

## 2021/2022 full-year results

- Increase in turnover of +€33.1m (+81%)
- Twofold increase in the gross margin to €28.6m (+106%)
- Increase in adjusted EBITDA of +€3.7m (+142%)
- Current operating profit of €1.5m

## Outlook for 2022/2023

- Continued growth and improved profitability (adjusted EBITDA)
- Finalisation of an agreement under way to reinforce the Group's financial and balance sheet structure in order to continue the investment and growth plan  
"Succeed Together 2024"

**MND (Euronext Growth – FR00140050Q2 – ALMND)**, a French industrial group specialised in ropeways mobility, snowmaking systems, mountain safety and sensational leisure infrastructures, has published its full-year results for FY 2021/2022, to end-June 2022. The full-year financial statements, presented in summary form below, were approved by the Board of Directors at its meeting on 26 October 2022. The 2021/2022 annual report will soon be available in the Investors section of MND's website, [www.mnd-bourse.com](http://www.mnd-bourse.com) (under "Financial Information/Financial Reports").

### FY 2021/2022 FINANCIAL RESULTS

In €m – IFRS - Consolidated data at end-June 2022	2019/2020	2020/2021	2021/2022	Change 2021/2022 vs. 2020/2021
<b>Turnover</b>	<b>40.3</b>	<b>41.0</b>	<b>74.1</b>	<b>+€33.1m</b>
<b>Gross profit<sup>1</sup></b>	<b>6.6</b>	<b>13.9</b>	<b>28.6</b>	<b>+€14.7m</b>
<i>Gross margin (%)</i>	16%	34%	39%	
<b>Adjusted EBITDA<sup>2</sup></b>	<b>-29.8</b>	<b>2.6</b>	<b>6.3</b>	<b>+€3.7m</b>
Adjusted EBITDA margin <sup>2</sup> (%)	<i>n.a.</i>	6.3%	8.6%	
Current operating profit (loss)	-35.2	-2.5	1.5	
Operating profit (loss)	-47.6	-7.2	-1.2	
Net financial income (expense) <sup>3</sup>	-10.4	-12.0	-12.3	
<b>Net profit (loss)</b>	<b>-57.8</b>	<b>-18.9</b>	<b>-13.9</b>	<b>+€5.0m</b>

<sup>1</sup>Gross profit: turnover – purchases consumed

<sup>2</sup>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.

<sup>3</sup>Financial income (expense): Cost of net financial debt + other financial income and expense

## **FULL-YEAR TURNOVER UP 81%**

At year-end 2021/2022, MND generated consolidated turnover of €74.1m, an increase of 81%, after two financial years severely affected by the pandemic and the ensuing health restrictions. Note that significant pressure on the supply and logistics chains caused a substantial disruption in business over the last months of the year, leading to delivery delays and project postponements amounting to some €7m, which will be billed in FY 2022/2023.

The **Snowmaking & Ropeways** business lines recorded strong growth of +122%, driven by the buoyancy of the ropeway transport business following the production launch of major projects, the installation of numerous automatic snowmaking systems, and the progress of various urban mobility projects (the cable car in Saint-Denis on Reunion Island, and the new urban and tourist cable car in the city of Huy in Belgium).

The **Safety & Leisure** business lines achieved slight annual growth of +1%, with a marked rebound in activity in the second half of the year (+73%), driven by the recovery of investments by ski resort operators for the 2021/2022 winter season.

FY 2021/2022 also reflects the strengthening of the Group's multi-continent presence, particularly in North America (accounting for 19% of business vs. 6% in the previous financial year) and Asia (16% vs. 13%).

On the commercial side, the Group enjoyed particularly brisk business in the final months of the year, with €64.3m in firm orders taken over the entire year, €44.6m of which in the second half of 2021/2022, with two major ski lift projects won in France and the United States for a total of almost €40m (these will be billed in the 2022/2023 and 2023/2024 financial years).

## **SHARP INCREASE IN THE GROSS MARGIN (+106%) AND EBITDA, VALIDATING THE "SUCCEED TOGETHER 2024" TRANSFORMATION PLAN**

Driven by the operational effects of the "**Succeed Together 2024**" strategic transformation plan, MND posted a further twofold increase in its gross margin in FY 2021/2022, from €13.9m to €28.6m (+106%), having already done so in the previous year.

The gross margin came in at 39% for all of FY 2021/2022, versus 34% one year prior, reflecting a marked improvement in the Group's operating performance. This performance is all the more significant considering that it was achieved in a context of severe global pressure on raw material prices and supply chains.

At the same time, MND continued to benefit from its cost-saving measures implemented in the previous year (reminder: €7m in annual savings in 2020/2021). As a result, operating costs continued to be fully controlled (increase of +23% in external costs and +3% in personnel costs which benefited, in the first half, from the latest support measures for companies in the mountain industry) against a backdrop of strongly recovering activity.

At the end of the financial year, adjusted EBITDA<sup>4</sup> came out at €6.3m, versus €2.6m in 2020/2021, fully in line with the Group's target for improved profitability. The adjusted EBITDA margin thus came out at 8.6% versus 6.3% one year prior.

