

Signing of long term financing for a total amount of €260 million to secure liquidity and future development

Club Med announces today the signature of a €180 million loan agreement, guaranteed by the French State ("Prêt Garanti par l'Etat"), with the support of a pool of French banks, and a €80 million shareholder loan agreement from Fosun Tourism Group.

Club Med entered the COVID-19 crisis with a strong business model generating profitable growth, a positive free cashflow and a solid financial position.

In 2019, on a comparable exchange rate basis, the Business Volume of Club Med resorts grew by 5%, amounting to €1711 million.

Recurring EBITDA amounts to €306 million. Under comparable accounting principles (excluding the effect of IFRS 16 in 2019), recurring EBITDA rose by 10.4% compared to the previous year, thanks to the global upscale strategy and growth in digital sales.

On the financial side, the free cash-flow was positive since 3 consecutive years.

January and February 2020 performed very well, with a business volume up by 8% compared to the first two months of 2019 and a recurring EBITDA up by over 20 %.

The €300 million credit line negotiated in August 2019 and the liquidity available at the end of last March, at more than €200 million, put the company in a strong financial position when the crisis surged.

With the strong impact of this crisis, Club Med had to secure liquidity and prepare the rebound of its activity.

COVID-19 is a sanitary crisis which has global consequences across all sectors of activity.

The hospitality sector (tourism, hotel and transportation) has been particularly affected. This sanitary crisis has brought Club Med's activity almost to a standstill for 3 months and, last april, for the first time in its 70th years history, all resorts were temporarily closed.

In this unprecedented context, Club Med decided to adapt extremely fast to protect its clients, teams and cash situation, and to be ready to rebound once the pandemic is under control allowing its activity to resume fully.

Alongside the many deep cost action taken to protect its cash position and P&L, Club Med, with the support of Fosun Tourism Group, has completed a financing scheme, aiming at securing its liquidity to face the COVID-19 crisis and preparing itself to swiftly restart operations.

The €180 million Term Loan facility guaranteed by the French State ("Prêt Garanti par l'Etat") will be guaranteed for 90 % by the French State via BPI France for a 6 years duration.

Fosun Tourism Group as an active and supportive shareholder, granted an additional €80 million shareholder loan.

These financing provided by french financial partners of Club Med (Arkea, BNP Paribas, Groupe BPCE, Groupe Crédit Agricole, Groupe Société Générale and HSBC) and Fosun Tourism Group emphasize their trust in the business model of the company, and its potential of further profitable growth

With a total amount of €260 million, it enables the company to significantly secure its cash position.

Henri Giscard d’Estaing, President of Club Med, declared:

"After the successful reopening of our five Chinese resorts in April and May, we have reopened Sandpiper Bay in Florida, for the US market and, at the beginning of July, it will be fifteen resorts in Europe. The confidence demonstrated by Fosun and our financial partners through these additional financing, is another good news.

This summer, more than ever, our goal is to allow our guests, with the appropriate sanitary measures, to enjoy a Club Med experience with even more space for everyone, flexibility and choice. We are convinced that our premium all-inclusive formula will appeal to families who, after several weeks of constraints, want to enjoy holidays with freedom, conviviality and serenity thanks to our exceptional resorts and our GO & GE teams. »

Michel Wolfovski, Deputy CEO and CFO of Club Med, declared:

“After a good year 2019 and solid start for 2020, Club Med was hit by this unprecedented sanitary crisis which has impacted all sectors of activity.

Last march, with the closure of our resorts, we decided to react very quickly and adapt our company to this extraordinary situation.

Thanks to the support of our shareholder and our banks, the financing we have signed helps us to face the impact of this crisis and prepare ourselves to progressively resume operations and gain further marketshares.”

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