

Center Parcs Investor Presentation 17 July 2020

Results for the 52 weeks to 23 April 2020



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Section 1

UK Overview & COVID-19 Update



Center Parcs Overview

FY20 Highlights

Pre COVID-19 Forced Closure

- Excellent pre-COVID trading performance in the 52 weeks to 27 Feb prior to forced closure
- Revenue and EBITDA both up 4.4% and 3.7% vs. the equivalent period in FY19

FY20 Results

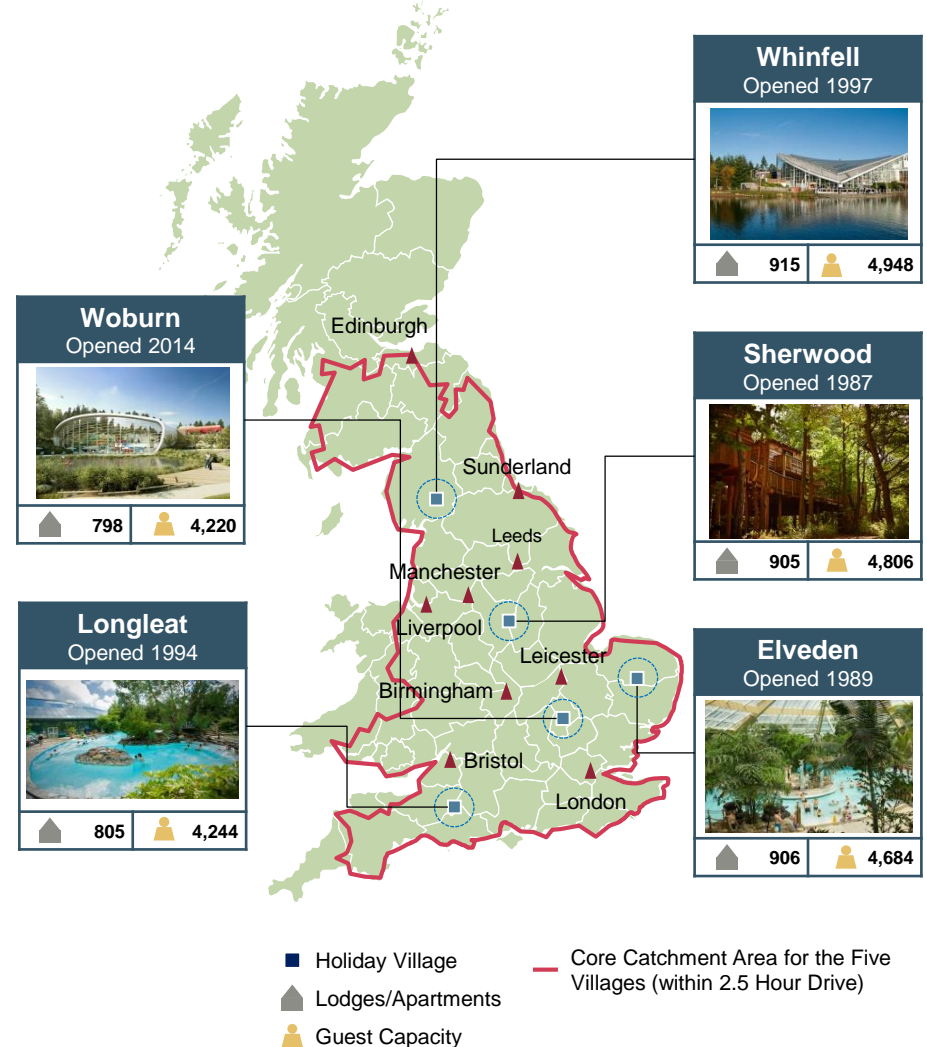
- KPI's were impacted by the closure of the holiday villages, resulting in revenue and EBITDA down (7.6)% and (14.0)% respectively on the prior year

Outlook

- Villages successfully reopened on Monday 13th July with a self imposed reduction in accommodation capacity and activities to ensure that social distancing guidelines are enforced
- Occupancy levels will be reviewed when operations stabilise
- Strong indications that demand for Center Parcs breaks is high, with Q4 up 10% year to date

