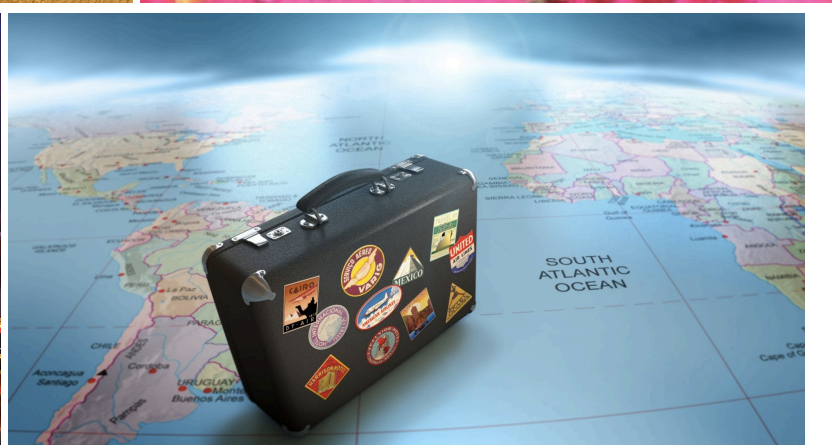




2018

# CREATING VALUE IN THE TRAVEL & LEISURE SECTOR

*AVA Research on the main European listed companies*



# Introduction

This research investigates the **European Travel&Leisure sector** based on a sample of 50 leading European listed companies.

These companies are further classified into the following market sub-sectors: **Broadcast & Entertain, Food Retail&Wholesale, Gambling, Hotels, Real Estate Hold.&Dev., Recreational Products, Recreational Services, Restaurants & Bars, Toys, Travel & Tourism.**

Their performance is analyzed using four different approaches. The first is **The Traditional Approach** which examines common indicators such as Sales, EBIT and Profit. The other three approaches: **The EVA® View, The EVA® People-Based View and The Market View** are designed to measure companies' ability to create Value. The **EVA® People-Based View** investigates the issues of productivity and employees' value creation. **The Market View**, on the other hand, focuses on understanding market expectations regarding future company performance in terms of created Value. Thus, it serves as a basic tool to revise business plans and improve incentive schemes to achieve the set objectives.

Finally, Active Value Advisors provides its point of view about some recent "**Hot Topics**" companies need to deal with when they face challenges related to **profitability, efficiency and organizational flexibility** or when they need to take full advantage of **technology (i.e. Big Data, Cloud Computing, Business Intelligence)** in the most profitable way.

Active Value Advisors believes that properly managing and constantly monitoring information through **Business Intelligence & Analytics tools** can contribute significantly to an exceptional performance. Another extremely important driver in this historical context is related to the **organizational dimension** which represents the "real challenge" companies have to face in order to deal effectively with the complexity of the current competitive environment.

# How to measure company performance?

## TRADITIONAL APPROACH

### Analysis of traditional performance indicators and KPIs

Investigating companies' performance we couldn't omit the **analysis of margins and profitability**. Therefore, we initially examined traditional performance indicators such as Sales, EBIT and Net profit.

## EVA® VIEW

### Analysis of Value creation

Sometimes, though, the adoption of a traditional approach might make us short-sighted and unable to detect possible problems related to the performed strategy or to come up with solutions. A methodology based on the actual Value created by a company addresses these issues.

A company generates **Value** when its Return on Invested Capital (**ROIC**) is higher than what investors expect to get by taking on an equally risky investment (**WACC**).

Value creation is assessed using the EVA® formula:

$$\text{EVA}^{\circledR} = (\text{ROIC} - \text{WACC}) * \text{Invested Capital}^1$$

## EVA® PEOPLE BASED

### Human Resources productivity

One of the main features of the EVA® methodology is that it provides some alternative ways of reading the management performance achieved by the company and allows to associate the created **Value** with the determinants that have contributed to generate it.

Indeed, by applying a simple algebraic decomposition to the traditional EVA® formulation we can obtain the EVA® People Based formula, an Economic Profit computed considering **“People” instead of “Capital”**:

$$\text{EVA}^{\circledR} \text{ People Based} = (\text{Labour Productivity} - \text{Average Labour Cost}) * \text{N}^{\circ} \text{Employees}$$

## MARKET VIEW

### Sustaining performance over time

Creating wealth and value through performance improvements is one of the core aspects of “doing business”. Nevertheless, ensuring business Sustainability over time is certainly not less important.

Analyzing current performance is a very good starting point, but it is equally important to understand market expectations about **future performance**:

