

## Solid resistance by MND in the 1<sup>st</sup> half of 2020/2021

- Fall in activity limited to -5%
- Order backlog of €46.6m at the end of December 2020 (+9%)
- Normative operational break-even point (adjusted EBITDA<sup>1</sup>) reached in H1
- Successful deployment of the **Succeed Together 2024** strategic plan focused on operational excellence and customer experience

**MND (Euronext Growth - FR0011584549 - ALMND)**, a French industrial group specialised in ropeway mobility, snowmaking systems, mountain safety and thrill-making leisure facilities, has published its consolidated sales for the first half of FY 2020/2021 (1 July to 31 December 2020).

### ACTIVITY IN H1 2020/2021

In €m - IFRS Unaudited consolidated data	H1 2019/2020	H1 2020/2021	Variation
<b>Revenue</b>	29.5	<b>28.1</b>	-5%
o/w Snowmaking and Ropeways	17.9	<b>17.1</b>	-4%
o/w Safety and Leisure	11.6	<b>11.0</b>	-5%

In H1 2020/21, MND achieved consolidated sales of €28.1m, down slightly by -5% compared with H1 2019/20.

After a good start to the financial year, with Q1 showing strong growth, Q2 once again played out in a context marked by the Covid-19 health crisis and its economic repercussions on mountain professionals, heavily impacted<sup>2</sup> by the legal closure of ski lift facilities.

In the midst of this severely disrupted environment, MND showed considerable resilience, drawing on its all-season, multiple activity offer and its international presence across all continents.

<sup>1</sup> Adjusted EBITDA: Current operating income + amortization, depreciation and provisions (but after provisions for stocks and trade receivables) + adjustment for non-recurring exceptional items.

<sup>2</sup> 70% drop in the occupancy rate in France for the 2020-2021 end-of-year holiday period versus 2019-2020, and an 80-90% loss in revenue for the mountain ecosystem, largely at a standstill. Source: *Domaines Skiabiles de France*, press release of 8 January 2021.

The “Snowmaking and Ropeways” business posted H1 2020/2021 sales of €17.1m, i.e. a limited fall of only -4%. The half-year was marked in particular by the installation of snowmaking systems for international ski areas in France, Italy, Austria, Switzerland and Japan. In H1 2020/2021, the Group also booked its first billings from the urban mobility projects won in 2020: the second urban cable car line in Saint-Denis, Réunion, and the new urban and tourist cable car in the city of Huy, Belgium.

The “Safety & Leisure” business posted half-year sales of €11.0m, down -5%, mainly due to the drop in sales of products and services associated with the operation of ski areas.

Geographically, MND Group achieved 41% of its 2020/2021 half-yearly activity in France (vs. 40% for the full FY 2019/2020), 36% in Europe (outside France) (vs. 41%) and 23% in the rest of the world (vs. 19%).

### **ORDER BACKLOG UP +9% AS AT 31 DECEMBER 2020**

After a particularly upbeat start to the financial year, the order intake slowed significantly in Q2 2020/2021 as a result of growing uncertainties concerning the opening of lift facilities among ski resort operators throughout Europe.

Despite this adverse context, the Group’s firm order backlog stood at €46.6m on 31 December 2020, in increase of +9% vs. the end of June<sup>3</sup>. Orders to be billed in H2 2020/2021 (closed 30 June 2021) accounted for €14.4m of the end-of-December order backlog.

### **NORMATIVE OPERATING BREAK-EVEN (ADJUSTED EBITDA<sup>4</sup>) IN H1 2020/2021**

Beyond the pandemic health context, FY 2020/2021 was marked by the deployment of the **Succeed Together 2024** strategic plan. This plan, which will transform the Group both industrially and commercially, is intended to put MND back onto the track of controlled, profitable growth.

Starting in H1 2020/2021, MND began to take advantage of the plan’s Operational Excellence component, reflected by the regrouping of the divisions and their industrial relocation in France. The resilience of the business margin combined with controlled operating expenses and the first economies of scale served to significantly lower the Group’s operational break-even point and, starting in H1 2020/21, to get back to a normative operational break-even (adjusted EBITDA<sup>4</sup>).

