

FOLIDAY 复星旅文

复星旅游文化集团
FOSUN TOURISM GROUP

(股份代号 Stock Code: 01992.HK)

中期业绩 Interim Results 2019

Everyday is
FOLIDAY



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This PPT includes forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments the Company expects or anticipates will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements. The Company’s actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, and other risks and factors beyond our control. In addition, the Company makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements. The financial figures in this PPT are calculated using the average exchange rate for the reporting period January 2019 to June 2019 (EUR/CNY=7.6488 HKD/CNY= 0.8636), and period-end exchange rate as of 2019/6/30 (EUR/CNY= 7.8170 HKD/CNY=0.8797), the exchange rate to be updated.

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Executive Summary

Operational Overview

Financial Overview

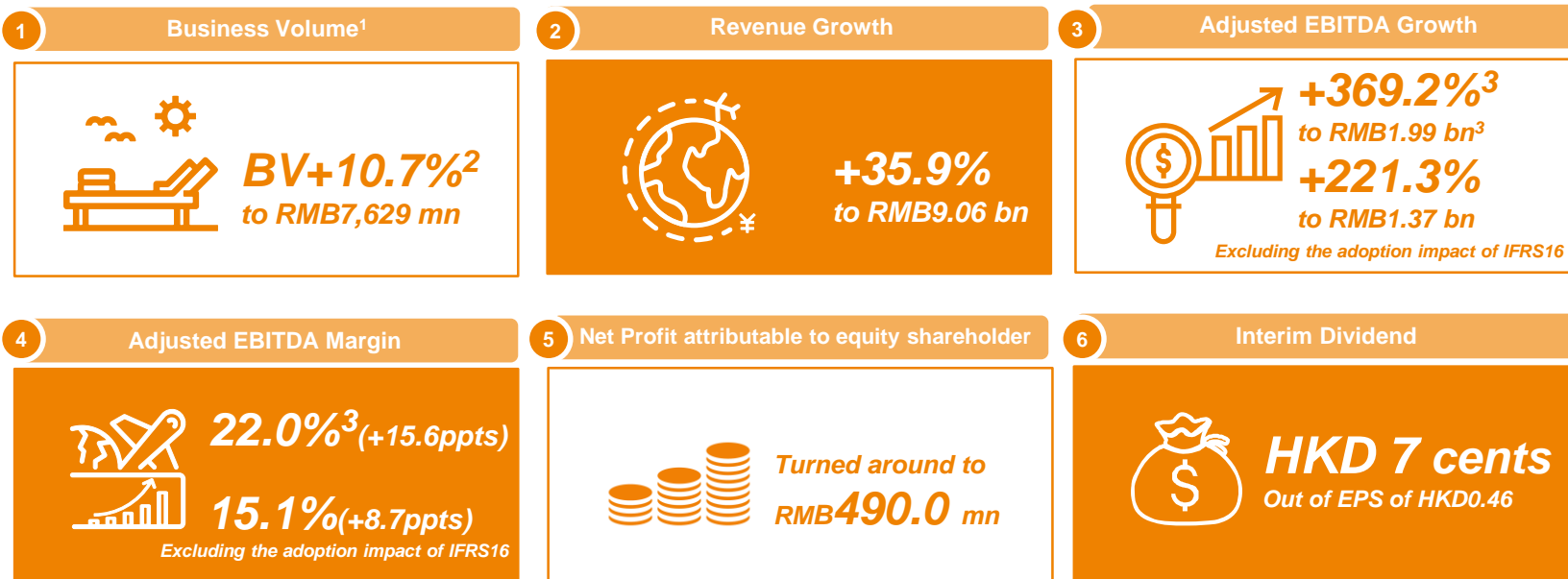
Strategic Focus

Appendix



1H2019 at a glance

Strong revenue and Adjusted EBITDA growth whilst turned around to positive profit. Higher profitability and sound return to shareholders.



¹Business Volume includes resort operations, tourism destination operations and tourism and leisure services and solutions; ²On like-for-like basis.

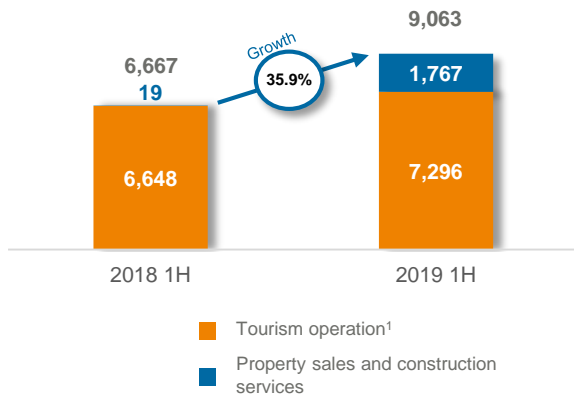
³We adopted IFRS16 leases on 1st Jan 2019 which capitalizes the present value of the remaining lease payment as right-of-use assets and calculate depreciation instead of recording lease expenses in current period.

Financial Highlights



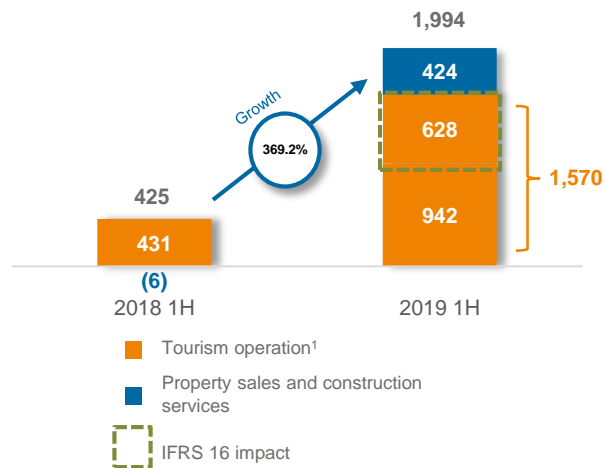
Revenue

(RMB in Millions)



Adjusted EBITDA

(RMB in Millions)



Net profit(loss) attributable to shareholders

(RMB in Millions)



Note: 1. Tourism operation includes resort operations, tourism destination operations and tourism and leisure services and solutions.

