



Club Med : 2018 Business overview & activity (January 1, 2018 – December 31, 2018)

From today, Club Med publishes its results January 1 - December 31 in line with those of its parent company, Fosun Tourism Group, which has been listed on the Hong-Kong stock market under code 1992HK since December 2018.

2018 – A RECORD YEAR

- Club Med performance in 2018 was very encouraging with the highest growth in business volume for 6 years (+8% vs 2017). All geographical areas saw growth.
- Customers number has also increased significantly (+6.6 %).
- Recurring EBITDA stood at €126.4M, an increase of 13% as a result of global upscale strategy and sales growth.
- On this basis, Club Med expects its business to continue to grow profitably in 2019.

Henri Giscard d'Estaing, President of Club Med, commented Club Med business overview:



With a growth across all major markets including France, a further increase in number customers and a new improvement in profitability, Club Med delivered a very encouraging performance in 2018 after a good previous year and expects to continue to grow profitably in 2019.

Thanks to the support of our shareholder Fosun and the implementation of the "upscale, global and Happy Digital" strategy, Club Med is the worldwide leader of premium resort all-inclusive holidays for families and active couples.





New increase in operating profitability

At constant exchange rates, Club Med Business Volume Villages (corresponding to total sales regardless the village operating structure) rose 8 % to €1,617 Billion in 2018.

Recurring EBITDA (i.e. EBITDA excluding exceptional items) stood at €126.4M, an increase of 13% as a result of global upscale strategy and sales growth.

The strategy was supported by €100M investment in the maintenance and the extension of existing resorts, in major digital projects and in the support of new resorts.

Despite these investments, the free cash flow is positive.

Club Med investments were completed by the investments of its real estate partners as for example Cefalù in Italy (€90M), La Pointe aux Canonniers in Mauritius (€40M) and Les Arcs Panorama in the French Alps (€100M).

This very encouraging performance is the result of the “upscale/global/Happy Digital” strategy to meet the demands of families - especially 3G (3Generation) and Millennial family groups - and active couples capitalizing on the Club Med’s unique concept.

Strong growth in customers number & sales

With 1,441,000 customers in 2018, Club Med reported another strong increase (+6.6%).

Customers staying in 4 and 5 Trident resorts now account for over 81.6 % of Club Med customer base.

In Greater China, the second market after France, the number of customers reached 243,000: +22% vs 2017.

In term of sales, thanks to a positive mix price effect, the Business Volume rose:

- In Asia: +7.9% ;
- In America: +5.6% ;
- In Europe: +8.7%.

Although capacity significantly expanded (+8.9 %), the occupancy rate remained stable at 66%.

Success of Happy Digital strategy

As customers increasingly book their stays online, direct online sales rose by 16% thanks to Club Med's Happy Digital innovations.

In addition, mobile is becoming the key digital tool, generating over 50% of traffic.

As a part of its Happy Digital Strategy, Club Med is continuing to innovate and to offer new services.

Club Med has redesigned and innovated its customer path to facilitate the "before" and "after" stay experience:

- Transformation of point of sales to "apartment-boutique" concept launched in France; Passy in 16th Paris district and Nice;
- Virtual Reality experience with already more than 30 resorts available in 360° movies;
- Optimization of website (35 Club Med websites in 18 languages) to make it mobile centric.

Club Med has also invested in resort experiences:

- Digital bracelet launched in 30 resorts to simplify life for clients in these resorts;
- Launch of a new version of "My Club Med App", designed to improve the holiday experience for clients by giving them real-time access to resort information;
- New "Pick Your Room" service, recently launched in the French and US markets for four resorts. Clients can now choose their rooms via an interactive map of the resort.



Club Med Appartement-Boutique in Nice



Acceleration of resorts openings

Thanks to new resorts openings, Club Med continued to expand globally.

As global leader of mountain holidays, Club Med has the objective to open at least one new ski resort per year.

After the successful openings of Grand Massif Samoens Morillon in the French Alps and Tomamu in Hokkaido Japan at the end of 2017, Club Med has opened a new ski resort in December 2018: Les Arcs Panorama Paradiski in France.

In 2019, Club Med will open a new 4 Tridents resort in l'Alpe d'Huez and the construction of two new mountains resorts is starting: in France new chalets-apartments in Grand Massif Samoens Morillon and in Canada in Quebec Charlevoix.

For others resorts (Ssun and Joyview), in 2018, Club Med has opened Cefalù (Sicily), the 1st Club Med Exclusive Collection in the Mediterranean, and two Club Med Joyviews in China: Golden Coast near Beijing and Anji near Shanghai.

In 2019, Club Med will open a new Club Med Exclusive Collection resort, Michès Playa Esmeralda in the Dominican Republic, and a Club Med Joyview near Beijing.

Also, the construction of two new resorts has started: one Club Med Exclusive Collection resort in the Seychelles on the island of Sainte-Anne and a seaside 4 Tridents resort in Spain, Marbella.

In addition, major refurbishment and/or extension works were also carried out in the Pointe aux Canoniers (Mauritius), Cancun Yucatan (Mexico), Gregolimano (Greece), Turkoise (Turks & Caicos), Sahoro Hokkaido (Japan) and La Caravelle (Guadeloupe) resorts (La Caravelle has been undergoing the transformation with the next phases scheduled for 2019).

Bookings for the first half of 2019

As of March 2nd, bookings for the first half of 2019 (ending June 30th) were up +5.2% vs H1 2018 and were up + 16.2 % vs H1 2017.