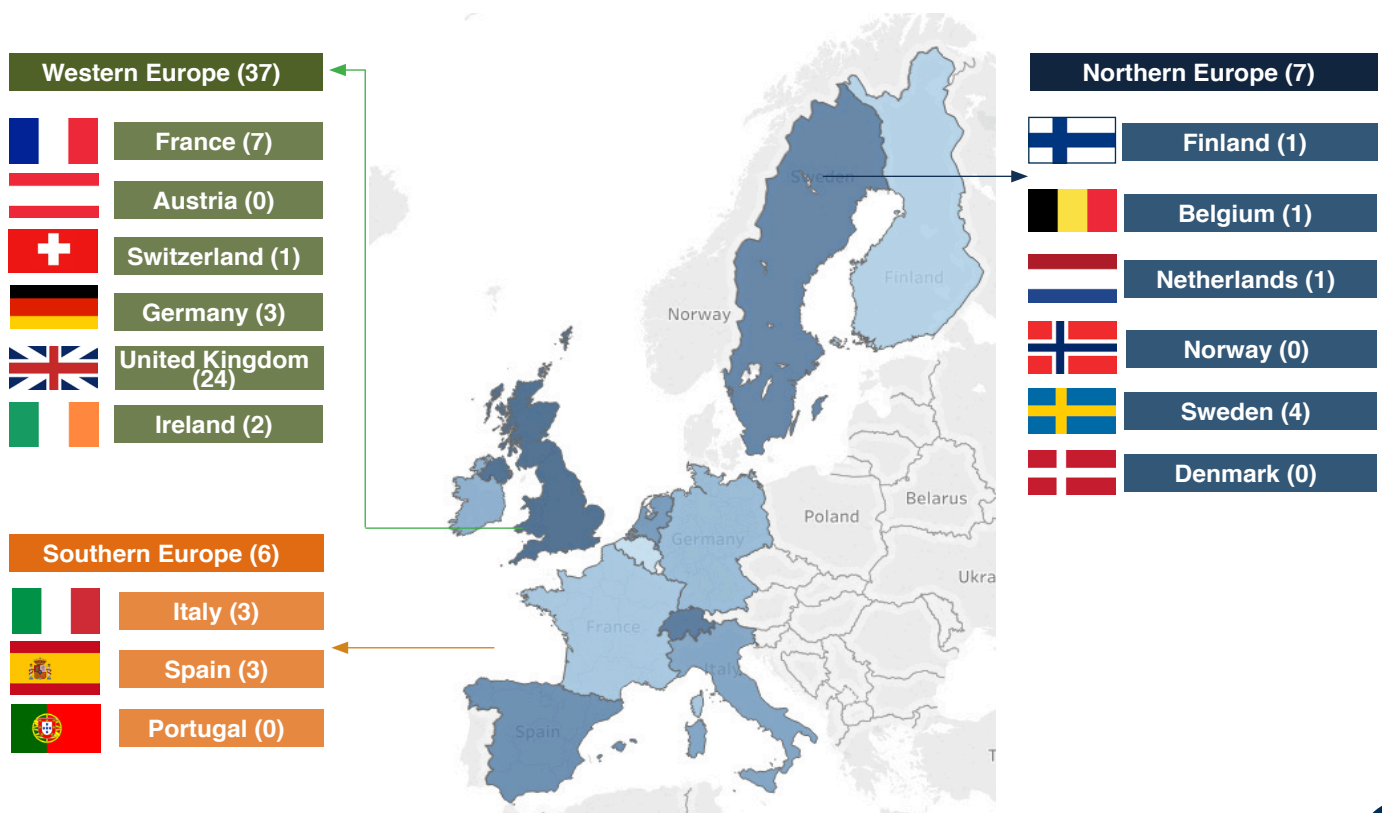
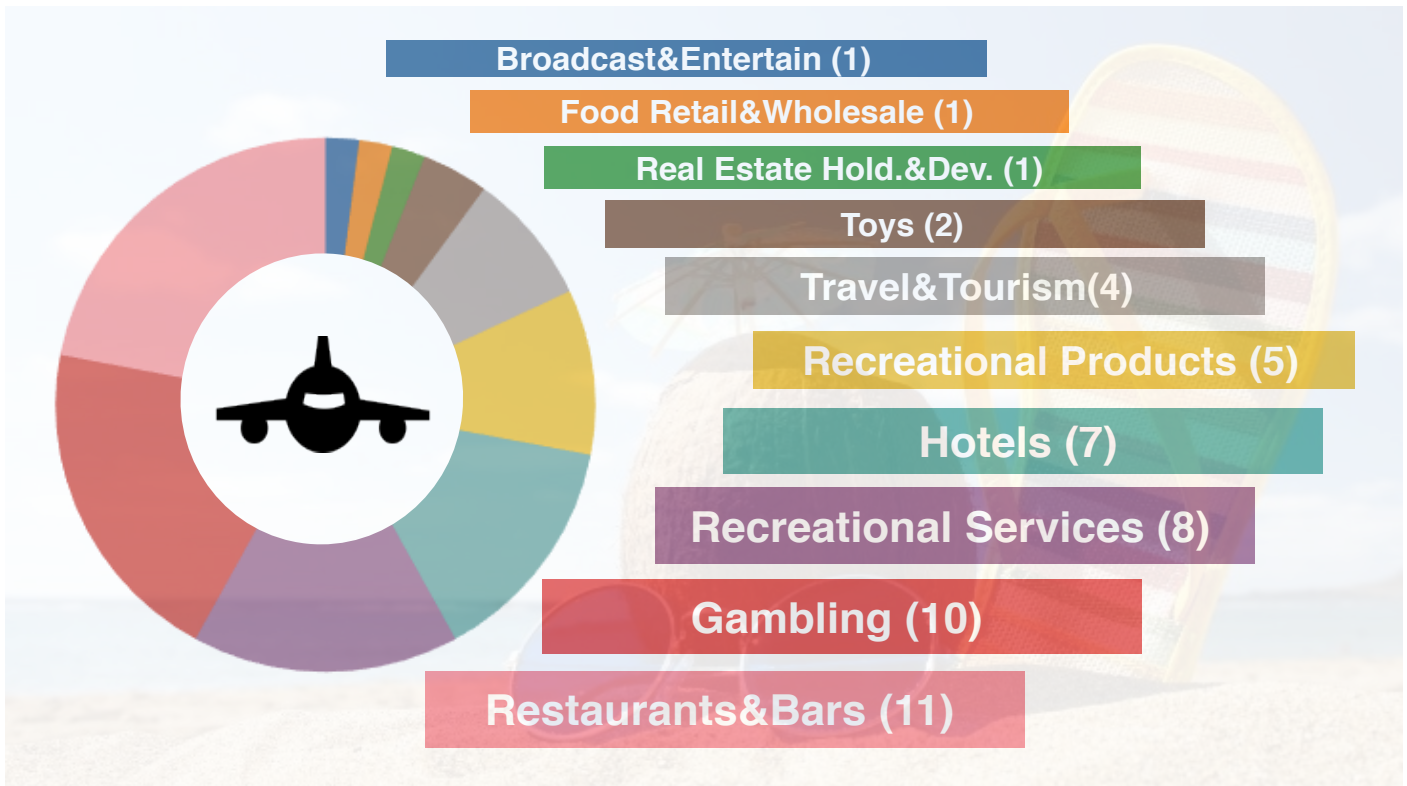
- *Is a positive EVA® performance likely to repeat in the future?*
- *Does the market believe in a possible turnaround for negative EVA® performances?*

<sup>1</sup> AVA advises to use Invested Capital net of goodwill for management purposes and applies this best practice to the EVA® View and EVA® People-Based analyses. The Market View analysis and price decomposition instead is carried out using Invested Capital without netting out goodwill.

# The research sample

This study investigates the performance of the **Travel&Leisure sector** in 2017 by analyzing a basket of **European listed companies**.

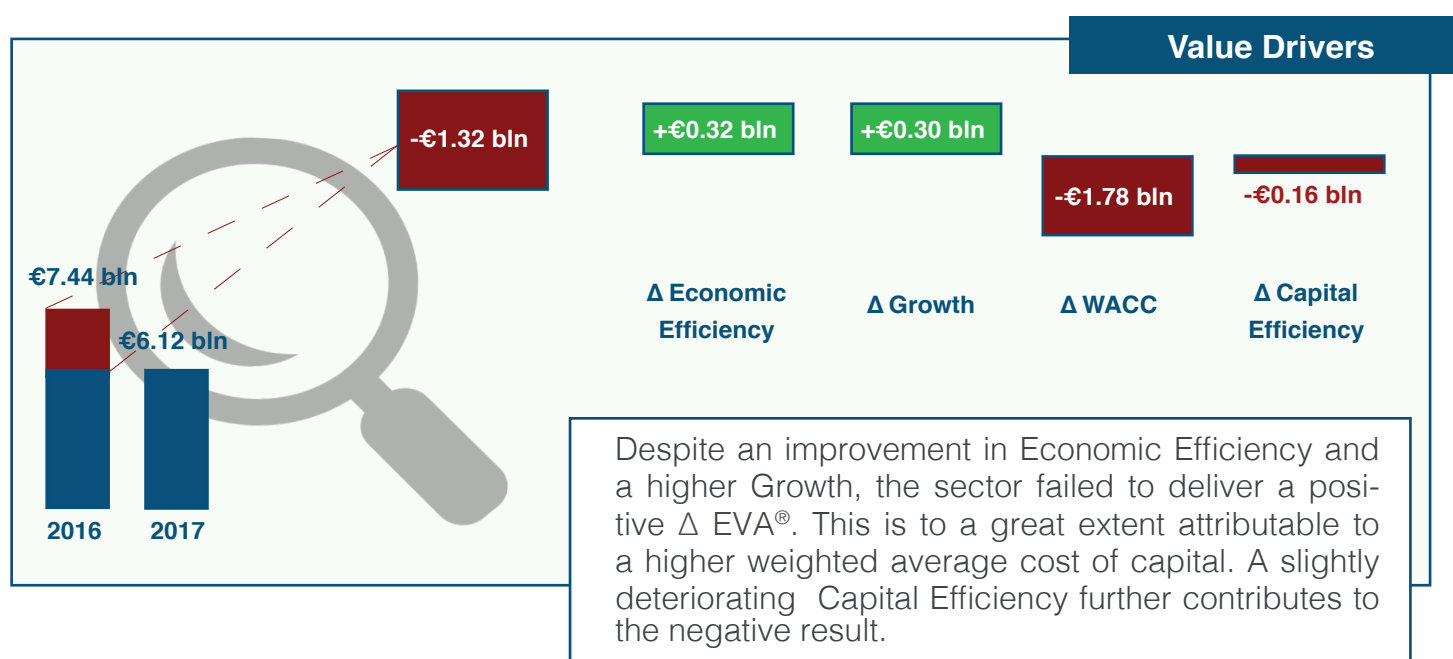
The sample is composed of **50** leading companies listed on the main European exchanges. The companies have been further categorized into the following subsectors:



