



2019 Income – Net Income doubled

- **Turnover of € 433.5 M, up by 5.5%**
- **EBITDA € 75.7 M (+18.0 %) & Net Income € 25.0 M (+98.7 %)**
- **Continuation of the investment program for the existing establishments**
- **Solid financial situation (gearing of 0.2x & leverage of 1.0x)**
- **Reinforced perspectives**

Paris, 29th of January 2019, 06:00 pm

During the meeting it held on the 28th of January 2019 and after having reviewed the management report of Groupe Partouche's Executive Board, the Supervisory Board examined the consolidated annual accounts for the year ended 31st October 2019 (presently audited).

Growth in turnover, due to the success of the new forms of casinos

Gross Gaming Revenue (GGR) recorded a strong growth over the financial year, reaching € 672.7 M, compared to € 638.7 M in 2018 (+ 5.3%), driven by the growth in slot machines' GGR (+ 3.6%), the GGR of electronic forms of traditional games in France (+ 28.6%) and online gaming and sports betting in Belgium (+ 25.4%).

Net Gaming Revenue (NGR) also increased reaching € 338.1 M, the increase in CSG being taken into account over the full year compared to ten months in 2018 and reducing the turnover by - € 0.7 M.

At the same time, turnover excluding NGR was up € 5.5 M totalling € 98.8 M.

The Group's 2019 consolidated turnover increased by + 5.5% reaching € 433.5 M (with a very dynamic 4th quarter despite the cessation of operations at the Boulogne-sur-Mer casino as at the end of June 2019).

The turnover of casinos (+ 5.0%) at € 394.1 M (91% of total turnover) benefited both from sustained frequentation in France (+ 3.5%) and the success of establishments having benefited from the investment program. These results confirm the relevance of the Group's modernization and expansion program.

Significant increases in operating income and in net income

2019 EBITDA amounted to € 75.7 M compared to € 64.1 M in 2018, thus representing 17.5% of turnover, i.e. a margin of significant improvement of 190 bps compared to the previous year.

Current operating income (COI) rose sharply to € 33.4 M (+ 25.3%), thanks to the good control of operating expenses in a context of activity growth.

The evolution of operating expenses (+ € 15.9 M) is correlated, on one hand, with the increase in those induced by the innovative restructuring carried out in Aix-en-Provence as well as the relocation of the Casino of Pornic and, on the other hand, with the reduction of those allowed by the new structure of 3.14 Cannes Casino and the success of the optimization of the organization of the casinos of Forges Les Eaux and La Ciotat.

Purchases and external charges increased sharply by € 9.5 M, mainly due to the change in subcontracting expenses relating to the operation of online activities (casino gaming and sports betting in Belgium), which are experiencing a strong growth.

Taxes and duties decreased slightly to € 16.2.

Employee expenses increased slightly amounting to € 176.8 M (+ 0.8%). They include the Macron premium (impact - € 0.4 M), the increase attached to the two companies mentioned above (Aix-en-Provence and Pornic) for € 1.5 M, and on the opposite side, the reduction linked to the abolition of the French Competitiveness and employment tax credit "CICE" and its replacement by a reduction in social security contributions (+ € 0.8 M).

The significant investments plan made in the establishments in recent years, notably in Aix-en-Provence, Pornic and La Roche Posay in the 2019 financial year, implies an increase of € 4.0 M (+ 9.9%) in depreciation and impairment on fixed assets.

Other current operating income and expenses represent a net expense of - € 6.5 M, up by € 1.8 M, in connection with the presence in 2018 of non-recurring products linked to the casino activity for € 1.5 M and an unfavourable change in provisions variation.

Non-current operating income (NCOI) benefited from the impact of the profit on disposal of positive consolidated interests of € 3.1 M following the sale in June of the minority stake in Palm Beach Cannes Côte d'Azur and a reduction in the amount of goodwill impairment. Conversely, it was penalized by the significant increase of € 1.2 M in other non-current operating income and expenses.

Thus, operating income stood at € 31.9 M, compared with € 20.9 M in 2018 (+ 52.6%).

Financial income stands at € 0.1 M, compared to a net charge of € 1.4 M in 2018, thanks to the reduction in the cost of financial debt (€ 0.4 M compared to N-1) , and to an "exceptional" financial product paid to Groupe Partouche under a judgment ordering the reimbursement of an old receivable (€ 1.1 M).

The tax expenses amounted to € 6.7 M (including normative CVAE of € 3.7 M) compared to € 4.6 M in 2018, the income tax of € 3.0 M (compared to € 1.3 M in 2018) having significantly increased in line with the performance of the year.