Operational highlights



1. Resorts



Achieved **Business Volume** of **RMB6.9 billion**, representing a Y-o-Y growth of **5.0%**¹

Average Daily Bed Rate increased from **RMB1,311** in 1H2018 to **RMB1,388** 1H2019, representing a growth of **5.9%**¹

Capacity of resorts in 1H2019 increased by **2.2%** on Y-o-Y base

Recurring operating profit increased to **RMB614.1 million**. Excluding the non-recurring operating items and IFRS 16 impact, the **recurring operating profit** was up **8.2%** to **RMB479.9 million**

Recurring EBITDA increased to **RMB1,393.6 million**. Excluding the adoption impact of IFRS 16, **Recurring EBITDA** reached **RMB769.1 million**, up by **5.5%**.

2. Tourism destinations



Total operation revenue of Atlantis Sanya for 1H2019 was **RMB656 million**, **ADR** surged from **RMB1,562** to **RMB2,371** in 1H2019, up by **51.8%**.

The adjusted EBITDA of Atlantis Sanya increased to **RMB282.4 million** in the first half of 2019

141 vacation units were delivered in 1H2019. **251** vacation units of **Tang Residence** managed by Albion in 1H2019

Construction of **Lijiang FOLIDAY Town** (丽江复游城) and **Taicang FOLIDAY Town** (太仓复游城) are underway as planned.

3. Services and solutions in various tourism and leisure settings



Resident Show C and **miscellaneous entertainment activities** in Atlantis Sanya has launched in Feb 2019

Two Miniversity clubs were launched in Shanghai in Mar 2019.

Business volumes of **FOLIDAY Travel Distribution Platform** surged to **RMB198.1 million**, a **288.3%** growth.

Foryou Club members reached **3.5 million**, average monthly purchase by members reached **RMB7.5 million**, a **79.4%** increase than that of 2018FY

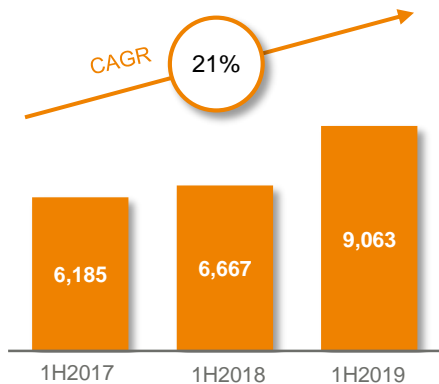
¹On like-for-like basis.



Evolution of Revenue, Adjusted EBITDA and Net profit to equity shareholders / (loss)

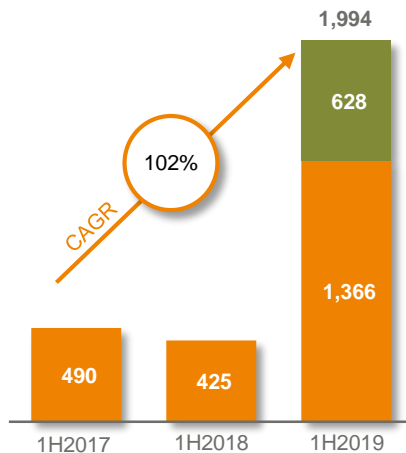
Revenue

(RMB in Millions)



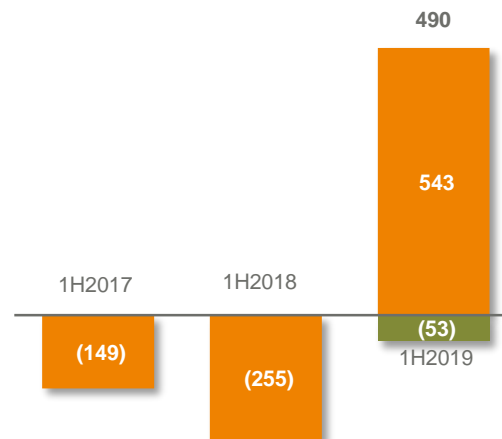
Adjusted EBITDA

(RMB in Millions)

