungfraubahn Holding AG	-12,245	-11,654
Cash flow from financing activities	-10,913	-9,767
Change in liquid assets	-13,651	-16,251
Liquid funds 1 January	58,841	49,088
Liquid funds 30 June	45,190	32,837
Change in liquid assets	-13,651	-16,251

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

per 30. June 2017

in thousand CHF	Share capital	Capital reserves	Treasury shares	Retained earnings	Total excluding Minority shares	Minority shares	Total incl. Minority shares
Equity at 31/12/2015	8,753	-1,797	-1,380	476,292	481,868	5,603	487,471
Purchase of treasury shares		0	-44		-44		-44
Sale of treasury shares		-22	701		679		679
Net profit				10,561	10,561	-142	10,419
Dividends				-11,654	-11,654	-23	-11,677
Purchase of subsidiary shares					0	-3,518	-3,518
Founding of Grindelwald Grund Infrastruktur AG					0	2,000	2,000
Equity at 30/06/2016	8,753	-1,819	-723	475,199	481,410	3,920	485,330
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

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 2016 annual business report.

SCOPE OF CONSOLIDATION

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

SEGMENT INFORMATION

in thousand CHF	2017	2016	Veränderung	in %
Segmentumsätze				
Net sales Jungfrauoch – Top of Europe	55,656	45,689	9,967	21.8 %
Net sales Adventure mountain	8,195	6,329	1,866	29.5 %
Net sales Winter Sports	18,138	18,548	-410	-2.2 %
Net sales other segments ¹	22,076	19,404	2,672	13.8 %
Elimination group-internal sales	-11,894	-11,243	-651	5.8 %
Total operating income according to profit and loss account	92,171	78,727	13,444	17.1 %
Segment results EBITDA				
EBITDA Jungfrauoch – Top of Europe	28,081	19,943	8,138	40.8 %
EBITDA Adventure mountain	3,253	1,808	1,445	79.9 %
EBITDA Winter sports	3,217	4,068	-851	-20.9 %
EBITDA other segments ¹	3,548	3,198	350	10.9 %
Group eliminations	11	-753	764	-101.5 %
Total EBITDA according to the income statement	38,110	28,264	9,846	34.8 %

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 31 August, 2017, 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

5 JANUARY 2018	Announcement of frequencies of the 2017 financial year
14 MAY 2018	Annual General Meeting in the Congress Centre Kursaal Interlaken

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