# The Travel&Leisure sector in a nutshell

Sales for the Travel&Leisure companies in the sample grew by 7.1% w.r. to 2016 and exceeded €130,0 bln in 2017. **Positive strides** were made also in terms of sector **profitability** with profit margins reaching 6.7% (+0.7 p.p. w.r. to 2016). The **Real Estate Hold.&Dev.** and **Hotels** subsectors excel in this context with profit margins of 73.6% and 13.7% respectively.

As far as **Value creation** is concerned, the sector failed to deliver an improvement relative to 2016, In fact, EVA<sup>®</sup> contracted by 17.7% hitting a €6.1 bln low in 2017. In terms of Value creation, the **Travel & Tourism** and **Restaurants & Bars** subsectors stand out with an EVA<sup>®</sup>/company of €257.6 mln and €256.6 mln respectively, compared to a €142.3 mln sector average.



Average **employee productivity**, at €25.7k in 2017, registered a -11.1% drop relative to 2016. In the context of employee productivity, the **Toys** subsector's performance is distinctive with an average €68.3k/employee. **Broadcast & Entertain** companies place second with an average €66.8k/employee productivity.

What do the markets tell us about the Travel&Leisure sector? The picture here is **not particularly optimistic**. The sector FGV stays negative and deteriorates further in 2017. What does it mean? A negative sector FGV implies that the expected return implicit in stock prices is now lower than the actual return obtained. In other words, investors do not expect future performance improvements in the Travel&Leisure sector. This is true for the Recreational Services, Restaurants & Bars, Travel & Tourism e Food Retail&Wholesale. As far as the other sectors are concerned, the markets are more positive.

# The Traditional Approach



## TRADITIONAL APPROACH

The table below shows the **Top 10** companies based on the **The Traditional Approach**.

In the three columns we have reported respectively:

- the **differential (%) between 2017 and 2016 Sales**
- the **2017 EBIT/Sales**
- the **2017 Profit/Sales**.

The Swedish company, **Pandox**, has the highest Profit/Sales margin.

	PANDOX
	ICTL.HTLS.GP.
	BET-AT-HOME.COM
	JUNGFRAUBAHN 'R'
	ON THE BEACH GROUP
	ACCOR
	DALATA HOTEL GROUP
	GAMES WORKSHOP
	BETSSON 'B'
	CARNIVAL

Δ Sales (2017-2016)	EBIT/Sales	Profit/Sales
6%	37%	74%
2%	42%	33%
5%	24%	23%
13%	25%	22%
11%	29%	21%
21%	25%	20%
20%	26%	19%
27%	19%	17%
12%	19%	15%
7%	17%	14%

\*See the complete table at page 15

# Value Creation - The EVA® View



The following table shows the **Top 10** companies based on the **EVA® View**.

In the five columns we have reported respectively:

- the **2017 EVA®/Sales**
- the sign of **EVA®**
- the sign of the **EVA® variation between 2017 and the 2016-2015 mean**
- the sign of the **Sales variation between 2017 and the 2016-2015 mean**
- the **Status, or the label used by AVA to assess companies' performance.**

	EVA®/Sales	EVA® (+/-)	ΔEVA® (+/-)	ΔSales (+/-)	Status
ICTL.HTLS.GP.	35%	+	+	-	Focusing
ON THE BEACH GROUP	25%	+	+	+	Champion
BET-AT-HOME.COM	22%	+	+	+	Champion
BETSSON 'B'	16%	+	-	+	Need for control
WILLIAM HILL	14%	+	-	-	Falling Angel
888 HOLDINGS	13%	+	+	+	Champion
ACCOR	12%	+	-	-	Falling Angel
GAMES WORKSHOP	12%	+	+	+	Champion
DOMINO'S PIZZA GROUP	12%	+	-	+	Need for control
WHITBREAD	12%	+	-	-	Falling Angel

**Focusing**

Companies featuring slower growth but higher and more focused Value Creation.

**Champion**

Companies with an outstanding and improving performance in terms of both sales growth and adopting an EVA® view.

**Need for control**

Companies featured by a temporary downturn.

## WHAT IS EVA® ?



EVA® is a residual Income, i.e. the residual value of Sales after deducting the cost of all operating factors, including the opportunity cost of the capital invested by shareholders.

## Falling Angel

Companies, once Champions, but now facing decreasing performances both in terms of EVA® and Sales. It may thus be necessary to revise the Value Proposition.

\*See the complete table at page 16











# Value Creation- The People-Based Approach

## EVA® PEOPLE BASED

The following table represents the **Top 10** companies in the sample, for what concerns the **EVA® People Based**.

In the three columns we have reported respectively:

- the **2017 Number of Employees**
- the **2017 Productivity** per employee
- the **2017 EVA®** per employee.

	N° Employees	Productivity/ Employee (€ '000)	EVA®/Employee (€ '000)
 GAMES WORKSHOP	110	821	199
 JPJ GROUP	209	371	183
 BET-AT-HOME.COM	302	166	106
 ICTL.HTLS.GP.	6,658	166	82
 ON THE BEACH GROUP	337	93	69
 EI GROUP	1,369	89	47
 888 HOLDINGS	1,310	115	46
 BETSSON 'B'	1,873	86	43
 ARSENAL HOLDINGS	695	364	40
 DOMINO'S PIZZA GROUP	1,749	83	36



British companies top the list according to the **EVA® People Based Approach**.

**Games Workshop's** employees are the most productive and generate significant Value.



\*See the complete table at page 17



# The Market: sustaining performance



Share prices are usually defined “**forward looking**” in that they embed valuable information about a company’s performance expectations. Through daily quotations, the capital market quantifies the expectations of multiple investors about the company’s future performance.

By decomposing a company’s value it is possible to **learn about market expectations** and, most of all, to quantify the company’s performance improvements needed to meet (or exceed) these expectations.