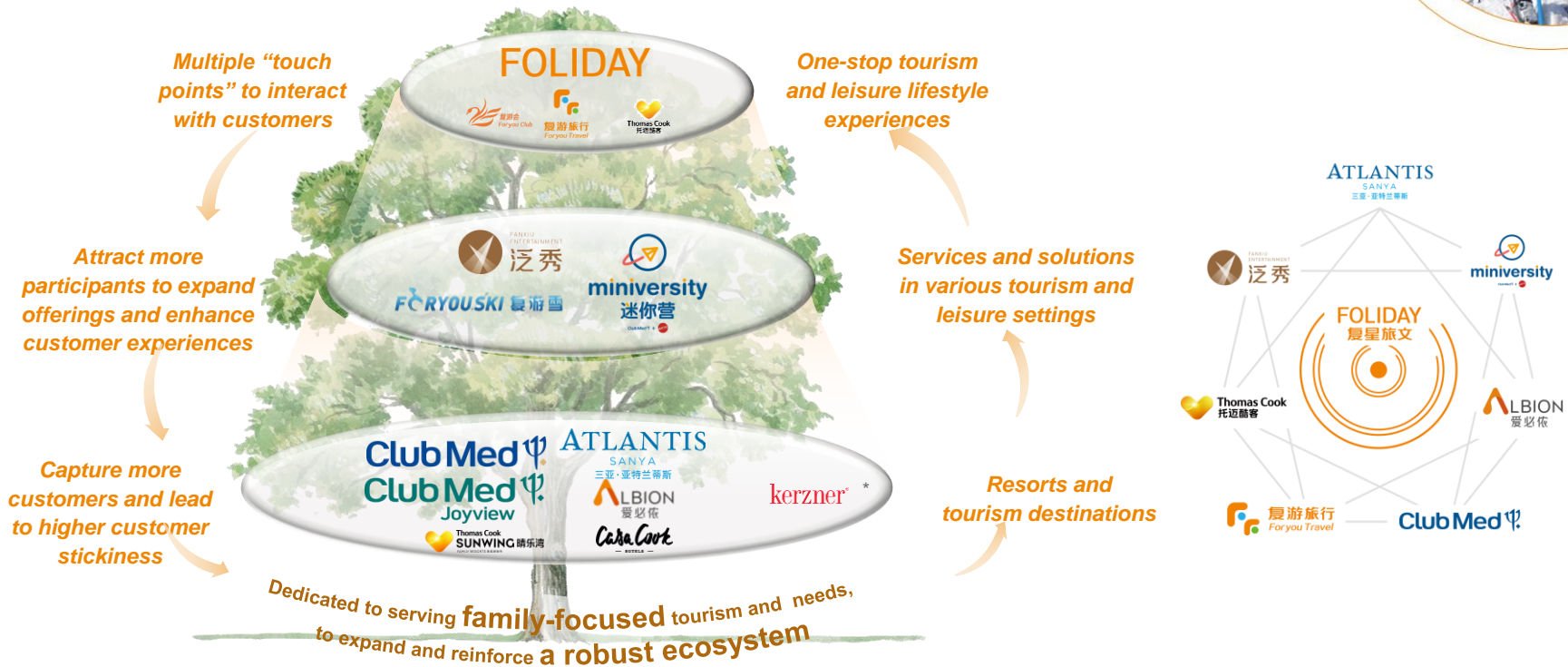


Net profit/(loss) attributable to equity shareholders

(RMB in Millions)



Our FOLIDAY Ecosystem



Note: * Business partners or brands owned by business partners

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Resorts – Club Med



All-inclusive

- Pioneer of all-inclusive concept
- Package rate including accommodations, sports and leisure activities, entertainment, childcare, meals and open bar

65
resorts

Family

- Pioneer in providing babysitting and childcare services at resort
- Provide a combination of services for children of all ages
- MICE customers as supplement during weekdays¹

22
countries and regions with resorts

Brand

- Established in 1950, with almost 70 years history
- Iconic symbol in the tourism industry and a household name in France and around the world

Largest²
ski resorts provider in Europe

Unique G.O

- Responsible for creating warm, friendly and inclusive international atmosphere, making guests feel at home
- 5,000+ G.Os from various nationalities as of 30 June 2018

~6,219,000
bed nights for
first half year

New resorts in the following years

**Club Med Joyview
Yanqing Beijing
Opened in July 2019**



Magna Marbella



Alpe d'Huez



Seychelles



**Chalets de Grand
Massif**



La Rosiere



**Miches Playa
Esmeralda**

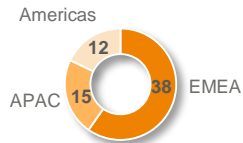


**Club Med
Québec
Charlevoix**

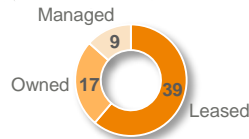


Breakdown of 65 resorts

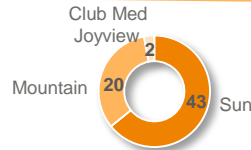
By location



By operating model



By type



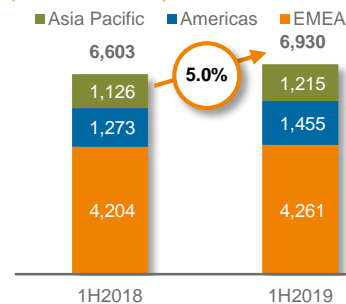
Note: ¹ Refers to meetings, incentives, conferences and exhibitions; ² In terms of number of resorts in 2018 according to Frost & Sullivan's report.



Resorts – Club Med (cont'd)

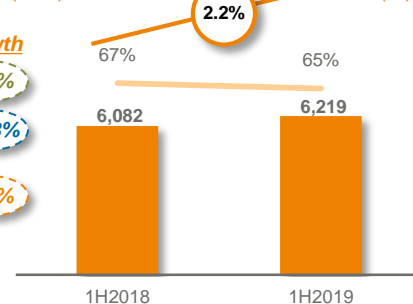
Business volume¹

(RMB in Millions)



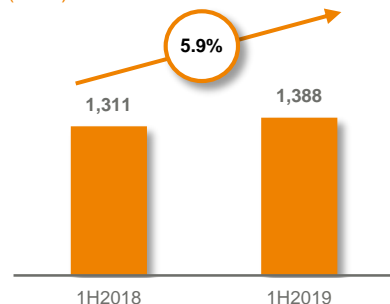
Resort capacity² and occupancy rate

('000)



