

## **In 2020, the Jungfrau Railway Group recorded a loss – yet a positive EBITDA was achieved**

**For the first time in its history, the Jungfrau Railway Group suffered losses in 2020. Losses in the amount of CHF 9.7 million follow on from record profits in 2019 of CHF 53.3 million. On a positive note, despite everything in a year marred by Covid-19, positive EBITDA of CHF 22.3 million was achieved in 2020. The Board of Directors is proposing that, due to the current situation, no dividends should be distributed. The consequences of the coronavirus crisis are still more pronounced and enduring than previously anticipated and continue to be difficult to evaluate. It is to be expected that the 2021 result will again be heavily influenced by the coronavirus crisis.**

With regard to liquidity and equity, the company has a solid foundation. Positive EBITDA of CHF 22.3 million will ensure operational liquidity. It is gratifying that this was achievable in an extraordinarily challenging environment with a historic, once-in-a-lifetime pandemic. Not only did Covid-19 cause an almost three-month long lockdown for the tourist trains and gondolas, it also completely took away the largest visitor segment from Asia after the outbreak of the pandemic in March 2020. The Jungfrau Railways were able to close this exceptional year with a highlight: the completion of the once-in-a-generation project V-Cableway.

In all, the Jungfrau Railway Group generated an operating income of CHF 125.7 million, representing a drop of CHF 97.6 million compared to the record year of 2019. The most important source of income – transport revenue – amounted to CHF 75.6 million, CHF 86.2 million below the 2019 revenue. With a drop of 65.6%, transport revenue from the most important segment, JungfrauJoch – Top of Europe, suffered particularly due to the collapse of the international travel business.

Around half of the transport revenue from the Experience Mountains was lost while, fortunately, the subsidiaries Harderbahn and the Firstbahn nevertheless managed to achieve profits of CHF 1.0 million and CHF 2.0 million respectively. Transport revenue from winter sports passes only fell by 5.2%.

The Jungfrau Railway Group introduced savings measures very early on. Operating costs and investments were continuously checked and reduced. Because of this and the use of the short-time work option, it was possible to reduce operating expenditure by 14.1% to CHF 103.4 million. This could be achieved despite the fact that additional new business operations were taken on in the reporting year thanks to the takeover of the gastronomy enterprises on the JungfrauJoch and the operational management of the Grindelwald-Männlichen Cableway.

Depreciation and amortisation amounted to CHF 33.5 million. Accordingly, EBIT came to CHF -11.2 million and the annual loss was CHF -9.7 million.

The consolidated balance sheet as of 31 December 2020 shows equity of CHF 597.0 million. This results in a very solid equity ratio of 72.9%. Liabilities of CHF 221.7 million includes financial liabilities of CHF 109.3 million. Only CHF 45.0 million of these are in the form of interest-bearing bank liabilities. The remaining CHF 64.3 million relates to non-interest-bearing loans from the public sector for the financing of railway infrastructure, the majority of which is only conditionally repayable.

### **JungfrauJoch – Top of Europe**

During the first year of the pandemic, JungfrauJoch – Top of Europe remained the most significant segment of the Jungfrau Railway Group, despite the fact that the negative impacts of Covid-19 were most serious here. The net sales fell by CHF 80.6 million, or by 53.8%, to CHF 69.2 million. After record visitor numbers in January, demand already started to tail off in February. Following the

closure ordered by the authorities from 14 March to 5 June 2020, the guest structure through to the end of the year was no longer comparable with the time before the Covid-19 outbreak. The number of Jungfrauoch visitors fell by 65.6% to 362,800. It was, however, pleasing that in July and August 2020 alone around 153,000 people visited the Jungfrauoch – Top of Europe, of which 145,000 were Swiss.

### Experience Mountains

Net sales of the Experience Mountains fell in 2020 by 48.3% to CHF 16.8 million and EBITDA fell by 69.0% to CHF 5.8 million. All railways and cableways – Harderbahn, Firstbahn and Lauterbrunnen-Mürren Rail and Cableway – saw considerable drops in sales. The losses suffered during lockdown could not be compensated for by pleasing visitor numbers despite numerous Swiss guests in the summer months.

### Winter sports

The impact of Covid-19 was felt least in the winter sports segment. While the number of skier visits for the Jungfrau Ski Region (a partnership in which the Jungfrau Railway Group holds a 60% shareholding) as a whole fell in comparison to 2019 by 16.0% to 898,400 skier visits due to the abrupt end to the season on 14 March 2020, the Jungfrau Railway Group's share of the region's transport revenue fell by only 5.2% to CHF 22.2 million. With net sales of CHF 29.7 million, the winter sports segment achieved EBITDA of CHF 3.7 million, which equates to an increase of CHF 2.0 million in comparison with the previous year.

