

Tivoli A/S – Interim Report for the period 1 January – 31 March 2019



Stock Exchange no. 4

The Supervisory Board of Tivoli A/S has considered and adopted the Interim Report for the period 1 January – 31 March 2019.

Results for the period 1 January – 31 March 2019 in outline:

- Net revenue: DKK 110.0 million compared to 117.9 million last year (-7%)
- EBITDA: DKK -47.9 million compared to DKK -40.8 million last year (-17%)
- EBIT: DKK -73.3 million compared to DKK -63.0 million last year (-16%)
- Profit before tax: DKK -76.3 million compared to DKK -65.8 million last year (-16%)
- Profit after tax: DKK -59.5 million compared to DKK -51.3 million last year (-16%)
- Number of guests is 253,000 compared to 385,000 last year (-34%)

"As expected, the level of activity is lower than 2018 because of fewer opening days due to the Easter being in the first quarter in 2018 and that Tivoli in 2018 had many guests in The Halls attending the play "Midt om Natten". Because of the lower activity and an increased investment in the new season, Winter in Tivoli, the result is lower than 2018, as expected", says CFO, Andreas Morthorst.

Outlook for 2019 (unchanged)

The weather and other external events may have influence on Tivoli's core business and therefore the development of the result of the year. Revenue for 2019 is expected to be in line with 2018. The profit before tax for 2019 is expected to be in the level of DKK 100 million before extraordinary items. The reason for the lower result is due to implementation of the Tivoli Pass, which, in accounting terms, is treated differently than the annual card.

Best regards

Tom Knutzen
Chairman

Lars Liebst
CEO

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TIVOLI INTERIM REPORT FOR THE PERIOD 1 JANUARY – 31 MARCH 2019

TIVOLI A/S VAT NO. 10404916

FINANCIAL DATA

DKK million

	2019 1/1 -31/3	2018 1/1 -31/3	2018 1/1 - 31/12	2019 Last 12 mth.	2018 Last 12 mth.
Revenu incl. Tenants and lessees	140.4	161.6	1,519.5	1,498.3	1,352.1
Revenue	110.0	117.9	1,058.8	1,050.9	974.1
Expenses before depreciation, amortisation and impairment	-157.9	-158.7	-836.7	-835.9	-773.1
Earnings before interest, tax, depreciation and amortisation (EBITDA)	-47.9	-40.8	222.1	215.0	201.0
Depreciation, amortisation and impairment	-25.4	-22.2	-91.0	-94.2	-85.6
Earnings before interest and tax (EBIT)	-73.3	-63.0	131.1	120.8	115.4
Net financials	-3.0	-2.8	-10.5	-10.7	-6.1
Profit before tax	-76.3	-65.8	120.6	110.1	109.3
Profit for the year	-59.5	-51.3	94.2	86.0	85.4
Comprehensive income for the year	-68.3	-48.9	93.3	73.9	86.2
Non-current assets	1,484.1	1,353.3	1,423.7	1,484.1	1,353.3
Current assets	96.2	115.0	181.3	96.2	115.0
Total assets	1,580.3	1,468.3	1,605.0	1,580.3	1,468.3
Share capital	57.2	57.2	57.2	57.2	57.2
Equity	852.1	797.8	920.4	852.1	797.8
Non-current liabilities	393.7	406.7	399.5	393.7	406.7
Current liabilities	334.5	263.8	285.1	334.5	263.8
Invested capital	1,246.3	1,197.9	1,250.2	1,298.6	1,330.4
Investment in property, plant and equipment	47.7	37.5	131.8	142.0	227.8
Cash flows from operating activities	-54.1	-55.0	184.5	185.4	188.8
Cash flows from investing activities	-55.0	-39.4	-179.1	-194.7	-323.6
Hereof invested in property, plant and equipment	-47.7	-37.5	-131.8	-142.0	-227.8
Cash flows from financing activities	38.8	-6.7	-43.4	2.1	243.8
Total cash flows	-70.3	-101.1	-38.0	-149.2	-118.8
FIVE YEARS' RATIOS			2018 1/1 - 31/12	2019 Last 12 mth.	2018 Last 12 mth.
EBIT margin			12%	12%	12%
Solvency ratio			57%	54%	57%
Return on equity (ROE)			11%	11%	11%
Earnings in DKK, per share of DKK 10 (EPS)			16.5	15.0	14.9
Dividend in DKK, per share of DKK 10			4.1	3.4	3.3
Share price in DKK, end of year			632	678	632
Number of employees			960	971	913

1) See definitions in the Annual Report 2018.

