



Center Parcs

Investor Presentation

Results: 36 weeks to 29th December 2016

3rd February 2017



Sections



1.		Overview	3
2.		Key Financial Highlights	5
3.		Capital Investment and Projects	11
4.		Summary	20
Appendix: Financial Calendar and Contacts			22

A scenic view of a lake with people in kayaks and a building in the background. The lake is surrounded by a dense forest of tall evergreen trees. In the foreground, there are green bushes. In the middle ground, several people are kayaking on the water. A yellow kayak is on the left, a green kayak is in the center, and a yellow kayak is on the right. In the background, there is a building with a green roof and a white wall, and a small dock with a flag. The sky is blue with some clouds.

Section 1 Overview



FY17 Highlights

Q3 Performance

- ✓ Q3 Revenue and EBITDA growth of 3.5% and 6.3% respectively.
- ✓ Q3 adversely impacted by timing of New Year breaks and more off-line lodges compared to the prior year.

Year to date

- ✓ Growth in accommodation continues to be stronger than on-village spend.
- ✓ Total capex of £64.4m - more than double prior year spend.

Outlook

Forward bookings⁽¹⁾ remain very strong

- ✓ **FY17** – 92.0% of FY17 capacity booked (FY16: 92.5%), with strong ADR growth expected in Q4.
- ✓ **FY18** – Forward bookings and ADR growth consistent with current year trends.

(1) bookings as at 26th January 2017

(2) as at 31st January 2017





A scenic view of a lake with a forested background. In the center, there is a building with a green roof and a covered walkway. Several people are on the water: a yellow inflatable ring on the left, a small green boat with people in the center, and a yellow kayak on the right. The foreground is filled with green foliage. The sky is blue with light clouds.

Section 2

Key Financial Highlights



5 Villages			5 Villages		
Q3	% change v FY16			YTD to Q3	% change v FY16
£104.3m	↑ 3.5%	Revenue		£312.6m	↑ 3.9%
£49.3m	↑ 6.3%	EBITDA ⁽¹⁾		£155.2m	↑ 5.6%
47.3%	↑ 1.3%	Operating Margin ⁽¹⁾		49.6%	↑ 0.8%
96.8%	↓ (2.0)%	Occupancy		97.0%	↓ 1.1%
£185.71	↑ 7.4%	ADR		£185.16	↑ 6.0%
£179.79	↑ 5.2%	RevPAL		£179.59	↑ 4.9%

⁽¹⁾ before exceptional items



strong underlying performance in Q3



5 Villages			5 Villages	
Q3	% change v FY16		YTD to Q3	% change v FY16
<u>£m</u>		<u>Revenue</u>	<u>£m</u>	
62.5	+5.4%	Accommodation	187.3	+5.2%
41.8	+0.7%	On-village	125.3	+2.0%
<u>104.3</u>	<u>+3.5%</u>	Total	<u>312.6</u>	<u>+3.9%</u>

1. **Overview:** Q3 adversely impacted by timing of holidays; 2% more accommodation off-line for refurbishment vs prior year
2. **Accommodation:** strongest quarter of ADR growth this year, despite holiday timing
3. **On-parc Revenue:** *underlying year to date growth c3%*, taking into account holiday timing and closures for refurbishments
4. **Forward bookings:** FY17 – Q4 expected to be strongest quarter; positive early booking trends continued into FY18



			Sherwood	Elveden	Longleat	Whinfell	Woburn	Central Overheads	Group
1.	Occupancy		96.8%	97.6%	96.1%	97.0%	97.4%		97.0%
	% change v FY16		(0.8)%	(1.3)%	(2.6)%	(0.9)%	+0.3%		(1.1)%
2.	Revenue	£m	64.5	66.0	61.1	60.0	61.0		312.6
	% change v FY16		+3.5%	+4.8%	+2.5%	+4.0%	+4.5%		+3.9%
3.	EBITDA ⁽¹⁾	£m	36.6	36.5	33.2	32.4	33.5	(17.0)	155.2
	% change v FY16		+4.0%	+5.8%	+3.4%	+5.9%	+5.0%	(0.6)%	+5.6%

- Occupancy:** 2% more off-line accommodation in Q3 vs prior year; however will be less off-line accommodation in Q4.
- Revenue:** no material differences in performance between the villages, adjusting for the impact of major capex projects.
- EBITDA:** increased margins reflecting stronger performance from higher margin accommodation; timing of New Year breaks estimated to benefit EBITDA by c£2m in Q4.