After booking depreciation, amortisation and provisions, current operating profit came to €1.5m versus a current operating loss of -€2.5 m in 2020/2021.

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<sup>4</sup>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.

Other non-current operating income and expenses amounted to -€2.7m. These comprise costs incurred by the latest adjustments to the Group's structure.

The financial result stands at -€12.3m, comprising interest on the Group's financial debt. In the summer of 2022, MND entered into discussions with its main creditors primarily to convert a large part of its financial debt into equity in order to get back to a sustainable level of debt, significantly lower than that before the health crisis (see below).

The net loss came to €-13.9m in 2021/2022, an improvement of +€5.0m over the previous year (-€18.9m in 2020/2021).

### **BALANCE SHEET AT 30 JUNE 2022**

At 30 June 2022, available cash amounted to €5.2m, compared with €5.7m at end- December 2021, and €10.0m at end-June 2021.

Net financial debt (excluding IFRS 16 lease debt) amounted to €111.7m on 30 June 2022, of which €89.9m in senior debt (with 100% capitalised interest) with Cheyne Capital, bullet maturity December 2023 and May 2024, and a loan of €20.1m (with 100% capitalised interest) from the French government, via the fund for economic and social development (FDES). The Group reminds that, prior to the close of its 2021/2022 financial year, it obtained a waiver from its principal creditor Cheyne Capital for non-compliance with its financial covenants (ratios) at 30 June 2022. It also obtained a waiver for the situation at 30 September 2022.

As announced on 12 August 2022, the Group has entered into discussions with its main creditors, notably the French State through the FDES fund for economic and social development, and the investment fund Cheyne Capital, aimed at strengthening the Group's financial structure and providing it with the necessary liquidity to effectively carry out its growth plan and its industrial and R&D investments within the framework of the "**Succeed Together 2024**" strategic plan.

An agreement should be finalised by the end of 2022, paving the way for new sources of long-term financing, a significant reduction in the Group's debt, and the strengthening of its equity (via a possible incorporation of certain receivables into the capital) as well as an extension of the maturity of certain financial debt.

The Group will issue a press release once this agreement has been finalised.

A simple bullet bond has now been put in place for an amount of €10m in principal, subscribed to by Cheyne Capital, and maturing on 31 December 2023.

### **2022/2023 OUTLOOK**

The Group's objective for FY 2022/2023 is to achieve another year of business growth and to continue to improve its profitability (adjusted EBITDA), despite pressure on prices of raw materials, energy and equipment components.

On the strength of its solid commercial activity, the Group started the new financial year with a robust order book which, on 30 June 2022 stood at €81.8m, including €55.3m in firm orders to be billed in 2022/2023.

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

*"Thanks to the effects of the **"Succeed Together 2024"** strategic transformation plan, the strong growth of our activity in 2021/2022 has led to an even stronger increase in our gross margin, and a further improvement of our adjusted EBITDA margin to 8.6%, marking our sustainable return to profitable growth and the success of our efforts for more than two years now.*

*This performance is all the more solid considering that it was achieved in a market context that was particularly disrupted in the second half of the year due to major procurement and supply chain challenges.*

*In order to effectively deploy the second part of our strategic plan, by proceeding with the development and industrial investments needed to pursue our profitable growth plan, and to support our customers in their new stakes and challenges related to climate change, we must now readjust our balance sheet structure and continue to strengthen our liquidity."*

**ELIGIBILITY OF MND SHARES FOR THE PEA PME-ETI SCHEME**

MND confirms that it meets all the eligibility criteria for the PEA PME-ETI investment scheme specified in Article L.221 32-2 of the French Monetary and Financial Code. Accordingly, MND shares may continue to be placed in PEA PME-ETI accounts which, as a reminder, benefit from the same tax advantages as the traditional *Plan d'Epargne en Actions* (PEA - share savings plan).

In order to be eligible for the PEA PME-ETI scheme, the securities must have been issued by a company with a market capitalisation of less than €1 billion at the close of at least one of the four financial years preceding the reference year, in which no legal entity holds more than 25% of its capital, which employs fewer than 5,000 people, and which has annual turnover of less than €1.5 billion or a total balance sheet of less than €2 billion. These criteria should be assessed taking into account whether the company is part of a group.

**FINANCIAL CALENDAR**

- 2022/2023 half-year revenue: **28 February 2023**
- 2022/2023 half-year results: **28 April 2023**

All publications will take place after Euronext Paris market close.

**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 12 international locations and 29 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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## 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 2022 - Audited	2020/2021	2021/2022
<b>Current operating profit (loss)</b>	<b>(2.5)</b>	<b>1.5</b>
Depreciation and amortization	5.2	4.8
<b>EBITDA</b>	<b>2.6</b>	<b>6.3</b>
Non-recurring exceptional items	0.0	0.0
<b>Adjusted EBITDA</b>	<b>2.6</b>	<b>6.3</b>