Management review

Development in activities and financial performance

Revenue for the period 1 January – 31 March 2019 amounted to DKK 110,0 million compared to DKK 117.9 million (-7%) for the same period last year. The decrease in activity is due to lower activity in The Halls, where last years play “Midt om Natten” had great success. In addition the revenue is affected by fewer attendants caused by nine fewer opening days due to the Easter which in 2019 is in the second quarter.

Expenses for the period 1 January – 31 March 2019 amounted to DKK 157.9 million compared to DKK 158.7 million last year (-1%). The decrease is caused by fewer opening days in 2019 and a larger investment in the new season, Winter in Tivoli, where the entire Garden was open compared to 2018.

The financial items for the period 1 January - 31 March 2019 amounted to a total cost of DKK 3.0 million compared to a cost of DKK 2.8 million last year. The increase is due to the implementation of IFRS 16 regarding leasing, where operational leases now are listed in the balance sheet.

Profit before tax for the period 1 January – 31 March 2019 amounted to DKK -76.3 million compared to DKK -65.8 million for the same period last year, which is DKK 10.5 million lower than last year. The profit before tax for the period amounted to DKK -59.5 million. The result is in line with the expectations.

Cash flow from operating activities amounted to DKK -54.1 million for the period 1 January – 31 March 2019 compared to DKK -55.0 million in the same period last year. Cash flow from operating activities is therefore on the same level as last year.

Cash flow from investing activities amounted to DKK -55.0 million for the period 1 January – 31 March 2019 compared to DKK -39.4 million in the same period last year.

The investing activity in the first quarter is affected by new rides, e.g. the new children’s rollercoaster, The Camel, a new Bumper Car track, the new rollercoaster, The Milky way Galaxy and investment in the new season, Winter in Tivoli, renovation projects and digitalization projects in the Gardens.

The balance sheet total at 31 March 2019 amounted to DKK 1,580.3 million compared to DKK 1,468.3 million 31 March 2018. The increase in balance sheet total is caused by the high investing activity in 2018 and first quarter of 2019, as mentioned above, and implementation of IFRS 16 regarding leasing.

Equity amounted to DKK 852.1 million per 31 March 2019 compared to DKK 920.4 million per 31 December 2018. The comprehensive income for the period amounts to DKK -68.3 million compared to DKK -48.2 million per 31 March 2018 and consist of the result for the period of DKK -59.5 million and other comprehensive income of DKK 8.8 million.

Outlook for 2019 (unchanged)

The weather and other external factors may have great impact on Tivoli’s business and thus the development in profit for the year. Revenue for 2019 is expected to reach the level of 2018. Tivoli is expected to show a profit before tax for 2019 at the level of DKK 100 million before extraordinary items. The reason for the lower profit is the implementation of the Tivoli Pass. The Tivoli Pass gives access to the Gardens for 12 months from the date of sale; sales are recognised differently for accounting purposes than sales of the previous annual card. The previous annual card gave access to the Gardens in the calendar year only, which meant that all sales were recognised as from the date of sale to the next 31 December.

Subsequent events

No material events have occurred after the balance sheet date.

INCOME STATEMENT 1 JANUARY - 31 MARCH

2019
1/1 - 31/3

2018
1/1 - 31/3

2018
1/1 - 31/12

DKK million

Net revenue

110.0

117.9

1,058.8

Revenue

110.0

117.9

1,058.8

Other external expenses

-75.7

-78.3

-368.5

Staff expenses

-82.2

-80.4

-468.2

Expenses

-157.9

-158.7

-836.7

EBITDA

-47.9

-40.8

222.1

Depreciation, amortisation and impairment

-25.4

-22.2

-91.0

EBIT

-73.3

-63.0

131.1

Financial income

0.2

0.1

1.1

Financial expenses

-3.2

-2.9

-11.6

Profit before tax

-76.3

-65.8

120.6

Tax on profit for the year

16.8

14.5

-26.4

Net profit

-59.5

-51.3

94.2

Earnings in DKK, per share of DKK 10 (EPS)