Note: Center Parcs also has a village in Longford, ROI outside of the WBS group

Summary of Lodge and Guest Numbers



Implications of COVID-19 on Center Parcs

- Temporarily closed all 5 UK villages from Friday 20th March 2020
- Affected guests who booked breaks that were subsequently cancelled when the villages closed were offered the option to change the date or a full refund
 - ❑ Center Parcs offered a financial incentive of £100 per accommodation unit for guests opting to change the date during the period of closure
 - ❑ c.35% of guests chose to change date
- On 25th June, we confirmed a reopening date of Monday 13th July for all UK villages, which has gone ahead successfully. Significant preparation was undertaken for reopening, with a number of new measures put in place to help us open safely
- Indications are there is strong pent up / latent demand for Center Parcs now that the villages have reopened

We Took the Right Steps During the Lockdown

Guiding principles of Center Parcs
Since Inception

1 Doing the right thing for our guests

2 Doing the right thing for our employees

3 Protecting stakeholder interests,
including our shareholder,
creditors and suppliers

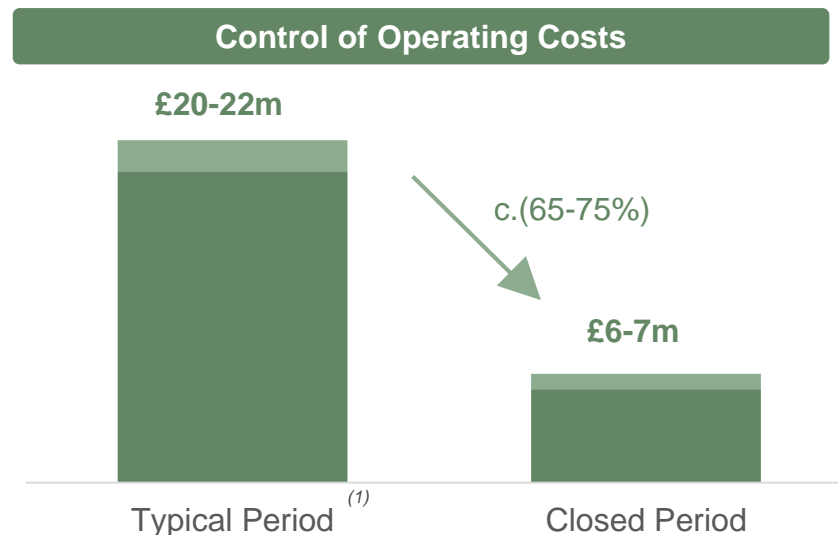
Successful outcome

Decisive actions to protect
the brand by always doing
the right thing

Leading to short and long
term benefits

We Took the Right Steps During the Lockdown

- We implemented strict cash management procedures and proactively managed our liquidity position during the lockdown
- Costs per period were reduced from £20-22m to £6-7m reflecting outperformance vs. previous guidance of a 50:50 fixed:variable cost base
 - ❑ Cessation of non-essential operating expenses and ensuring stringent cost control
 - ❑ Government support: Job retention scheme (majority of staff impacted, c.90% furloughed), 12-month business rates holiday (our annual rates cost is c.£24m), deferral of corporation tax and VAT payments
 - ❑ Re-phasing of capex projects – stopping c.90% of active projects
 - ❑ Significantly reduced marketing and minimising refunds through incentives to move dates



Note:

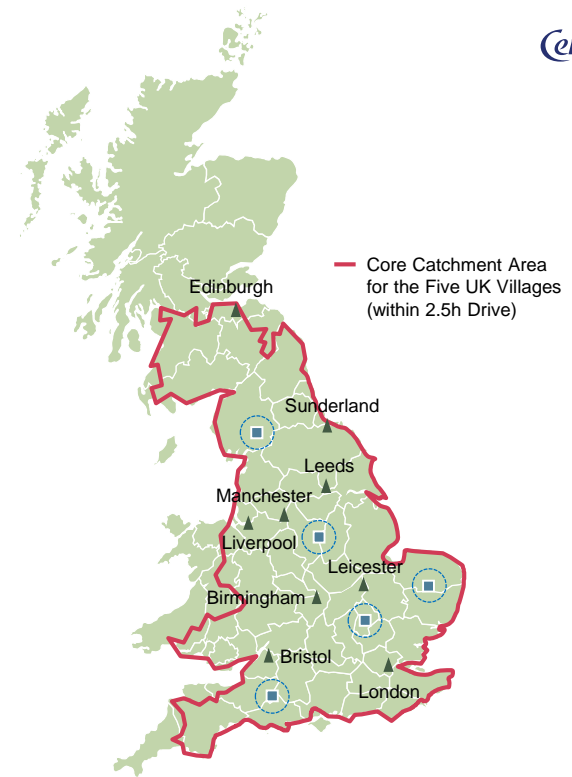
(1) Periods are four weeks in duration

Successful Reopening in a Safe and Responsible Way

- In the current environment Center Parcs has unique qualities that lead it to being a very attractive UK short break destination
- Center Parcs engaged with industry bodies to influence Government guidance demonstrating that Center Parcs is setting the standard for the leisure industry in a post COVID environment
- Center Parcs have developed a new operating Framework to ensure the Government's guidelines can be implemented effectively. This covers every detail of village operations including accommodation, food & beverage, leisure activities, retail and the pool and spa when they are allowed to reopen on 27th July
- Initially Center Parcs has reopened with occupancy capped at 65%
 - ❑ Safety guidelines are set by the government, not occupancy levels
 - ❑ The occupancy level is being reviewed frequently and will be ramped up as soon as Center Parcs management believe it is safe to do so

Our Guests Want to Come Back

- Although we have successfully reopened, capacity remains indirectly constrained by Government guidance
 - ❑ Customer demand is already exceeding expected operating capacity for some breaks
- Center Parcs historically 99% domestic tourism
 - ❑ Changing guest behaviours away from international travel in the short term may lead to increased demand
- Advance booking figures highlight the strength of our brand and loyalty of our customer base
 - ❑ Our bookings remain ahead of last year, with Q4 up 10%
 - ❑ Achieved with minimal marketing spend



Customer Survey¹

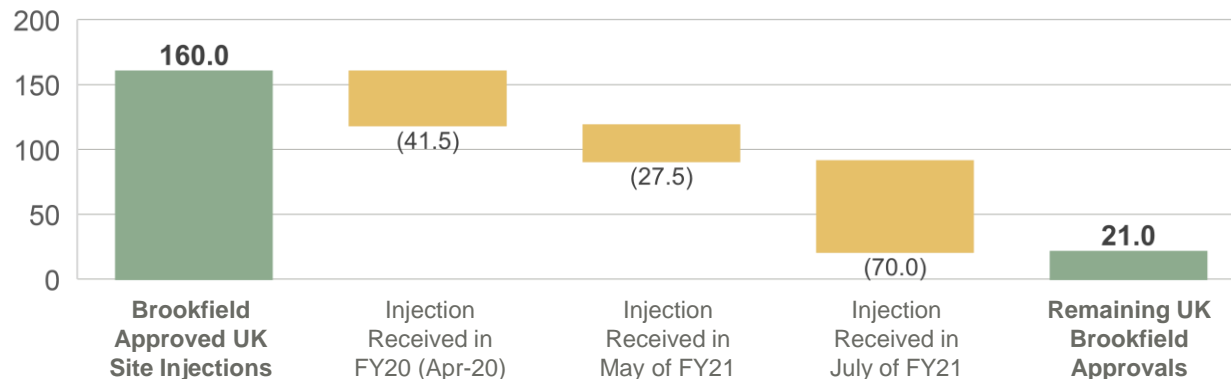
- Only 10% of those surveyed plan to take an international holiday this year
- Conversely only 15% do not plan to take a domestic holiday this year
- 75% of those planning a domestic break likely to visit Center Parcs

Note:

(1) Based on a survey of 2,152 guests conducted on 5th June.