### Segment information

CHF (thousands)	2020	2019	Change in %
<b>Segment sales</b>			
Net Jungfrauoch sales	69,214	149,839	-53.8%
Net sales Experience Mountains	16,849	32,620	-48.3%
Net sales winter sports	29,675	30,779	-3.6%
Net sales for other segments*	42,239	49,125	-14.0%
Elimination group-internal sales	-32,326	-39,053	-17.2%
<b>Total operating income</b>	<b>125,651</b>	<b>223,310</b>	<b>-43.7%</b>

\*Other segments include, in particular, the Jungfraubahn power station, Jungfraubahnen Management AG as well as the car parks in Grindelwald and Lauterbrunnen.

### Investments

The Jungfrau Railway Group's total investment volume last year amounted to CHF 123.7 million, CHF 91.3 million of which was attributable to the V-Cableway project. With the opening of the terminal, the new multi-storey car park and the Eiger Express tricable gondola on 5 December 2020, the once-in-a-generation project successfully commenced operations.

In total, the company has invested around CHF 340 million in the V-Cableway project so far, which includes the core elements as well as the Wengernalp Railway and Jungfrau Railway rolling stock upgrades that had already been completed. There is still more investment to come. Overall, costs are expected to exceed the original planning by around 10% (due to project adjustments and the difficult construction conditions).

The Jungfrau Railway Group's second major project is the Lauterbrunnen-Mürren Railway upgrade, which is being financed by the Canton of Bern as part of indemnified transport. Costs amounting to a good CHF 50 million are estimated for the overall upgrade of Mürren Railway. In 2020, CHF 9.9 million was invested in the expansion of the station and Grütschalp garage as well as in

modernising the Winteregg station. Three low-floor multiple-unit trains were also ordered at the end of the year, which will be put into operation in 2023.

The station concourse on the Jungfrauoch will be under renovation until spring 2021. CHF 7.1 million was invested in this in the reporting year. For the Harderbahn, the drive and control of the funicular were upgraded in 2020, triggering investments of CHF 1.6 million.

As a consequence of the high amount of investment, the free cashflow amounted to CHF -93.3 million. Despite the Covid-19 crisis, it was largely possible to finance the investment programme from company funds.

### Key figures of the consolidated financial statements

CHF (thousands)	2020	2019	Change in
<b>Operating Income</b>	125,651	223,310	-43.7%
<b>Transport revenues</b>	75,643	161,807	-53.3%
<b>EBIT</b>	-11,188	67,504	-116.6%
<b>Annual result</b>	-9,681	53,344	-118.1%
<b>Free cash flow</b>	-93,342	-21,511	-333.9%
<b>Headcount (full-time equivalents)</b>	665	612	8.7%
	<b>2020</b>	<b>2019</b>	<b>Change in</b>
<b>Dividends</b>	0.0 (proposal)	0.0	0.0%

### Outlook

The Jungfrau Railway Group continues to have to deal with the coronavirus crisis. This has persisted for more than a year already and the consequences continue to be difficult to evaluate and anticipate. The impact is more pronounced and is longer-lasting than previously assumed. The greatest risks continue to be the travel restrictions, the lack of planning certainty as well as the varying vaccination strategies around the world.

Thanks to a good infrastructure, the Jungfrau Railway Group can nevertheless look towards the future with confidence with a well-established international market, solid financing and its strength of innovation. The once-in-a-generation project V-Cableway, just completed at the end of 2020, makes the Jungfrau Railway Group competitive on the front line, forming an important foundation to benefit from the growth opportunities which will emerge after the crisis in a timely manner. The V-Cableway sustainably strengthens the competitiveness of the entire Jungfrau region.

Guests are offered more space, pleasant visitor guidance and a better quality travel experience overall. The active and digitally supported guest management will be time-saving and convenient. The railways and cableways will be able to actively reduce mass gatherings and congestion and make the best possible use of existing capacities. The use of public transport will be promoted thanks to the new link to the railway network. The Jungfrau Railway Group will therefore be making an important contribution towards encouraging guests back onto the rails after switching to an increasing reliance on private transportation due to Covid-19.

Jungfrau Railways has experienced various global crises in its over 100-year history. With the overhaul of cost structures and greater flexibility as well as a good start to the V-Cableway, the company

will emerge from the crisis stronger. It is to be expected that the 2021 result will again be heavily influenced by the coronavirus crisis. The Jungfrau Railway Group holds onto its main goal of generating positive EBITDA.

### **Annual Report and Proposals to the General Meeting**

The Jungfraubahn Holding AG General Meeting will be held in Interlaken on 17 May 2021. It will take place with no physical participation by shareholders whatsoever. Shareholders will be informed about the format of the General Meeting and the voting procedure by personal invitation and publication in accordance with the Articles of Association. The Board of Directors is therefore proposing that, due to the current situation, no dividends should be distributed.

The Jungfraubahn Holding AG Annual Report for the 2020 reporting year was produced as an online edition. The online annual report is published under the following link:

- Annual Report 2020: [www.jungfrau.ch/geschaeftsbericht](http://www.jungfrau.ch/geschaeftsbericht)
- Link to the Agenda of the 2021 General Meeting: [www.jungfrau.ch/generalversammlung/](http://www.jungfrau.ch/generalversammlung/)