-10.4

-9.0

16.5

STATEMENT OF COMPREHENSIVE INCOME

2019
1/1 - 31/3

2018
1/1 - 31/3

2018
1/1 - 31/12

Profit for the year

-59.5

-51.3

94.2

Items subsequently recycled to income statement

Value adjustments: Value adjustment hedging instruments

-11.3

3.1

-1.0

Other adjustments: Tax on value adjustments hedging instruments

2.5

-0.7

0.1

Total comprehensive income

-68.3

-48.9

93.3

CASH FLOW STATEMENT - 1 JANUARY - 31 MARCH

2019
1/1 -31/32018
1/1 -31/32018
1/1 - 31/12

DKK million

EBITDA	-47.9	-40.8	222.1
Change in working capital	-3.2	-11.4	-27.4
Cash flows from operating activities before financial income and expenses	-51.1	-52.2	194.7
Financial income	0.2	0.1	1.1
Financial expenses	-3.2	-2.9	-11.6
Corporation tax paid	0.0	0.0	0.3
Cash flows from operating activities	-54.1	-55.0	184.5
Purchase of subsidiary and associated company	0.0	0.0	-16.5
Purchase of property, plant and equipment	-55.0	-39.4	-162.6
Cash flows from investing activities	-55.0	-39.4	-179.1
Repayment of mortgage loans	-5.7	-6.7	-5.3
Repayment of mortgage loans	0.0	0.0	-18.5
Repayment of rent and lease loans	-0.5	0.0	0.0
Raising / repayment of loan from associated company	45.0	0.0	0.0
Shareholders: Dividend distributed	0.0	0.0	-19.6
Cash flows from financing activities	38.8	-6.7	-43.4
Cash flows for the year	-70.3	-101.1	-38.0
Cash and cash equivalents, beginning of year	92.3	130.3	130.3
Cash and cash equivalents, end of year	22.0	29.2	92.3

BALANCE SHEET AT 31 MARCH	2019 31/3	2018 31/3	2018 31/12
DKK million			
ASSETS			
Intangible assets	28.7	19.4	43.5
Property, plant and equipment	1,438.9	1,333.9	1,363.7
Investement in associated company	16.5	-	16.5
Total non-current assets	1,484.1	1,353.3	1,423.7
Finished goods	11.6	9.8	12.3
Trade receivables	21.2	20.9	41.6
Other current assets	41.4	55.1	35.1
Cash at bank and in hand	22.0	29.2	92.3
Total current assets	96.2	115.0	181.3
Total assets	1,580.3	1,468.3	1,605.0
LIABILITIES AND EQUITY			
Share capital	57.2	57.2	57.2
Reserves	794.9	740.6	839.6
Proposed dividend	-	-	23.6
Total non-current liabilities	852.1	797.8	920.4
Mortgage loans	355.8	378.6	361.6
Deferred tax liabilities	37.9	28.1	37.9
Langfristede forpligtelser i alt	393.7	406.7	399.5
Mortgage loans	22.6	22.6	22.6
Loan from associated company	45.0	-	-
Other payables	266.9	241.2	262.5
Total current liabilities	334.5	263.8	285.1
Total liabilities and equity	1,580.3	1,468.3	1,605.0

STATEMENT OF NET CAPITAL

DKK million

		RESERVES			
	Share capital	Hedge transactions	Retained earnings	Proposed dividend	Total
Equity at 1 January 2018	57.2	-19.3	789.2	19.6	846.7
<i>Changes in equity</i>					
Profit for the period	0.0	0.0	-51.3	0.0	-51.3
Value adjustment hedging instruments	0.0	3.1	0.0	0.0	3.1
Tax on value adjustments hedging instruments	0.0	-0.7	0.0	0.0	-0.7
	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.0	2.4	-51.3	0.0	-48.9
Equity at 31 March 2018	57.2	-16.9	737.9	19.6	797.8
Equity at 1 January 2019	57.2	-20.2	859.8	23.6	920.4
<i>Changes in equity</i>					
Profit for the period	0.0	0.0	-59.5	0.0	-59.5
Value adjustment hedging instruments	0.0	-11.3	0.0	0.0	-11.3
Tax on value adjustments hedging instruments	0.0	2.5	0.0	0.0	2.5
Total comprehensive income for the period	0.0	-8.8	-59.5	0.0	-68.3
Equity at 31 March 2019	57.2	-29	800.3	23.6	852.1

Segment reporting



Tivoli's management responsibility is divided into 11 principal activities. Six of the activities generate revenue whereas the remaining five represent administrative functions related to IT, Finances, Marketing, HR and the operation and maintenance of the Garden. Only the first six activities are considered liable to report, cf. IFRS 8 I Tivoli er ledelsesansvaret opdelt i 11 hovedområder. Seks af hovedområderne generer omsætning, mens de resterende fem hovedområder står for administrative funktioner inden for IT, Økonomi, Marketing og HR samt Drift og vedligeholdelse af Haven. Det er kun de seks første hovedområder, som anses for rapporteringspligtige ift. IFRS 8.