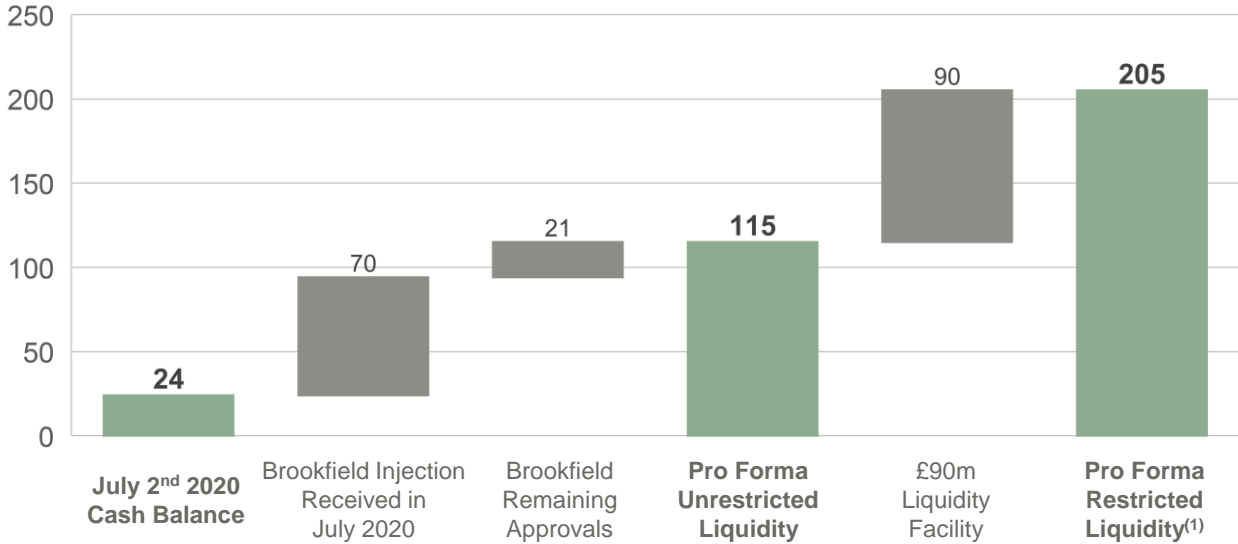
Shareholder Support from Brookfield

- As one of the largest investments in the BSREP II fund, Brookfield remain committed to supporting Center Parcs through the provision of additional capital
- Having assessed the situation carefully with the management team, Brookfield has received approval to inject up to £185m of capital across the entire Center Parcs group which we believe will provide sufficient liquidity, split as follows:
 - ❑ £160m for the UK sites
 - ❑ £25m for the Ireland site and other group companies
- To date, £139m of the approved £160m for the UK sites has been received
 - ❑ £41.5m received in April of FY20
 - ❑ £27.5m in May-20 and £70m in July 2020 (both FY21), with the balance of £21m available if required
- Brookfield continue to monitor the situation and will consider further capital injections if required by the business



Current Liquidity Remains Robust

- The underlying liquidity position of Center Parcs remains robust, testament to the strict cash management procedures implemented by management and ongoing shareholder support of Brookfield
- As of 2nd July 2020, cash on balance sheet was £24.1m
- In addition, we have access to a £90m undrawn committed liquidity facility, which is available to pay certain senior expenses and the Class A Note interest
- An additional £70m injection received from Brookfield post 2nd July 2020
- Furthermore, we will continue to monitor the capital markets and may look to tap the high yield bond market for additional liquidity should attractive opportunities arise



(1) £90m liquidity facility only available to service Class A interest and costs.

In Summary... Center Parcs Remains a Unique and Resilient Business

Credit Highlights	Relevance Today	Key Statistics
Clear Strategy Driven by Proven Management Team	Average tenor of management team is 15+ years	~2x EBITDA growth since 2008
Unique Offering and an Iconic Brand	Clear consistent business strategy drives consumer confidence	34% customers return within 14 months
Consistent Revenue and EBITDA Growth	Strong demand with Q4 bookings ahead of last year	6.3% FY09-FY19 EBITDA CAGR
Technology and Data Enabled	We know our clients and benefit from tailored marketing	86% online bookings
Operational Excellence and Resilience	Critical in a COVID world to maintain the highest standards	90%+ occupancy in each of the last 20 years
High Revenue Visibility and Strong Cash Conversion	Continued focus on ensuring healthy cash generation	87%+ cash conversion ⁽¹⁾
Well Invested Asset Base with Significant Barriers to Entry	More difficult to enter market in the current economic climate	~£350m cost to build a village

Note:

1. Cash conversion defined as Adjusted EBITDA less maintenance capital expenditure plus working capital and non-cash movements (less difference between the pension charge and contribution), expressed as a percentage of Adjusted EBITDA. 52 weeks ended 27 February 2020