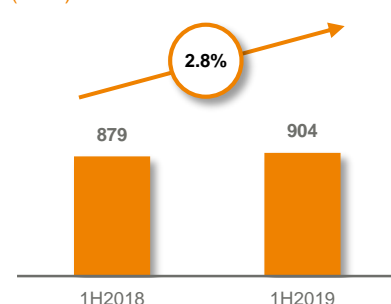
Average daily bed rate^{1,3}

(RMB)



Average revenue per bed^{1,4}

(RMB)



Commentary

- ✔ Club Med welcomed **750,000** customers on the first-half 2019, **86.9%** of guests stayed in 4&5Trident resorts.
- ✔ In 1H2019, capital expenditure of **RMB309.0** million with **positive free cash flow**.
- ✔ Optimization of booking website (**35** websites in **18** languages). Conversion rates on mobile **up by 20%** on y-o-y basis.
- ✔ As of 20 July 2019, the cumulative **bookings for 2H2019**, expressed in business volume, was up approximately **4.9%** compared to the bookings as of 20 July 2018, at constant exchange rate.

Note:¹ On like-for-like basis; ² Equal to the total number of beds available for sale over a period or year; ³ Equal to the aggregate sales of all-inclusive packages of all the resorts divided by the total number of beds sold; ⁴ Equal to the resort revenue divided by the capacity of resorts;



Resorts – Club Med (cont'd)

Club Med – Strategy highlight

Upscale

- Average Daily Bed Rate increased by **5.9%** to **RMB1,388¹**
- Proportion of 4&5 Trident capacity is up to **85.7%** in 1H2019 from **81.2%** in 1H2018
- **3** resorts were under renovation and extension with increased capacities and high quality facilities
- **10** resorts opened since 2015 till 1H2019, all of which were 4&5 Tridents.

Globalization

- The number of **customers booked outside EMEA** region increased to **53.5%** in 1H2019 from **51.6%** in 1H2018
- **Customers from Asia Pacific** increased by **4.8%** whilst customer from America grew by **6.3%** on Y-on-Y basis
- **Customers from Greater China** increased from **c.120,239** to **c.124,627**, keeping **Greater China** the **2nd largest** customer contributing market

Happy Digital

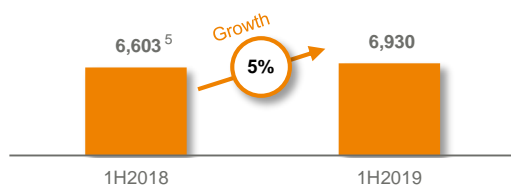
- Direct sales ratio² kept staying at a high level of **63.5%** in 1H2019.
- Mobile program **My Happy Days** featuring resort and activity guidance, online check-ins, activities reservations and social functions was launched in 1H2019.
- The **Amazing Family** experience proposing parent-kid bonding activities was rolled out in **6** China resorts and **3** resorts in other regions of the world, with a planned scale-up in **19** resorts within a year.

Ski Ecosystem

- **Largest ski resorts provider in Europe³**
- Average Daily Bed Rate of Mountain resorts increased by **8.9%**¹
- The first **Ski Academy** powered by **Club Med and ESF** has settled in Beijing Lianhua Mountain ski resort
- **Arc Panorama** realized a business volume of **RMB247.1** million in 1H2019 after launching in Dec 2018

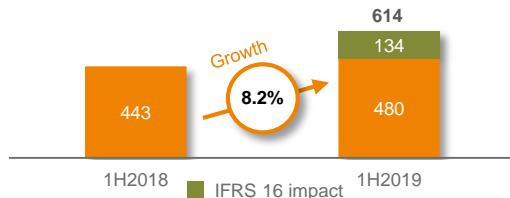
Business volume¹

(RMB in Millions)



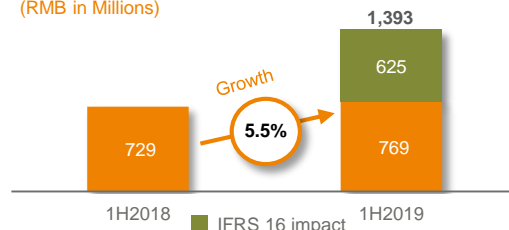
Recurring operating profit⁴

(RMB in Millions)



Recurring EBITDA

(RMB in Millions)



Note: ¹ On like for like basis; ² The direct sales channels mainly comprise (i) owned shops; (ii) call centers; and (iii) online sales; ³ In terms of number of resorts in 2018 according to Frost & Sullivan's report; ⁴ Recurring Operating profit refers to Operating profit excludes gain on disposal of subsidiary and associate, gain(loss) on the fair value change of investments measured at fair value through profit or loss and impairment loss on long term assets.

Tourism destination - Atlantis

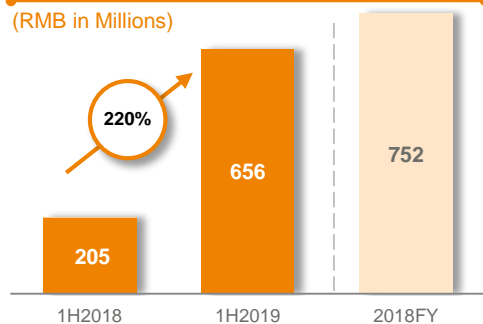




Tourism destination - Atlantis

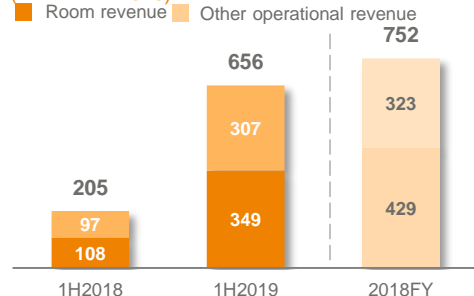
Business volume

(RMB in Millions)



