



Club Med First-half 2019 results: New acceleration in growth

At constant exchange rates, Club Med Villages Business Volume (corresponding to total sales regardless of the village operating structure) reached €906 million for the six months to June 2019, up 4.8% year-on-year on the first half of 2018, following a 9.6% increase between first-half 2017 and first-half 2018.

All geographical areas saw Business Volume growth versus the prior-year period:

- America: up 15.2% versus first-half 2018 and 26.8% versus first-half 2017;
- Asia: up 5.8% versus first-half 2018 and 15.6% versus first-half 2017;
- Europe: up 2% versus first-half 2018 and 11.3% versus first-half 2017.

Recurring EBITDA totalled €179.7 million for the first six months of 2019. At constant accounting standards (without IFRS 16), recurring EBITDA stood at €98 million, versus €95.5 million one year earlier.

The pace of investment remains high, comparable to the first half of 2018.

Investments during the period concerned the maintenance and the extension of existing resorts, digital projects and the development of new Club Med.

Club Med investments were completed by the investments by its real estate partners as for example La Caravelle in Guadeloupe (€42 million), Alpe d'Huez in the French Alps (€106 million) and Michès Playa Esmeralda in the Dominican Republic (\$100 million), all of which will open by the end of the year.

Despite the high level of investment that reflects the Club Med's dynamic, the free cash flow is positive and is up compared to first-half 2018.

Henri Giscard d'Estaing, President of Club Med, commented first-half 2019 Club Med business overview:



After very good performances on its first-half 2018, Club Med recorded new growths on its first-half 2019, with a further increase in business volume across all major markets and a new growth in number customers on its premium resorts especially in America and Asia, and a further increase in its profitability.

With the successful opening of Les Arcs Panorama resort and the successful renovation of La Pointe aux Canoniers resort in Mauritius, Club Med is continuing its dynamic development. New opening projects are planned in the coming months, notably in the Dominican Republic with the new Club Med Exclusive Collection, Michès Playa Esmeralda and in the French Alps in Alpe d'Huez.

Also, Club Med has innovated in digital topics with the milestones such as new mobile APP "My Happy Days" to facilitate customer path or a new experience in resort "Amazing Family". Thanks to the support of our shareholder Fosun Tourism Group with very good performances on its first-half 2019, and the implementation of the "upscale, global and Happy Digital" strategy, Club Med is now the worldwide leader of premium resort all-inclusive holidays for families and active couples.



A dynamic and robust growth in first-half 2019

Club Med delivered another ramp-up in development in the first six months of 2019, both in France and around the world.

Following the successful opening of new mountain resort Les Arcs Panorama in the French Alps in December 2018, a new Club Med Joyview Yanqing Beijing opened near Beijing in China.

In Mauritius, Club Med La Pointe aux Canoniers also successfully reopened following renovation and expansion works.

Lastly, Djerba la Douce resort in Tunisia reopened from refurbishment in the spring, and Club Med Da Balaia in Portugal completed its transformation.



Growing appeal for the Club Med formula among an increasingly international customer base

Club Med welcomed 750,000 customers on the first-half 2019, a year-on-year increase of 1.6%.

86.9% of guests (651,000) stayed in 4- and 5-Trident resorts, up 7,2% on the prior-year period.

International customers now account for 71% of total customers, up 2 points versus 2018 and 13 points versus 2010.

In America and Asia, the number of customers rose 6.3% and 4.8% year-on-year, respectively.

The number of customers fell slightly in Europe, due a decline in capacity following the closure of resorts that no longer met the standards under the upscale strategy, but the number of European customers attending premium resorts increased by 4%.

During the first six months of the year, the rate of very satisfied customers rose 10% versus the average for the last three years.

Success of an ambitious strategy built on three pillars

Club Med's dynamic performance in the six months to June 2019 demonstrates the success of the three-pillar strategy: upscale, "happy digital" and international expansion through resort openings.

- **Upscale:** more than 85% of the resorts portfolio consist of 4- and 5-Trident resorts (capacity measured in terms of number of beds), up 4.5 points versus the first half of 2018.
These resorts offer the best value for money to families and active couples looking for a unique premium all-inclusive holiday experience.
- 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:
 - o Optimization of booking website (35 Club Med websites in 18 languages), with a very good growth of conversion rates on mobile (+20% versus N-1);

- in China, an increase of the WeChat Mini-Program (a Club Med store integrated in the WeChat application) that generates more than 10% of direct sales;
 - in Brazil, the launch of “Club Med Plus”: with this new offer, clients can now add some services to their stay in the Alps as city-stop, museums...
- **International expansion:** Club Med continues to expand internationally, with 3 to more than 5 resort openings every year around the world, supported by its shareholder Fosun.

Upcoming openings include:

- two new mountain resorts in December 2019: Alpe d’Huez, fully transformed and upgraded to a Premium resort and 22 chalet-apartments at the Grand Massif Samoëns Morillon resort;
- new future destinations: Michès Playa Esmeralda, a Club Med Exclusive Collection resort in the Dominican Republic in December 2019 and in 2020, Marbella in Spain, Les Seychelles on Sainte Anne Island and one new Club Med mountain resort: La Rosière in the French Alps, constructions have already started.



Second-half 2019 outlook

Confirming the dynamic performance recorded in the first half of 2019, the cumulative bookings for the second half of the year are up by +4.9% in BV STS (at 20 July) compared to the bookings as of 20 July 2018, at constant exchange rate.

All geographical areas are growing.

At the same date last year, more than 80% of bookings of second-half year had already been made.