

Business development

“ We see **positive future prospects**, driven by further growth opportunities and continuous investment in our sustainable, climate-friendly business model. ”

The 2019 financial year was positive overall, although economic uncertainties increased in the second half of the year and volume growth slowed down towards the end of the year. Thanks to the subsidiary ERS Railways GmbH, which was fully consolidated for the first time in 2019, the Group's volumes rose by a respectable 10.5%. Due to currency effects and the weakening of the EUR, the Group achieved slightly lower sales growth of 5.4% to CHF 611.1 million. Thanks to the increase in transalpine traffic through Switzerland, "Other revenues", which include government financial support, were kept stable despite declining operating contributions per unit.

Cost of the services provided rose in line with net revenues by 5.7% to CHF 561.3 million, resulting in a slightly lower gross profit margin of 20.2% (previous year 21.08%) due to the unchanged "Other revenues". In terms of indirect costs, the consolidation of ERS GmbH was again particularly noticeable, as only seven months were included in the balance sheet in the previous year. Due to the continued significant investments, depreciation and value adjustments increased by approximately 2% or CHF 1.1 million.

+10.5%



The ordinary operating result before financial items thus fell by CHF 2.8 million or 24.4%.

Increased bank loans to finance investments led to an increase in financial expenses of CHF 0.7 million despite lower interest rates, while currency losses of CHF 1.0 million were offset by a lawsuit that was won and a positive effect on earnings of CHF 1.5 million. The absence of the one-off positive effect from the sale of a participation in the previous year (CHF 1.9 million) and

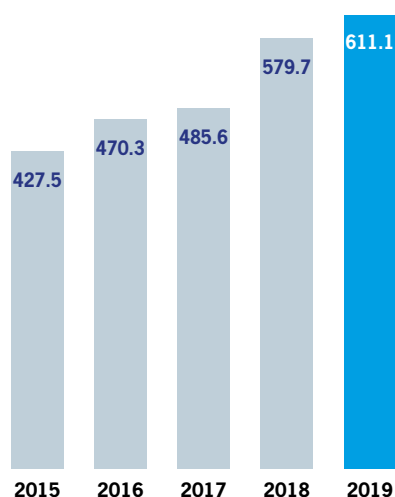
lower contributions to earnings from associated companies ultimately led to a CHF 2.8 million lower but nevertheless satisfactory Group result of CHF 5.1 million.

EBITDA, on the other hand, increased by around 4.6% to CHF 55.4 million. At CHF 72.7 million, investments remained high due to projects lasting several years, albeit somewhat lower than in the previous year.

Amounts in 1000 CHF	2019	2018	%
Income from supplies and services	611,148	579,723	5.4
Other income	73,768	73,675	0.1
Cost of the services	561,331	531,166	5.7
Gross profit	123,585	122,232	1.1
Group's operating profit	5,126	7,886	-35.0
EBITDA	55,442	53,020	4.6

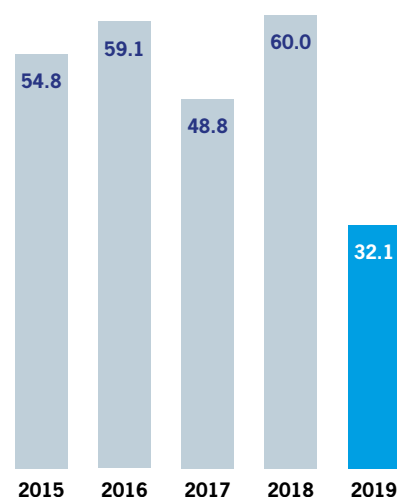
Annual turnover

in million CHF



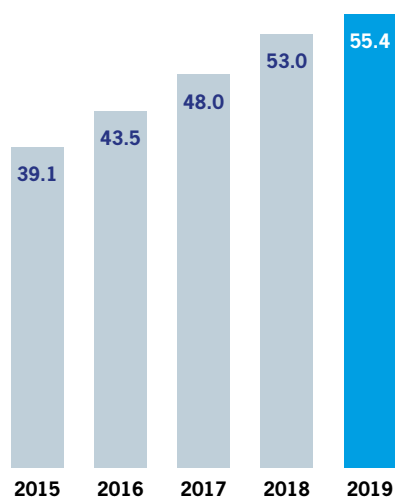
Operating cash flow

in million CHF



EBITDA

in million CHF



Investments in tangible fixed assets

in million CHF