Breakdown of Business Volume

(RMB in Millions)

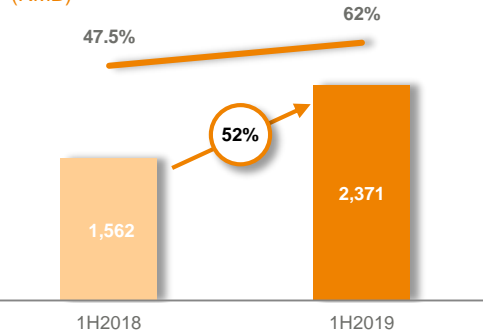


Commentary

- ✔ **Business volume** surged by **220%** to **RMB656.0 million** in 1H2019. Not just boosted by an incremental catalyst of Chinese New Year, **May and June 2019** together also saw a strong organic growth up to **36.6%** on y-o-y basis
- ✔ The **adjusted EBITDA** of Atlantis Sanya increased to **RMB282.4 million** in the first half of 2019
- ✔ **2,462,000 visits** in 1H2019, nearly **tripled** from **883,000 visits** in 1H2018
- ✔ The number of **User Generated Contents** (“UGC”) themed “Atlantis Sanya” on the app “**Tik Tok**” surpassed **1.8 billion**
- ✔ In July 2019, the business volume of Atlantis Sanya operation increased by more than **20%** compared with last year with robust grow in room revenue and other operating revenue

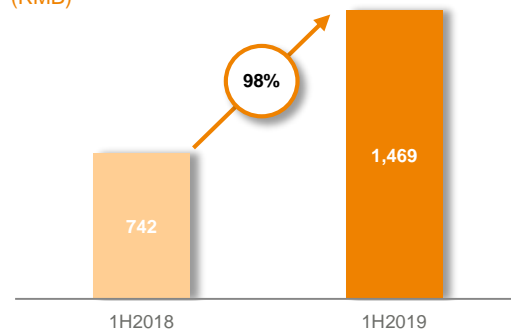
ADR and occupancy rate

(RMB)



Revenue per room



(RMB)





Tourism destination - Atlantis (cont'd)

Resident vacation units - Tang Residence

	Units constructed	Units sold	Delivered in 2018	Delivered in 1H2019
 Villa	197	190	-	118
 Apartments	807	788	764	23
Total	1,004	978	764	141

Commentary

- ✓ **23 of sold apartment units** and **118 of sold villas** were transferred to customers in the first half year of 2019
- ✓ **RMB1,770.2 million** amount of contract liabilities related to property sales was recognized as revenue in the first half of 2019
- ✓ The remaining contract liabilities related to property sales of **RMB2,031.3million** will be recognized upon transfer of physical possession of respective units in **2019** and **2020** subject to applicable laws and regulations
- ✓ **243** units of apartments and **8** villas are managed by Albion.



Tourism destination – Lijiang FOLIDAY Town



FOLIDAY TOWN *Lijiang Holiday Town details*

复游城 丽江

(Total GFA: approx. 350,000 m². Tourism related GFA: approx. 184,000 m²)

Overview

- Sightseeing attractions, resort and other accommodations (including a Club Med resort), leisure entertainment facilities, customized vacation inns and residences, performances, local activities and tours

Timeline

- Construction of Club Med resort started in February 2019 and other portion was under design phase and will commence construction in stages. The project will be completed in stages starting from either late 2020 or early 2021 and achieve full completion in the following two to three years.

Cost

- Total cost incurred: **RMB575.6 million** as of 30 June 2019



Tourism destination – Taicang FOLIDAY Town



Taicang FOLIDAY Town
(太仓复游城)



Taicang FOLIDAY Town details

(Total GFA: approx. 1,280,000 m².)

FOLIDAY TOWN
复游城 太仓
Overview Tourism Related GFA: approx. 720,000 m²)

- One of the largest indoor snow slope in East China, a sports park, a Club Med resort, a **Sunwing** parent-kids style hotel, a European style town, and saleable vacation units

Timeline

- Started construction in 2019 and is expected to be completed in stages starting from late 2020, and achieve full completion in the following three to four years.

Cost

- Total cost incurred **RMB2,395.1 million** as of 30 June 2019

Tourism related services & solutions

IPs & Contents



Fanxiu

The resident show **C** in Atlantis Sanya was officially begun in **Feb 2019**.

Miniversity

Two Miniversity clubs have been under operation in Shanghai since **March 2019**.

Foryou ski

An indoor gym for ski simulation has been newly launched in Atlantis Sanya in **July 2019**



Channels & Members



Thomas cook

Foryou Travel

Foryou Club

FOLIDAY Travel distribution platform

The business volume of FOLIDAY travel distribution platform reached **RMB198.1 million, up by 288.3%**

Accumulated more than **3.5 million members** with the average monthly purchase by the members of approximately **RMB7.5 million** for the first half of 2019