⁽¹⁾ before exceptional items



1.

Free Cash Flow £m

12 months to
29th Dec 2016EBITDA⁽¹⁾

206.0

Change in working capital

4.3

Tax paid

(1.1)

Covenanted Maintenance capital⁽²⁾

(18.5)

FCF**190.7**

2.

Pro-forma Debt Service

£m

Class A Interest payable items⁽³⁾

46.3

Class B total Interest payable

39.2

Total Interest Payable Items**85.5**⁽¹⁾ Before exceptional items⁽²⁾ As per covenant definition of minimum spend required⁽³⁾ Includes liquidity facility fees and is net of interest receivable

FCF remains very strong; enabling £7.5m dividend in Q3 to fund new site in Ireland



3.

Financing Ratios	£m ⁽¹⁾	EBITDA Multiple
Gross Debt	1,491.1	7.2x
Cash	(13.7)	
Net Debt	1,477.4	7.2x

4.

Financial Covenants	Actual	Default Covenant	RPC Test
(i) Class A - FCF : DSCR	4.1x	1.1x	1.35x
(ii) Class B - FCF : DSCR	2.2x	1.0x	

⁽¹⁾ Excludes debt issue costs of £22.3m



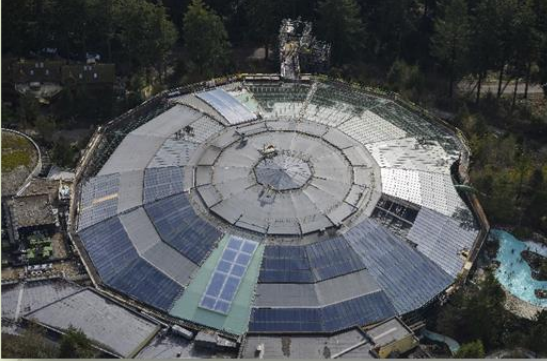
gross debt: EBITDA multiple continues to fall

A scenic view of a lake with a forested background. In the center, a building with a green roof and a covered walkway is visible. Several people are on a small boat in the water. The foreground is filled with green foliage. The sky is blue with some clouds.