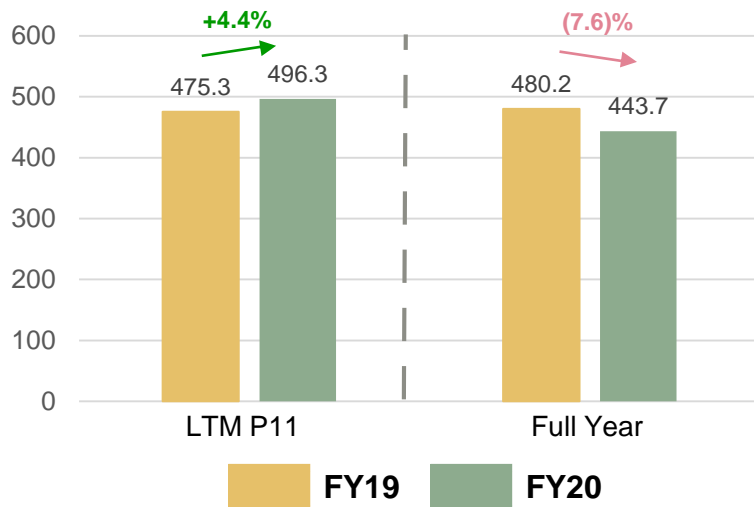
Section 2

Key Financial Highlights

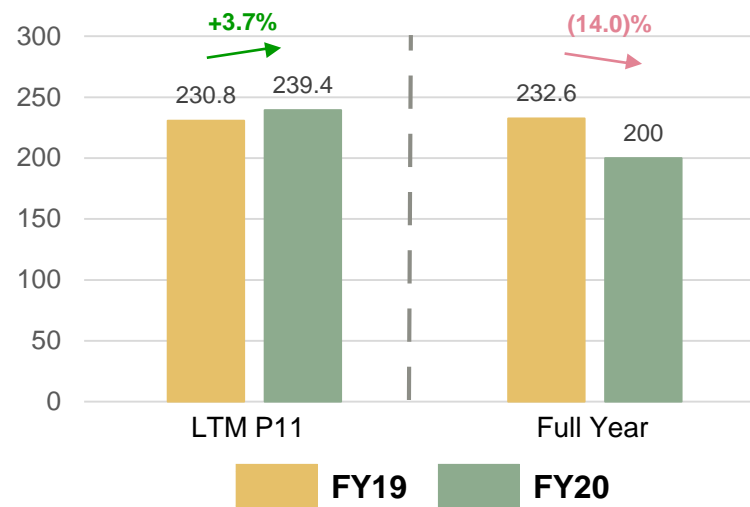


Key Financial Highlights

Revenue (£m)



EBITDA (£m)



Occupancy, ADR & RevPAL

	LTM P11 FY19	LTM P11 FY20	% change vs. P11 FY19	FY19	FY20	% Change vs FY19
Occupancy (%)	97.2%	97.3%	+0.1%	97.1%	88.0%	(9.4)%
ADR (£)	£189.72	£197.76	+4.2%	£191.74	£194.91	1.7%
RevPAL (£)	£184.35	£192.43	+4.4%	£186.08	£171.54	(7.8)%

Results Demonstrate Strong Business Performance Pre Closure

Revenue Performance



Revenue	LTM P11 FY19	LTM P11 FY20	FY19	FY20
Accommodation	60%	61%	61%	61%
On-Village	40%	39%	39%	39%
Total	£475m	£496m	£480m	£444m

Village Performance: LTM P11 2020



(£m)	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Woburn Forest	Central Overheads	Group
LTM P11 FY20 – Pre COVID-19 forced closure							
Revenue	105.1	103.3	95.7	94.8	97.4		£496.3m
EBITDA	59.1	55.3	51.7	48.5	50.7	(25.9)	£239.4m
Occupancy	97.6%	98.1%	97.8%	96.3%	96.7%		97.3%
Variance to LTM P11 FY19							
Revenue	+5.3%	+3.7%	+4.6%	+5.3%	+3.2%		+4.4%
EBITDA	+5.0%	+3.0%	+3.4%	+4.5%	+1.6%	(1.6)%	+3.7%
Occupancy	+0.6%	+1.3%	+1.5%	(2.0)%	(0.7)%		+0.1%

Note: P11 represents results for the 52 weeks ended 27 February 2020 (i.e. pre COVID-19 lockdown)