Intelligent middle-office platform

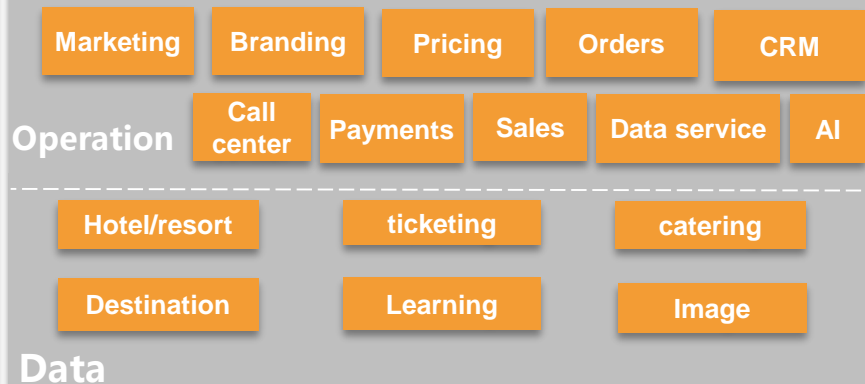


Front-desk business



Support

FOLIDAY middle-office platform



Back-desk

Business backstage

Implemented in Club Med Joyview Yanqing



Implement in more resorts in the near future



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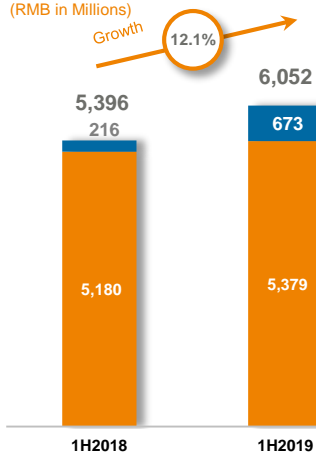




Revenue

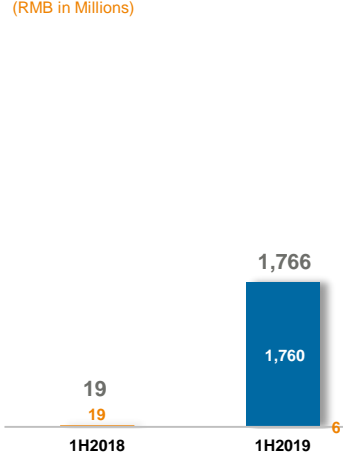
Resorts and destination operations

(RMB in Millions)



Tourism-related property sales and construction services

(RMB in Millions)



Tourism and leisure services and solutions

(RMB in Millions)



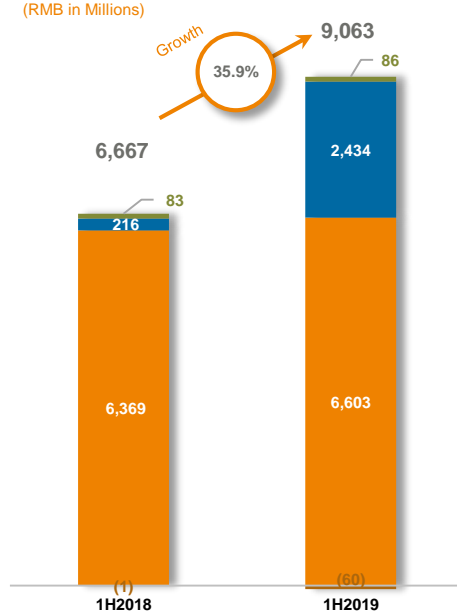
Eliminations

(RMB in Millions)



Total

(RMB in Millions)



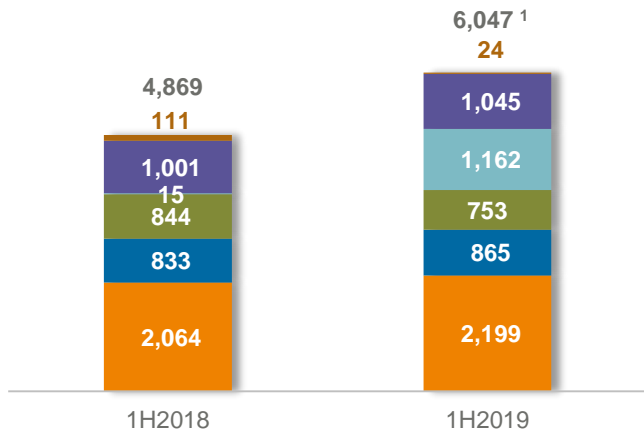
- Resorts
- Tourism Destinations
- Services and solutions in various tourism and leisure settings
- Internal sales elimination



Margin expansion

Cost of revenue

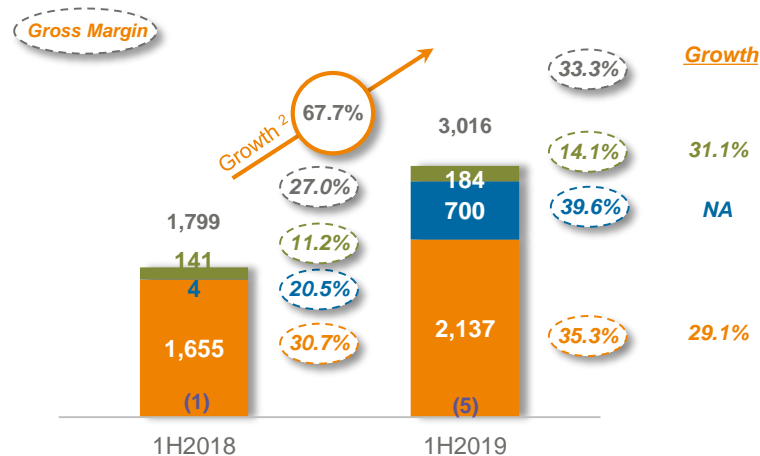
(RMB in Millions)



- Fixed operation costs of resorts and destination
- Variables operation costs of resorts and destination
- Depreciation and lease expenses of resorts and destinations
- Cost of property-sales and constructions services
- Cost of transportation services
- Others

Gross Profit and Margin

(RMB in Millions)



- Resorts and destination operations
- Tourism-related property sales and construction services
- Tourism and leisure services and solutions
- elimination

Note: ¹With the adoption of IFRS 16, cost of revenue decreased by approximately RMB124.8 million, and gross profit increased by RMB124.8 million for the six months ended 30 June 2019; ² Growth rate of Total Gross profit