Section 3 Capital Investment and Projects

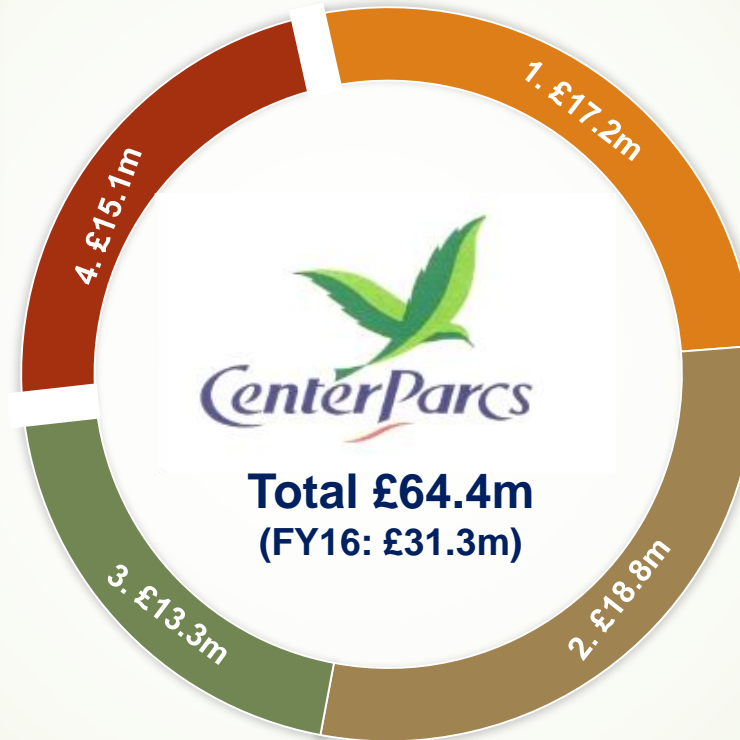


4. Maintenance Capital



**Maintenance
Capital
£15.1m
(FY16: £13.2m)**

3. New builds



1. Investment Projects



**Total Investment
Capital
£49.3m
(FY16: £18.1m)**

2. Accommodation upgrades



significant step up in investment capex spend

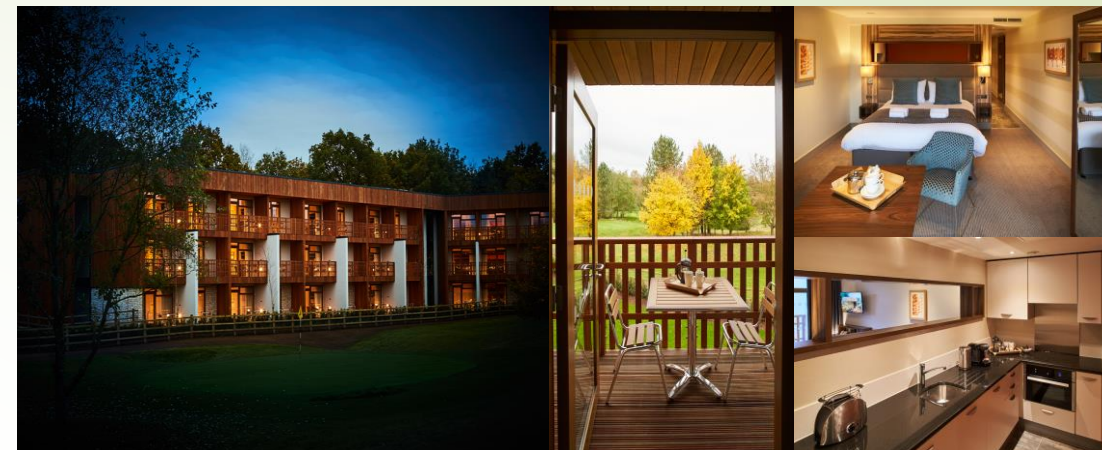
⁽¹⁾ Capex numbers are based on a cost incurred rather than a cash flow basis

New Builds: completed this financial year



4 x Treehouses Elveden

Opened July 2016



48 x One Bed Apartments: Elveden

Opened November 2016



18 x 3 bed Executive Lodges: Woburn

Opened August 2016



2 x Spa Suites: Woburn

Opened December 2016



all new builds trading well with very high R.O.C.



57 x Executive Lodges: Woburn

Opening September 2017



6 x Executive Lodges: Longleat

Opening April 2017



10 x Exclusive Lodges: Whinfell

Opening July 2017



Elveden:

Demolition of existing 88 x 1 bed hotel

Additions: 51 x 1 bed Apartments

4 x Waterside Lodges

9 x 3 bed Executive Lodges

Opening Spring 2018

“Project 900” – 28 x New builds at Sherwood



12 x 3 bed Executive Lodges



10 x 3 bed Executives with Hot Tub
(new lodge type)



1 x 6 bed Woodland Lodge
(new lodge type)