### Market Value Added (MVA)

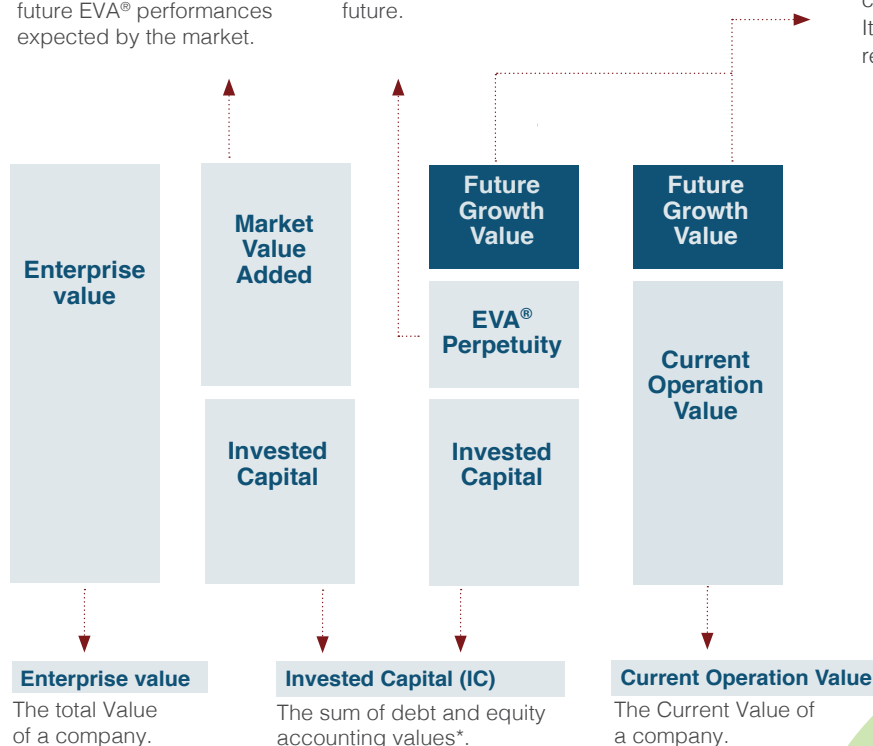
A measure of the Value created by a company. It can be seen as the sum of all the future EVA® performances expected by the market.

### EVA® Perpetuity

The portion of MVA explained by the company’s ability to replicate the achieved results (2017) in the future.

### Future Growth Value

The difference between MVA and EVA® Perpetuity. It quantifies market expectations about a company’s future over (or under) performance. It is the present value of the future  $\Delta$ EVA®s with respect to the last EVA® recorded (EVA® 2017).



### ROIC

ROIC (actual) is the Return generated by the Capital Invested (IC) in the company. It is calculated using accounting values.

### ROIC° (ROIC expected)

ROIC° (expected), implicit in market prices, represents the “theoretical” Return required by investors to meet market expectations.

## WHAT DOES THIS METHODOLOGY MEAN FOR COMPANIES?

The understanding of the expected performance improvements implied in a company’s share price gives companies the opportunity to revise and adjust their business plans. Moreover, it provides the board with information to assist decision-making in areas such as **target setting** and **management incentive schemes**.

A Company with a high FGV needs to deliver positive  $\Delta$ EVA®s to avoid the stock price taking on a downward trend. Similarly, a high FGV company will find it difficult to increase its share price- it would need to outperform its expected EVA® performance. Such a company will have a ROIC° higher than its actual ROIC.











A company with a negative FGV will instead need relatively small improvements to beat market expectations and achieve a higher share price. Such a company will have a ROIC° that is lower than its actual ROIC.

\* AVA advises to use Invested Capital net of goodwill for management purposes and applies this best practice to the EVA® View and EVA® People-Based analyses. The Market View analysis and price decomposition instead is carried out using Invested Capital without netting out goodwill.




# The Market: Prices and Expectations

Accordingly, a company's share price can be decomposed into two elements: the **Current Value Component** and the **Future Value Component**.

The table below shows data on: **Share Prices**, **Price components**, **ROIC** and **ROIC<sup>e</sup>** for the top 10 companies by market capitalization and for the Italian companies in the sample (share prices as of December, 29th 2017).

	Price/share (€)	=	Current Value Component (€)	+	Future Value Component (€)	ROIC	ROIC <sup>e</sup>
 COMPASS GROUP	18.03	=	20.94	+	-2.91	129%	113%
 ACCOR	43.00	=	30.64	+	12.36	8%	10%
 CARNIVAL	55.11	=	269.86	+	-214.75	9%	3%
 TUI	17.23	=	29.64	+	-12.40	NA	NA
 ICTL.HTLS.GP.	53.16	=	56.66	+	-3.50	113%	107%
 PADDY POWER BETFAIR	99.42	=	69.27	+	30.15	6%	9%
 WHITBREAD	45.06	=	60.14	+	-15.08	15%	12%
 UBISOFT ENTM.	64.14	=	29.88	+	34.26	12%	26%
 MERLIN ENTERTAINMENTS	4.09	=	4.41	+	-0.32	14%	13%
 CTS EVENTIM	38.35	=	33.50	+	4.85	NA	NA

## FOCUS ON ITALY

 AUTOGRILL	11.50	=	0.42	+	11.08	4%	18%
 TECHNOGYM	8.08	=	4.80	+	3.27	38%	63%
 JUVENTUS FOOTBALL CLUB	0.76	=	-1.62	+	2.38	-39%	24%

\*See the complete table at page 18

# Our “Hot Topics”

## Revenue Management

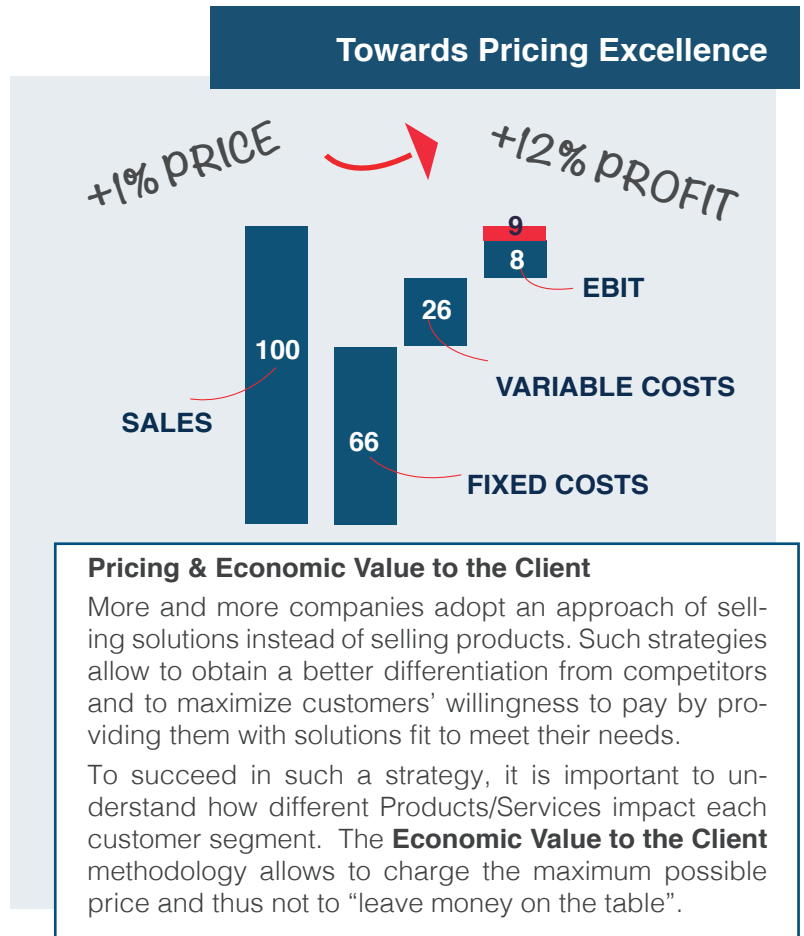
### A wide range of opportunities to increase Value

The primary aim of Revenue Management is selling the right product to the right customer at the right time for the right price and with the right configuration. The essence of this discipline is understanding customers’ perceptions about Product Value and accurately aligning Product Prices, Placement and Availability for each Customer segment. Revenue Management absorbs a wide range of opportunities to increase Value. Pricing is the most important Revenue Management lever.