Expenses for administrative functions as well as operation and maintenance of the Garden are not allocated to the other main areas. Expenses for the Garden orchestras, Friday Rock, performances at the Pantomime Theatre and other events in the Garden, are allocated to Culture. Earnings from entrance fees are allocated to Sales. Culture does not receive any share of entrance fees and is a loss-making segment viewed separately, whereas earnings are very high in Sales. Food & beverage operates Tivoli's own eateries, while High-End operates the Nimb house, Gemyse and Cakenhagen. Income derived from leased restaurant is reported in Enterprise rental.

Depreciation, amortisation and financial expenses are not allocated to the main areas. Therefore, "Earnings before interest, tax, depreciation and amortisation" has been chosen as a performance measure in the segment reporting. Similarly, the balance sheet has not been broken down into main areas; therefore, total assets by main area are not presented.

SEGMENT REPORTING 31 MARCH 2019	Games & Casino	Food & beverage	High-End	Enterprise Rental	Sales	Culture	Total	Not allocated	Total
Revenue	12.8	9.1	24.6	9.3	41.5	8.0	105.3	4.7	110.0
Total revenue	12.8	9.1	24.6	9.2	41.5	8.0	105.3	4.7	110.0
EBITDA	3.1	-4.2	-2.9	8.5	29.0	-4.3	29.2	-77.1	-47.9
Depreciation, amortisation and impairment								-25.4	-25.4
Net financials								-3.0	-3.0
Profit before tax									-76.3

Not allocated comprises administrative functions as well as operation and maintenance of the Gardens. These functions have no business activities and generate only very limited revenue.

SEGMENT REPORTING 31 MARCH 2018	Games & Casino	Food & beverage	High-End	Enterprise Rental	Sales	Culture	Total	Not allocated	Total
Revenue	12.9	11.5	22.1	8.9	45.9	13.3	114.6	3.3	117.9
Total revenue	12.9	11.5	22.1	8.9	45.9	13.3	114.5	3.3	117.9
EBITDA	1.9	-4.1	-4.4	8.3	42.0	-1.5	42.2	-83.0	-40.8
Depreciation, amortisation and impairment								-22.2	-22.2
Net financials								-2.8	-2.8
Profit before tax									-65.8

Not allocated comprises administrative functions as well as operation and maintenance of the Gardens. These functions have no business activities and generate only very limited revenue.

Net revenue



Revenue consists of net revenue and other operational income, cf. the definitions below.

Net revenue consists of revenue and other operating income, including entrance to the Gardens, income from sale of annual cards, income from rides, rental of buildings, premises etc., as well as income from sale of services. Revenue also includes received royalties, grants and sponsorships. Income is recognized in the income statement if delivery and risk transfer have taken place before the end of the year, and if the income can be calculated reliably and is expected to be received. All revenue has been achieved in Denmark.

Revenue is accrued from sales of annual cards, etc., where the service is provided over several accounting periods. Net revenue is measured at fair value excl. VAT and taxes charged on behalf of third parties. All types of discounts made are recognized in net revenue. Revenue from cash games is presented after deduction of payout and gaming tax to the state. Costs for obtaining contracts are not capitalized, since contracts do not run for more than 12 months and are not assessed materially.

Revenue by type	Segments	2019	2018	2018
		1/1 -31/3	1/1 -31/3	1/1-31/12
DKK million				
Sales of goods	(Games & Casino, Food & Beverage, High-End)	26.2	27.5	273.0
Service	(Games & Casino, Sales, Culture)	76.8	84.2	648.8
Rent	(Enterprise Rental)	0.9	0.6	83.0
Sponsorships	(Sales, Culture)	3.3	2.8	23.7
Royalties	(Non allocated)	2.8	2.8	13.5
Other revenue	(Culture, Non allocated)	0.0	0.0	16.8
Total		110.0	117.9	1,058.8
Time of recognition of revenue:				
	At a certain time	81.9	86.9	911.3
	Over time	28.1	31.0	147.5
Total		110.0	117.9	1,058.8

Securing future cash flows



Derivative financial instruments are recognized in the balance sheet at cost on the trading day and subsequently measured at market value.

Market value of derivative financial instruments is included in other receivables or other debt. Offsetting positive and negative values is done only when the company has the right and the intention is to settle several financial instruments net. Market values for derivative financial instruments are calculated on the basis of current market data and recognized valuation methods.

Changes in the market value of derivative financial instruments classified as and meeting the criteria for hedging the market value of a recognized asset or liability are recognized in the income statement together with changes in the value of the hedged asset or liability in respect of the part that is secured.

