

Full-year results 2020/2021

- Operating breakeven target exceeded: Adjusted EBITDA margin of 6.3%
- Steady commercial activity with €90 million in order intake over the year

2021/2022 targets: twofold increase in turnover and continued improvements in profitability (adjusted EBITDA)

- Order book at €91.7 million at end-June 2021
- Full impact of the **Succeed Together 2024** performance plan for 2021/2022

MND (Euronext Growth – FR00140050Q2 – ALMND), a French industrial group specialised in ropeway mobility, snowmaking systems, mountain safety and sensational leisure infrastructures, published its full-year results for FY 2020/2021, to end-June 2021. The full-year financial statements, presented in summary form below, were approved by the Board of Directors at its meeting on 28 October 2021. The 2020/2021 annual financial report will be posted on the investors' area of MND's website, www.mnd-bourse.com (Financial Information section, Financial Reports section), between now and mid-November following the issuance of the report on the financial statements by the statutory auditors.

FINANCIAL RESULTS FY 2020/2021

In €m - IFRS Consolidated data at end-June 2021 (under audit)	2019/2020	2020/2021	Change
Turnover	40.3	41.0	+€0.7m
Gross profit¹	6.6	13.9	+€7.3m
<i>Gross margin (%)</i>	16%	34%	
Adjusted EBITDA²	-29.8	2.6	+€32.4m
<i>Adjusted EBITDA margin³ (%)</i>	<i>n.a.</i>	6.3%	
Current operating profit (loss)	(35.2)	(2.5)	+€32.7m
Operating profit (loss)	(47.6)	(7.2)	+€40.4m
Financial income (expense) ⁴	(10.4)	(12.0)	-€1.6m
Net profit (loss)	(57.8)	(18.9)	+€38.9m

² Gross profit: turnover – purchases consumed

³ Adjusted EBITDA: adjusted EBITDA refers to earnings before deducting interest and tax, amortisation, provisions for fixed assets (but after provisions for stocks and trade receivables), and adjustment for non-recurring exceptional items.

⁴ Financial income (expense): Cost of net financial debt + other financial income and expense

BUSINESS GROWTH OF 2% IN 2020/2021 AND €90 MILLION IN NEW CONFIRMED ORDERS OVER THE YEAR

For FY 2020/2021, MND reported consolidated turnover of €41.0m, reflecting slight growth of 2% compared with 2019/2020.

By returning to growth in the second half of 2020/2021 (+19%), the Group reached its target of maintaining turnover growth at the same level as the previous financial year, despite the impact of the health crisis linked to the Covid-19 pandemic and its unprecedented economic impact on winter sports leading to a lost season⁵ for winter sports professionals in Europe.

The “**Snowmaking and Ropeways**” business posted turnover of €27.0m, reflecting strong growth of 32%. Apart from the installation of numerous snowmaking systems for international ski resorts, the year benefited from initial billings generated from urban transport contracts. The “**Safety & Leisure**” business generated full-year turnover of €14.0m, down 29%, owing to the decline in sales of products and services linked to the operation of ski resorts which were closed owing to the health crisis.

Despite a slowdown during the winter season (from October 2020 to March 2021) owing to economic uncertainties surrounding the administrative closures of ski lifts, the group still booked no less than €90 million in new confirmed orders in FY2020/2021, including, in particular, the signature of major cable transport and automatic snowmaking projects.

6.3% ADJUSTED EBITDA MARGIN IN 2020/2021, BEATING EXPECTATIONS

In line with its first-half performance, reporting positive adjusted EBITDA, the Group reached and even exceeded its target of reaching breakeven at the adjusted EBITDA level for 2020/2021. Adjusted EBITDA came to €2.6 million for the full year, versus negative adjusted EBITDA of -€29.8 million in 2019/2020. The adjusted EBITDA margin came to 6.3% for 2020/2021.

This strong improvement in operating profitability at MND is a result of a combination of several successful initiatives implemented by the Group as part of its **Succeed Together 2024** strategic plan:

- i. a **significant improvement in operating performance** in 2020/2021, as a result of the industrial and commercial transformation of the Group, involving regrouping business lines (economies of scale) with their industrial onshoring in France. This led to a two-fold increase (+111%) in gross profit to €13.9 million, i.e. up €7.3 million, bringing the gross margin to 34% for the year as a whole;
- ii. **savings of €7 million** over the year as a whole (including €2.5 million on external costs (-18%) and €4.5 million on payroll costs (-23%) excluding the impact of government support measures to tackle the Covid-19 crisis), beyond the €6 million initially targeted.

Support measures for companies active in Mountain sports (government support, subsidies and solidarity funds), implemented by the French government to tackle the health crisis, offset part of the shortfall in turnover owing to the administrative closure of ski lifts during the 2020/2021 winter season.

After booking depreciation, amortisation and provisions, the current operating loss came to €2.5m versus -€35.2m in H1 2019/2020.

⁵ Note: administrative closures were imposed on ski lifts in most European countries.