#### Why not to use a data-driven strategy to meet these challenges and increase Revenues?

Active Value Advisors approaches the issue of Revenue Management by integrating specialized competences and the use of state-of-the-art Business Intelligence tools.

With Self BI tools like Tableau Software or Qlik, we can provide different solutions and models that are tailored to customer needs and quickly available. Win/Loss models, Price waterfall, Price elasticity, Price corridors, Variance analysis and many others are powerful tools to address operational and decisional mechanisms. The main aim of a Pricing strategy is understanding and “anticipating” the **Value created** for clients and setting prices that allow to capture this Value.



#### Pricing & Economic Value to the Client

More and more companies adopt an approach of selling solutions instead of selling products. Such strategies allow to obtain a better differentiation from competitors and to maximize customers’ willingness to pay by providing them with solutions fit to meet their needs.

To succeed in such a strategy, it is important to understand how different Products/Services impact each customer segment. The **Economic Value to the Client** methodology allows to charge the maximum possible price and thus not to “leave money on the table”.

Many of our Revenue management projects start with a diagnostic activity, quick but well-structured, based on our proprietary methodology. It allows companies to understand which operational mechanisms to change and which tools to adopt to close the gaps with respect to best practice and/or to the desired results.



# Our “Hot Topics”

## Network Analysis and the measure of Cooperation

**Why do many excellent strategies fail or do not deliver the expected results?** While there are numerous potential factors that may help explain it, there is one that is common to (almost) all cases: people. The problem is not their lack of competences or knowledge. Rather, problems arise due to corporate behaviour and the difficulty with which it can be changed and aligned with a company's strategies.

**Cooperation to reduce complexity.** “Business complexity” grew sixfold in the last sixty years.

Traditional solutions are obsolete to deliver the successful organizational change required by today's fast-changing business world. Understanding and continuously and efficiently managing corporate behaviour is therefore a must.

**What does it mean?** That to succeed in a complex and continuously changing business environment, it is necessary to work not only on the “Organizational Skeleton”, but also (and most importantly) on its “Nervous System”, i.e. how people interact and work with each other.

The **SOLUTION:** Embrace new tools to quickly understand how organizations really work (Organizational Network Analysis - ONA), to foster engagement, to promote management's behavioural change (e.g. **continuous feedback**) and to adopt **incentive schemes** designed to induce people to look for **cooperation**.

### How to be sure that the **informal organizational structure** is aligned with the **formal/desired one**?



#### Diagnostic Analysis

A web-based analysis which delivers a snapshot of the organization through diagnostic indicators and different organizational views.

- ✓ Scope and organizational focus definition
- ✓ Web-based survey (4 questions) administration
- ✓ Results analysis
- ✓ Research evidence presentation and detailed report



#### Internal Network Map

Extends some features of the platform to groups of resources in order to support internal processes, facilitate interaction and continuously monitor the organization.

- ✓ Scope and organizational focus definition
- ✓ Open web-based survey for selected groups
- ✓ Profiles and internal expertise collection
- ✓ Launch & Training

#### How to measure the level of Cooperation ?

**HOW-4** is a simple but extremely powerful Organizational Network Analysis tool. It allows to analyze organizational networks and informal relationships in complex and large organizations.

**HOW-4** can be used to map how an organization really works at different levels: company, business unit/team, individual. Specific indicators and different visualizations facilitate the reading of the evidence provided by such an analysis.

**HOW-Targets** is an optional tool that allows to understand how internal resources create groups, to discover each individual's role within such a group and to assess his/her effort and contribution relative to a company's strategic objectives.



**ORGANIZATIONAL NETWORK ANALYSIS**  
activevalue.eu

# Our “Hot Topics”

## Target Setting Outside-In

### What is it about?

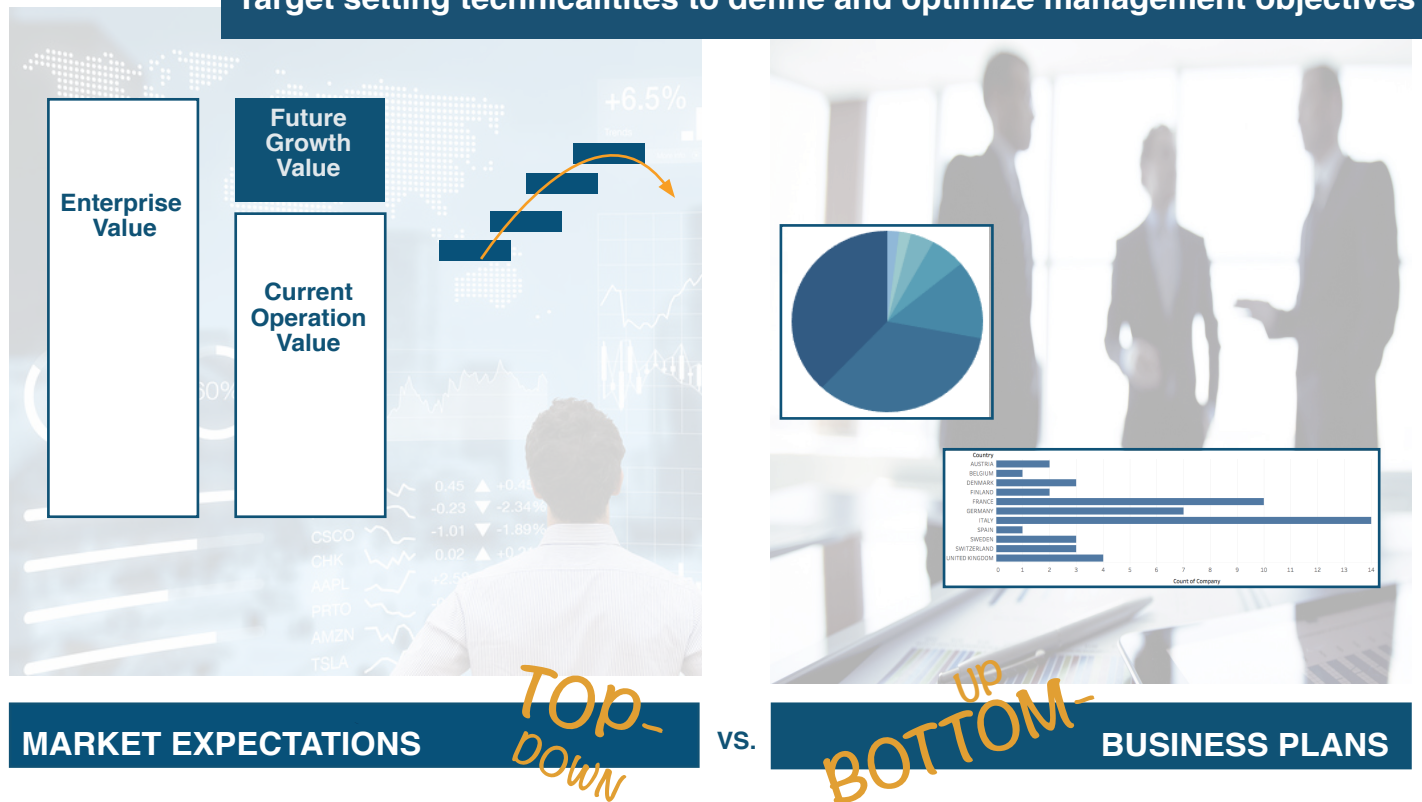
Through Target Setting modeling and simulation, it is possible to tie the expectations implicit in stock market prices to the operating results that represent the fundamental Values of a Company.