Meanwhile, the consolidation of MND’s financial situation, engaged in mid-2019, continued in H1 2020/2021 after securing new financing in August 2020 from the French government, the Auvergne-Rhône-Alpes region and the Group’s financial partner Cheyne Capital. This financing will allow the Group to complete its growth plan over the coming financial years in the scope of the **Succeed Together 2024** strategic plan. At the end of December 2020, the Group had €7.3m in available cash.

<sup>3</sup> Order backlog of €42.7m on 30 June 2020, restated for Chinese contracts (see press release of 30 October 2020).

<sup>4</sup> Adjusted EBITDA: Current EBIT + amortization, depreciation and provisions (but after provisions for stocks and trade receivables) + adjustment for non-recurring exceptional items.

## **PROSPECTS FOR H2 2020/2021**

H2 2020/2021 began in an uncertain context, with no signs of any ski lift facility re-openings for Europe's ski operators.

These uncertainties, which are weighing down on the investment policies of the Group's customers, led to slower activity for MND in Q3, and visibility remains limited for the end of FY 2020/2021. In this context, the Group is implementing the government schemes available as part of the support measures for the companies and activities hardest hit.

In parallel, MND is pursuing its operating performance and cost structure optimisation plan (rationalisation of industrial sites, reduction in the number of distribution subsidiaries, optimisation of fixed costs) in order to continue adapting the Group to its new economic environment and to attain the targeted operational break-even (adjusted EBITDA<sup>5</sup>) for the full FY 2020/2021. A situation update with respect to this target will be given with the publication of the Group's 2020/2021 half-yearly results in April.

### **Xavier Gallot-Lavallée, Chairman and Chief Executive Officer of MND:**

*"In a highly disrupted environment, MND has shown its resilience, benefiting from the initial effects of its industrial and commercial transformation via the **Succeed Together 2024** plan. Accordingly, we have reaped the first benefits of our operating performance and optimisation plan.*

*Even if our market environment will continue to be disrupted for many months, the Group has considerable assets to weather this unprecedented storm: diversified activities covering both winter and summer and both mountains and cities, customers on all continents, regrouped and reinforced industrial, commercial and human capacities, and solutions key to new customer concerns in terms of the environment and climate change."*

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<sup>5</sup> Adjusted EBITDA: Current operating income + amortization, depreciation and provisions (but after provisions for stocks and trade receivables) + adjustment for non-recurring exceptional items.

## Appendices

### Definitions of financial indicators not codified by accounting standards bodies

This section details the financial indicators used by the Group that are not codified by accounting standards bodies.

#### Order book

The order book represents revenue not yet realised on orders already received (purchase orders or contracts signed) and takes IFRS 15 into account.

The order book at the closing of the financial year is calculated as follows: order book at the start of the financial year + new orders received in the financial year – cancellations of orders recorded in the financial year – revenue recognised in the financial year.

The order book may also vary in line with changes in the scope of consolidation, adjustments to contractual prices and currency translation effects.

#### Adjusted EBITDA

The Group uses adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) as its performance indicator to measure the Group's performance independently of its financing and depreciation policy.

The adjusted EBITDA refers to earnings before deducting interest and tax, amortization, provisions for fixed assets (but after provisions for stocks and trade receivables), and adjustment for non-recurring exceptional items.

### About MND

MND is a French industrial group specialised in ropeway mobility, snowmaking systems, mountain safety and thrill-making leisure facilities. With over 3,000 customers in 49 countries, MND contributes every day through its four core businesses to mobility, leisure activities and the safety of all, while offering proven and lasting solutions based on its experience in mountain activities. Based in Savoie, MND is staffed by 300 employees and relies on seven international distribution subsidiaries and 28 distributors to develop its business activities around the world. MND is listed on the Euronext Growth market in Paris (FR0011584549 – ALMND).

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