Overall, after taking into account the income share in the Palm Beach Cannes Côte d'Azur company and its subsidiaries (loss of € 0.3 M, compared with € -2.3 M in 2018), **the Group records a doubling of its net income in 2019 to € 25.0 M, compared to € 12.6 M in 2018. In this net income, the Group's share triples to € 18.6 M compared to € 6.2 M previously.**

A strengthened balance sheet and a very solid financial structure

Net tangible fixed assets increased by € 6.3 M to € 296.7 M. This change stems from the significant investments made (€ 53.3 M), notably for the renovation of the casinos of Aix-en-Provence, La Roche Posay and Royat, and is offset by depreciation and amortization (- € 43.6 M) and scrapped assets (- € 36.7 M).

Cash stood at € 119.1 M (+ € 9.2 M), thanks to the strong growth in activity.

On the liabilities side, the Group's equity, including minority interests, increased by € 20.0 M totaling € 391.9 M.

Financial debt is reduced by € 18.0 M due to the combined effects of the following:

- under the safeguard plan of the syndicated loan, annual reimbursement according to the schedule of the safeguard plan in December 2018 for € 20.1 M and compulsory early repayment in June 2019 for € 5.7 M linked to the transfer of shares from Palm Beach Cannes Côte d'Azur;
- refinancing of the Groupe Partouche debt by issuing a bond loan in the form of a private placement, of the EuroPP type, for a nominal amount of € 35 M, on one hand, and subscription of a new syndicated loan for a total amount of € 80 million, including a revolving credit of € 15 M which had not yet been drawn down on 31st October 2019, on the other hand;
- subscription of new credits accompanying the investments of the subsidiaries for € 6.6 M (net balance between subscriptions and reimbursements for the financial year).

Net financial reached € 72.8 M (- € 24.7 M). The Group's financial structure is improving, and remains extremely healthy, with leverage (Net debt / EBITDA) and gearing (Net debt / Equity) ratios of 1.0x and 0.2x respectively (versus 1.5x and 0.3x a year earlier).

Reinforced perspectives: Opening a new page in the history

Final exit from the safeguard plan

Following the bank and bond refinancing operations carried out, Groupe Partouche repaid on 24th October 2019, all of the sums due under the syndicated loan processed under the safeguard plan. The Paris Commercial Court was thus able to note the proper execution and the exit from the safeguard plan with 3 years advance (judgment of the Paris Commercial Court of 4th November 2019)

Constant investment program in the existing establishments

Continually striving for excellence in the customer experience in its establishments, the Group continues to enrich its offer and renovate its casinos to improve its performance, thus:

- the renovation works at Royat aimed at refocusing the activity on gaming and improving the players journey, started at the end of 2018 for a scheduled delivery for September 2020;
- Following the renovation of its rooms, the Aquabella Hotel & Spa downtown Aix-en-Provence and close to the Pasino, is currently carrying out works on its restaurant, its terrace and the creation of four suites in its belvedere. These works are to be completed in April 2020;
- the Hyères casino will be partially renovated by October 2020, as provided for in its Public Concession Contract "DSP";
- the Pasino Grand in Aix-en-Provence will undertake the development of a gaming terrace, in order to amplify the great success generated by its recent restructuring. These works are scheduled to start in September 2020;
- Finally, other redevelopments are planned for the casinos of La Tour-de-Salvagny near Lyon and Annemasse near Geneva.

Upcoming events:

- **1st quarter Turnover (nov. 2019-jan. 2020): Wednesday 11th March 2020 (after Paris stock market close)**

- **General Meeting: Wednesday 1st April 2020**

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 42 casinos and employs nearly 4,200 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 : FR0012612646 - Reuters : PARP.PA - Bloomberg : PARP:FP



FINANCIAL INFORMATION

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Annex

Consolidated Income

In €M at 31 October	2019	2018	ECART	Var.
Turnover	433.5	410.8	22.6	5.5%
Purchases and external expenses	(156.4)	(146.9)	(9.5)	6.5%
Taxes and duties	(16.2)	(17.0)	0.8	-4.6%
Employees expenses	(176.8)	(175.4)	(1.4)	0.8%
Depreciation, amortisation & impairment of fixed assets	(44.2)	(40.2)	(4.0)	9.9%
Other current operating income & expenses	(6.5)	(4.7)	(1.8)	39.0%
Current operating income	33.4	26.6	6.7	25.3%
Other current operating income & expenses	(2.3)	(1.1)	(1.2)	-
Gain (loss) on the sale of consolidated investments	3.1	0.0	3.1	-
Impairment of non-current assets	(2.2)	(4.7)	2.4	-
Non-current operating income	(1.5)	(5.7)	4.3	-
Operating profit	31.9	20.9	11.0	52.7%
Financial income	0.1	(1.4)	1.5	-
Income before tax	32.0	19.5	12.5	-
Corporate and CVAE tax	(6.7)	(4.6)	(2.0)	-
Profit after tax	25.3	14.9	10.5	-
Share in earnings of equity-accounted associates	(0.3)	(2.3)	2.0	
Net total income	25.0	12.6	12.4	98.7%
o/w Group share	18.6	6.2	12.4	-
EBITDA	75.7	64.1	11.5	18.0%
Margin EBITDA / Turnover	17.5%	15.6%		+190 bp