Village Performance: FY 2020



(£m)	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Woburn Forest	Central Overheads	Group
FY20							
Revenue	93.8	92.2	85.9	85.2	86.6		£443.7m
EBITDA	50.3	46.8	43.6	41.3	42.2	(24.2)	£200.0m
Occupancy	88.1%	88.6%	88.8%	87.4%	87.3%		88.0%
Variance to FY19							
Revenue	(6.9)%	(8.6)%	(6.8)%	(6.5)%	(9.0)%		(7.6)%
EBITDA	(11.3)%	(13.7)%	(13.3)%	(12.3)%	(15.9)%	6.6%	(14.0)%
Occupancy	(8.8)%	(8.4)%	(7.6)%	(10.5)%	(9.8)%		(9.1)%

WBS Current Capitalisation



Current Capitalisation					
<i>£ in millions</i>	FY20	x LTM P11 EBITDA	x FY20 EBITDA	Pricing	Maturity
Cash & Equivalents ⁽¹⁾	(36)	(0.2x)	(0.2x)		
Class A2 Notes	440	1.8x	2.2x	7.239%	Feb-24
Class A4 Notes	340	1.4x	1.7x	3.588%	Aug-25
Class A5 Notes	380	1.6x	1.9x	3.690%	Aug-28
Total Class A Debt	1,160	4.9x	5.8x		
Net Class A Debt	1,123	4.7x	5.6x		
Class B3 Notes	480	2.0x	2.4x	4.250%	Aug-22
Class B4 Notes	250	1.0x	1.3x	4.875%	Aug-25
Total Debt	1,890	7.9x	9.4x		
Net Debt	1,853	7.8x	9.3x		

- **LTM P11 EBITDA of £239m (+3.7% vs. same period in FY19)**
- **FY20 EBITDA of £200m**

Note: P11 represents results for the 52 weeks ended 27 February 2020 (i.e. pre COVID-19 lockdown)

(1) Includes £41.5m injection received by Brookfield in FY20 but excludes additional FY21 approved injections (£118m total for FY21).

Section 3

Capital Investment



FY20 Capital Investments



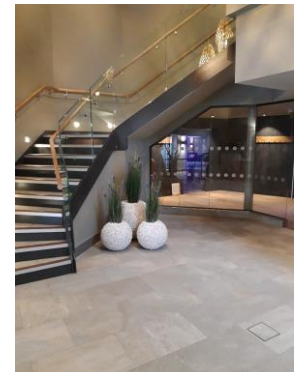
Capital Investments	FY19	FY20
Investment Projects	£16.7m	£5.7m
Accommodation Upgrades	£12.1m	£13.4m
New Builds	£10.3m	£6.2m
Total Investment Capital	£39.1m	£25.3m
Maintenance Capital	£27.1m	£27.5m
Total Capital Investment	£66.2m	£52.8m

FY20 Capital Investments

Whinfell Forest – New Builds & Arrivals Lodge



Longleat – Aqua Sana



Section 4

Ireland Update



Overview

- Following a successful opening in 2019, occupancy and trading results had stabilised and the last full trading period prior to the forced closure was the best to date
- Our Longford Forest holiday village in Ireland, which sits outside of the WBS structure, has been temporarily closed since Friday 13th March 2020
 - ❑ As per the booking terms and conditions, full refunds have been offered to guests for cancelled breaks
 - ❑ As an alternative, guests have also been offered an incentive to move dates, which has seen a similar acceptance rate to the UK sites
- On 23rd June, we confirmed a reopening date of Monday 13th July
- Center Parcs have developed a new operating framework to ensure the Government's guidelines can be implemented effectively when the village reopens, covering every detail of village operations
- Bookings are ahead of the same time last year since 13th July reopening date announced

Section 5

Amendment Overview



Background & Rationale



- Center Parcs entered the COVID-19 lockdown with the full support of our shareholder, Brookfield, who have approved a capital injection of up to £160m into the UK sites
- Together with the cost savings that have already been implemented we expect to maintain a robust liquidity position to provide headroom for further downside scenarios
- Whilst we anticipate that we will comply with our financial covenants on the coming test dates, we are seeking further headroom and protection given the operational restrictions post-opening and the risk of further closures of one or more of the holiday villages over the coming periods
- A summary of the proposed consent request is outlined on the following slide