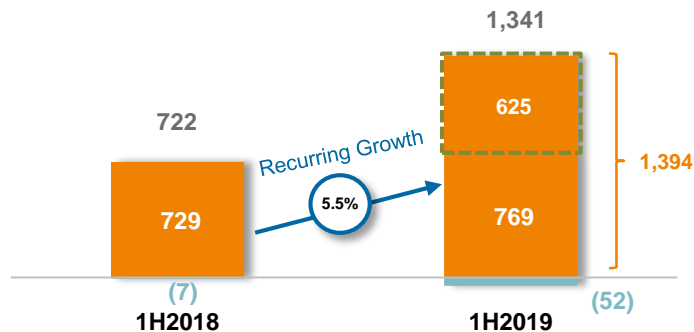


Adjusted EBITDA

Adjusted EBITDA increased from RMB 425.0 million in 2018 1H to RMB 1,994.2 million in 2019 1H

Resorts

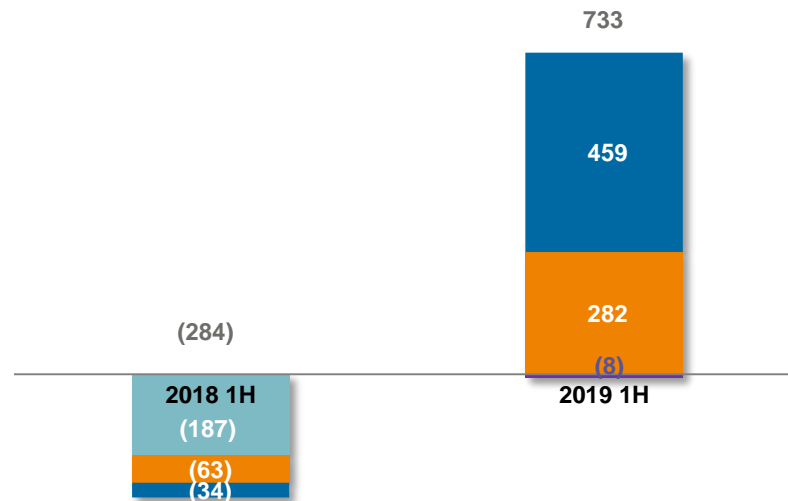
(RMB in Millions)



- Recurring EBITDA related to operating business
- EBITDA of Non-recurring items
- IFRS 16 impact

Tourism Destinations

(RMB in Millions)



- Operation of Atlantis Sanya
- Property sales and others
- Preparation and operation costs before the official opening of Atlantis
- Other operation business of tourism destinations

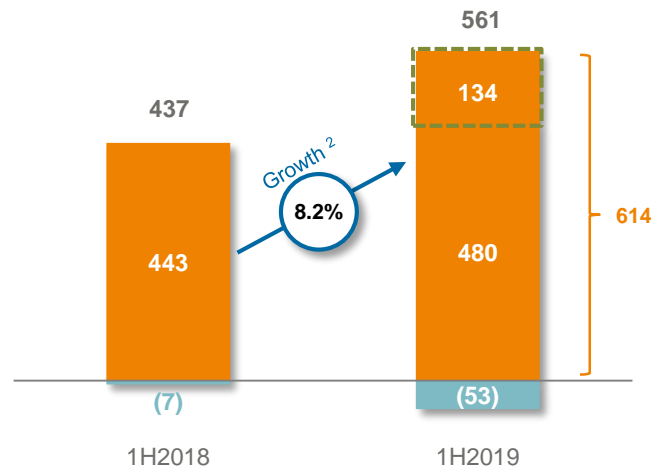


Operating profit

Operating profit increased from RMB14.6 million in 1H2018 to RMB1,202.0 million 1H2019

Resorts ¹

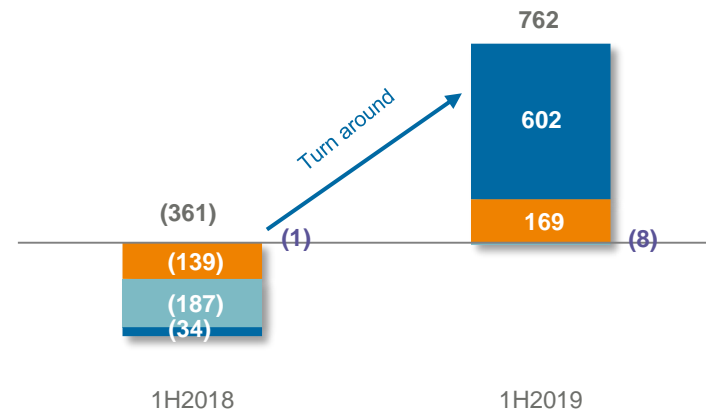
(RMB in Millions)



- Recurring Operating profit
- Non-recurring items
- IFRS 16 impact

Tourism Destinations ¹

(RMB in Millions)



- Operation profit of Atlantis Sanya
- Preparation and operation costs before the official opening of Atlantis
- Operating profit related to property sales
- Other operations of tourism destinations

Note: ¹ Non-operating items, including gain on disposal of subsidiary and associate, gain (loss) on the fair value change of investments measured at fair value through profit or loss, impairment loss on long term assets;

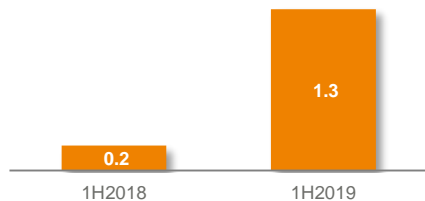
² Growth rate of Recurring Operating profit