“Target setting Outside-In” represents the “reverse engineering approach” of a traditional equity valuation process. Starting from stock prices and using solid models the fundamentals that are incorporated within these prices are determined. This powerful approach, fully complementary to the traditional planning process, allows to enormously enrich it by taking advantage of all the information included in stock prices.

### What is the objective of Target Setting Outside-In?

- To assess the level of challenge of Business Plans given the ‘true’ Value of a company
- To benchmark market expectations using a group of peer companies
- To define and optimize the relevant managerial levers, with due importance given to external factors
- To enable the implementation of innovative Governance Systems by defining long-term management objectives and coherent incentive schemes BEFORE business plans are drafted.

### Target setting technicalities to define and optimize management objectives



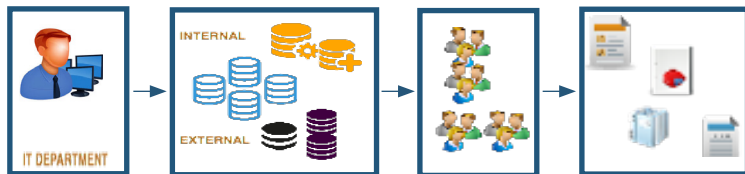
# Our “Hot Topics”

## Business Intelligence & Analytics

Data grow and change rapidly. If collected, analyzed and visualized properly they can be a source of valuable information, insights and competitive advantage. This data availability boom delineates a new role for IT teams.

In such a context, the term “Business Intelligence” is a concept that expresses the need to think beyond the paradigm of data analysis in isolation from business goals. Indeed, through **Self Business Intelligence**, technology and business objectives should blend together into a new configuration, within a solid decision-making framework. Today new technologies, such as Big Data, Analytics, Mobile and Cloud computing are able to capture massive and detailed streams of data, in a relatively **easy and convenient way**.

### Data Management “NOW”

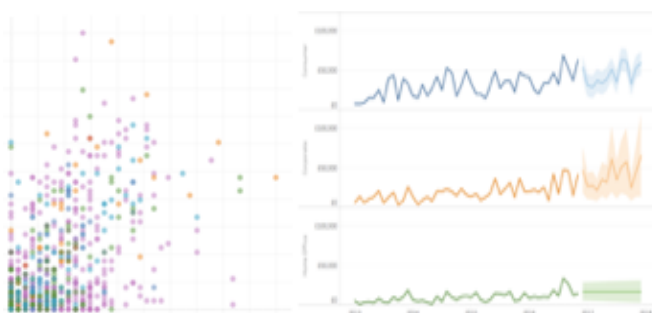
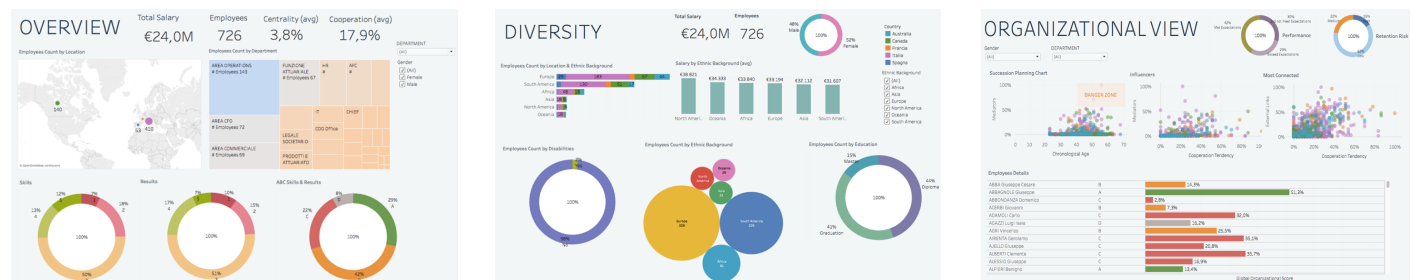


A “dynamic” model in which a Business continuously transforms data and “discovers” information that is useful at a particular point in time, making it easily understandable through data visualization and in which the IT Department acts as “the guardian” of the proper management of data sources.

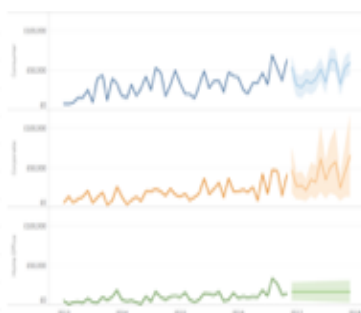
- ✔ Multitude of data available
- ✔ Data always up-to-date
- ✔ Ease of data analysis
- ✔ Data centralization and uniqueness
- ✔ Reports created by final users
- ✔ Customizable output

But having everything is not always better than having nothing. **The value of data is contingent on being able to extract information.** And, this is not just a matter of tools. The role of Management is **to know what data to look for to address relevant business issues and to maximize the use of data to support strategic decisions.**

### Numerous Graphs and Visualizations to address different needs



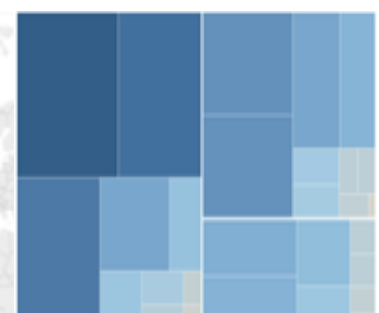
**Scatter plot**  
Spot Outliers



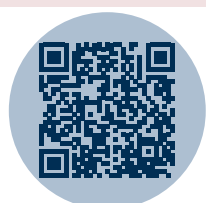
**Line graph**  
Identify trends



**Map**  
Show geographic distribution



**Tree Map**  
Visualize proportions



**CUSTOMER VALUE**  
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# Active Value Advisors

## 3 Competence Centres

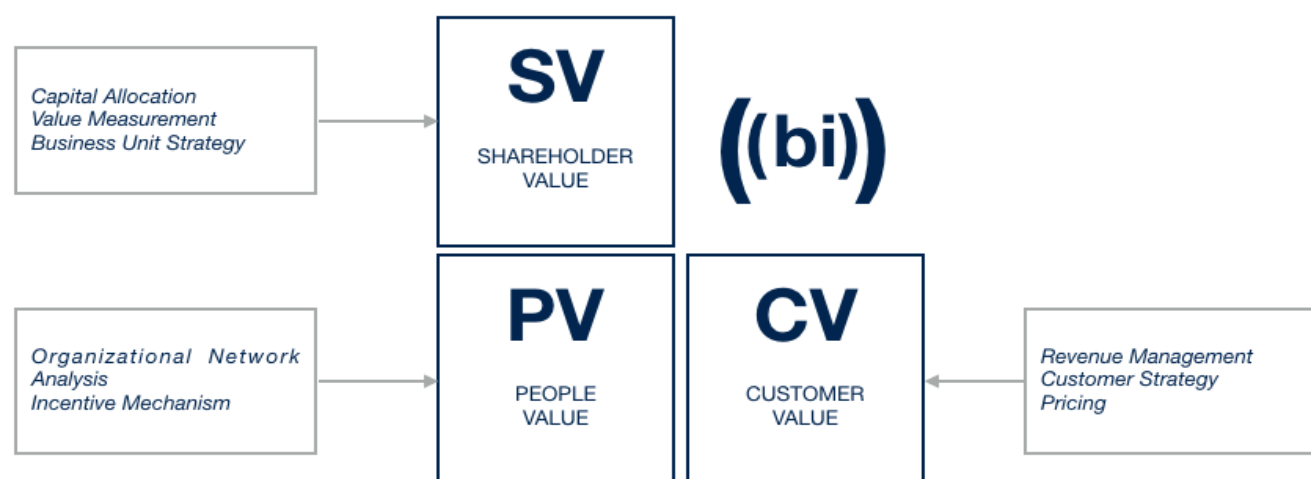
Active Value Advisors is an independent management consulting firm that acts as a partner for Companies that need to strengthen their Governance System and for Companies that want to pursue a path of growth by applying solutions consistent with the objective of creating sustainable Value.