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 October	TOTAL GROUPE		CASINOS		HOTELS		OTHER		ELIMINATION	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Turnover	433.5	410.8	394.9	376.3	9.3	9.6	56.3	50.8	(27.0)	(25.9)
Purchases and external expenses	(156.4)	(146.9)	(129.4)	(122.9)	(5.1)	(5.1)	(38.8)	(35.2)	16.9	16.4
Taxes & Duties	(16.2)	(17.0)	(24.6)	(25.1)	(0.6)	(0.8)	(1.3)	(1.6)	10.3	10.4
Employees expenses	(176.8)	(175.4)	(155.0)	(154.8)	(3.9)	(4.2)	(17.7)	(16.1)	(0.2)	(0.3)
Depreciation, amortisation of fixed assets	(44.2)	(40.2)	(38.3)	(35.7)	(1.0)	(1.1)	(4.8)	(3.4)	0.0	0.0
Other current operating income & expenses	(6.5)	(4.7)	(9.2)	(5.4)	0.0	(0.1)	2.6	1.2	0.0	(0.6)
Current Operating Income	33.4	26.6	38.4	32.3	(1.3)	(1.3)	(3.7)	(4.3)	0.0	0.0

The COI of the casino sector reached € 38.4 M, up by € 6.1 M. Activity in this sector is on the rise with a change in turnover + € 18.6 M (+ 4.9%), mitigated by the unfavourable impact of the increase in CSG limited to the first two months of the financial year (- € 0.7 M) but benefiting from the EUR / CHF exchange rate (+ € 1.4 M). The operating expenses increased by € 12.5 M and included in particular:

- the increase in expenses up to € 3.2 M, relating to the operations of the online license within the Ostend casino which accompanied the development of this activity,
- depreciation and impairment on fixed assets up by € 2.6 M, in connection with the major renovation program of the establishments currently carried on, and particularly including the Aix-en-Provence, Pornic and La Roche Posay sites for a total of € 1.5 M.

Thanks to good cost control, the operating income of the hotels sector remained stable at - € 1.3 M, despite the decrease in activity of the two operating establishments of this sector.

Finally, the operating income of the "Other" sector, negative by € 3.7 M, recorded an improvement of € 0.6 M.

Summary of net indebtedness

In €m au 31 October	2019	2018
Equity	391.9	371.9
Consolidated EBITDA	75.7	64.1
Gross debt *	159.3	177.2
Net cash after levies	86.6	79.7
Net debt	72.8	97.5
Ratio Net debt / Equity (« gearing »)	0.2x	0.3x
Ratio Net debt / EBITDA (« leverage »)	1.0x	1.5x

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

Glossary

The "Gross Gaming Revenue" corresponds to the sum of the various operated games, after deduction of the payment of the winnings to the players. This amount is debited of the "levies" (i.e. tax to the State, the city halls, CSG, CRDS).

The «Gross Gaming Revenue» after deduction of the levies, becomes the "Net Gaming Revenue ", a component of the turnover.

"Turnover excluding NGR" includes all non-gaming activities, in particular catering, hotels, ticketing for shows, spas, etc.

"Current Operating Income" COI includes all the charges and income directly related to the Group's activities to the extent that these elements are recurrent, usual in the operating cycle or that they result from specific events or decisions related to the Group's activities.

"Non-Current Operating Income" NCOI includes all non-recurring and unusual events in the operating cycle: it therefore includes impairment of fixed assets, the result of the sale of consolidated investments, the result of the sale of an asset, other income and other miscellaneous non-current operating expenses not linked to the usual operating cycle.

Consolidated EBITDA is made up of the balance of income and expenses of current operating income, excluding depreciation (allocations and reversals) and provisions (allocations and reversals) linked to the operating cycle and one-off items linked to activities of the Group included in current operating income but excluded from Ebitda due to their non-recurring nature.