Amendment Key Terms & Conditions

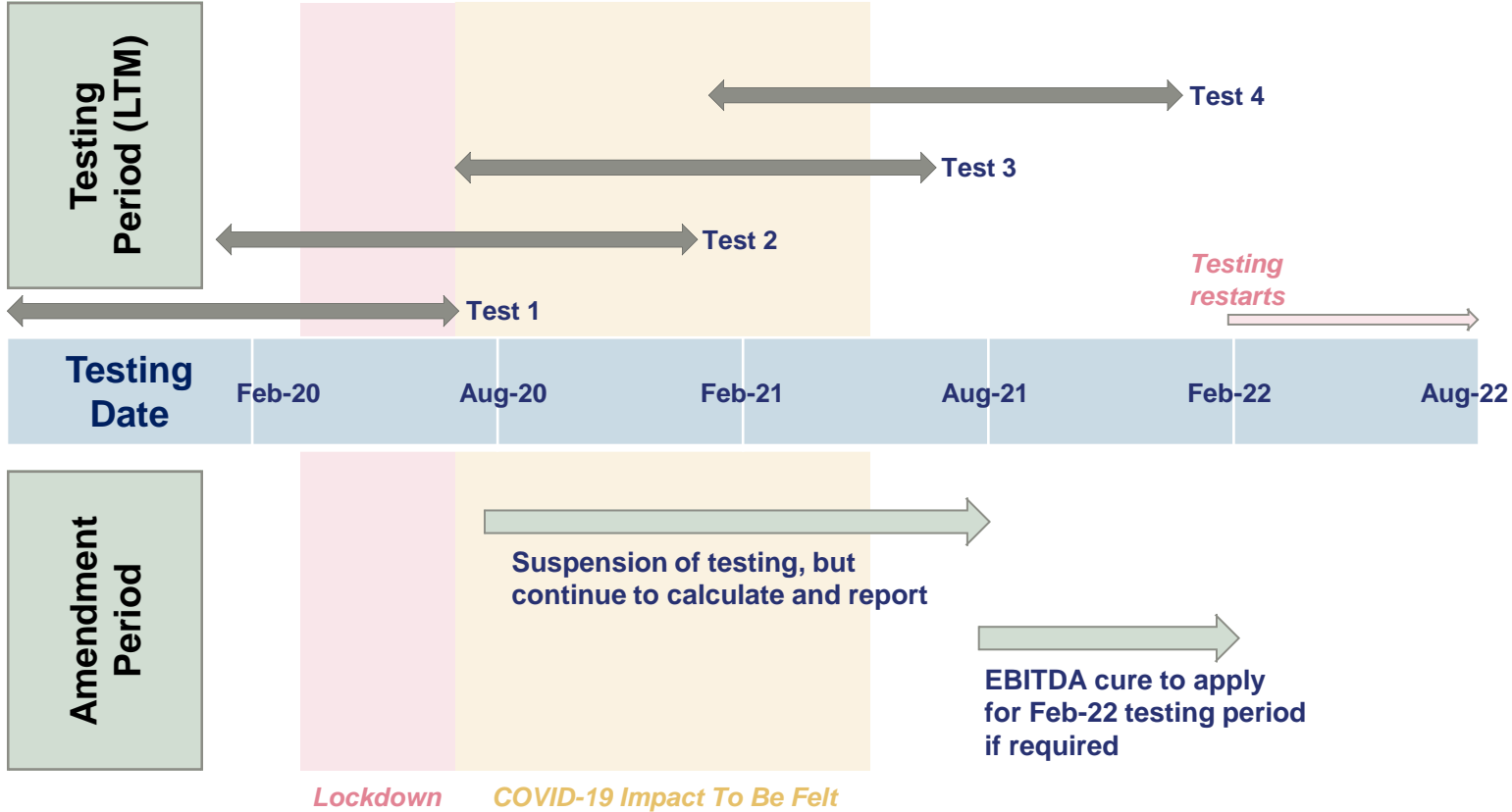


Summary Amendment Terms

- Temporary waiver of the testing of the 110% Class A and 100% Class B FCF DSCR Covenants in respect of the Financial Covenant Test Dates falling August 2020, February 2021 and August 2021 (the next 3 testing dates)
 - ❑ Center Parcs will continue to calculate and report the covenants throughout the waiver period
- Testing will reconvene in Feb-22. For the Feb-22 test date, FCF will be amended to allow Center Parcs to add equity proceeds received during the testing period to EBITDA in order to pass the covenant tests
- Amendment of the Class A IBLA to allow proceeds of up to £75m raised via Class B issuance to be available to make payments on Class B loans/notes without being subject to the Class A Restricted Payment Conditions (including 135% Class A FCF DSCR) during the waiver period
- For the period that the temporary testing suspension of the Class A and Class B FCF DSCR covenants is in place, the Obligor Group will not make any dividends or other restricted payments