Active Value Advisors assists such companies by leveraging successful techniques and experiences focused on Value-based management systems and by making them available to the top management through **Business Intelligence (BI) tools**.

The professionals of Active Value Advisors have a long experience in assisting major Italian listed groups in the development of Business Plans, in selecting the actions to improve Value performance and in assisting the change process required by the competitive dynamics and market opportunities.

In carrying out these mandates a common Value framework is applied to various management issues: **Shareholder Value, Customer Value and People Value**. Each competence centre responds to a fundamental dimension of the management system and addresses key stakeholders: Shareholders, Customers and Internal Resources.

Thanks to the collaboration with accredited professionals in the area of Strategic Pricing, Active Value Advisors has enriched its skills and professional methods with innovative models and tools of Value Pricing.



## Disclaimer

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# The Traditional Approach - complete table

Company	Δ Sales (%)	EBIT/Sales	Profit/Sales
888 HOLDINGS	2%	14%	2%
ACCOR	21%	25%	21%
AMER SPORTS	2%	6%	3%
ARSENAL HOLDINGS	14%	12%	8%
AUTOGRILL	1%	2%	2%
BAINS MER MONACO	-1%	-6%	-8%
BASIC-FIT	26%	6%	3%
BENETEAU	12%	6%	5%
BET-AT-HOME.COM	5%	24%	23%
BETSSON 'B'	12%	19%	17%
CARNIVAL	7%	17%	15%
CINEWORLD GROUP	6%	15%	11%
CODERE SA	10%	8%	0%
COMPAGNIE DES ALPES	6%	11%	4%
COMPASS GROUP	9%	8%	5%
CTS EVENTIM	25%	15%	11%
DALATA HOTEL GROUP	20%	26%	20%
DOMINO'S PIZZA GROUP	25%	16%	14%
EI GROUP	-3%	42%	8%
ELIOR PARTICIPATIONS	9%	5%	2%
FENIX OUTDOOR INTL	11%	13%	11%
GAMES WORKSHOP	27%	19%	19%
GREENE KING	1%	19%	7%
GREGGS	2%	8%	6%
GVC HOLDINGS	9%	8%	1%
ICTL.HTLS.GP.	2%	42%	33%
JPJ GROUP	7%	14%	-22%
JUNGFRAUBAHN 'R'	13%	25%	22%
JUVENTUS FOOTBALL CLUB	21%	-20%	10%
KINEPOLIS GROUP	9%	20%	14%
MARSTON'S	4%	18%	9%
MELIA HOTELS INTL.	5%	11%	7%
MERLIN ENTERTAINMENTS	4%	20%	12%
MILLENNIUM & CPTH.HTLS.	3%	16%	12%
MITCHELLS & BUTLERS	-1%	14%	3%
NH HOTEL GR	7%	7%	2%
ON THE BEACH GROUP	11%	29%	22%
PADDY POWER BETFAIR	9%	15%	12%
PANDOX	6%	37%	74%
RANK GROUP	-5%	12%	9%
RESTAURANT GROUP	-9%	9%	5%
SCANDIC HOTELS GROUP	9%	7%	5%
TECHNOGYM	8%	15%	10%
THOMAS COOK GROUP	9%	4%	0%
TRIGANO	30%	8%	7%
TUI	8%	4%	3%
UBISOFT ENTM.	5%	14%	7%
WETHERSPOON (JD)	-1%	8%	3%
WHITBREAD	1%	19%	14%
WILLIAM HILL	1%	16%	-5%



# Value Creation - complete table

Company	EVA®/ Sales	EVA® +/-	Δ EVA® +/-	Δ Sales +/-	Status
888 HOLDINGS	13%	+	+	+	Champion
ACCOR	12%	+	-	-	Falling Angel
AMER SPORTS	3%	+	-	+	Need for control
ARSENAL HOLDINGS	6%	+	+	+	Champion
AUTOGRILL	-1%	-	-	+	What after growth?
BAINS MER MONACO	-12%	-	-	+	What after growth?
BASIC-FIT	1%	+	+	+	Champion
BENETEAU	3%	+	+	+	Champion
BET-AT-HOME.COM	22%	+	+	+	Champion
BETSSON 'B'	16%	+	-	+	Need for control
CARNIVAL	8%	+	-	+	Need for control
CINEWORLD GROUP	11%	+	+	+	Champion
CODERE SA	0%	+	+	+	Champion
COMPAGNIE DES ALPES	4%	+	+	+	Champion
COMPASS GROUP	6%	+	+	+	Champion
CTS EVENTIM	10%	+	+	+	Champion
DALATA HOTEL GROUP	11%	+	+	+	Champion
DOMINO'S PIZZA GROUP	12%	+	-	+	Need for control
EI GROUP	9%	+	-	-	Falling Angel
ELIOR PARTICIPATIONS	2%	+	-	+	Need for control
FENIX OUTDOOR INTL	8%	+	+	+	Champion
GAMES WORKSHOP	12%	+	+	+	Champion
GREENE KING	11%	+	-	+	Need for control
GREGGS	6%	+	-	-	Falling Angel
GVC HOLDINGS	7%	+	+	+	Champion
ICTL.HTLS.GP.	35%	+	+	-	Focusing
JPJ GROUP	11%	+	NA	+	NA
JUNGFRAUBAHN 'R'	10%	+	+	+	Champion
JUVENTUS FOOTBALL CLUB	-27%	-	-	+	What after growth?
KINEPOLIS GROUP	11%	+	+	+	Champion
MARSTON'S	5%	+	-	-	Falling Angel
MELIA HOTELS INTL.	2%	+	-	+	Need for control
MERLIN ENTERTAINMENTS	10%	+	-	+	Need for control
MILLENNIUM & CPTH.HTLS.	-2%	-	-	-	Need for rebirth
MITCHELLS & BUTLERS	6%	+	-	-	Falling Angel
NH HOTEL GR	-2%	-	-	+	What after growth?
ON THE BEACH GROUP	25%	+	+	+	Champion
PADDY POWER BETFAIR	2%	+	-	+	Need for control
PANDOX	-21%	-	-	+	What after growth?
RANK GROUP	8%	+	-	-	Falling Angel
RESTAURANT GROUP	5%	+	-	-	Falling Angel
SCANDIC HOTELS GROUP	4%	+	+	+	Champion
TECHNOGYM	9%	+	+	+	Champion
THOMAS COOK GROUP	4%	+	-	+	Need for control
TRIGANO	5%	+	+	+	Champion
TUI	3%	+	+	-	Focusing
UBISOFT ENTM.	7%	+	+	+	Champion
WETHERSPOON (JD)	4%	+	-	-	Falling Angel
WHITBREAD	11%	+	-	-	Falling Angel
WILLIAM HILL	14%	+	-	-	Falling Angel



## Need for control

Companies featured by a temporary downturn.



## Champion

Companies with an outstanding and improving performance in terms of both sales growth and adopting an EVA® view.



