



Income 2018

- **Turnover: € 410,8 M, up by 1,0%**
- **EBITDA: € 64,1 M and net income: € 12,6 M**
- **Continuation of the investment program for the existing establishments**
- **Healthy financial situation (Gearing 0,3x and leverage 1,5x)**

Paris, 30th of January 2019,

During the meeting it held on the 29th of January 2019 and after having reviewed the management report of Groupe Partouche Executive Board, the Supervisory Board examined the consolidated annual accounts for the year ended 31st October 2018.

Growth in turnover

Despite a slowdown in the business activity in France, the Gross Gaming Revenue (GGR) remained stable during the fiscal year reaching € 638.7 M, compared to € 638.8 M in 2017. Penalized by the unfavourable evolution of the EUR / CHF parity affecting the two Swiss casinos of Meyrin and Crans-Montana (- € 3.7 M), the GGR nevertheless benefited from the significant growth of online games in Belgium (+ € 8.9 M, including € 5.7 M for sports betting only).

The Net Gaming Revenue (NGR) also remained stable, despite the negative impact on French casinos, of the 1.7 point increase in the CSG as of 1st January, 2018 (- € 3.7 M).

The turnover excluding NGR has increased by € 3.8 M reaching € 93.3 M, € 1.9 M of which is due to the entry of the Restaurant Laurent in the scope of consolidation for 12 months (compared to 9 months in 2017).

The 2018 consolidated turnover of the Group was up + 1.0% thus reaching € 410.8 M.

Change in the structure of the results

The Group EBITDA for 2018 reached € 64.1 M (15.6% of turnover) compared to € 73.3 M (18% of turnover) for 2017. The decline observed is mainly due to the casinos division:

- the increase of € 7.9 M in online activity in Belgium (Ostend casino and CKO Betting) led to an increase in operating expenses of € 7.5 M related to the partnership agreement with Bwin;
- the evolution of La Ciotat casino towards a "Pleinair" outdoors model, led to a decrease in its operating margin (+ € 2.8 M in operating expenses compared to 2017);
- but also the addition over 12-months of the restaurant Laurent, whose turnover growth is offset by the increase in its operating expenses (+ € 2.0 M).

The personnel expenses slightly increased to € 175.4 M (+ 1.4%) while the impact of the tax and duties remained positive (- € 0.9 M compared to 2017).

With a full-year depreciation of the Aix-en-Provence casino (under construction) and the new La Ciotat casino, depreciation and amortization of fixed assets increased by € 2.6 M (+ 6.9%).

The decrease of € 2.8 M in the other current operating income and expenses comes mainly from a positive progress of the variation in amortisations (€ 1.0 M) and from exceptional expenses and income.

Consequently, the current operating income (COI) decreased by € 9.7 M, reaching € 26.6 M.

To the contrary of 2017, the non-current operating income (NCOI) did not benefit from the impact of the divestments/scope withdrawals (+ € 16.5 M of which € 17.8 M related to the divestment of the company Cannes Balnéaires). It represents an expense of € 5.7 M compared to a profit of € 10.2 M for 2017, and it includes a goodwill depreciation of € 4.7 M for the casinos of Bandol, Hyères and Andernos.

The operating income thus reaches € 20.9 M, compared to € 46.5 M in 2017 and € 22.1 M in 2016.

The financial income slightly improves to - € 1.4 M following a decrease of € 0.5 M in the cost of the financial debt.

The tax expenses reached € 4.5 M (of which a normative CVAE of € 3.4 M) compared to an income of € 1.7 M in 2017 and the corporate tax € 1.3 M compared to € 2.0 M in 2017.

Globally and after taking into account the share of the income of the company Palm Beach Cannes Côte d'Azur together with its subsidiaries (loss € 2.3 M compared to € 0.5 M in 2017), the net income is € 12.6 M compared to € 45.5M in 2017, of which Group's share is € 6.2 M.

Continuation of the investment program for the existing establishments

Net property, plant and equipment increased from € 28.0 M to € 290.4 M. This change stems from the significant investments made (€ 65.6 M in total), particularly from the renovation of the casinos in Aix-en-Provence and La Roche Posay and the construction of the new Casino of Pornic, offset by the depreciation allowances (- € 40 M) and the entry in the scope of SCI Green Auron (€ 2 M).

The increase in the item Trade (+ € 3.9 M) is mainly related to a product to be received for an additional allowance for quality artistic events in Aix-en-Provence (€ 1.6 M) and a claim on the GENEFIM leasing facility (€ 1.9 M) under the real estate leasing of the Casino of Pornic.

The item Cash reached € 109.9 M (- € 6.5 M), due to investments over the period under review, mainly financed by issuing new bank loans.

On the liabilities side, Group's equity including minority interests, increased by € 4.0 M reaching € 371.9 M.

The financial debt increased by € 21.9 M due to new credits subscribed to finance the investments.

The net financial debt is € 97.5 M (+ € 28.2 M). The financial structure of the Group remains very healthy, with leverage ratios (Net debt / EBITDA) and gearing (Net Debt / Equity) at respectively 1.5x and 0.3x.

Recent events and outlook

Constantly aiming at the excellency in the clientele experience, the Group continues to enhance its offering and renovate its casinos in order to improve its performance, such as:

- the new Casino of Pornic has been a great success since it reopened to the public in late November, with its huge outdoors space of 800 sq.m, terrace, restaurant and auditorium, together with many parking lots;
- the Casino of Aix-en-Provence, under renovation since the end of 2017, should reopen at the end of February 2019;
- the rehabilitation of La Roche-Posay casino, with a more diversified offer and a new generation of games such as electronic blackjack, should be completed by the end of February 2019;
- at the end of October 2018, the city of Cannes entrusted the Beach 3.14 with the operation of a beach plot and the outbuildings of the public maritime domain transferred under management. Their opening is expected in March 2019;
- the renovation works in Royat aiming to refocus the activity on gaming and to improve the clientele journey started at the end of 2018 for a delivery scheduled for the end of 2019;
- other redevelopments are planned in Hyères, Saint-Amand-les-Eaux and Annemasse.