Changes in the part of the market value of derivative financial instruments that are classified as and meet the conditions for hedging future cash flows and which effectively hedge changes in the value of the hedged item are recognized in other comprehensive income. When the hedged transaction is realized, gains or losses relating to such hedging transactions are transferred from other comprehensive income and recognized in the same item as the hedged item.

For derivative financial instruments that do not meet the conditions for treatment as hedging instruments, changes in market value are recognized on an ongoing basis in the income statement under financial items. Changes in deferred tax due to changes in tax rates are recognized in the income statement.

	2019		2018	
	Contract amount	Fair value 31 March	Contract amount	Fair value 31 March
Financial instruments total (interest swaps)	414.5	37.8	414.5	22.3

Contract amounts are stated as the remaining debt per 31 March 2019. The fair value is recognized under equity less tax.
Financial instruments that hedge expected transactions but do not qualify for hedge accounting in accordance with IFRS 9.

Methods and prerequisites for the calculation of fair values

Interest rate swaps and forward exchange contracts are valued according to generally accepted valuation methods based on relevant observable swap curves and exchange rates.

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

Financial liabilities Q1 2018	"Listed prices (level 1)"	"Observable input (level 2)"	"Non-observable input (level 3)"	Total
Derivative financial instruments entered into to hedge future cash flows	0.0	22.3	0.0	22.3

Financial liabilities Q1 2019	"Listed prices (level 1)"	"Observable input (level 2)"	"Non-observable input (level 3)"	Total
Derivative financial instruments entered into to hedge future cash flows	0.0	37.8	0.0	37.8

Notes

NOTE 1 – ACCOUNTING POLICIES

The Interim Report was prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies. The Interim report is prepared in accordance to the same accounting policies as the latest annual report for 2018, with exemption for IFRS 16, which has been implemented in this interim period, see below.

Tivoli has implemented IFRS 16 regarding leasing as of 1 January 2019. IFRS 16 has been implemented modified retrospectively, which means that comparative figures has not been modified. The change has meant that most of Tivolis operational lease contracts are now capitalized. This has increased assets and liabilities by approx.. 2%, this has a limited effect on financial KPI's related to the balance sheet. The effect on EBITDA is immaterial. Cash flow from operating activities has increased because of the main part of leasing payments is now classified as cash flow from financing activities.

The annual report for 2018 contains the full description of accounting policies.

NOTE 2 – ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of interim reports requires that Management make accounting estimates and judgements, which affect the accounting policies applied as well as recognized assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The key accounting estimates and judgments made by Management in applying the Company's accounting policies and the most material uncertainties related to these were the same when preparing the condense Interim Report as when preparing the Annual Report at 31 December 2018.

NOTE 3 – SEASONALITY

The profit before tax is typically lower in the first half year of the year, compared with other quarters. This development is caused by the fact that the Tivoli Gardens is closed during parts of the first quarter, furthermore maintenance and development of the Garden is performed during first quarter. Cash flow from operations is also typically negative during first quarter, caused by the negative result.

NOTE 4 –RELATED-PARTY TRANSACTIONS

The nature and extent of transactions with related parties remain unchanged from last year. Reference is made to the description in the Annual Report for 2018.

The Augustinus Foundation Group	2019	2018
	1/1-31/3	1/1-31/3
Loan from Chr. Augustinus Fabrikker Akts.	45.0	0.0
Sponsorship from Augustinus Foundation Group	0.0	0.0
Sponsorship from Scandinavian Tobacco Group	0.0	0.0
Interest to Chr. Augustinus Fabrikker Akts.	0.0	0.0

Management statement

The Executive and Supervisory Boards have today considered and adopted the Interim Report of Tivoli A/S for the period 1 January – 31 March 2019.

The Interim Report, which has not been audited or reviewed by the Group's auditors, was prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

In our opinion, the Interim Report gives a true and fair view of the Group's financial position at 31 March 2019 and of the results of the Group's operations and cash flow for the period 1 January – 31 March 2019.

Furthermore, it is our opinion, that the Management's Review gives a true and fair view of the development in the Group's activities and financial position, profit for the period and the financial position of the Group as a whole, together with a description of the significant risks and un-certainties facing the Group.

Apart from what is indicated in the interim report, there are not any changes in the Group's significant risks and uncertainties in regard to what was stated in the 2018 Annual Report.

Copenhagen, 23 April 2019

Executive Board:

Lars Liebst
CEO

Andreas Morthorst
CFO

Supervisory Board:

Tom Knutzen
Chairman

Mads Lebech
Deputy Chairman

Ulla Brockenhuus-Schack

Claus Gregersen

John Høegh Berthelsen

Tue Krogh-Lund