Healthy cash flow and balanced financing structure

Net cash flows generated from operating activities

(RMB in Billions)



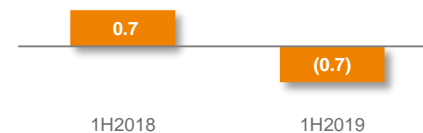
Net cash flows used in investing activities

(RMB in Billions)

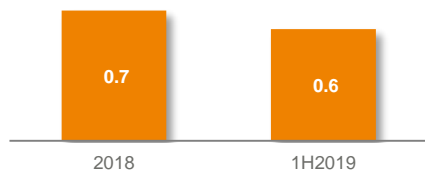


Net cash flows from / (used in) financing activities

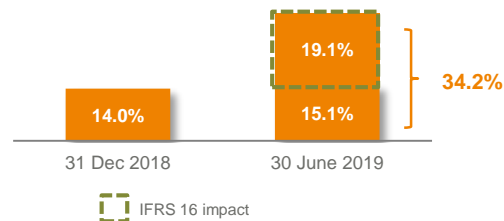
(RMB in Billions)



Current ratio ¹

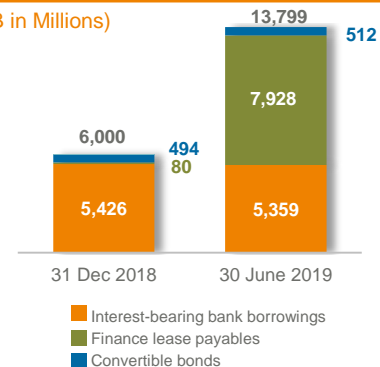


Gearing ratio ²



Financing breakdown

(RMB in Millions)



Note: ¹ Current ratio equals current assets divided by current liabilities as of the end of the period. ² Gearing ratio equals net debt as a percentage of total assets as of the end of the period. Total debt includes interest-bearing bank borrowings, finance lease payables, convertible bonds, convertible redeemable preferred shares, and the non-current portion of amounts due to related companies. Net debt equals total debt less cash and cash equivalents

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Strategic Focus

Vision

让全球家庭
更快乐
Bring greater
happiness to global
families

Strategic Focus

Product competitiveness

- To strengthen the **attractiveness** and **distinctiveness** of our **innovative** and **user-friendly** resorts and tourism destinations
- Innovation of **business model** and **product capabilities**

Resources

- Secure valuable **leisure** tourism resources of **scarcity value**
- Build up intelligent **mid-office platforms** and digital solutions on hotel(resort) management

Ecosystem

- Provide **one-stop** products and solutions to meet the evolving preferences of family customers
- Ecosystem **expansion** and **synergies** in tourism and leisure settings

Globalization

- Globalization with **brands**, **networks** and **talents**

Key performance Indicator

Increase in Business Volume

Increase in EBITDA %

Balanced Financial Position

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Operational Overview

Financial Overview

Strategic Focus

Appendix





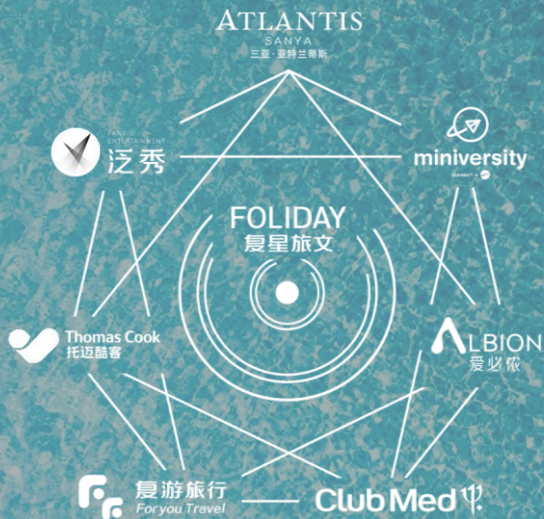
Reconciliation of Adjusted EBITDA

	As of June 30	
	2019	2018
	RMB Millions	RMB Millions
Income/(Loss) before income tax	819.3	(186.1)
Adjustment:		
Depreciation	868.0	303.1
Amortization	55.0	58.1
Finance costs	385.5	198.8
Land appreciation tax	(170.3)	-
EBITDA	1,957.5	373.9
Add:		
Listing expenses	-	17.1
Equity-settled share-based payments	36.7	34.0
Adjusted EBITDA	1,994.2	425.0

Reconciliation of Adjusted Net Profit/(Loss)



	As of June 30	
	2019	2018
	RMB Millions	RMB Millions
Net profit/(loss)	502.4	(134.6)
Add:		
Interest to related companies prior to reorganization(1)	-	30.2
Listing expenses	0	34.0
Equity-settled share-based payments	36.7	17.1
Adjusted net profit/(loss)	539.2	(53.3)



Everyday is FOLIDAY

Fosun Tourism Group (also known as “Fosun Tourism” or “FOLIDAY”), is one of the world’s leading leisure-focused integrated tourism groups, and the largest leisure tourism resorts group worldwide in terms of revenue in 2018*.

As the leader in the leisure tourism industry for families worldwide, we bring up our lifestyle proposition of “Everyday is FOLIDAY”, which is dedicated to creating a new FOLIDAY lifestyle, and aspire to bring greater happiness to global families. Fosun Tourism has been listed on the main board of the Hong Kong Stock Exchange (01992.HK) since 2018. Also, Fosun Tourism is a major part of Ecosystem, which is one of its three strategic business units – Health, Happiness, and Wealth.



* Quoted from Frost & Sullivan report