Amendment Key Terms & Conditions

Summary Amendment Period



Voting Mechanics & Timeline

Voting Mechanics

- The proposed waiver of the Class A financial covenant involves an Ordinary Resolution of the Class As. The proposed amendments require an Extraordinary Resolution of the Class As and a Resolution of the Class Bs. The quorum and consent requirements for each of these resolutions is outlined below.
- Notes of each class will vote together as a single class (i.e. one vote across Class A and one vote across Class B)
- Center Parcs are offering to pay a fee of 10bps to investors who submit a valid instruction before the deadline⁽¹⁾

		Class A						Class B	
		Ordinary Resolution		Extraordinary Resolution					
		Initial	If quorum not met	Initial	If quorum not met				
Quorum Requirement	One or more Eligible Persons present and holding or representing in the aggregate at least one third of the Principal Amount Outstanding of the Bonds	One or more Eligible Persons present whatever the aggregate Principal Amount Outstanding of such Bonds	One or more Eligible Persons present and holding or representing in the aggregate more than fifty per cent. (50%) of the Principal Amount Outstanding of the Bonds	One or more Eligible Persons present whatever the aggregate Principal Amount Outstanding of such Bonds	Quorum Requirement	There is no quorum requirement in order for the Resolution to be passed			
Requisite Consents	Majority of more than one-half of the Eligible Persons voting		At least three-quarters (75%) of the Eligible Persons voting		Requisite Consent	To pass, the Resolution must be supported by a majority of the aggregate principal amount outstanding . If passed, the Resolution will be binding upon all of the Class B holders, whether or not voting			

July 2020						
M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August 2020						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Summary of Key Events	
17th July	<ul style="list-style-type: none"> • Launch Class A and Class B consent • FY20 Results Released
28th July	<ul style="list-style-type: none"> • Class B3 / B4 consent closed – 7 BDs after launch
10th August	<ul style="list-style-type: none"> • Class A consent closed – 21 clear days after launch (or earlier if sufficient support is received)

(1) Fee payment conditional on the proposal being approved.

Section 6

Summary



Summary

<p>Successful Reopening of Sites With Guests Eager to Return</p>	<ul style="list-style-type: none"> ➤ Q4 bookings up 10% versus last year ➤ Continue reviewing and amending all operating procedures with safety the priority ➤ While focusing on delivering the right guest experience, strong cost and cash controls remain in place post opening
<p>Management Taking All The Right Steps</p>	<ul style="list-style-type: none"> ➤ Working with industry bodies to set the standard for the leisure industry in a post COVID-19 environment ➤ Revised operating procedures to ensure guest and employee safety ➤ Strict cash management during period of village closure, reducing monthly operating costs from pre-COVID-19 levels
<p>Fully Committed Shareholder in Brookfield</p>	<ul style="list-style-type: none"> ➤ Brookfield are committed to supporting the Business and have already provided £139m of funds across the UK sites since COVID-19 lockdown ➤ Brookfield continue to monitor the situation and will consider further capital injections if required
<p>Results Demonstrate Strong Business Performance Pre Forced Closure</p>	<ul style="list-style-type: none"> ➤ Pre COVID-19 forced closure, LTM P11⁽¹⁾ revenue and EBITDA grew by 4.4% and 3.7% respectively ➤ Results demonstrate the continued strong underlying business performance of Center Parcs
<p>Underlying Business Liquidity Remains Robust</p>	<ul style="list-style-type: none"> ➤ Access to the £90m undrawn liquidity facility if required⁽²⁾ ➤ Careful monitoring of the capital markets should attractive opportunities arise to further enhance liquidity

(1) P11 represents results for the 52 weeks ended 27 February 2020 (i.e. pre COVID-19 lockdown)

(2) £90m liquidity facility only available to service Class A interest and costs

Financial Calendar & Contacts



Financial Calendar

Late August 2020

Quarter 1 results FY21 for the 12 weeks to 16 July 2020

November 2020

Quarter 2 results FY21 for the 24 weeks to 08 October 2020

Contacts

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