## Falling Angel

Companies, once Champions, but now facing decreasing performances both in terms of EVA® and Sales. It may thus be necessary to revise the Value Proposition.



## Need for rebirth

Companies with worsening results, affected by heavy difficulties and witnessing a complete Value destruction.



## What after growth?

Companies focused solely on growth. It may be necessary to verify/revise business objectives.



## Focusing

Companies featuring slower growth but higher and more focused Value Creation.



## On the right path

Companies with clearly and correctly defined objectives, featuring performance improvements, though not 'Champions' yet.



## Restructuring

Companies on a path to 'rebirth'.

## The People-Based Approach- complete table

Company	N° Employees	Productivity/ Employee (€'000)	EVA <sup>®</sup> / Employee (€'000)
888 HOLDINGS	1,310	115	46
ACCOR	192,627	5	1
AMER SPORTS	8,607	69	8
ARSENAL HOLDINGS	695	364	40
AUTOGRILL	41,142	36	-1
BAINS MER MONACO	4,148	44	-13
BASIC-FIT	3,562	18	1
BENETEAU	6,778	53	6
BET-AT-HOME.COM	302	166	106
BETSSON 'B'	1,873	86	43
CARNIVAL	99,200	32	13
CINEWORLD GROUP	10,232	24	10
CODERE SA	13,050	20	0
COMPAGNIE DES ALPES	5,170	55	6
COMPASS GROUP	588,112	22	3
CTS EVENTIM	3,600	67	29
DALATA HOTEL GROUP	4,326	31	9
DOMINO'S PIZZA GROUP	1,749	83	36
EI GROUP	1,369	89	47
ELIOR PARTICIPATIONS	127,153	23	1
FENIX OUTDOOR INTL	2,270	62	18
GAMES WORKSHOP	110	821	199
GREENE KING	25,473	37	11
GREGGS	21,549	22	3
GVC HOLDINGS	2,657	79	25
ICTL.HTLS.GP.	6,658	166	82
JPJ GROUP	209	371	183
JUNGFRAUBAHN 'R'	542	125	32
JUVENTUS FOOTBALL CLUB	323	478	-349
KINEPOLIS GROUP	1,771	54	22
MARSTON'S	14,814	21	4
MELIA HOTELS INTL.	21,326	25	2
MERLIN ENTERTAINMENTS	19,871	33	9
MILLENNIUM & CPTH.HTLS.	11,602	34	-2
MITCHELLS & BUTLERS	45,891	20	3
NH HOTEL GR	11,082	35	-3
ON THE BEACH GROUP	337	93	69
PADDY POWER BETFAIR	7,503	64	6
PANDOX	1,130	-14	-83
RANK GROUP	10,378	30	6
RESTAURANT GROUP	14,799	21	3
SCANDIC HOTELS GROUP	16,000	35	4
TECHNOGYM	1,947	93	28
THOMAS COOK GROUP	21,788	67	17
TRIGANO	6,501	49	13
TUI	66,577	20	9
UBISOFT ENTM.	11,907	61	8
WETHERSPOON (JD)	22,780	29	3
WHITBREAD	52,580	24	7

## The Market - complete table (prices as of 29.12.2017)

Company	Price/share (€)		Current Value Component (€)		Future Value Component (€)	ROIC	ROIC*
888 HOLDINGS	3.17	=	3.81	+	-0.64	NA	NA
ACCOR	43.00	=	30.64	+	12.36	8%	10%
AMER SPORTS	23.09	=	18.78	+	4.31	12%	15%
ARSENAL HOLDINGS	29854.11	=	17254.33	+	12599.78	11%	19%
AUTOGRILL	11.50	=	0.42	+	11.08	4%	18%
BAINS MER MONACO	54.01	=	-31.68	+	85.69	-5%	8%
BASIC-FIT	20.11	=	4.35	+	15.76	5%	12%
BENETEAU	19.95	=	17.18	+	2.77	14%	18%
BET-AT-HOME.COM	104.37	=	138.24	+	-33.87	NA	NA
BETSSON 'B'	5.88	=	17.12	+	-11.24	46%	17%
CARNIVAL	55.11	=	269.86	+	-214.75	9%	3%
CINEWORLD GROUP	2.99	=	3.89	+	-0.90	30%	24%
CODERE SA	7.99	=	-0.42	+	8.41	9%	20%
COMPAGNIE DES ALPES	32.68	=	52.87	+	-20.19	7%	5%
COMPASS GROUP	18.03	=	20.94	+	-2.91	129%	113%
CTS EVENTIM	38.35	=	33.50	+	4.85	NA	NA
DALATA HOTEL GROUP	6.31	=	7.85	+	-1.55	9%	7%
DOMINO'S PIZZA GROUP	3.89	=	2.73	+	1.16	58%	81%
EI GROUP	1.59	=	5.88	+	-4.29	7%	4%
ELIOR PARTICIPATIONS	16.81	=	23.93	+	-7.13	7%	6%
FENIX OUTDOOR INTL	99.17	=	114.68	+	-15.51	28%	25%
GAMES WORKSHOP	29.66	=	16.51	+	13.15	50%	94%
GREENE KING	6.25	=	21.30	+	-15.05	13%	6%
GREGGS	15.76	=	16.21	+	-0.45	27%	27%
GVC HOLDINGS	10.42	=	5.15	+	5.27	53%	108%
ICTL.HTLS.GP.	53.16	=	56.66	+	-3.50	113%	107%
JPJ GROUP	9.33	=	8.89	+	0.44	22%	23%
JUNGFRAUBAHN 'R'	108.71	=	178.43	+	-69.72	7%	4%
JUVENTUS FOOTBALL	0.76	=	-1.62	+	2.38	-39%	24%
KINEPOLIS GROUP	55.66	=	40.77	+	14.89	14%	18%
MARSTON'S	1.27	=	2.97	+	-1.70	8%	5%
MELIA HOTELS INTL.	11.50	=	9.04	+	2.46	8%	9%
MERLIN ENTERTAIN-	4.09	=	4.41	+	-0.32	14%	13%
MILLENNIUM & CPTH.	6.59	=	8.05	+	-1.46	4%	4%
MITCHELLS & BUTLERS	3.19	=	11.33	+	-8.14	9%	4%
NH HOTEL GR	6.00	=	1.42	+	4.58	4%	9%
ON THE BEACH GROUP	5.29	=	4.43	+	0.86	NA	NA
PADDY POWER BETFAIR	99.42	=	69.27	+	30.15	6%	9%
PANDOX	16.12	=	-1.63	+	17.75	2%	4%
RANK GROUP	2.72	=	4.07	+	-1.35	25%	17%
RESTAURANT GROUP	3.39	=	5.62	+	-2.23	21%	13%
SCANDIC HOTELS GROUP	11.98	=	18.95	+	-6.97	14%	10%
TECHNOGYM	8.08	=	4.80	+	3.27	38%	63%
THOMAS COOK GROUP	1.38	=	5.03	+	-3.65	NA	NA
TRIGANO	147.30	=	123.69	+	23.61	26%	32%
TUI	17.23	=	29.64	+	-12.40	NA	NA
UBISOFT ENTM.	64.14	=	29.88	+	34.26	12%	26%
WETHERSPOON (JD)	14.16	=	16.95	+	-2.79	12%	10%
WHITBREAD	45.06	=	60.14	+	-15.08	15%	12%
WILLIAM HILL	3.63	=	6.99	+	-3.36	57%	31%



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