Other operating income and expenses were limited to -€4.7m over the year, resulting in an operating loss of €7.2m, reflecting an improvement of €40.4 million year-on-year. Other operating income and expenses booked for 2020/2021 were mainly made up of **(i)** rationalisation costs for which provisions were not set aside during the previous year owing to the acceleration of the Group's transformation during the year, and **(ii)** provisions relative to the latest adjustments to the Group's structure in Europe which are to be completed by the end of H1 2021/2022.

The net financial loss came to €12.0m at year-end, including the cost of restructuring financial debt in the first half (debt issuance expenses and bond redemption and exchange charges) and interest on financial debt.

Lastly, the net loss came to €18.9m in 2020/2021, reflecting a significant improvement of +€38.9 million on a year earlier (-€57.8 million).

BALANCE SHEET AT 30 JUNE 2021

MND took steps in 2020/2021 to strengthen its balance sheet. In the summer of 2020, the Group secured €38m in new financing from the French government, the Auvergne-Rhône-Alpes region and its financial partner, Cheyne Capital.

At end-June 2021, available cash increased to €10.0 million, versus €5.6 million a year earlier and €7.3 million at end-December 2020, with an operating cash flow of €3.3 million for full-year 2020/2021. It should be noted that, at end-June 2021, public support funding for 2020/2021 not yet received amounted to €10 million.

Financial debt (excluding lease debt) amounted to €97.3 million, of which senior debt stood at €68.6 million (with 100% capitalised interest) with Cheyne Capital, bullet maturity May 2024 and a loan of €18.9 million (with 100% capitalised interest) from the French government, via the fund for economic and social development (FDES), also with a May 2024 maturity.

Net financial debt (excluding IFRS 16 lease debt) amounted to €87.3 m at end-June 2021, compared with €91.3m at end-December 2020 and €74.9 million end-June 2020.

At year-end 2020/2021, MND's consolidated shareholder equity stood at -€59.9m, compared with -€52.4m end-June 2020. MND parent-company shareholder equity totalled €15.5m at end-June 2021, versus €10.8m at end-June 2020.

As of 30 June 2021, the Group was in compliance with its bank covenants.

OUTLOOK FOR 2021/2022

At end-June 2021, the order book stood at €91.7 million, versus €46.6 million at end-December 2020, i.e. up 97% during the second half of the year (+€45.1 million). After the slowdown in the second and third quarters of FY 2020/2021 (October 2020 to March 2021), with the administrative closures of ski lifts, order intake was particularly strong during the closing quarter. Orders to be billed for FY 2021/2022 amounted to €57.4 million of the order book at end-June 2021, reflecting growth of 40% compared with FY 2020/2021 turnover.

While benefitting from a favourable base effect and based on a scenario of a gradual exit from the health crisis, the Group expects strong business growth in 2021/2022. The Group is already enjoying steady

growth with +60% in the first quarter of the year. For FY 2021/2022 as a whole, MND expects to double its full-year turnover to more than €80 million.

In terms of profitability (adjusted EBITDA), the Group will continue to benefit from the positive impact of strategic transformation plan **Succeed Together 2024** and from cost savings carried out over the past two years as well as continued streamlining of the Group's structure, particularly in Europe. MND plans to continue to improve profitability (adjusted EBITDA) in 2021/2022.

The extension of production capacity, notably to increase assembly areas for cable transport poles and snowmaking machines and to house a new production line dedicated to urban transport, will be finalised in 2022/2023.

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

*“2020/2021 reflects the success of the start of our industrial and commercial transformation plan **Succeed Together 2024**. Against the severely disrupted economic and health crisis backdrop, to which we must add global pressures on raw material prices and supply chains, we nevertheless succeeded in exceeding our operating breakeven target and returned to steady growth with €90 million in new orders received over the year.*

After the success of the operating component in 2020/2021, this current year will see strong turnover growth with a target of more than €80 million, together with further improvements in our profitability (adjusted EBITDA).

*Our goal is also to pursue our commitments to our **Succeed Together 2024** strategic plan, notably in terms of innovation and diversification as we continue to support our customers in tackling the new situations and challenges they face in terms of climate change. All of our safety, transport and cable mobility systems are gentle, carbon neutral and respectful of the environment. As a result, MND reaffirms its ambition of remaining a global, responsible industrial player with a long-term vision.”*

FINANCIAL CALENDAR 2021/2022

- H1 turnover 2021/2022: **28 February 2022**
- 2021/2022 half-year results: **27 April 2022**

The publications will take place after Euronext Paris market close.

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 backlog

The order backlog represents turnover not yet realized on orders already received (purchase orders or contracts signed) and takes IFRS 15 into account.

The order backlog at the closing of the financial year is calculated as follows: order backlog at the start of the financial year + new orders received in the financial year – cancellations of orders recorded in the financial year – turnover recognized in the financial year.

The order backlog 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 and amortization policy.

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.

In €m - IFRS Consolidated data at end-June 2021 (under audit)	2019/2020	2020/2021
Current operating income	-35.2	-2.5
Depreciation and amortization	5.4	5.2
EBITDA	-29.8	2.7
Non-recurring exceptional items	0	-0.1
ADJUSTED EBITDA	-29.8	2.6

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 10 international locations and 28 distributors to develop its business activities around the world. MND is listed on the Euronext Growth market in Paris (FR00140050Q2 – ALMND).

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