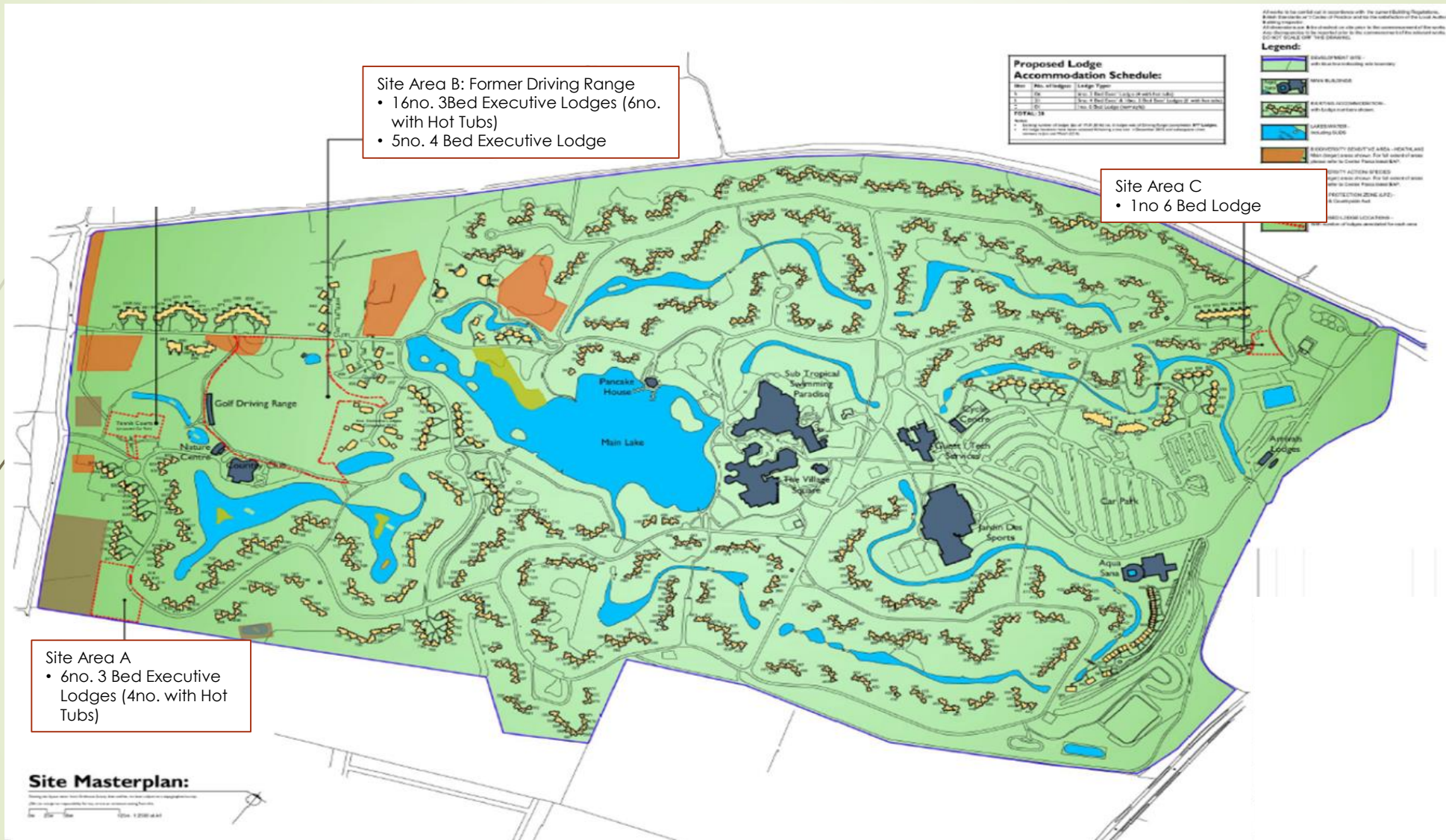


5 x 4 bed Executive Lodges with Games Room



Start on site end of Feb 2017

Overview of 3 new development areas at Sherwood



Planned opening December 2017; total cost = c£8m



Refurbishment of accommodation



Average cost per
Lodge
£27,500



Plan to refurbish
c400 lodges p.a.
from FY18



Total cost of
c£11m per annum

- First 125 lodges at Elveden completed June 2016.
- Next phase of 125 lodges at Elveden commenced in January 2017, completes May 2017.
- Plan to refurbish c100 lodges x 4 villages in FY18