Upcoming events :

- **1st quarter Turnover: Wednesday 13th of March 2019 – after Paris stock market close**

- **General Meeting: Wednesday 27th of March 2019**

Groupe Partouche was established in 1973 and has grown to become one of the market leaders in Europe in its business sector. Listed on the stock exchange, it operates casinos, hotels, restaurants, spas and golf courses. The Group operates 43 casinos and employs nearly 4,500 people. It is well known for innovating and testing the games of tomorrow, which allows it to be confident about its future, while aiming to strengthen its leading position and continue to enhance its profitability. Groupe Partouche was floated on the stock exchange in 1995, and is listed on Euronext Paris, Compartment B. ISIN : FR0000053548 - Reuters : PARP.PA - Bloomberg : PARP:FP



FINANCIAL INFORMATION

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Annex

Consolidated income statement

In €M at 31 October	2018	2017	ECART	%
Turnover	410,8	406,9	4,0	1,0%
Purchases and external expenses	(146,9)	(134,6)	(12,3)	9,1%
Taxes and duties	(17,0)	(17,9)	0,9	-4,9%
Employees expenses	(175,4)	(173,0)	(2,4)	1,4%
Depreciation, amortisation & impairment of fixed assets	(40,2)	(37,6)	(2,6)	6,9%
Other current operating income & expenses	(4,7)	(7,4)	2,8	-37,1%
Current operating income	26,6	36,4	-9,7	-26,7%
Other current operating income & expenses	(1,1)	(1,7)	0,6	-
Gain (loss) on the sale of consolidated investments	0,0	16,5	16,5	-
Impairment of non-current assets	(4,7)	(4,7)	0,1	-
Non-current operating income	(5,7)	10,2	(15,9)	-
Operating profit	20,9	46,5	(25,6)	-55,1%
Financial income	(1,4)	(2,2)	0,8	-
Income before tax	19,5	44,4	(24,9)	-
Corporate and CVAE tax	(4,6)	1,7	(6,4)	-
Profit after tax	14,9	46,1	(31,2)	-
Share in earnings of equity-accounted associates	(2,3)	(0,5)	(1,7)	-
Net total income	12,6	45,5	(32,9)	-72,4%
o/w Group share	6,2	37,4	(31,2)	-
EBITDA	64,1	73,3	9,2	-12,5%
Margin EBITDA / Turnover	15,6%	18,0%		

Analysis of the current operating income by division

Let it be reminded that in order to have a better view of its sectorial performance, Groupe Partouche has been presenting since 2015 the contribution of its divisions before the intragroup elimination.

In €M at 31 st October	TOTAL GROUPE		CASINOS		HOTELS		OTHER		ELIMINATION	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Turnover	410,8	406,9	376,3	379,8	9,6	10,4	50,8	41,2	(25,9)	(24,6)
Purchases & external expenses	(146,9)	(134,6)	(122,9)	(115,9)	(5,1)	(6,1)	(35,2)	(27,9)	16,4	15,3
Tax & duties	(17,0)	(17,9)	(25,1)	(25,6)	(0,8)	(0,9)	(1,6)	(1,5)	10,4	10,1
Personnel expenses	(175,4)	(173,0)	(154,8)	(153,5)	(4,2)	(5,4)	(16,1)	(14,0)	(0,3)	(0,2)
Deprec. amortisation & impairment of fixed assets	(40,2)	(37,6)	(35,7)	(32,4)	(1,1)	(1,1)	(3,4)	(4,1)	0,0	0,0
Other current operating income & expenses	(4,7)	(7,4)	(5,4)	(8,4)	(0,1)	(0,3)	(1,2)	(1,8)	(0,6)	(0,5)
Current operating income	26,6	36,4	32,3	44,0	(1,3)	(3,3)	(4,3)	(4,4)	0,0	0,0

The current operating income of the casinos division reached € 32.3 M, down by € 11.7 M. The activity in this sector, with a variation of - € 3.5 M, was penalized in France by the increase in the CSG (- € 3.7 M). Operating expenses increased by € 8.3 M and mainly included:

- the expenses related to the partnership agreement with Bwin, that is:
 - for € 2.8 M, expenses due to the operation of the online license granted to Ostend casino and which contributed to this activity;
 - for € 1.1 M the non-renewal of an exceptional income in N-1.
- The amortization and depreciation of fixed assets, up by € 3.4 M, in connection with the major current renovation program on the existing establishments, mainly including the sites of Aix-en-Provence and La Ciotat for € 1.7 M.

Conversely, the hotels division operating income, - € 1.3 M, recorded an improvement of € 2.0 M, mainly due to the cost savings resulting from the temporary shutdown of Hôtel 3.14 waiting for its renovation.

Finally, the COI of the division "Other" remained stable at - € 4.3 M.

Summary of net indebtedness

In €M at 31 st October	2018	2017
Equity	371,9	367,9
Consolidated EBITDA	64,1	73,3
Gross debt *	177,2	155,0
Net cash after levies	79,7	85,7
Net debt	97,5	69,3
Ratio Net debt / Equity (« gearing »)	0,3x	0,2x
Ratio Net debt / EBITDA (« leverage »)	1,5x	0,9x

(*) Gross debt includes bank borrowings and restated capital leases, accrued interest, miscellaneous borrowings and financial debt, banking facilities and financial instruments.