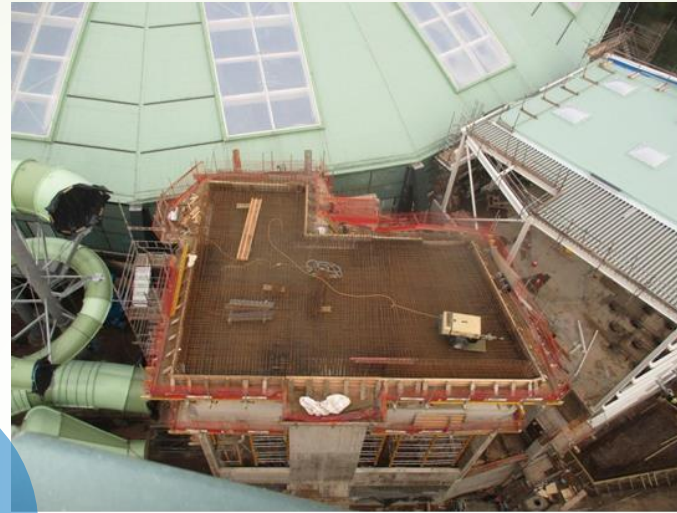


Longleat Forest
Cost: £11.6m
Complete: Summer 2017

Toddler
pool



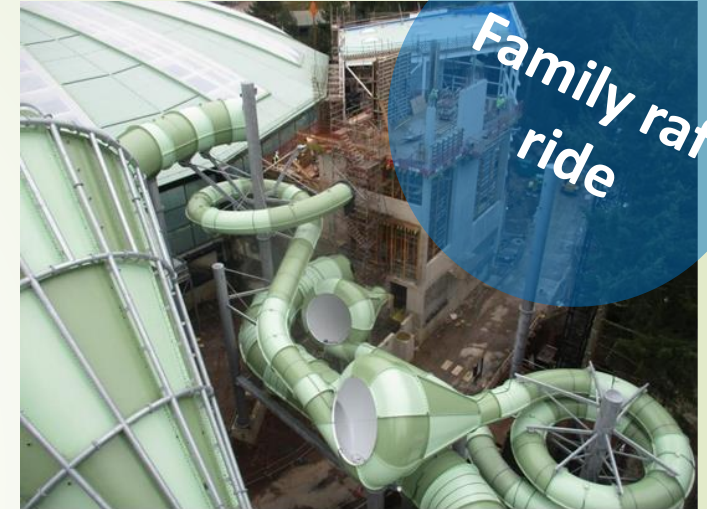
Venture
Cove



Two person
ride



Family raft
ride



project progressing to plan; ADR uplift expected post opening

Sherwood Spa upgrade



£3m+
investment

Treetop
Sauna



Nordic
Sauna



Opening in phases; all complete March 2017

A scenic view of a lake with people in kayaks and a building in the background. The lake is calm with some ripples. In the background, there is a building with a green roof and a sandy area with some equipment. The sky is blue with some clouds. The foreground is filled with green foliage.

Section 4 Summary



Q3 delivered strongest underlying quarterly performance this year.



Stronger growth expected in Q4 – reflecting benefits of holiday timing and less off-line lodges.



Increased investment capex delivering good returns.



Strong forward bookings in FY17 and FY18 – for both occupancy and ADR growth.

Financial Calendar and Contacts



Financial Calendar

- **3rd February 2017**
Quarter 3 results FY17 for 36 weeks to 29th December 2016
- **Mid June 2017**
Full year results FY17 for 52 weeks to 20th April 2017
- **Mid August 2017**
Quarter 1 results FY18 for 12 weeks to 13th July 2017

Contacts

- **Paul Mann**
Group Financial Accountant
Tel: 01623 821 649
Email: paul.mann@centerparcs.co.uk
- **April Stobbart**
Legal Manager
Tel: 01623 821 867
Email: april.stobbart@centerparcs.co.uk
- **Paul Inglett**
Finance Director
Tel: 01623 821 621